Unlocking the value of location data

1Spatial plc **Annual Report 2021**

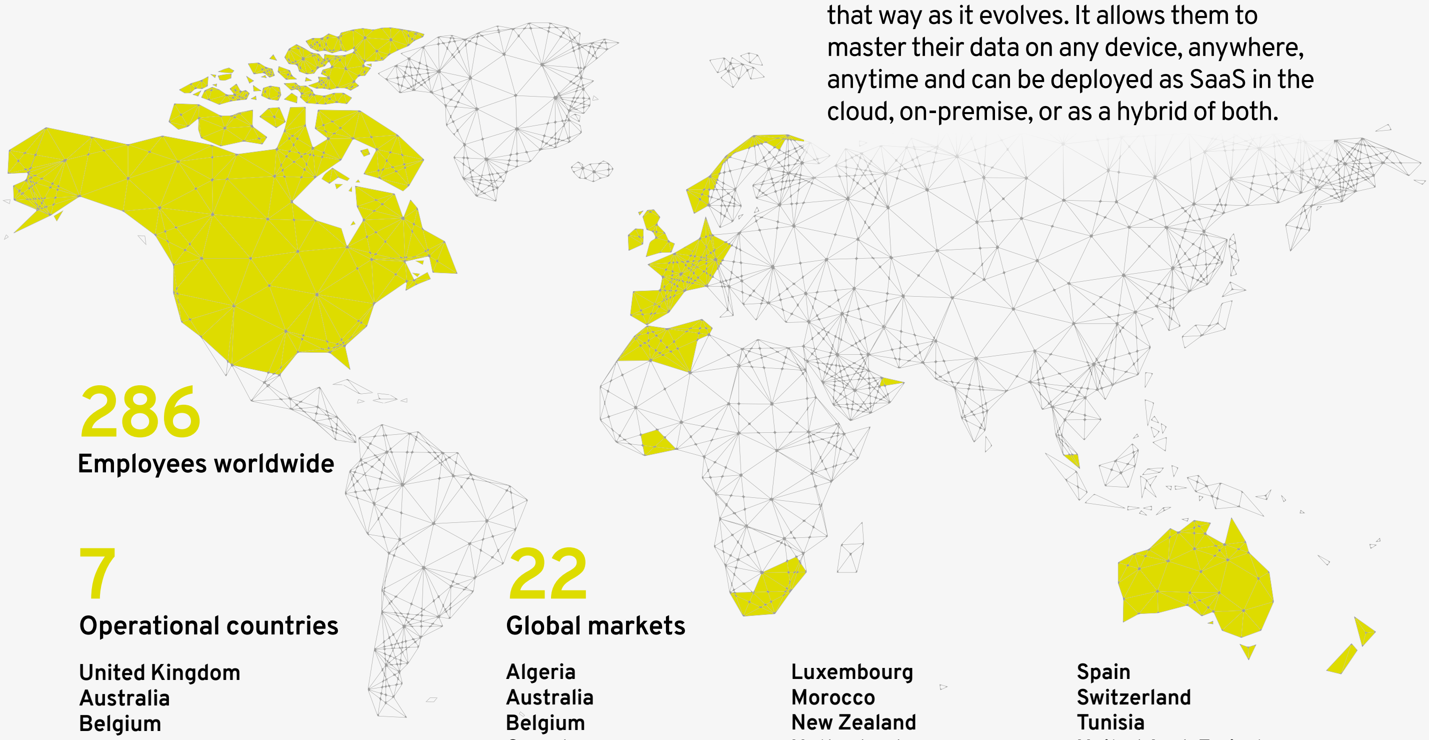
UNLOCKING THE VALUE OF LOCATION DATA

1Spatial is a global leader in providing Location Master Data Management (LMDM) software, solutions and business applications, via the 1Spatial Platform.

Why we do it
Today, when using and sharing trusted data provides significant opportunities for businesses and governments to deliver against important sustainability and Net Zero goals, our vision is clear – to make the world safer, smarter and more sustainable by unlocking the value in data, enabling better decisions and greater insights.

How we do it
Our solutions ensure data governance, facilitating the efficient, effective and sustainable operations for our customers around the world. Our domain expertise and data agnostic approach allows us to be an integral and important part of the Geospatial Ecosystem, supporting the wider digital economy.

What we do
The 1Spatial Platform is a comprehensive set of data and system agnostic LMDM software components which helps ensure master data is compliant, current, complete, consistent, and coordinated – and that customers can be confident it will remain that way as it evolves. It allows them to master their data on any device, anywhere, anytime and can be deployed as SaaS in the cloud, on-premise, or as a hybrid of both.



286
Employees worldwide

7
Operational countries

United Kingdom
Australia
Belgium
France
Republic of Ireland
Tunisia
USA

22
Global markets

Algeria
Australia
Belgium
Canada
Denmark
France
Germany
Ivory Coast
Luxembourg
Morocco
New Zealand
Netherlands
Norway
Republic of Ireland
Singapore
South Africa
Spain
Switzerland
Tunisia
United Arab Emirates
United Kingdom
USA

KEY INDUSTRY SECTORS

GOVERNMENT

Helping Governments manage, share and use data to accelerate delivery of economic, social and environmental benefits, enabling better decisions and greater insights.

SEE PAGES 26 AND 27

UTILITIES

Providing utility organisations with confidence in their data as they increasingly transform into digital organisations with machine learning, digital twins and preventative action now becoming common practice.

SEE PAGES 26 AND 27

TRANSPORTATION & INFRASTRUCTURE

Enabling organisations to effectively manage complex supply chains, deliver a dependable service and excellent customer experience, whilst reducing carbon emissions and environmental impacts for the industry.

SEE PAGES 26 AND 27

OUR PARTNERS

OVER 1,000 CUSTOMERS

Smarter data, smarter world

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Governance Report

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WHY INVEST IN 1SPATIAL

Growing market opportunity

- We sit right at the heart of changes happening now across multiple sectors, enabling a smarter, safer and more sustainable world. Whether that be in helping governments and energy providers prepare to meet the green agenda, supporting the investment in infrastructure upgrades as the world's economies prepare for post-Covid recovery, or implementing digital transformation strategies.
- We are investing in our global partner strategy to take advantage of this growing market opportunity.
- The USA presents a significant growth opportunity for the Group.

Long-standing location data expertise

- We are pioneers in the cleansing of location data.
- Our market leading technology powers some of the world's largest location data implementations.
- We understand the complexity of location data formats and sources, the rules that need to be applied and the issues that arise.
- High barriers to entry.

Valuable customer base

- We have an extensive customer base of over 1,000 organisations, providing a strong basis for growth through upsell of additional services and products.
- We benefit from high levels of customer retention.

Scalable business model

- We are transitioning to a SaaS delivery and business model, with a growing proportion of recurring software revenue.
- We are building an elastic, multi-tenant cloud platform to support increased market penetration and scalable growth.
- Our valued partners provide additional sales and marketing reach.

Strengthening financial position

- We are delivering growing revenues, with our global offering and clients in 22 countries.
- Our focus on growing recurring subscription term licences, our SaaS strategy and other recurring revenue on long-term contracts.
- Positive adjusted EBITDA and cash generative.
- Strong balance sheet with net cash position.

Highlights

A QUICK LOOK AT HOW WE'VE PERFORMED

GROUP FINANCIAL HIGHLIGHTS

Measure	2021	2020	Change
Revenue	£24.6m	£23.4m	▲ 5%
Gross Margin (%)	53%	52%	▲ 1pp
Adjusted EBITDA*	£3.6m	£3.2m	▲ 12%
Adjusted EBITDA* Margin (%)	14.8%	13.8%	▲ 1.0pp
Operating Loss	£(1.2)m	£(1.5)m	▲ 19%
Loss Before Tax	£(1.4)m	£(1.7)m	▲ 17%
Loss Per Share – Basic and Diluted (p)	(1.0)p	(1.4)p	▲ 29%
Operating Cash Generated	£4.0m	£0.6m	▲ 596%
Free Cash Flow**	£0.9m	£(2.4)m	▲ £3.3m

▲ = Improved performance

- Recurring Revenue up 10% to £10.6m (FY20: £9.6m) and 43% of total revenue (FY20: 41%)
- Annualised Recurring Revenue ("ARR")*** up 10% to £11.2m (FY20: £10.2m)
- Operating cash generated increased by 596% to £4.0m (FY20: £0.6m)
- Gross cash at year-end up £2.2m to £7.3m (FY20: £5.1m)
- Net cash at year-end of £4.3m (FY20: £3.9m)

* Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items.

** Free cash flow is defined as net increase/(decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.

*** Annualised Recurring Revenue is the annualised value at the year-end of committed recurring contracts for licences and support & maintenance.

GROUP OPERATIONAL HIGHLIGHTS

- Robust response to Covid-pandemic with successful remote working for all employees and continued interaction with customers and prospects
- Completed integration of Geomap-Imagis acquisition
- New customer wins in all regions, including multi-year contracts with the State of Michigan (US), Environment Agency (UK), US Geological Survey (US), Seine Grand Lacs (France), the State of California's Office of Emergency Services (US)
- 29% revenue growth in the US
- Land and expand strategy driving revenue growth from existing customers, including Northern Gas Networks (UK), Google and a large French water utility company
- Award of first Esri Network Utility Model migration in the UK
- Continued R&D investment in innovative solutions with successful release of cloud-based 1Data Gateway solution
- Progress on partner strategy with prestigious partner award from Esri and a new partnership engagement with Ordnance Survey

CURRENT TRADING & OUTLOOK

- Trading in the current financial year has been in line with management's expectations
- Key contracts signed in FY 2022 include the Energy Networks Association, Ordnance Survey, Rural Payments Agency and Google
- The pipeline of sales opportunities and committed revenue in all regions is significantly stronger than a year ago

"The size of the opportunity ahead and increased win rate provides me and the Board with confidence that we are well placed to deliver sustainable growth at scale and that 1Spatial has an exciting long-term future."

Andrew Roberts

NON-EXECUTIVE CHAIRMAN

2021 PERFORMANCE

5%

Group revenues increased by 5% to £24.6m (FY20: £23.4m)

12%

Adjusted EBITDA* increased by 12% to £3.6m (FY20: £3.2m)

Despite the temporary hiatus caused by the pandemic in some parts of the Group, this year has seen us achieve good progress on both our financial goals and strategic development. The two main contributors to our robust trading results were the resilience of the industry markets we target, being Government, Utilities and Transport, and the quality of our people, who swiftly adapted to home working and remote delivery of projects, while continuing to innovate.

Despite a Covid-19 related dip in new business generation in the first half, the second half of the year showed a strong performance, with a number of significant contract wins and new clients added in all geographies. It was rewarding to see the smart partnership programme starting to bear fruit, with joint wins with Ordnance Survey, Esri, and Michael Baker and smaller vendors, in a host of clients.

We continue to transition our core technology, products and services to meet the growing demand for SaaS-based repeatable solutions that will give us much higher levels of growth and recurring revenue. At the same time we are investing hard in developing an increasingly valuable portfolio of location based data applications to really capitalise on the increasing demand we are seeing for useable, accurate Industry applications that can dramatically improve the economics and business models of our clients.

As with many industries, the pandemic has driven an acceleration of digital transformation initiatives across our customer base. These, coupled with government initiatives such as increased infrastructure investment and the launch of sustainability programmes, are driving a substantial heightening of awareness and comprehension of the value of location-based data across the globe, providing an increasingly supportive market backdrop for our offerings.

Financials

As in the prior year, our key financial objectives in FY21 were to grow recurring revenues, ensure improved profitability at adjusted* EBITDA level and improved operating cash generation. While Covid-19 slowed the rate of new customer wins through the middle part of the year, particularly in our French operations, the results for the year ended 31 January 2021 reflect the ongoing improvement in these metrics. We have delivered a robust financial performance, growing revenues and adjusted EBITDA profit levels, whilst achieving the important milestone of generating positive free cash flow**.

Group revenues increased by 5% to £24.6m (FY20: £23.4m), with recurring revenue, as a percentage of total revenue, increasing to 43% (FY20: 41%), as the business focuses on developing and selling repeatable software solutions under a SaaS model. Adjusted EBITDA* increased by 12% to £3.6m (FY20: £3.2m) with a higher margin of 14.8% (FY20: 13.8%). Operating cash inflow (before strategic, integration and other non-recurring items) more than doubled to £4.2m (FY20: £1.9m) with the Group being free cash flow** positive £0.9m, even after non-recurring one-off items.

These positive results, delivered against the difficult backdrop of the pandemic, provide the business with a strengthening financial footing on which to continue to carefully invest in our products and operations in order to capture more of the growing location data market.

Board and corporate governance

We welcomed Andrew Fabian to the board as Interim CFO in June 2020 and were pleased to formalise his appointment as CFO in October 2020. His understanding of technology businesses and the transition to the cloud is proving incredibly valuable and he is a great addition to the team.

Corporate governance is continually assessed at 1Spatial and we have provided more information on this in the Corporate Governance Report included in this Annual Report. Peter Massey is Chair of the Remuneration Committee, Francis Small is the Chair of the Audit Committee and I am Chair of the Nomination Committee.

Our people

This year, more than ever, we have seen the quality of our teams shine through. Their energy, commitment and passion for customer service has not wavered through this, the most difficult of years for many and I would like to thank every member of 1Spatial for all the effort they have exerted on our customers' behalf. Our priority continues to be on ensuring the wellbeing of our teams around the world, providing them with the right, healthy environment to continue to deliver the high-quality service our customers expect of 1Spatial.

Environmental, Social and Governance (ESG)

At 1Spatial we are striving to make the world safer, smarter and more sustainable for the future. We provide our clients with solutions to support their ESG goals and as a Company we are proactive in evaluating what we can do to innovate and reduce our impact on the environment.

We help our customers unlock the hidden value in their data and provide significant opportunities to support businesses and governments to deliver against important sustainability goals. Be it horizontally between internal business departments, vertically up and down the external supply chain, or across a vast public accessed information infrastructure, our solutions underpin the efficient, effective and sustainable operation of established and emerging industries.

Given the nature of what we do, we have a low impact on the environment but we do lots of things to improve and offset our carbon footprint such as donations to the Woodland Trust to offset travel. From a social perspective we have an active team which has been really focussed during the Covid period on mental health and wellbeing activities. From a governance perspective we have a number of accreditations to ensure appropriate safeguarding our customer's data.

Looking forward

We have entered the new year with a record level of contracted future revenue, a wide range of customers in stable industry segments and growing proof of delivery both in Europe and the USA. We will continue to monitor the evolving situation in relation to Covid-19, the size of the opportunity ahead and increased win rate provides me and the Board with confidence that we are well placed to deliver sustainable growth at scale and that 1Spatial has an exciting long-term future.

Andrew Roberts
NON-EXECUTIVE CHAIRMAN
27 April 2021

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“Growing industry need has led to growth in our customer numbers, revenues and pipeline of opportunities.”

Claire Milverton

CHIEF EXECUTIVE OFFICER

We entered FY21 in a considerably improved financial and strategic position, following the successful conclusion of the three-year turnaround plan and were set for a year of growth. The emergence of the Coronavirus in early 2020 re-shaped the year for us, as it did for so many businesses. While our growth aspirations were held back temporarily, we are proud of how our teams responded to the new challenges and of the results delivered for the year.

Increasingly supportive market backdrop

There has been a groundswell of interest in our offerings across our chosen markets and industries and we feel that we are at the beginning of a new growth trajectory. There is a growing awareness across multiple industries, not only that location data is a vital element in the delivery of better, faster and safer services, but that the data needs to be accurate and shareable. Location data is increasingly being used as the main points of reference when connecting multiple systems.

In the past our offerings have been used to address needs such as increased efficiencies or cost savings but more and more we see the drivers of interest being around sustainability, health and safety and infrastructure investment. Our rules engine, 1Integrate, and cloud portal, 1Data Gateway, launched in the year, are increasingly recognised as powerful tools to ensure good quality data and trust when sharing data. We have delivered our solutions to support new systems, such as the next generation 911 system in California and the official base-map for the State of Michigan.

At the macro level, we believe themes such as the United Nations (UN) 17 Sustainable Development Goals (SDGs), a universal call for action to end poverty, hunger and protect the planet, and specific government initiatives, such as President Biden's “once in a generation” spending plan to invest trillions of dollars into infrastructure and climate change projects, will be long-term drivers of the need for accurate location-based, shareable data.

This growing industry need has led to growth in our customer numbers, revenues and pipeline of opportunities.

Continued investment in innovation

We have continued to invest in our product offering through the year, both in 1Integrate and 1Data Gateway, but also in business applications targeting specific industries, such as 1Water and the arcOpole Pro government application in France. Our next generation cloud LMDM platform is on track for launch towards the end of the current financial year, bringing together all of our offerings in the cloud, providing greater flexibility of delivery and pricing.

Resilient performance

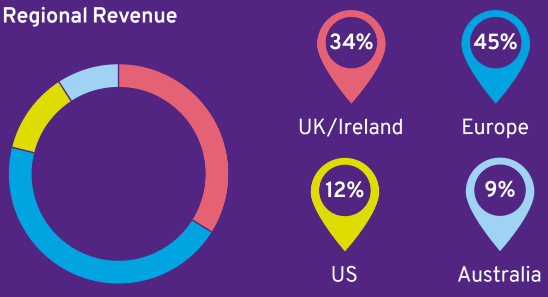
While new business was harder to secure in the first half of the year due to the dislocation from Covid-19, we have seen a gradual return to more normal sales cycles through the second half and into the new year. We saw revenue growth in our French operation in H2 and with the restructuring of our European operations completed post period-end, we have a strong basis for growth in that region moving forward.

2021 PERFORMANCE

29%

Revenue in the US – highest growth rate at 29%

Regional Revenue



In the UK our work with the Environment Agency, and Northern Gas Networks provided both a layering on of recurring revenue for future years, and high-profile proof points for our technology and capabilities.

The growth in our US business during the year has been particularly exciting. We secured several new landmark contracts in the year, including the State of Michigan and the State of California Office of Emergency Services. The theme of data integrity and data sharing is particularly prevalent in the US and we see a growing pipeline of opportunities for 1Integrate, 1Data Gateway and our 911 Emergency Services business application.

Our financial performance in the year is encouraging. While revenue growth was modest, at 5%, impacted by Covid-19 related delays, underlying that, we have seen an increase in recurring revenue, a key area of focus, an increase in profit margins and positive free cash flow.

FY21 Strategic review

We made solid progress in the year against the three pillars of our growth strategy.

1. Innovation

The 1Spatial Platform is a comprehensive set of Location Master Data Management (LMDM) software components. LMDM ensures the data management processes are automated and repeatable across the different technology platforms for the whole enterprise. Unlike traditional Master Data Management (MDM), LMDM encompasses both spatial and non-spatial data to provide users with the technology solutions that enable them to automate the collection, control and sharing of data with confidence. Our patented technology also gives them the ability to solve complex and unique challenges in the management of their spatial and non-spatial data.

The 1Spatial Platform can be split into two key areas:

- **Data Management Solutions –** Managing data to ensure it is correct, consistent and compliant
- **Business Applications –** Utilising trusted data through business applications to solve specific business challenges

During the year we have continued to innovate in both areas and accelerated the development of our SaaS multi-tenancy cloud platform as a vehicle for further growth and accessibility of our solutions.

Data Management Solutions

1Integrate

1Integrate is our patented no-code rules engine – this continues to be enhanced to make it more powerful and more capable for automated data validation and processing.

During the year, the work to handle full 3D solid data has delivered initial Proof of Concepts. For example, we are working with a major National Mapping Agency on the production of their 3D buildings.

Additional data services support has been added to allow direct access to data from Esri ArcGIS Feature Services and Open Geospatial Consortium Web Feature Services as well as many enhancements to empower users and make them more effective and efficient. In addition, a number of enhancements have been made which extend the flexibility and efficiency of our delivery via the cloud.

1Data Gateway

1Data Gateway is our self-service web-portal for spatial data validation, processing and analytics.

Following its successful launch in March 2020, 1Data Gateway now also provides schema mapping so that data in varying structures can be applied to the same set of rules as well as other controls such as the ability to apply customer branding and styling to the portal. API extensions which allow systems to talk to each other, have been completed to allow access to data quality, validation and usage statistics through external dashboarding tools i.e., Google Big Query, for partners or customers.

Business Applications

We provide two types of business applications to meet our customer's needs. Applications can either plug directly into the 1Spatial Platform or alternatively can plug into the 1Spatial Platform whilst also utilising the benefits of the Esri technology.

1Biz Server

For those business applications built on Esri technology, we have developed, the 1Spatial Business Server (1Biz Server). By deploying the most up to date Esri and 1Spatial releases through the 1Biz Server, we will transform the speed and delivery of these updates to our customers.

We continue to assess opportunities to launch Business Applications, targeting specific location data-based issues within our three target industries. New Applications developed this year along with those that have been further enhanced are as follows:

1Water

We have scaled up work on 1Water for water network management based on our strong Esri partnership, which has enabled us to gain the Esri Utility Network Management Specialty designation.

Next-Generation-911

An exciting new innovation being worked on for our US Market is the Next-Generation-911 App. This provides validation of network data, address data and the National Emergency Numbers Association (NENA) to help emergency service departments, improve disparate or incomplete data, in order to create a single source of truth.

Traffic Management Plan Automation (TMPA)

The TMPA has moved from Proof of Concept, with a goal to have a release-ready Minimum Viable Product in FY 22 for beta testing with our customers and partners. This will be a true SaaS solution for automatically laying out equipment such as signs, cones and traffic lights around UK road works. It makes use of Ordnance Survey GB's data hub and is built from the 1Integrate rules engine in the 1Spatial Platform. This solution will automate the production of traffic management plans in a more efficient, sustainable way and importantly help improve the safety of workers and the public around the 4 million highway excavations that are made every year in the UK*.

* source https://highways.today/2020/03/04/excavation-highways-uk/

For more information on some of our business applications, please see page 22 & 23.

Cloud platform – SaaS multi-tenancy cloud platform

The cloud platform will enable us to increase our addressable market and existing customer demand for web-based access to our solutions, the need for which has been particularly highlighted by the move to remote working. The multi-tenancy SaaS will be more cost effective for 1Spatial as we will be managing fewer deployments and the elastic nature of the platform architecture will limit cloud hosting costs. We are also building targeted services and solutions on the platform which we can issue on a Pay-per-use basis such as TMPA, providing the Group with exciting new go to market models, lowering the price point for new customers onto the platform.

2. Customer Relationships

We continued to strengthen our relationships with our customers throughout the year by maximising webinar opportunities across all territories to overcome reduced face to face events. We held our annual Smarter Data, Smarter World Conference as a virtual event. Taking place over 4 days online the conference was a huge success with 652 registrations from 363 organisations in 47 countries, a significant increase on prior, non-digital events.

We also implemented a global content strategy, increasing the amount of content we have issued online, and launched our new global website, with fresh, engaging content, aligned to our vision and values and great user experience. Since launching the new website, we have seen a considerable increase in online engagement, with sessions per user increasing by 43%, pages viewed in these sessions increasing 41% and the average session duration has increased 84%, demonstrating the increased relevance of our product offering and marketing messages to our target markets.

The success of our customer focus, combined with ongoing transition to term licencing, can be seen in the 10% growth in Annual Recurring Revenue driven both by new customer wins and expansion of existing customer accounts.

Land & Expand

The Group delivered a healthy number of new customer wins in the year across all regions, including a number of strategic wins within our LMDM offering, with the USA performing particularly well. This was also good considering the backdrop of the first half of the year where customers were harder to secure, due to the uncertainty caused by Covid-19. We now have around 600 customers on recurring contracts and a customer base of over 1,000 in total across the Group, providing a strong basis for future expansion.

Solutions most in demand in the year were 1Data Gateway and 1Integrate in the USA and the UK, with Utilities and Urban Planning (arcOpole Pro) Esri-based business applications being strongest in France and Europe. We are seeing an increasing number of coupled 1Data Gateway and 1Integrate sales, with the 1Data Gateway portal proving to be a compelling sales tool, enabling new prospects to quickly visualise how we can transform their data collection, cleansing and management.

New clients added in the year included the Environment Agency in the UK, the US Geological Survey and the State of California's Office of Emergency Services in the USA and in France, a French military organisation, the Seine Grand Lacs (the Seine River Management Agency) and the city of Asnières sur Seine.

The Group secured multiple customer expansion contracts in the year, with notable expansions with Northern Gas Networks in the UK, a $2.6m 5-year contract with the State of Michigan to deliver the second phase of their Geographic Framework and expansion contracts in France with the Euro Metropole of Strasbourg, the Metropole of Nantes' Water Department and a large French water utility company.

In France, eleven existing customers have commenced migration from the Group's legacy platform, to the Esri platform, paving the way for future expansion.

Our longstanding customers, such as Ordnance Survey, Ordnance Survey Ireland, the Rural Payments Agency, Gas of Strasbourg and Engie (France), have also continued to expand the solutions and services we provide.

3. Smart Partnerships

We made good progress in the year adding or strengthening partnerships in each of our three areas of focus to extend our market reach: major technology consultancies, software platform providers, and adjacent industry specialists. We are increasingly being utilised by our partners as their data integrity provider, cleansing the data before passing it back through wider systems.

Our strong partnership with Esri France is generating increasing interest in the local authority and utility market and was strengthened post period end through the winning of a prestigious Esri award, for 1Spatial's innovative and extensive product integration within Esri's ArcGIS Enterprise. This followed 1Spatial being given Esri Utility Network Management Specialty designation, recognising 1Spatial's knowledge and expertise within utilities and the implementation of Water Solutions.

In the UK, we have also partnered with Esri UK on the Northern Gas Networks Utility Network Migration, the first such migration to take place in the UK.

Our new partnership with Ordnance Survey has seen us secure the prestigious pilot for the Energy Networks Association and we have started joint webinars demonstrating how the combination of data from Ordnance Survey's new Data Hub with the 1Spatial software can help build trust in data. We continue to win and look at new opportunities with our partner Version1, which is providing promising new business opportunities.

Our Michael Baker relationship in the USA continues to bring new customers.

We continue to work on new partnership opportunities in all geographic markets and to provide more focus on this key growth pillar we hired a new global partner manager in April 2021.

European re-structuring

Post year end, we announced the final stage of the integration of Geomap-Imagis, which was acquired in May 2019. Our European operations now operate under one regional management structure, focus all our resources on maximising our Esri relationship, and delivering the growth opportunities in our extensive European customer base.

Corporate activity

We will continue to identify strategic and bolt-on acquisitions to complement our organic growth.

Strategic priorities for the year ahead

We will continue to focus on the three pillars of our growth strategy. Key initiatives will be investment into our delivery resource, marketing and sales teams, particularly in the USA, to capitalise on our successes in FY21 and deliver on the data governance opportunity. We will work closely with Esri, particularly in France, where we see great opportunity to expand our customer base and continue the successful migration of our customers onto the new Esri platform and our Esri based business applications. In the UK, we see a growing opportunity to work on large government contracts, building back post-Covid-19 and as they and other partners embrace the sharing of data to meet Environment and Social initiatives. We see a growing opportunity to cross-sell our business applications, developed France and the UK, into our other territories and offer our 1Integrate and 1Data Gateway solutions into France. We will continue to expand our capability and expertise in our Tunisia centre of excellence, providing increased development support and cost-effective delivery capacity to the Group.

We are on track to launch our multi-tenant SaaS platform by the end of the current financial year, increasing our addressable market, meeting existing customer demand for web-based solutions, providing more flexible "pay as you go" pricing structures and lowering the price point for entry for new customers. We believe the launch of the platform can be transformational for the Group in future years.

Our financial goals will be to increase revenue growth underpinned by growing annual recurring revenue and continue our trajectory of increased profitability at adjusted* EBITDA level and higher cash generation over the long-term.

Covid-19

At the date of this report, most sites continue to work on a remote basis, providing outstanding support to our customers. We anticipate a phased return to office working through the course of 2021, in line with local government guidelines in each territory, providing our teams with the opportunity to once more interact with each other face to face, while retaining the benefits of increased digital connections across the business.

We chose to maintain all of our skilled workforce during the Covid-19 period, receiving no support under the UK Government job retention scheme, although, we received financial support of £0.3m in some overseas territories, where there was a greater impact. We increased our funding from corporate lenders in H1 2021 by £1.8m. We controlled expenditure tightly throughout the year, deferring some discretionary spending. However, we benefited from our extensive customer base, healthy levels of recurring revenue and growing contracted order book, to prove resilient during an unprecedented year.

1Team

We are passionate about looking after our staff and have actively promoted the importance of mental health and happiness during the year. Taking the time to be kind to yourself is something we urge all our staff to do and as part of our commitment to their well-being, we rolled out initiatives such as well-being months, mental health awareness training, mental health first aiders and internal events and initiatives to encourage staff to take time out from their working day.

We are always looking at ways to ensure equality and diversity across our company and an inclusive, welcoming working environment for everyone. Over the past year, we have created global initiatives to celebrate: International Women's Day, World Food Day, Diwali, Thanksgiving, Mental Health Awareness Week, Earth Day and Health and Happiness month.

The teams have shown extraordinary ingenuity and commitment, really stepping up in this challenging time, for which the Board and I thank them wholeheartedly. We believe one of the positive impacts of this year has been the increased connectivity across our geographic regions, with the increased use of digital communications bringing us closer during our shared challenges.

Current Trading & Outlook

There is an increasing need for clean, accessible and up to date location data to support many new initiatives. These include investment in infrastructure, building new greener initiatives, such as an enhanced electricity network to support growth in electric vehicles and helping governments to achieve their sustainability goals.

Trading in the new financial year has begun positively and in line with Board expectations, with several new contracts secured and growth in the sales pipeline. New customers won since the year end include:

- a contract with the Energy Networks Association and Ordnance Survey to build a digital map of the UK's energy system that uses the power of data to support a more efficient pathway to Net Zero;
- a multi-year contract with Defra and the Rural Payments Agency to support its existing payments scheme to farmers as well as be involved in government's transition to a new Environmental Land Management Scheme; and
- a significant contract extension with Google in the US for the use of 1Data Gateway and 1Integrate in the management of their facilities.

We sit right at the heart of changes across multiple sectors. Whether that be in helping governments and energy providers prepare to meet the green agenda, supporting the investment in infrastructure upgrades as the world's economies prepare for post-Covid recovery, or implementing new digital transformation strategies. The positive market environment is translating into a growing sales pipeline of opportunities across new and existing customers, both direct and through our partners.

While the Board remains aware of the need to manage potential risks arising from the Covid-19 pandemic, the strength of trading in the first two months of the year, increase in committed revenue and depth of the sales pipeline and positive market landscape provide the Board with confidence in a successful year of growth ahead and exciting long-term future for 1Spatial.

Claire Milverton
CHIEF EXECUTIVE OFFICER
27 April 2021

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> "The Group delivered a robust financial performance in the year, growing revenues and adjusted EBITDA* profit levels."

Andrew Fabian

CHIEF FINANCIAL OFFICER

2021 PERFORMANCE

10%

Annualised Recurring Revenue increased in the year by 10% from £10.2m to £11.2m

26%

The level of committed project services revenue increased by 26% from £4.5m to £5.7m

Summary

The Group delivered a robust financial performance in the year, growing revenues and adjusted EBITDA* profit levels, whilst achieving the important milestone of generating positive free cash flow**.

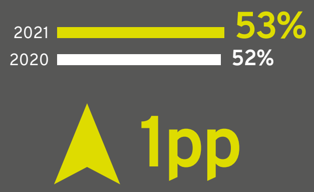
Revenue

Group revenue increased by 5% to £24.6m from £23.4m in FY 2020. Whilst this included a full year's contribution from the Geomap-Imagis (GI) acquisition, compared to nine months in the prior year, it was a solid result against the challenges of the Covid-19 pandemic.

Recurring revenue

The business strategy is to grow revenue from repeatable business solutions on longer-term contracts, including transitioning towards selling recurring term subscription licences, rather than one-off perpetual licences. With this focus in mind, the business achieved a growth in revenue of 11% (excluding the impact of the reduction in perpetual licence revenue), and recurring revenue, as a percentage of total revenue, increased to 43% (FY 2020: 41%). Revenue by type is shown on the next page:

Gross Profit Margin



Free Cash Flow

Revenue by type

	FY 2021 £m	FY 2020 £m	% change
Recurring revenue***	**10.6**	9.6	10%
Services	**11.1**	10.0	11%
Revenue (excluding perpetual licences)	**21.7**	19.6	11%
Perpetual licences	**2.9**	3.8	(24%)
Total revenue	**24.6**	23.4	5%
Percentage of recurring revenue	**43%**	41%	

* Adjusted EBITDA is a company-specific measure, which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items

** Free cash flow is defined as net increase/(decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.

*** Recurring revenue comprises term licences and support and maintenance revenue.

Whilst these recurring term licence sales require the support of a level of services, the proportion of total revenue from term licences is expected to increase, and revenue from perpetual licences is likely to continue to decrease. Recurring revenue also includes support and maintenance from customers with perpetual licences; this revenue is expected to transition in time to being part of the subscription licences.

ARR

The Annualised Recurring Revenue ("ARR") (annualised value at the year-end of committed recurring contracts for licences and support & maintenance) increased in the year by 10% from £10.2m to £11.2m as at 31 January 2021. The growth rates varied by region as shown in the table below with the US growing at the fastest rate of 24%. The overall renewal rate was 90%.

ARR by region

	FY 2021 £m	FY 2020 £m	% growth
UK/Ireland	**3.88**	3.32	17%
Europe	**5.04**	4.96	2%
US	**1.24**	1.00	24%
Australia	**1.05**	0.90	17%
Total ARR	**11.21**	10.18	10%

Committed revenue

The level of committed revenue (revenue for future services, licences and support contracts committed contracted at the balance sheet date) increased significantly in the year from the business focus of extending the commitment periods and duration of contracts, as well as signing some higher value service contracts. The level of committed project services revenue increased by 26% from £4.5m to £5.7m.

The combination of committed revenue and a strong and growing pipeline of prospects means that the business starts the current financial year with a good likelihood of making further progress on its revenue growth plan. With the business focus on developing and selling repeatable software solutions under a SaaS model, there is an increased level of revenue visibility, which allows the Board to plan future investment with confidence.

Regional revenue

Revenue growth by region is shown in the table below:

Regional revenue	FY 2021 £m	FY 2020 £m	% change
UK/Ireland	**8.44**	8.81	(4%)
Europe	**11.15**	10.24	9%
US	**2.91**	2.25	29%
Australia	**2.10**	2.08	1%
Total revenue	**24.60**	23.38	5%

Revenue in the UK/Ireland region fell by 4% but this was largely due to timing of closing some contracts as total sales orders signed grew in the year. Revenue in the European business was lower on a like for like basis mainly due to Covid-19-related project delays (following the postponement of the French local elections in H1), although overall revenues in Europe grew by 9%, benefitting from three additional months of acquired revenues. Pleasingly, there was a pick-up in revenue in the European operations in H2 FY 2021. Revenue in the US, which now represents 12% of Group revenue, had the highest growth rate at 29%.

Gross profit margin

The gross margin increased year on year to 53% from 52%. Within the cost of sales, the Group received £0.3m of grants from overseas governments as part of business support schemes in relation to Covid-19. Going forward, the management team are focused on driving improvements to the gross margin levels.

Adjusted EBITDA*

The adjusted EBITDA* (as defined on page 13) increased by 12% to £3.6m from £3.2m in the prior year with a higher margin of 14.8% (FY 2020: 13.8%). Cost management was an important focus during FY 2021 and expenses are constantly reviewed to ensure the level is appropriate for the structure of the business. Administrative expenses increased over the comparable period mainly because of the additional three months of the acquired business.

Strategic, integration and other non-recurring items

The final step in the integration of Geomap-Imagis ("G-I"), acquired in May 2019, was completed and our European operations now operate under one regional management structure. As part of the restructuring, two of the G-I founders and former directors are leaving the business and the restructuring will lead to some cost savings, which will allow the business to invest in further expansion. The costs amounting to £0.56m (FY 2020: £1.20m) have been included in strategic, integration and other non-recurring items.

Operating loss and loss before tax

The Group recorded a reduced operating loss of £1.2m compared to £1.5m in the prior year and the Group's loss before tax reduced to £1.4m from £1.7m for the comparable period. The results were impacted by the strategic, integration and other non-recurring items, as well as a number of non-cash charges including amortisation of acquired intangibles and share-based payments.

Taxation

The net tax credit for the period was £0.3m (FY 2020: £0.2m).

Balance sheet

The Group's net assets reduced to £14.7m from £15.5m at 31 January 2020. The reduction was mainly due to the overall loss after tax offset by currency gains in reserves.

Trade and other receivables increased in the year to £10.9m (FY 2020: £9.9m), mainly due to increased trade debtors and accrued income at year end following contract wins in Q4. Whilst there was also some increase in average debtor days outstanding, this was largely due to lengthening payment cycles with no material impact on the assessment of overall debtor collectability. The increase in trade and other payables from £11.4m to £13.4m was primarily driven by an increase in deferred income to £5.9m (FY 2020: £4.9m) and an increase in other taxation and social security. The company benefitted from a deferral of some indirect taxes of £0.4m in the year, which will be repaid in FY 2022.

Cash flow

Operating cash flow inflow (before strategic, integration and other non-recurring items) more than doubled to £4.2m in FY 2021 compared to £1.9m in FY 2020.

Operating cash flow	FY 2021 £'000	FY 2020 £'000
Cash generated from operations	**3,983**	572
Add back: Cashflow on strategic, integration and other non-recurring items	**173**	1,289
Cash generated from operations before strategic, integration and other non-recurring items	**4,156**	1,861

Indeed, the focus on working capital and cost control has also resulted in free cash flow* being positive (at £0.9m), even after non-recurring one-off items, as shown in the table below:

Free cash flow	FY 2021 £'000	FY 2020 £'000
Cash generated from operations before strategic, integration and other non-recurring items	**4,156**	1,861
Net interest paid	**(179)**	(144)
Net tax received	**484**	313
Expenditure on product development and intellectual property capitalised	**(2,120)**	(2,188)
Purchase of property, plant and equipment	**(192)**	(132)
Lease payments	**(1,069)**	(792)
Free cash flow before strategic, integration and other non-recurring items	**1,080**	**(1,082)**
Cashflow on strategic, integration and other non-recurring items	**(173)**	(1,289)
Free cash flow*	**907**	**(2,371)**

* Free cash flow is defined as net increase/(decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.

Within investing activities, the deferred consideration of €0.7m (£0.6m) on the acquisition of Geomap Imagis, was paid as planned in H1 2021.

Investment in R&D

Development costs capitalised in the year amounted to £2.1m (FY 2020 £2.2m). Amortisation of development costs was £1.9m (FY 2020 £1.2m).

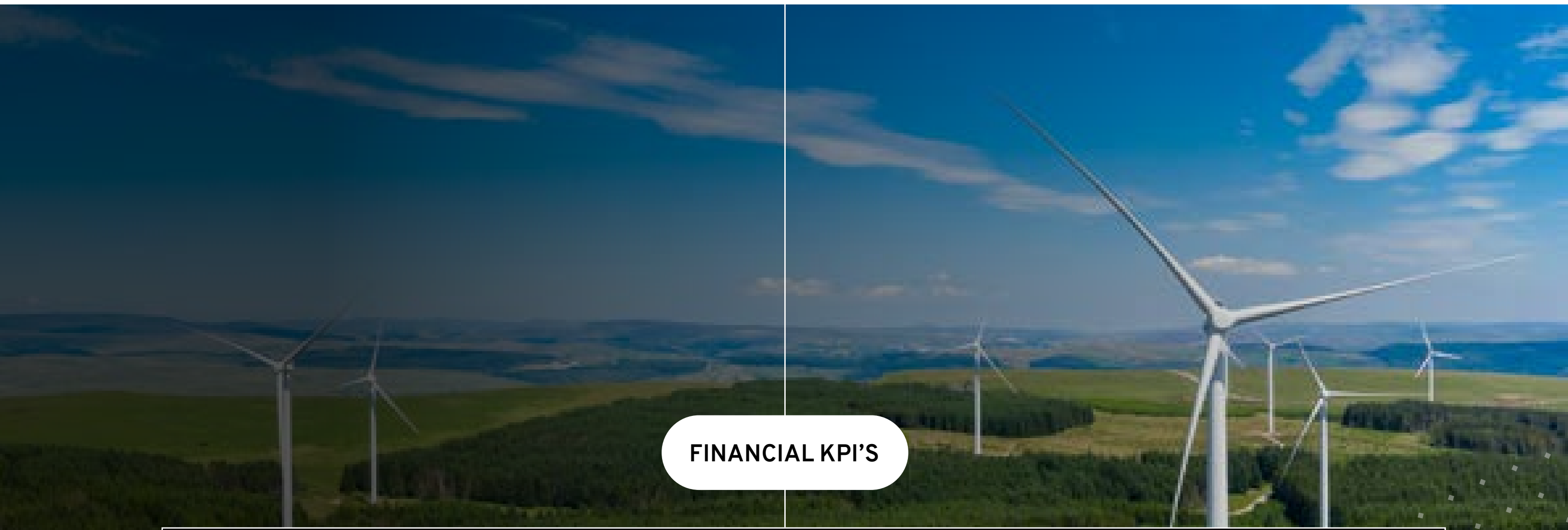
Financing

The Group arranged additional bank loans of £1.8m on reasonable commercial terms. At the year-end the total loans outstanding were £3.0m. These have been extended to 5-year loans following the exercise of an option in the original agreement and the amount repayable in FY 2022 is approximately €0.5m (£0.4m). With a gross cash position of £7.3m at 31 January 2021 (FY 2020 £5.1m) and positive operating cash generation, the business is in a much stronger financial position than a year ago, which gives the Board the confidence to continue to invest in its three-pillared growth plan.

Going forward, the Board and management teams are focused on increasing revenues, in particular recurring revenues, whilst maintaining or improving the Group's profitability and cash generation.

Andrew Fabian
CHIEF FINANCIAL OFFICER
27 April 2021

Key Performance Indicators



FINANCIAL KPI'S

Key income statement KPIs are set out below. There are no non-financial KPIs.

Revenue Growth – Recurring Revenue

2021 £10.6m
2020 £9.6m

▲ 10%

Revenue Growth – Total Revenue

2021 £24.6m
2020 £23.4m

▲ 5%

Gross Profit Margin

2021 53%
2020 52%

▲ 2%

Adjusted EBITDA*

2021 £3.6m
2020 £3.2m

▲ 12%

Free Cash Flow**

2021 £0.9m
2020 £(2.4)m

▲ £3.3m

* Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items.

** Free cash flow is defined as net increase/ (decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue.

ESG – OUR VISION

At 1Spatial, we are striving to make the world safer, smarter and more sustainable for the future. We believe the answers to achieving these goals are held in data and are passionate about working with our customers to unlock the value of their location data.

Smarter Data, Smarter World

Our World Better

At 1Spatial we are an important part of the Geospatial Ecosystem, where using and sharing data provides significant opportunities to support businesses and governments to deliver against important sustainability goals.

Our domain expertise and Location Master Data Management approach, which is data and system agnostic, allows us to be an integral and important part of this Ecosystem. A good example of this is where we are working with our partner, Ordnance Survey, on a proof of concept to build a digital map of the UK's energy system that uses the power of data to support a more efficient pathway to Net Zero. A key driver of this map is for planning, managing and sharing the location of Electric Vehicle charging points and builds on the recommendations of the UK Government's Energy Data Taskforce.

Our vision at 1Spatial is to "help our customers unlock the value of their location data" which could also be interpreted as "making better use of data that they already have". We help our customers do this by using our software tools to improve the quality of their data so it is fit for purpose within important use cases. This is a huge economic efficiency for our customers as the cost and time to acquire new spatial data, for example through field collection, can often be very high and therefore have a negative impact on the environment. Our 1Spatial suite of business applications together with those of our partners, can be deployed to make use of this data for specific business needs.

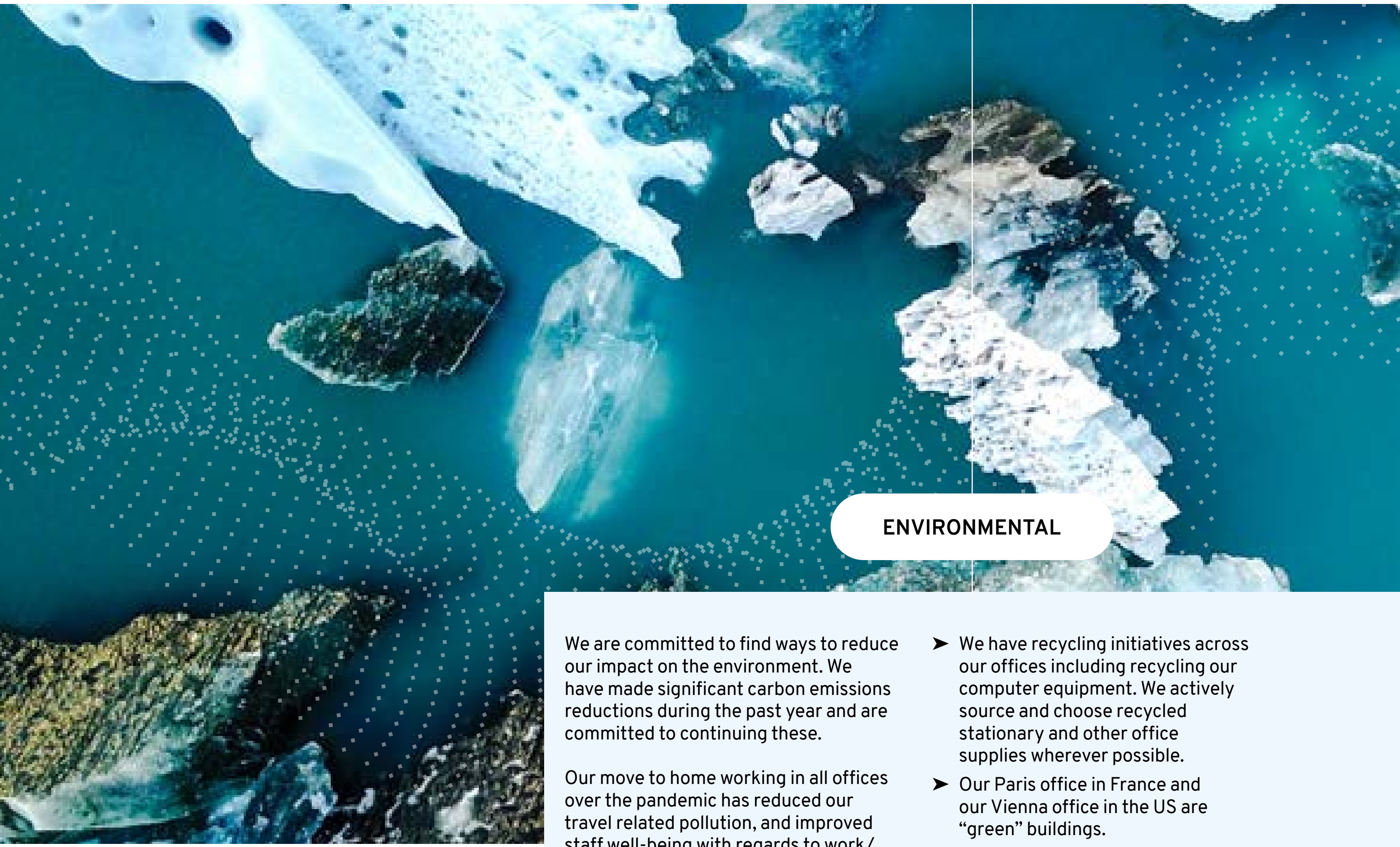
In the past we've seen a lot of these business needs around efficiencies or cost savings but more and more we are seeing the drivers of these solutions around sustainability, social matters, health and safety and regulatory compliance.

Some examples of these include the following:

- The work we are doing in the US with a number of 911 Emergency Services departments to ensure that they have consistent and accurate address data to improve emergency vehicle response times which will ultimately result in saving lives.
- In the UK we have an incident management mobile application that allows the utility engineers to manage customers on a real time basis, going door to door to check customer safety and prioritise visits to vulnerable customers.
- In France we are working with the Société Wallonne des Eaux (SWDE), as part of their move to become more sustainable in the management of their water resources. SWDE relies on systems and the expertise of 1Spatial to carry out innovative projects, to improve the efficiency of distribution networks enabling SWDE to reduce its water losses by several million m^3 in a few years.
- We are helping the Environment Agency in the UK with their Net Zero planning by helping them to understand where their assets are to be able to ensure protection of homes, businesses, and communities from the risk of flooding.
- We are supporting states such as Michigan in the US with their underlying master data to ensure they can make trusted decisions for the state and its citizens.
- We support national mapping agencies such as Ordnance Survey Great Britain and Ordnance Survey Ireland which are using the authoritative data to support the nation including Covid-19 related issues.

Whether creating these specific customer business applications or supporting national mapping agencies so they can help manage the Covid-19 pandemic, our team delivers results that make a real difference to people's lives.

Environmental, Social and Governance (continued)



As a member of the Geospatial Community, the natural world is an inspiration for the whole of the 1Spatial team. We know that, together, we can make our world better. We support our people who each year volunteer their time, energy and skills for global good causes. The Missing Maps Project, which aims to map the most crisis-prone parts of the world, and the humanitarian mapping charity, MapAction are two organisations that are particularly close to our hearts. We regularly participate in local, national and international charity fundraisers. Our team in the UK recently raised money to mark 72 years of the NHS.

Over the past few years, we have raised funds for charities such as Cancer Council, Care International, Red Nose Day, Save the Children, The Trussell Trust, MapAction, Macmillan Cancer Support, Oxfam, Age UK, Philippines Typhoon Appeal, WinterComfort and Arthur Rank Hospice Charity.

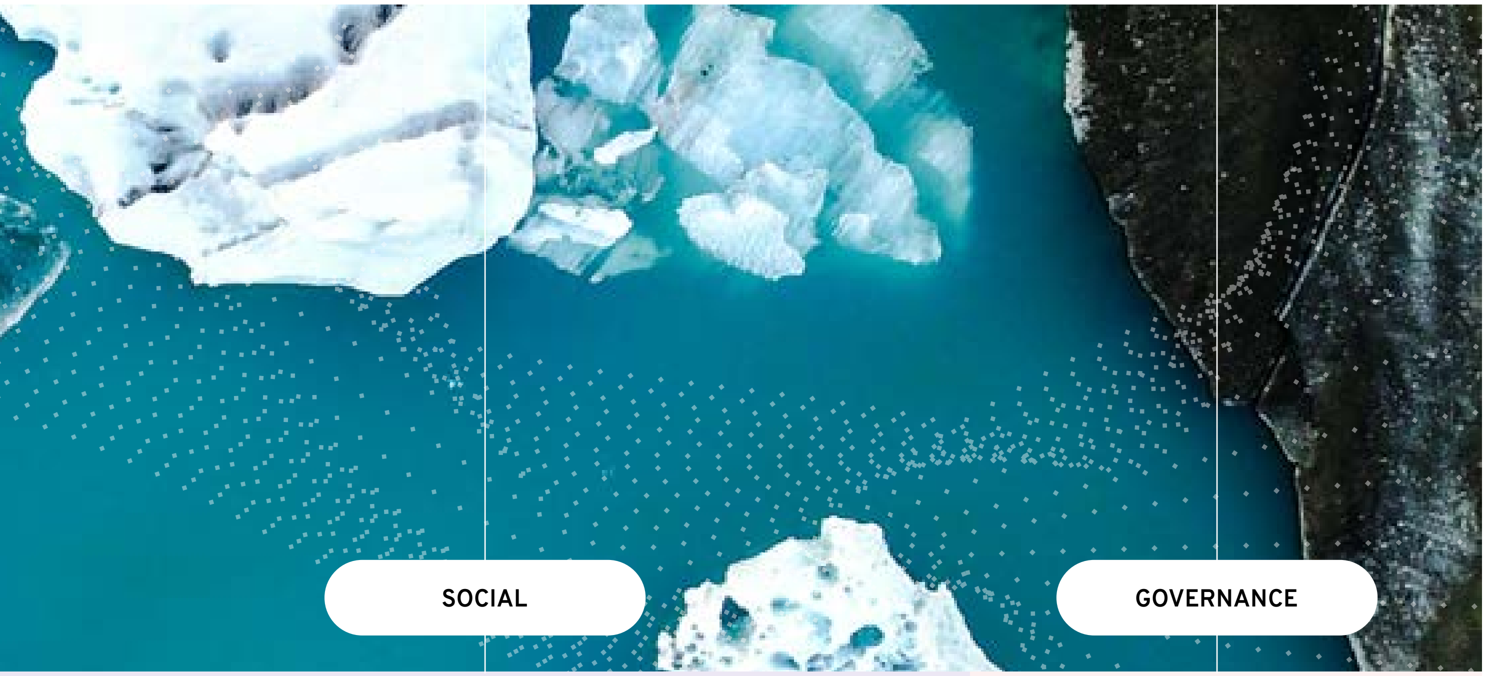
We are committed to find ways to reduce our impact on the environment. We have made significant carbon emissions reductions during the past year and are committed to continuing these.

Our move to home working in all offices over the pandemic has reduced our travel related pollution, and improved staff well-being with regards to work/life balance. We've taken project work online, using remote systems to manage interactions with our clients which has further reduced travel pollution. Moving forward to a post-Covid workplace, we've implemented systems that allow greater flexibility for staff and have an ongoing commitment to support staff to work remotely.

Some of our current environmental initiatives include:

- In some countries there are subsidies available for using public transport or bikes. We promote and encourage these schemes to staff in all applicable offices.
- We have created a "Climate Neutral Website" through a fully traceable scheme that offsets carbon emissions with a project in the DR Congo.
- We have recycling initiatives across our offices including recycling our computer equipment. We actively source and choose recycled stationary and other office supplies wherever possible.
- Our Paris office in France and our Vienna office in the US are "green" buildings.
- We donated to Toilet Twinning: a charity focusing on hygiene education and latrine building in communities without ready access to safe water, sanitation and healthcare.
- We have electric car charging points in some of our office car parks and will be considering hybrid vehicles as lease car renewals come up.

In the UK we are certified to ISO 14001:2015 which is a standard related to environmental management that exists to help organisations minimize how their operations negatively affect the environment; comply with applicable laws, regulations, and other environmental requirements; and continually improve.



SOCIAL

1Spatial is a team where everyone makes a difference. From our developers, testers and engineers to our consultants, marketing professionals and senior managers, everyone contributes to our success.

But making a difference goes beyond our day-to-day business and the work we provide as part of our professional roles. Our 1Team have come together to create staff led committees for Social, Community and Environmental initiatives, each working to run schemes and activities which will directly benefit local communities and the world around them. We are very proud of all our staff who volunteer their time, energy and skills for local and worldwide charities and good causes.

We are also passionate about looking after our staff and actively promote the importance of mental health and happiness. Taking the time to be kind to yourself is something we urge all our staff to do and as part of our commitment to their well-being, we have started to roll out the following initiatives across our offices:

- Mental health awareness training.
- Mental health first aiders.
- Internal events and initiatives to encourage staff to take time out from their working day.

We are always looking at ways to ensure equality and diversity across our company and an inclusive, welcoming working environment for everyone.

Over the past year we have celebrated: International Women's Day, World Food Day, Diwali, Thanksgiving, Mental Health Awareness Week, Earth Day and Health and Happiness month.

Some of the other social activities organised by our 1Team include:

- 1Global Challenge – all staff were encouraged to "Get Active", "Get Creative" and "Get experimental".
- Creating a 1Spatial Cookbook with recipes from around the world.
- Online fitness and relaxation sessions.
- Flexible working to further support employees especially during the pandemic.
- Regular team meetings and all employee global sessions to help communication and ensure all team members feel involved and part of the 1Team.
- A variety of social activities across the offices for team members to join in quizzes and games (played at a local and global level).

More information with respect to how the Directors of 1Spatial are fulfilling duties to promote the success of the company which includes the interests of various stakeholders such as Employees, Customers, Suppliers and Partners is set out within the Section 172 of the Annual Report on page 30.

GOVERNANCE

It's an exciting time to be part of a growing digital economy and data driven sector and whilst promoting the use of data is important, safeguarding the use of location data is absolutely key.

Governments globally have set guidelines around areas such as data access, privacy, ethics and security.

We adhere to these standards globally and good governance over customer data is central to everything we have been doing for a number of years. More and more we work with our customers on their projects directly through the cloud and so we do not have to take local copies of data which improves security around this. We take significant steps to ensure high security around our IT systems with adoption of security standards such as Cyber Essentials.

In the UK and USA we are ISO 9001: 2015 certified. This means that we have stringent quality processes ensuring governance in all our processes, projects and efforts. Quality processes are well documented and followed by all teams.

At 1Spatial we are committed to good Corporate Governance and adhere to the standards contained in the Corporate Governance Code for Small and Mid-Size Quoted Companies (QCA Code). More details of this is provided in the Corporate Governance Report on page 34 of the Annual Report.

ESG AGENDA DRIVING MARKET GROWTH

Our Market

1Spatial operates within the growing global market for location-based software often referred to as the Geographic Information System (GIS) or geospatial market. In May 2019, industry research house, Allied Market Research, forecast the global GIS market to reach $7.86 billion by 2025 from $3.24 billion in 2017, growing at a CAGR of 11.8% from 2018 to 2025. The report cited the development of smart cities, increased urban planning, the rise in adoption of location-based software in facilities management and growing adoption within transportation as the major factors driving the growth in the global market. The adoption of cloud and 3D software are also anticipated to drive growth in the market.

Goals and objectives around sustainability plus the move to a data driven economy is driving unprecedented growth in both the quantity of location data and the need for applications to derive value from it. Approximately 80% of all data collected now has a location component to it. The variety of formats and repositories of this data mean that much is currently unusable. This growing business need means that location data is becoming more 'mainstream' and an area of focus within the enterprise and across government organisations.

Our Heritage and Competitive Positioning

Very few companies have the breadth of knowledge, the location expertise and unique product solutions that 1Spatial offers and we are a very significant and important part of the global Geospatial Ecosystem. The 1Spatial Platform is a complete set of Location Master Data Management (LMDM) software components that can be used to enable customers to unlock the value within all their data (spatial and non-spatial), to achieve their objectives. The importance of location-based solutions and the resilience of the data that underpins these solutions has become an imperative for businesses and governments to provide the services to their customers or citizens.

The forecast growth of the GIS market is attracting more software providers into the market; however, we believe very few have a comparable heritage within location data, the breadth of knowledge of the sector and the expertise. This growth of the market landscape provides opportunities for us to partner with organisations that have applications or customers, but do not have the location data management skills necessary. Our close relationship with Esri Inc., the global market leader in GIS database software, gives us additional credibility together with enhanced reach and market visibility.

We focus on three industries where accuracy of location and geospatial data are key: Government, Utilities and Transport. This focus spans across four geographic markets: the UK & Ireland, USA, Europe, and Australia.

Accurate, Shareable Location Data Sitting at the Heart of Multiple Themes

There is a growing awareness across multiple industries, not only that location data is a vital element in the delivery of better, faster and safer services, with location data increasingly being used as the main points of reference when connecting multiple systems, but that the data needs to be accurate and shareable.

In the past we have traditionally seen our offerings be used to address needs such as increased efficiencies or cost savings but more and more we are seeing the drivers of interest being around sustainability, health and safety and infrastructure investment. Our rules engine, 1Integrate, and cloud portal, 1Data Gateway, launched within the year, are increasingly being recognised as powerful tools to ensure good quality data and data sharing.

At the macro level, we believe themes such as the United Nations (UN) 17 Sustainable Development Goals (SDGs), a universal call for action to end poverty, hunger and protect the planet, and specific government initiatives, such as President Biden's "once in a generation" spending plan to invest trillions of dollars into infrastructure and climate change projects, will continue to be long-term drivers of the need for accurate location-based, shareable data.

Key Industry Drivers

MACRO THEMES

ESG and Sustainable Development Goals
- 169 targets to measure
- Mapping and location data playing a significant role
- UN – Need for improved data quality

SUSTAINABLE DEVELOPMENT GOALS

Government Investment Initiatives
- Building back post Covid
- USA $2 Trillion plan for infrastructure investment
- UK Plans to unlock £40bn for infrastructure investment
- European Commission –$750bn stimulus fund

Digital Economy
- Need to hold assets digitally i.e., Digital Twins
- Data and systems in the cloud
- Sharing data

TARGET MARKETS

Government

Utilities

Transport

MARKET DRIVERS

Sustainability (drive to net zero)

Infrastructure Investment

Health & Safety

Enabled by 1Spatial Platform

Good data quality and data governance –
Our approach uses data standards and rules to enable compliance and sharing of data through API’s

Location master data management

1Spatial Platform

The 1Spatial Platform is a complete set of Location Master Data Management (LMDM) software components, which combines servers, portals, dashboards, SDKs, APIs, data connectors, business-focused applications and our patented 1Integrate rules engine.

The Data Ecosystem and how the 1Spatial Platform sits at the heart

Data is often collected and stored in silos. What we help our customers achieve through the 1Spatial Platform is an integrated data system – an ecosystem where data can be shared, and customers therefore can save significant time and money on having to collect data themselves which already exists elsewhere (internally or externally). But in order to rely on this shared data, there first needs to be a mechanism to validate its accuracy. Data is often captured and stored in different standards and formats and at differing levels of data quality so needs to be checked before it can be trusted.

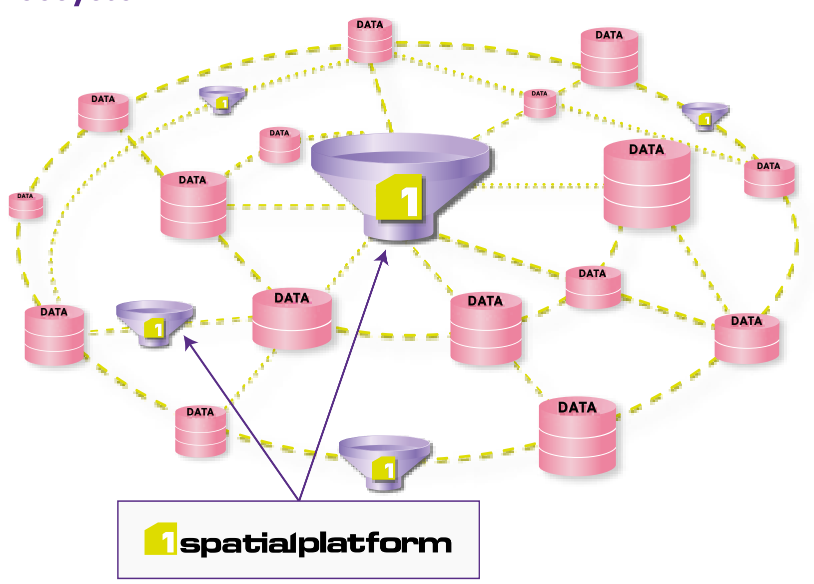
1Spatial's LMDM approach allows us to connect all elements of the data ecosystem together because we put data governance and data quality at the heart of our platform.

First of all, we have the data sources which come in and out of the platform. i.e., Ordnance Survey Data, 3D data and other data types. We then bring in the data standards which the data needs to conform to. By using our automated rules engine 1Integrate, we can audit the data, clean it and ensure it is compliant before synchronising it across the data ecosystem.

Data never stands still. So we also use the 1Spatial Platform to update the changes in data before it is allowed to enter the data ecosystem and this ensures our customers' data remains of good quality and always compliant.

Finally, the 1Spatial Platform enables our customers to analyse the data, feeling confident to use and rely on it for making business critical and lifesaving decisions. They can use this data through one of our business apps such as HPMS or TMPA or share it back to their systems or partners such as Esri or SAP.

Ecosystem

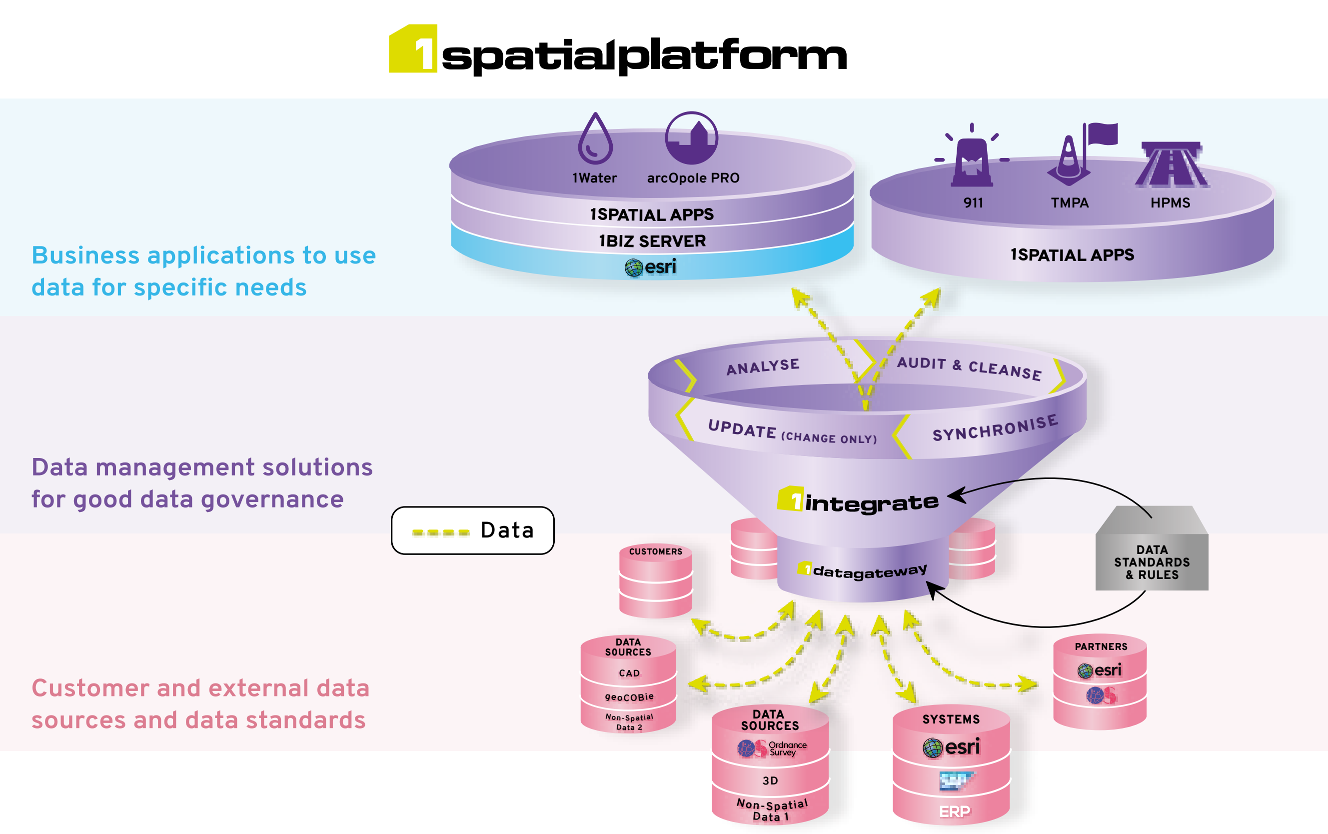


Business Applications

1Water

1Water is a business application for water network management. This global solution is being built on top of the Esri platform and works with the new Esri Utility Network Model. We will initially be using this solution to migrate our existing French customers in the Water sector to the Esri platform but intend to sell this solution globally once finalised.

We will officially be launching this later in the year but have already been awarded the Esri Utility Network Specialty designation in February 2021 and also further recognised at the Esri Partner Conference in March 2021 winning the Web GIS Transformation Award. Both of these high profile Esri recommendations were earned in large from the work we are doing with 1Water.



U.S. Highways Performance Management Systems (HPMS)

HPMS, underpinned by the 1Spatial 1Integrate rules engine, was developed in collaboration with the US Federal Highway Administration. The application automates the process of validating and preparing the highway/roads data for submittal to the Federal Highway agency, which was formerly a very arduous process. HPMS data submittal is critical to each of the 50 states in the US, as it determines the Federal highway funds to be allocated to each state each year. This repeatable solution for state Departments of Transportation provides recurring annual term licence and services contracts. Customers already include Massachusetts, West Virginia and Pennsylvania.

Traffic Management Plan Automation

Our Traffic Management Plan Automation app enables the automatic generation of statutory traffic management plans around essential roadworks. Excavating roads to access utility pipelines and cables is often unavoidable and, in the UK, there are approximately four million such digs every year. Each one must be meticulously planned and a significant amount of time is required for the creation of an approved, standards-compliant traffic management plan. We believe the market opportunity for the application to be significant and are currently evaluating partnering opportunities to further develop this solution.

Next-Generation-911

Our Next-Generation-911 Solution ensures that emergency services are using validated and integrated data and any issues with the data are rectified as quickly as possible. The automated process saves time and resources, providing a single source of truth for multiple emergency service departments. By having a complete dataset, the emergency service departments will be able to react to incidents more quickly and make decisions confidently, based on quality data. Therefore, communities will receive a better level of service because of the faster response rates.

Strategic Framework

Our three pillars

INNOVATION

Innovation lies at the heart of 1Spatial. We have been at the forefront of providing software to manage location data for over 50 years. We help organisations build strong location data infrastructures, leading to better business decisions. We do this using our automated, rules-based approach to data validation, integration and enhancement.

UNDERPINNED BY THE PEOPLE WITHIN THE BUSINESS

We are building our highly scalable business on three pillars: Innovation, Customer Relationships and Smart Partnerships.

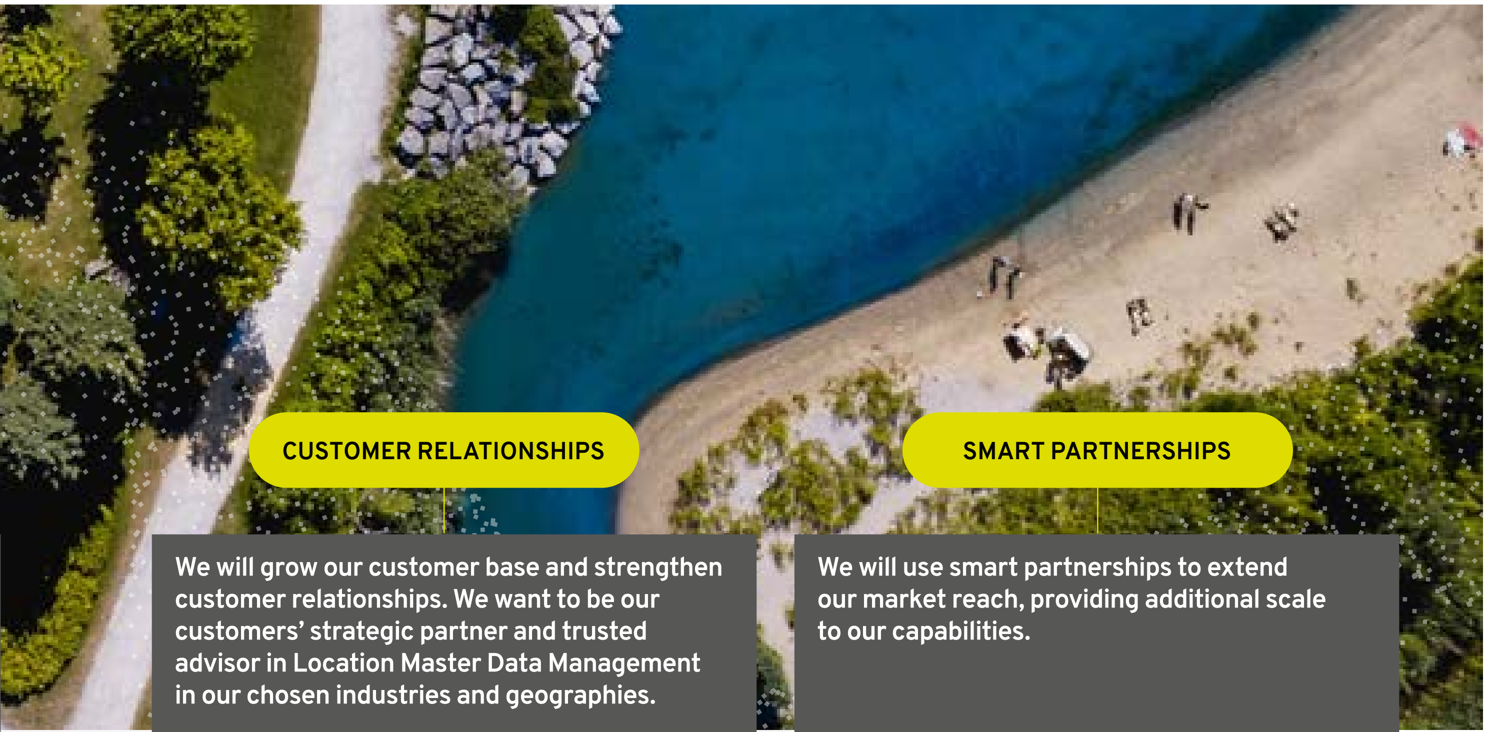
At the heart of each of these is our 1Team – a world class, dedicated, passionate and driven team of people who embody our Brand Values. Their ability to continually innovate whilst delivering the highest levels of customer satisfaction means that our growth pillars are built on very secure foundations.

Objectives

- **Data Management Solutions – 1Integrate:** We will enhance our core 1Integrate rules engine, using new technologies to improve our competitive positioning through increased data management.
- **Business Applications:** We will develop and bring to market powerful business applications, developed to meet our customer needs. We will focus our efforts on the sectors in which we have extensive domain expertise and proven competitive advantage.
- **Cloud platform:** We will deliver our business applications quickly and efficiently. We are developing a scalable multi-tenant cloud platform, which will provide customers access to configured versions of our business applications.

Progress

- Continued investment in 1Integrate, our innovative patented no-code rules engine – including work to handle full 3D solid data and supporting more data types.
- Launched 1Data Gateway, our self-service web-portal for spatial data validation, processing and analytics.
- Development of the 1Spatial Business Server as well as additional Business Applications such as 1Water and Next Generation 911.
- Ongoing progress into cloud enabling our technology to allow elastic scalability which will automatically grow and shrink the number of running engines in the deployment based on the demand.



CUSTOMER RELATIONSHIPS

We will grow our customer base and strengthen customer relationships. We want to be our customers' strategic partner and trusted advisor in Location Master Data Management in our chosen industries and geographies.

- We will leverage our customer relationships to identify business problems and develop business applications to solve them.
- We will be first to market with innovative solutions for wide-scale business problems within our target markets.
- We will use our sector specific business applications to secure new customers and expand our engagements through the cross-sell of additional solutions, 1Integrate and business applications.

- The success of our customer focus, combined with ongoing transition to term licencing, can be seen in the 10% growth in Annualised Recurring Revenue* and the increase in committed revenue, driven both by new customer wins and expansion of existing customer accounts.
- Our Smarter Data Smarter World conference saw 652 registrations from 363 organisations in 47 countries, a significant increase on prior, non-digital events.
- Since launching the new website, we have seen a considerable increase in online engagement, with sessions per user increasing by 43%, pages viewed in these sessions increasing 41% and the average session duration has increased 84%, demonstrating the increased relevance of our product offering and marketing messages to our target markets, and our ability to reach new clients virtually, as well as traditional face-to-face engagement.

* Annualised Recurring Revenue ("ARR") is the annualised value at the year-end of committed recurring contracts for licences and support & maintenance

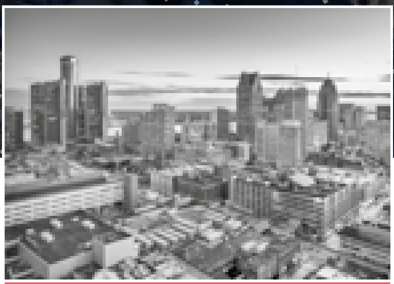
SMART PARTNERSHIPS

We will use smart partnerships to extend our market reach, providing additional scale to our capabilities.

- We will partner with major technology consultancies and GIS providers in complex customer programmes. Our powerful rules engine, 1Integrate, will provide the data cleansing and automation, allowing the software components of the programmes to communicate with each other.
- We will collaborate with software platform providers, such as Esri Inc. We will enhance the value of their technology in their platforms through the development of pre-built business applications.
- We will partner with other organisations to enter adjacent industry verticals, where our location data expertise can combine with their domain expertise.

- Increasingly being utilised by our partners as their data integrity provider, cleansing the data before passing it back through wider systems.
- Our strong partnership with Esri France is generating increasing interest in the local authority and utility market and was strengthened post period end through the winning of a prestigious Esri award, for 1Spatial's innovative and extensive product integration within Esri's ArcGIS Enterprise. This followed 1Spatial being given Esri Utility Network Management Specialty designation, recognising 1Spatial's knowledge and expertise within utilities and the implementation of Water Solutions.
- Our new partnership with Ordnance Survey has seen us secure the prestigious pilot for the Energy Networks Association.

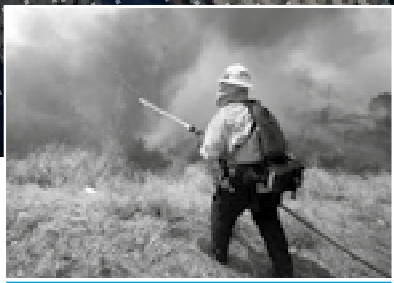
Unlocking the value of location data



State of Michigan

Government convergence and data sharing for better business decisions

- Government now have access to a more robust set of information to make trusted decisions for the state and its citizens.
- 1Spatial is delivering an easy to use, automated data submission process for the validation and integration of spatial data from the local level up to the State of Michigan.
- Complete master data enables state to utilise data at the heart of all their activities.
- Multi-year contract with the State of Michigan for LMDM solution using 1Integrate and 1Data Gateway to create an integrated state-wide database of all location data.
- Initial contract value of approximately US$2.6m over five years.
- 1Data Gateway portal will be used by hundreds of organisations across the state to automate submission and cleanse of data.



California's Office of Emergency Services

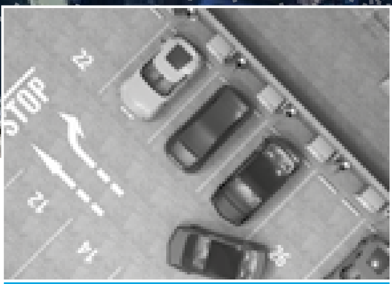
Ensuring accuracy of data to improve emergency service response times and ultimately save lives

- 1Integrate and 1Data Gateway will enable the California 9-1-1 Emergency Operations Branch to build a scalable validation platform to ensure incoming data from multiple data providers meets accuracy standards for use in their Next Generation 9-1-1 implementation, improving speed and accuracy of response.
- Multi-year contract with the State of California's Office of Emergency Services.
- Initial contract value of approximately US$0.6m over two years and recurring element of US$0.1m per annum.
- Repeatable solution capable of supporting other States across North America to deliver on their Next Generation targets.

Environment Agency

LMDM at the heart of Defra's sustainability and Net Zero plan

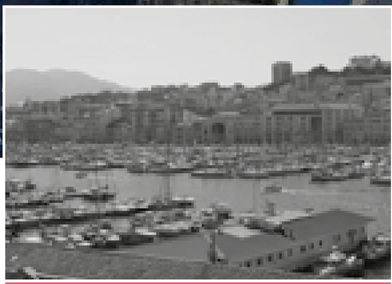
- The Environment Agency need to understand where their assets are to be able to ensure protection of homes, businesses, and communities from the risk of flooding.
- Supply chain data coming into the agency needs to be trusted to plan, build, design, maintain and operate programmes for flood and coastal defence.
- 1Spatial is collaborating with the Environment Agency and Defra to automatically verify and validate supplied data against business and data rules stored in a Data Rules Library – value of £300k following £60k proof of concept.
- Exposure to other parts of Defra and repeatable solution for other government agencies.
- Post year end, 1Spatial is working with Defra and the Rural Payments Agency on future farming and is an integral part of the transition to a new Environmental Land Management Scheme as part of the UK Government's 25-year Environment Plan.



Energy Networks Association

Data quality underpinning Net Zero drive by UK electricity and gas network operators

- Energy Networks Association (ENA) is working with Ordnance Survey (OS) and 1Spatial to build an in-depth digital system map of the UK's energy system.
- 1Spatial's 1Integrate and 1Data Gateway tools will be deployed to audit and validate the network data from all of Britain's electricity and gas network operators to ensure it is fit for purpose before being visualised in Ordnance Survey's Digital Asset Hub.
- Multiple uses for the digital map, including, planning, managing, and sharing the location of Electric Vehicle charging points.
- Repeatable business model of working together in partnership with Ordnance Survey.



City of Marseille

Delivering against public service goals and objectives

- One of our largest clients in the local government sector in France is the City of Marseille – the 2nd largest city in France.
- The City of Marseille has decided to benefit from our agreements with Esri to migrate their legacy GIS to the ArcGIS platform using our new arcOpole Pro business solution.
- With the new solution, the City of Marseille aim to address a wide range of their public service goals and objectives such as managing addresses, trees, surveillance cameras, land use right and asset management in collaboration with other 3rd party software.
- Repeatable solution across all existing customer base in France.

Northern Gas Networks (Esri Utility Network)

Modernising data at NGN to create a digital twin and start the transition to a net zero economy

- In collaboration with Esri UK, 1Spatial has signed a multi-year contract with Gas Distributor, Northern Gas Networks (NGN), to deliver the UK's first enterprise migration to Esri's new ArcGIS Utility Network model in excess of £1m, of which the recurring revenue element is expected to be over £0.2m.
- 1Spatial received the Esri Utility Network Management Specialty designation recognising them for knowledge and expertise within utilities.
- 1Water is recognised by Esri as a focused solution that supports and extends the ArcGIS Utility Network for customers.
- 1Spatial has been supporting utilities for many years and have the skills and solutions to unlock the power of Esri's ArcGIS Utility Network for utilities across the globe with customer engagements underway internationally.

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategies are subject to a number of risks. In the opinion of the Board, the principal business risks affecting the Group, and the controls and mitigation to manage these risks, are as follows:

Principal risk description and potential impact	Mitigation and controls
Pandemic (e.g. Covid-19) disrupts business operations The impact of further lockdowns and extended social distancing restrictions that may result as a consequence of a global pandemic e.g. Covid-19, could have an impact on the ability of employees to deliver services and support to customers. It could also impact our ability generate new business, given the limited ability to host physical user events for our customers and attend industry exhibitions and events. A continued or new future lock-down of customer offices may reduce our ability to carry out our consulting services and delay or reduce income during these restrictions.	We successfully facilitated a move to remote working across all our sites in March 2020, enabling the Board to function and management teams and staff to maintain engagement with our customers and key stakeholders. We are now providing our customers with user events on a virtual basis through webinars and also attending events and exhibitions on a virtual basis. Whilst there have been some delays to signing some new business, the nature of our technology offering, with internal systems largely cloud-based, means we have been able to operate extremely effectively on a remote basis.
Economic and political changes and impact on customers With the current uncertainty across global markets during the Covid-19 pandemic, including the enormous fiscal stimuli in major economies, coupled with the UK's departure from the European Union, there is the risk that companies and, in particular, government agencies are under more pressure to reduce spending budgets. They may require a robust business case before investing in technology and services which can impact or lengthen deal sales cycles and reducing deal size.	Whilst this is a risk, it is also an opportunity for 1Spatial. Our automated technology enables customers to achieve greater internal efficiencies and therefore should reduce customers' total costs in the long run. The Group is also mitigating this risk by looking to diversify the industry sectors and geographies in which it operates.
Key management and employees may leave the business There is a risk that key management and employees leave the business, having a detrimental effect on the operations of the business.	In order to mitigate this risk, the Group aims to create a rewarding working environment that will attract staff by offering competitive salaries and benefits, structured career paths, tailored training and by encouraging a culture of free thinking and innovation. The Group established a new 1Spatial employee share plan in 2018, and further incentive were awarded under this scheme in 2020, to incentivise management and employees to deliver long-term value creation and align their interests with those of the Company's shareholders.
Reliance on key customers The Group has traditionally had some client concentration and reliance on certain key customers.	The Group continues to invest in key customer relationships that it has successfully retained over many years, while also maintaining a strategy to extend and diversify its customer base. The shift to subscription-based (term) revenues from perpetual licences across the Group will also reduce the financial impact of peaks and troughs that can occur with any individual key customer project delays. As recurring revenue from term licences increases, the revenue will be more predictable.

Principal risk description and potential impact	Mitigation and controls
Growth management The Group is focused on revenue growth – both organically and potentially through acquisitions – to increase our market reach in the geographies that we currently operate in, as well as the solutions that we offer in those geographies. The risks associated with growth include the delivery of market penetration through the integration of the acquisitions, conversion of leads to sales, and control of increases in fixed operating costs to support revenue growth. There are also potential risks to achieving revenue growth from competitors with open system offerings and similar solutions. If the Group is unable to manage expansion effectively, its business and financial results could suffer.	The business development strategy is closely monitored by the senior team and the Group's pipeline of opportunities is regularly reviewed at sales and Board meetings. The successful integration of acquisitions is a key Board priority to ensure that they bring the required synergies and benefits to the Group. The Group conducts rigorous due diligence as part of any potential acquisition to ensure financial, operational and technological aspects are understood. The investment in core solutions together with the development of new business applications, particularly those delivered through the cloud, will enable the Group to scale more rapidly. We continue to invest in the relationships with our key partners, which we see as core to our growth strategy. As part of this we have recruited a global partner manager to focus on managing our key relationships in a more professional way.
A major technology failure may adversely disrupt operations Breaches of the Group's digital security through cyber-attacks or otherwise, or failure of the Group's digital infrastructure could seriously disrupt operations, including the provision of customer services, and result in a decline in revenues.	The Group continues to invest in resources in enhancing site resilience and defences, improving network monitoring and reviewing the incident response processes to mitigate the impact of a security breach.
A data breach may adversely impact operations and damage business reputation Breaches of the Group's digital security through cyber-attacks or otherwise, or failure of the Group's digital infrastructure result in the loss or misuse of sensitive information, including client data. Legal or regulatory breaches could result in potential liability, and reputational damage among the customer base leading to a decline in revenues as well as significant penalties or fines.	The Group continues to invest in technical and security resources and regularly reviews its information security policies and procedures to ensure it reduces the risk, and mitigates the impact, of any potential data security breach. The Group has ISO 9001 (QMS Quality Management System Certification) accreditation in some countries.
Reliance on key partners The Group works with key partners in each geospatial market to provide customers with software and services. Our software tools can be bought stand-alone or within our partners' platforms. The Group therefore has reliance on maintaining good relationships with key partners to provide software and services to customers.	The Group's management team works to maintain good relationships with its partners in each country, including regular meetings throughout the year. The management team works with each partner to identify points of collaboration to achieve wherever possible a win for both companies.
Loss of intellectual property Failure to protect the Group's intellectual property may result in another party using its proprietary technology without authorisation.	The Group's intellectual property is protected in the USA by a patent. The source code for all 1Spatial software is securely stored and backed-up in Atlassian's BitBucket, a leading industry-standard cloud-based source code repository system. In order to minimise the disclosure of intellectual property outside the organisation, the Group relies on confidentiality agreements with its employees, customers, suppliers, consultants and others to protect its intellectual property rights. These are backed up with strict operational IT policies for user offboarding which are audited and compliant with ISO 9001 and Cyber Essentials Plus.
Currency fluctuation As an international Group, with revenue and costs in foreign currencies, the financial results are exposed to currency movements, predominantly US$ and €.	The Group seeks to reduce foreign exchange exposures arising from transactions in various currencies. There is a high degree of natural hedging of revenues with costs in overseas operations. Any residual currency exposure is managed by using spot and forward currency contracts to offset that risk as soon as the currency exposure is known with reasonable certainty.

Section 172 Statement

The Directors have fulfilled their responsibilities under Section 172 of the Companies Act 2006, which requires them to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

Engaging with stakeholders is very important to 1Spatial and in this section we explain in more detail how 1Spatial does this. We understand that effective engagement with stakeholders at Board level is crucial to fulfilling 1Spatial's purpose.

The essentials of our care for the workforce and community and other stakeholders, as well as continued commitment to leadership, corporate governance, effective decision-making and access to relevant and timely information remain our priority. These factors are especially important today.

The likely consequences of any decisions in the long-term

The Board has three strategic growth pillars for FY22 and beyond, which are: innovation, customer relationships and smart partnerships. These pillars reflect the need to consider the interests of our staff and the need to keep pace with market initiatives and technological changes, so the business is appropriately positioned to take best advantage of market conditions. The strategic pillars are cascaded down to all the entities and individuals within the business through our Global Business Objectives Setting process, our monthly Global Management Meetings, and regular financial reporting processes.

The interests of our employees

Engaged, enabled, empowered employees who contribute to the best of their potential are fundamental to the long-term success of the business. We employ and develop high calibre staff and we maintain oversight of their performance through performance review processes and personal development programmes. We actively support equality, diversity and inclusivity and we do as much as we can to ensure a positive environment for health and wellbeing. We offer appropriate levels of remuneration which we benchmark using market surveys. We value our employees' thoughts and ideas and two-way communication is actively sought and encouraged. During the year a number of staff surveys were carried out in each geography to assess employees wellbeing given the particularly difficult circumstances this year. Matters covered included health and safety working at home, ensuring that they felt supported during the pandemic and views and opinions around returning to the work place. During this year we have implemented lots of wellbeing activities, which focus on promoting mental and physical health.

During the Covid-19 period, we have taken advice from local governments in the countries that we operate in to safeguard our employees and subcontractors, the majority of which are working remotely, with regular check-ins with other members of staff. To maintain mental health and connectedness in this difficult time, staff have had access to wellbeing resources, and regularly meet online to support each other, participating in weekly social activities. As a Group we will be guided by the advice of governments across our territories on maintaining measures to protect our employees' health as the social distancing restrictions are adjusted.

Building and sustaining a positive corporate culture across the Group

The Board gives active consideration on an ongoing basis to how we demonstrate the positive corporate culture and conduct at 1Spatial. These matters are important as they affect all stakeholders. The Board recognises that determining and embedding a high standard of corporate culture within the business is essential to not only ensure the Group preserves and maintains its long-established reputation for high standards of business conduct, but also to ensure the business remains sustainable, maximises any competitive advantage this provides over the longer term and builds value for shareholders. During the year we've been engaging with focus groups in each territory to discuss our culture and brand values to ensure a united global culture. Following these focus groups, we are looking to refresh our brand values during the next financial year to be more aligned with new ways of working both together as a team and with our other stakeholders such as our customers and partners.

The need to foster the Group's business relationships with customers, partners, suppliers and others

1Spatial customers are key to the long-term success of our business. We develop relationships with our customers based on mutual trust and our ability to effectively meet their needs. We focus on understanding what they want and put that at the centre of our decision-making to create meaningful partnerships so that we understand how our customers' requirements evolve. This is key to our Land and Expand approach of developing our customer relationships, enabling us to derive insights from our customers to inform future product development and innovation.

Business is also sourced through our invaluable partnership networks with key players in the location field such as Esri, Ordnance Survey, Safe Software and

VertiGIS. They are key business partners and we set out our relationship in terms of business or service level agreements. We maintain oversight of these arrangements as well as making sure our customers receive appropriate levels of disclosure.

The impact of the Group's operations on the community

1Spatial is a responsible member of its global and local community as it reflects our culture and matters to our staff and local community. 1Spatial has a strong culture of supporting staff in both individual and group volunteering and fundraising initiatives. To maintain direction and drive momentum our Senior team coordinates corporate social responsibility activities within the Group. Each year, our staff volunteer their time, energy and skills for projects that support global good causes. One such initiative is Missing Maps, a project to map the most crisis-prone parts of the world. Our staff also support schemes that give something back to our local community, for example food banks and homeless charities.

Our data management solutions and business applications not only increase the effectiveness of our customer organisations, but also increase social responsiveness and a number of these are set out in our ESG report.

The impact of the Group's operations on the environment

1Spatial's purpose is to make the world more sustainable, safer and smarter for the future. While many of our solutions are aimed at helping our customers save money and be more efficient, they also ensure that data is correct for enabling our customers to address environmental issues in their business.

We take our environmental consciousness and apply it to our day-to-day operations, adhering to the internationally recognised ISO 14001:2015 standard in the UK. By following this standard, we can ensure that our operations are carried out in an efficient and environmentally considerate manner, and our Environmental Policy represents our commitment to this promise.

The desirability of the Group maintaining a reputation for high standards of business conduct

1Spatial seeks to achieve and maintain a reputation for demonstrating a high standard of business conduct as this has a positive impact on interactions with utility firms and governmental bodies in particular. In several territories we comply with ISO 9001 Quality Management certification to provide the framework and guidance to ensure that we consistently meet our customers' expectations and regulatory requirements.

The need to act fairly as between shareholders of the Group

We have an on-going dialogue with shareholders through roadshows to formally communicate the Group's financial results on a yearly and half-yearly basis, as well as periodic capital market days. The Chairman meets regularly with investors to hear their perspective of Group performance and the priorities they feel that the Group should be pursuing. Investor feedback is also provided by the Group's NOMAD following investor roadshows, in order for the Board to build on its alignment of the Group's strategy to business objectives and communicate these in a clear manner.

Our Annual General Meeting enables us to gather our shareholders' views while also particularly giving our non-institutional shareholders the opportunity to hear directly from the Chairman and the Board. Shareholders can view and manage their holdings using an online share portal and are able to access press releases and regulatory news via our website.

Material decisions impacting stakeholders which took place in the year ended 31 January 2021

Material decisions taken during the year included the decision to amend the GI SPA as part of the final integration step of the acquisition. The SPA amendment was completed in March 2021 and further information is in note 28. The Board concluded that the European operations should be restructured and whilst this involved some additional one-off costs, cost savings and operational streamlining would be achieved.

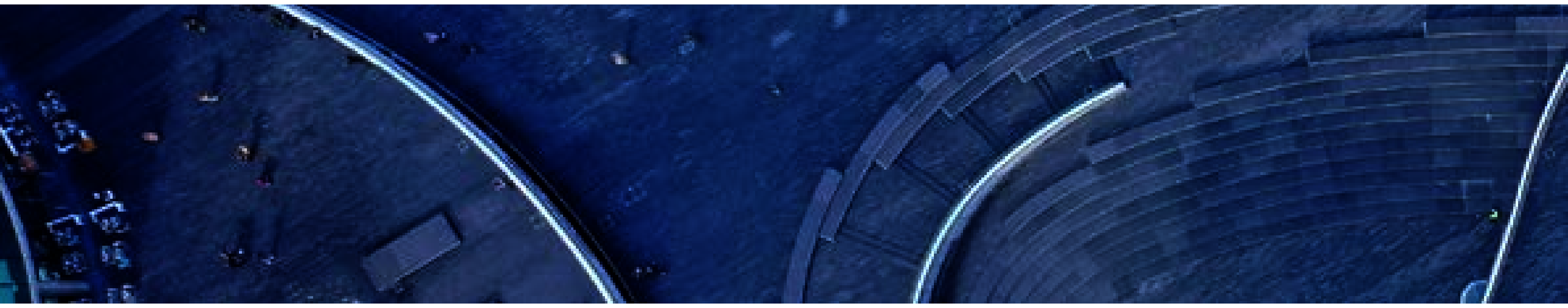
Other key decisions related to financing opportunities at the start of the Covid pandemic and whether to accept government support. The board decided to take on additional bank borrowings of £1.8m on a pre-cautionary basis. No support from the UK government's Job Retention Scheme was sought as it was concluded that all employees would be able to continue working remotely and jobs could be preserved. The Board decided to accept some overseas government support on the basis of potential challenges within those regions, and it allowed the business to preserve jobs that might otherwise be at risk.

For the purpose of this statement detailed descriptions of the decisions taken are limited to those of strategic importance. The Board made these decisions based on full consideration of and interactions with both internal and external stakeholders, including employees, customers and shareholders.

Signed on behalf of the Board

Andrew Fabian
27 APRIL 2021

Board of Directors



Making the world more sustainable, safer and smarter for the future is a team effort. Our Board of Directors are passionate about making a difference and unlocking the value of location data.

BOARD COMMITTEES

- Nomination Committee
- Remuneration Committee
- Audit Committee

Claire Milverton

CHIEF EXECUTIVE OFFICER (CEO)

Appointed

October 2017

Skills & Experience

Claire is passionate about leading and working collaboratively; making the best of her team's skills to create a great organisation and a positive culture – extending this approach to all other stakeholders including customers and partners.

Claire believes that working collaboratively with clients and partners is a key way to accelerate growth – it's important to provide 'Best of Breed' solutions to deliver against customer and market needs.

Good data governance and data quality is at the heart of 1Spatial and having worked in finance, Claire is no stranger to issues in relation to poor quality data. Claire recognises the importance of creating economic value from the data investment, whether that is to address issues such as sustainability or to improve customer efficiencies.

Claire has had a significant number of years in the technology sector from both her time working within 1Spatial (where she was CFO from 2010 to 2017 prior to being CEO) and through her experience at PricewaterhouseCoopers where she was an AIM market and technology specialist. Claire is a qualified Chartered Accountant.

Andrew Fabian

CHIEF FINANCIAL OFFICER (CFO)

Appointed

June 2020

Skills & Experience

Andrew was previously Group Finance Director of StatPro Group plc, a leading provider of cloud-based portfolio analysis software solutions, until its recent successful acquisition by Confluence Technologies, Inc. in 2019. Through his time at StatPro, Andrew experienced the transformation from an on-premise offering to a cloud platform, overseeing the expansion of the business both organically and through acquisition in the UK and internationally, and delivering a significant increase in shareholder value.

Andrew joined the Board as Interim Chief Financial Officer in June 2020 and transitioned into CFO in October 2020. Prior to joining StatPro, Andrew held senior financial roles at William Baird plc, De La Rue plc and Deloitte. Andrew is a Fellow of both the ICAEW and the Association of Corporate Treasurers. In 2012, Andrew was awarded a ranking in the 'Hot 20 FDs' in the TMT sector by BDO LLP and was a winner at the Finance Monthly CFO Awards in 2017.

Andrew Roberts

NON-EXECUTIVE CHAIRMAN

September 2016

Andrew brings significant experience to 1Spatial from both a technology and equity capital markets perspective.

Andrew led The Innovation Group plc from 2009 until its sale to Carlyle Group in 2016 for £500 million. During this time, the company grew to be a global business providing business services and software solutions. He has also been Chairman of Kewill plc, a leading international supply chain software business, Non-Executive Director and Chairman of Civica, a leading UK IT services business and prior to this was Non-Executive Chairman of Vega Group plc until its sale in 2008 to Finmeccanica SPA for £61 million.

Andrew started his career at ICL and then led the management team that turned-around private–equity owned Data Sciences (then a leading BPO business), which was sold to IBM in 1996.

Francis Small

NON-EXECUTIVE DIRECTOR

August 2017

Francis brings significant experience from his financial services background, having been at Ernst & Young from 1979 to 2015 where he held key positions, including as London and then UK head of corporate finance, global vice chair and then managing partner of UK & Europe transaction advisory services, global leader of sovereign wealth funds and ultimately senior partner for international clients.

During his time at Ernst & Young, Francis had responsibility for a wide range of teams and divisions, overseeing strategy development while delivering revenue growth. He worked closely with notable businesses including 3i, ArcelorMittal, Rexam, TPG & UBS. Francis is Chairman of British Business Investments, a government-backed investment company that helps provide finance to UK SME businesses, and he chairs the Board of Governors at Kingston University. In January 2021, he was appointed as Senior Independent Director of Quixant plc.

Francis graduated from Cambridge University with a degree in law, is a chartered accountant and a fellow of the ICAEW.

Peter Massey

NON-EXECUTIVE DIRECTOR

July 2018

Peter brings significant industry expertise and strategic insight to the Board in the key focus areas of Government, Utility and Transport which he has developed through his long career driving business growth within these industries. Peter has held a number of Senior Executive positions during his career including the following:

- Advisory Board Member, Space Time Insight Inc. (USA/UK)
- Director of Transformation at National Grid plc. (both in the UK and USA)
- Director, Distribution Support at National Grid plc
- Head of Network Sales at National Grid plc
- Head of Network Services at Transco plc

Peter is the Founder and Director of Upcurve Limited, which provide management consultancy services in areas of asset management, IT led transformational change and performance growth for organisations from start-ups to established multi-national organisations. Peter is a Chartered Engineer and graduated from the University of Salford with a BSc (Hons) in Natural Gas Engineering.

Corporate Governance Report

An Introduction from the Chairman

In the year ended 31 January 2021 we continued to adhere to a high standard of ethics, values and corporate social responsibility. These principles continue to underpin our governance procedures and the strategic and management decisions we make. We have updated a number of core Group governance policies. We continue to assess and develop internal processes to ensure we maintain the robustness of decision-making and balance the considerations for the Group's stakeholders in the long term with short-term decisions to address Covid-19. More details of what we, as a Board, have been focussing on throughout this financial year is set out in our Section 172 Statement (s172 Statement).

We will continue to ensure the Board and its committees function effectively, and that all Directors provide strong and valuable contributions and that no individual or group dominates the Board's decision-making process. The Board has delegated specific responsibilities to the Audit, Remuneration and Nomination Committees, details of which are set out in this report.

As a Board we also set clear expectations concerning the Group's culture, values and behaviours. We believe in order for us to execute on our customer centric solutions approach it is vital that the Board and all our employees act in a way that reflects the underlying values of the business. Our brand values of Approachable, Smart, Innovative and Agile are something we expect everyone throughout the Group to adhere to. Our s172 Statement gives more details of how we continue to ensure the wellbeing and best interests of all our employees around the Group.

In the year ended 31 January 2019 the Board adopted the high standards of corporate governance contained in the Corporate Governance Code for Small and Mid-Size Quoted Companies (QCA Code). Details of how we comply with the QCA Code are set out in our Statement of Compliance, which is updated annually, a copy of which can be found on our website www.1spatial.com.

The Board

Composition

The composition of the Board is shown on page 32 & 33. The current Directors possess a range of skill sets, capabilities and experience gained from diverse backgrounds, thereby enhancing the Board by bringing a wide spectrum of knowledge and expertise.

The Role and Operations of the Board

The role of the Board is to ensure delivery of the business strategy and long-term shareholder value. The general obligations of the Board and the roles and responsibilities of the Chairman and the Chief Executive Officer are set out in a formal Board responsibilities statement approved by the Board. The Board fulfils its role by approving the annual strategic plan and monitoring business performance throughout the year. The Board held 11 formal scheduled Board meetings during the financial year and in addition held a number of unscheduled ad-hoc meetings specifically to address the Covid-19 restrictions with the senior team, to ensure the continued well-being of all employees and review and assess financial budgets and short-term strategy solutions. Most board meetings in the financial year were held remotely due to Covid restrictions. There is in place a schedule of matters reserved for Board approval that can be found on the Company's website (www.1spatial.com).

The Board have approved an annual Board calendar setting out the dates, location (subject to any remote working restrictions) and standing agenda items for each formal scheduled Board and Committee meeting and scheduled Board calls. Board papers are circulated to Directors in advance of scheduled and unscheduled meetings, which are of an appropriate quality to enable the Directors to fulfil their obligations and adequately monitor the performance of the business. Directors who are unable to attend a meeting are expected to provide their comments to the Chairman, the Chief Executive Officer, or the Company Secretary, as appropriate. The Board also receives management information on a regular basis that sets out the performance of the business. The Chief Executive Officer and Chief Financial Officer are invited to attend the Audit and Remuneration Committee meetings, if appropriate.

During the year, the topics subject to Board discussion at formal scheduled Board meetings included:

- Covid-19 related issues;
- Strategic plan and annual forecast and budget;
- Health and safety matters;
- Investor relations;
- Financial and operational performance;
- Project updates;
- Market and competitor reports;
- Acquisitions and Group structure changes;
- Financing activities and facility agreements;
- Approval of annual and half year reports;
- Governance updates and the EU Market Abuse Regime;
- Industry regulatory and compliance developments;
- Risk and internal controls;
- General Data Protection Regulation (GDPR); and
- Related party transactions.

Attendance at scheduled Board Meetings during the year is shown below:

Director	Formal Scheduled Board Meetings during the year ended 31 January 2021 Maximum Possible Attendance	Meetings Attended
A Roberts (Chairman)	11	11
C Milverton	11	11
N Payne*	4	4
A Fabian*	7	7
F Small	11	11
P Massey	11	11

* N Payne resigned as CFO on 16 June 2020 and A Fabian was appointed Interim CFO on the same date. A Fabian was appointed CFO on 13 October 2020.

Advice, insurance and indemnities

All Directors have access to the services of the Company Secretary and may take independent professional advice at the Company's expense in conducting their duties. The Company provides indemnity insurance cover for its Directors and officers, which is reviewed and renewed annually.

Conflicts

Consideration of Directors' interests is a standing agenda item at each formal scheduled Board meeting. Each Director is required to disclose any actual or potential conflicts of interest and a register of Directors' interests is maintained by the Company Secretary. If there is a conflict of interest or a matter relating to a particular Director or a related party transaction, then the Board understands that the relevant Director shall excuse themselves from the discussion. Each year updated schedules of interests for all Directors are circulated to the Board for information and formal approval, where appropriate.

Board Evaluation

A formal evaluation of the performance and effectiveness of the Board and its Committees was conducted in the year ended 31 January 2021. The scope of the evaluation was discussed and agreed with the Chairman, a Non-Executive Director and the Company Secretary. The evaluation was implemented by means of a questionnaire. The final evaluation report highlighted a number of positive messages regarding issues such as – the role of the chair, the board structure and roles, decision making and external and internal communications. The topics that required additional focus at future Board meetings included the delivery of board papers, on-going board training and succession, the content and timeliness of management information and reporting and better communication channels between the Board and senior management.

Board Development

All new Directors appointed to the Board receive a comprehensive induction. In the year ended 31 January 2021 the Board, with the Company Secretary, updated the structured training and development programme including strategic issues, legal issues and environmental, social and governance (ESG) issues. The Company's Nomad is invited to attend a Board meeting each year to update the Board on their general and statutory duties and current best practice governance issues and senior technical experts will present to the Board in calendar year 2021 on topics such as ESG, as well as regulatory and industry related issues.

Succession Planning

Succession continues to be a key priority for the Board. The current Directors possess a range of skill sets, capabilities and experience gained from diverse backgrounds, thereby enhancing the Board by bringing a wide spectrum of knowledge and expertise. In 2020 the Board approved a succession policy and discussions are on-going regarding short and long-term succession for both Directors and the Senior Management team. You can find more about the experience and expertise of the other current members of the Board on the Company's website (www.1spatial.com).

Reappointment of Directors at the Annual General Meeting

The Articles of Association provides that a third of Directors retire annually by rotation and, if eligible, offer themselves for re-election. However, in accordance with good governance principles, at each AGM all the Directors retire and, subject to being eligible, offer themselves for re-election.

Relations with investors

The Company produces this Annual Report that is available on the Investor Relations section of the Company's website and distributed to those shareholders who have requested to receive hard copies. The Company's website (www.1spatial.com) contains information on the Group, matters reserved for the Board, the Company's articles of association, the Committee terms of references, copies of all documents sent to shareholders and all market and regulatory announcements.

The Board ensures that financial reporting and operational updates are communicated to the market on a timely basis and give an accurate and balanced assessment of the business. The Company's share dealing policy sets out how the Directors meet their obligations under the AIM rules in this regard and how the advisers are involved in the market communications process coordinated by the Company Secretary.

Board Committees

The terms of reference of the Board's committees as summarised below are all available in full on the Investor Relations section of the Company's website at www.1spatial.com.

Nomination Committee

Membership
A Roberts (Chair)
F Small (Member)

In the year ended 31 January 2021, all senior management appointments, as well as succession plans for the Board and senior management, were dealt with by the entire Board. The recruitment process involved both the Non-Executive and Executive Directors to ensure that any appointments made strengthened and diversified the composition and skill set of the existing Board. Instead of holding a Nomination Committee meeting, the Board meetings throughout the year included discussions about senior management, recruitment and succession planning in line with the Group strategy.

The key responsibilities of the Nomination Committee are:

i. Recommending Director nominees to the Board;
ii. Recommending Committee chairs and membership to the Board and Committees;
iii. When appropriate, taking into account the current stage of the Company's development, reviewing succession plans for the Board and Committees;
iv. Making recommendations to the Board in respect of the re-appointment of any Non-Executive Director at the conclusion of their specified term of office taking into account their performance and their contribution together with the knowledge, skills, leadership and experience requirements of the Board and Committees;
v. Regularly reviewing the structure, size and composition (including the balance of skills, diversity, knowledge and experience) required for the Board and making recommendations to the Board with regard to any changes.

Remuneration Committee

Full information on the composition, role, operation and meeting attendance of the Remuneration Committee is set out in the Remuneration Report on page 38.

Audit Committee Report

"The Board, upon recommendation of the Audit Committee, appointed BDO LLP ("BDO") as external auditors for the Group for the financial year ending 31 January 2021."

Francis Small

CHAIRMAN OF THE AUDIT COMMITTEE

Audit Committee

Membership
F Small (Chair)
A Roberts (Member)
P Massey (Member)

Following a competitive audit tender process carried out in October 2020, the Group's external auditors, Pricewaterhouse Coopers LLP resigned on 16 November 2020 and the Board, upon recommendation of the Audit Committee, appointed BDO LLP ("BDO") as external auditors for the Group for the financial year ending 31 January 2021.

The Committee has a calendar of activities agreed each year. Senior management and the external auditors ("BDO") may attend meetings at the request of the Committee. Attendance at scheduled Committee Meetings during the year is shown below. Additional ad-hoc meetings by conference call were also held during the year.

Director	Maximum Possible Attendance	Meetings Attended
F Small (Chair)	3	3
A Roberts	3	3
P Massey	3	3

The key responsibilities of the Audit Committee are:

i. Monitoring the integrity of financial statements, including approving any material changes in accounting policy, reviewing the financial statements, and any market announcements relating to the Group's financial performance;
ii. Reviewing the integrity of internal financial control and risk management systems and codes of corporate conduct and ethics and any published statements regarding these systems and codes;
iii. Making recommendations to the Board regarding the engagement of the external auditors, approving their terms of engagement, monitoring their objectivity and performance and setting policy regarding the provision of non-audit services by the external auditors;
iv. Reviewing the plan, scope and results of the annual audit, the external auditors' letter of comments and management's response thereto; and
v. Receiving reports from the CFO relating to risk control and management's response to the findings.

During the year, the topics discussed at formal scheduled Committee meetings included:

- Conduct a formal tender process in relation to the external auditors for the Group;
- Review of the risk register, assessing how each risk identified is being monitored and ensuring the process of how these risks are being actively managed is in place;
- Receipt and consideration of reports from the external auditors regarding the scope and findings of their audit of the annual report;
- Recommendation of the annual report and half-year report to the Board for approval, together with the management representation letter and audit fees;
- Review of audit and non-audit related fees paid to the external auditors and monitoring the independence of the external auditors;
- Review and consideration of accounting treatment policy changes in line with industry practice, as recommended by external auditors; and
- Review and update of the terms of reference of the Audit Committee.

To ensure the objectivity and independence of the external auditors, any service provided by the external auditors must be approved in accordance with the Group's policy on auditor independence and the provision of non-audit services, which is consistent with the UK Auditing Practices Board's Ethical Standards for Auditors.

The external auditor is only selected to provide non-audit services if they are well placed to provide the required service at a competitive cost and the Committee is satisfied that the assignment will not impair their objectivity. In accordance with relevant professional standards, the external auditors have confirmed their independence as auditors in a letter to the Directors. Details of fees paid to the external auditors for both audit and non-audit services are given in the note 6(a) to the financial statements. The non-audit services in the year related to work performed in relation to payroll, tax compliance and company secretarial services to 1Spatial Australia Pty Limited.

Internal Control

The Board is responsible for ensuring the Group has effective and sound systems of internal controls, which are designed to manage, but not eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatements and loss. The day-to-day management and monitoring of the Group's systems of internal control is delegated to the Chief Financial Officer.

The Chief Financial Officer ensures that the Group's risk management framework and control culture are embedded within the business, the executive Directors provide assurance to the Board, through the Audit Committee, that risks are monitored, appropriately escalated and managed within the risk appetite of the Board.

The systems of internal control are designed to cover all business, financial, reputational and legal risks of the Group and are embedded within the operations of the Group.

The financial reporting controls in place are designed to maintain proper accounting records and provide reasonable assurance concerning the accuracy and integrity of financial information reported both internally and externally.

In accordance with the QCA Code and best practice guidance for Directors on internal controls issued by the Financial Reporting Council, the Board, with the advice of the Audit Committee, has reviewed the effectiveness of the systems of internal control for the year to 31 January 2021. As part of this review, the Board received assurances from the Chief Executive Officer and the Chief Financial Officer of 1Spatial plc that the Directors' Responsibilities Statement on page 44 is founded on a sound system of risk management and internal controls and that the systems of internal controls are operating effectively in all material respects in relation to reporting financial risks and the mitigation of material business risks.

Going Concern

As disclosed in the going concern section of note 2 of the consolidated financial statements, Summary of significant accounting policies, a working capital model ("Covid-19 budget") was prepared, focussing on the impacts of Covid-19 and the actions the Board can take to mitigate those impacts. Sensitivity analysis was performed on the Covid-19 budget model, requiring a decline in the Group's revenues of more than 20% (with no changes to spending) before the Group runs out of resources given the net funds in place. Such an extreme downside scenario is not a realistic outcome given the Group's revenues to date, recurring revenue and backlog revenue. Taking into account the cash flow projections approved by the Board of Directors, the Directors have formed a judgement that, at the time of approving these financial statements, there is a reasonable expectation that the Group has adequate resources and likely income to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Francis Small
CHAIRMAN OF THE AUDIT COMMITTEE
27 April 2021

“The Group has prepared this Remuneration Report on a voluntary basis in order to promote transparency and good governance within the Group.”

Peter Massey

CHAIRMAN OF THE REMUNERATION COMMITTEE

The Remuneration Committee

Membership
P Massey (Chair)
A Roberts (Member)
F Small (Member)*

* With effect from 9 April 2020, F Small stepped down as Chair of the Remuneration Committee and P Massey was appointed in his place.

Whilst a formal Director’s Remuneration Report is not required by the CA2006, the Group has prepared this Remuneration Report on a voluntarily basis in order to promote transparency and good governance within the Group. Therefore, some elements of a listed company’s Remuneration Report requirements may not be included, the Board’s approach is to emulate best practice in reporting Director’s remuneration.

On behalf of the Board, I am pleased to present the Directors’ Remuneration Report, setting out the remuneration policy and the remuneration paid to the Directors for the year to 31 January 2021.

Senior management attend meetings at the request of the Committee and recuse themselves from discussions and decisions taken by the Remuneration Committee in respect of their own remuneration.

Attendance at scheduled Committee Meetings during the year is shown below. Additional ad-hoc meetings by conference call were also held during the year.

Director	Maximum Possible Attendance	Meetings Attended
P Massey (Chair)	2	2
A Roberts	2	2
F Small	2	2

The Remuneration Committee determines and agrees with the Board the broad policy for the remuneration of the Group's employees, as well as reviewing the ongoing appropriateness and relevance of the Group's remuneration policy, ensuring that it is structured in a way that aligns reward with performance, shareholder interests and the long-term interests of the business.

The key responsibilities of the Committee are:

i. Determining the total individual remuneration packages, including pension arrangements, of the Executive Directors and senior management;
ii. Reviewing and approving share incentive plans and non-material changes to them;
iii. Approving and determining targets including the annual discretionary bonus scheme; and
iv. Reviewing and approving the scope of any termination payments and severance terms for Executive Directors, ensuring that contractual terms on termination and any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

The full terms of reference of the Remuneration Committee are available on the Company's website (www.1spatial.com) and on request from the Company Secretary.

The Committee has access to the advice and views of the Chairman and the Chief Executive as well as the use of external consultants, if required. No external consultants were engaged by the Committee during the year.

Remuneration Policy

The Board considers that appropriate remuneration policies are a key driver of performance and a central element of corporate strategy.

The Group remuneration policy aims to:

- provide market competitive total compensation;
- motivate, retain and promote individual and corporate outperformance;
- differentiate on merit and performance;
- emphasise variable performance-driven remuneration;
- ensure adherence to the Group's Code of Conduct;
- align senior management with shareholders' interests; and
- deliver clarity, transparency and fairness of process.

The Group remuneration policy has a strong focus on variable compensation as the Board believes that the interests of the business, shareholders and employees are best served by containing fixed remuneration costs and maximising the proportion of total remuneration that is directly performance related.

Element	Structure	Purpose	Performance Measure
Basic Salary	Fixed	Base salary for the role	N/A
Other Benefits	Fixed	Benefits in kind	N/A
Annual Bonus	Variable	Executives and senior management bonuses are determined by the Remuneration Committee based on the performance of the business	Business performance
Share Option Plans	Variable	Share awards aim to align total remuneration with the growth of the business and shareholder value	Service conditions on share option awards and business performance and share price performance conditions on long-term incentive plan awards

Basic Salary

Salaries are reviewed annually for the Chief Executive Officer and the Chief Financial Officer.

Benefits and Benefits in Kind

The Directors, both Executive and Non-Executive, also benefit from indemnity arrangements in respect of their services as Directors, and from Directors' and Officers' indemnity insurance.

Annual Bonus

The Committee has the discretion and flexibility to take into account factors other than business performance in determining any bonus. Each element of the Executive Directors' reward package supports the achievement of key business measures and rewards outperformance.

Share Option Plans

The Group established a new 1Spatial employee share plan (the "Plan") in 2018 to incentivise management and employees to deliver long-term value creation and align their interests with those of the Company's shareholders. For further detail, refer to note 22 of the Annual Report.

The awards under the Plan granted to the directors of the Company in the prior year are shown in the table below. During the financial year to 31 January 2021, share option awards were made to the executive directors and other key management and employees.

In addition, The Remuneration Committee exercised its discretion to amend the performance targets applying to the 2018 LTIP Awards. The Remuneration Committee considered it appropriate to revisit the share price hurdles and timings, given the economic backdrop and the impact of Covid-19 on share prices (both immediately and over the medium term). The Remuneration Committee considers that the revised targets constitute a fairer measure of performance and ensure that the 2018 LTIP Awards provide a more effective incentive to the employees. The Remuneration Committee also considers that the revised targets better reflect the level of stretch performance that the Remuneration Committee had anticipated when the targets were originally set.

In the financial year to 31 January 2020, there were no share option awards. Details of awards to the Chief Executive Officer and the Chief Financial Officer in the financial year to 31 January 2021 are provided in the table below.

Directors' Service Contracts

The Chief Executive Officer and the Chief Financial Officer have a service agreement with the Company, which is terminable by either party on not less than 12 months' and six months' notice respectively. There are no provisions for remuneration payable on early termination.

Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board, with the Non-Executives removing themselves from discussions concerning their remuneration. The Non-Executive Directors serve the Company under formal letters of appointment that are terminable on six month's written notice which sets out their role, obligations as a director and the expected time commitment required.

Directors' Interests in Share Awards (Audited)

As at 31 January 2021, the Directors held the following share options (refer to note 6(c) of the consolidated financial statements for more detail):

	1 February 2020	Granted	Lapsed	31 January 2021	EMI share option	Executive unapproved share option	Exercise price
	Number	Number	Number	Number	Number	Number	pence
C Milverton	659,368	650,000	–	**1,309,368**	537,632	771,736	0p
C Milverton	769,793	–	–	**769,793**	–	769,793	46.5p
C Milverton	–	25,000	–	**25,000**	–	25,000	26.5p
A Fabian (appointed 16 June 2020)	–	330,000	–	**330,000**	–	330,000	0p
A Fabian (appointed 16 June 2020)	–	25,000	–	**25,000**	–	25,000	26.5p
N Payne (resigned 16 June 2020)	118,548	–	(118,548)	**–**	–	–	0p
N Payne (resigned 16 June 2020)	107,967	–	(107,967)	**–**	–	–	46.5p
	1,655,676	**1,030,000**	**(226,515)**	**2,459,161**	**537,632**	**1,921,529**	

Directors' Emoluments and Compensation (Audited)

Details of individual Executive Directors' remuneration for those Directors that served during the current year are as follows (full disclosures are presented in note 6(c) of the consolidated financial statements):

	Emoluments £'000	Pension contributions £'000	**Total 2021 £'000**	Emoluments £'000	Pension contributions £'000	Total 2020 £'000
C Milverton	253	22	**275**	222	21	243
A Fabian (appointed 16 June 2020)	119	–	**119**	–	–	–
N Payne (resigned 16 June 2020)	102	3	**105**	98	7	105
	474	**25**	**499**	**320**	**28**	**348**

Discretionary bonuses of £30k for C Milverton and £12k for A Fabian are included in directors' emoluments above for the year ended 31 January 2021 (2020: Nil).

Details of individual Non-Executive Directors' fees for those Directors that served during the current year are as follows:

	2021 £'000	2020 £'000
A Roberts	**79**	91
F Small	**41**	41
P Massey	**41**	41
	161	**173**

Directors' Share Interests (Audited)

The beneficial interests of the Directors in shares of the Company as at 31 January 2021 are shown below:

	Ordinary Shares
A Roberts	586,190
C Milverton	506,301
A Fabian	200,000
F Small	13,294
P Massey	91,301

Approved and signed on behalf of the Board

Peter Massey
REMUNERATION COMMITTEE CHAIR
27 April 2021

The Directors present their annual report on the affairs of the Company and the Group, together with the audited consolidated financial statements and the independent auditors' report for the year ended 31 January 2021 in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The information in the Chairman's report, the Corporate Governance report and the Directors' Responsibilities Statement form part of the Directors' report.

The Directors' report contains certain forward-looking statements and forecasts with respect to the financial condition, results, operations and business of 1Spatial plc that may involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Annual Report to shareholders should be construed as a profit forecast.

Principal activities

The principal activity of the Group is the development and distribution of innovative software solutions along with associated consultancy and support related to Location Master Data Management ("LMDM"). The principal activity of the Company is that of a parent holding company which manages the Group's strategic direction and underlying subsidiaries.

1Spatial plc is a company incorporated in the United Kingdom. The registered office of the Company is Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, England, CB4 0WZ.

Details of the business activities during the year can be found in the strategic report on pages 6 to 31. The Company is a low energy user and is not currently required to report energy usage under the Streamlined Energy & Carbon Reporting ("SECR") requirements but may consider doing so going forward on a voluntary basis.

Results and dividends

The results for the Group for the year and the Group and Company's financial position at the end of the year are shown in the attached financial statements.

The Directors do not recommend the payment of a dividend (FY 2020: £nil).

Business review and future developments

The requirements of the business review have been considered within the Chairman's report on pages 6 to 7 and the strategic report on pages 6 to 31.

Principal risks and uncertainties

For further details on principal risks and uncertainties, refer to pages 28 to 29.

Financial instruments

Financial Risk Management Objectives and Policies

During the year the Group's principal financial instruments were bank loans, trade receivables and cash. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables which arise directly from its operations.

The main risks arising from the Group's financial instruments have been liquidity risk, interest rate risk, credit risk, and capital risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity Risk

The Group's finance department's primary objective is to ensure the Group maintains sufficient funds to support the ongoing strategic and trading activities of the Group. Detailed forecasting is carried out at local level in the operating companies of the Group and this is combined into a group cash flow forecast. The Group forecasts are reviewed closely to ensure that sufficient headroom in available secured funding is in place.

Interest Rate Risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Bank loan interest is charged on a fixed rate basis. Given the magnitude of the bank loans and low interest rates that range between 0% and 3.4% (with a weighted-average interest rate of 2.3% at the year-end), the Board does not consider it appropriate to hedge the interest rate risk.

Credit Risk

The Group trades only with recognised, creditworthy third parties and independent credit checks and credit limits are managed by the trading entities. Credit limits can only be exceeded if authorised by the 1Spatial plc Board. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant, especially given past payment history of longstanding customers. There are no significant concentrations of credit risk within the Group.

Credit risk also arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are used for significant cash deposits.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital within an acceptable level of risk. In order to maintain or adjust the capital structure, the Group may issue new shares, raise finance through increasing debt or sell assets/businesses to reduce debt. The Group monitors its capital risk by ensuring the level of debt and gearing is reasonable based on the projected cash flows and related risks.

The capital structure of the Group at 31 January 2021 consists of cash and cash equivalents of £7.3m (31 January 2020: £5.1m), bank borrowings of £3.0m (31 January 2020: £1.2m), and equity attributable to shareholders of 1Spatial plc of £14.7m (31 January 2019: £15.5m).

Research and development

The Group performs research and development activities as described within the strategic report on pages 6 to 31. The Group expenses research activities to the statement of comprehensive income and capitalises development activities should the cost meet the relevant criteria. During the year, £2.1m was capitalised (2020: £2.2m), £2.2m (2020: £2.1m) was expensed and there were no impairments (2020: £0.1m).

Employees

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and the various factors affecting the performance of the Group. This has been of even greater importance during the last year with remote working and other restrictions due to Covid-19, with the Group implementing increased frequency of team meetings, line manager 1:1s and Group-wide communications.

The Directors recognise that continued and sustained improvement in the performance of the Group depends on its ability to attract, motivate and retain employees of the highest calibre; and to this end, the Group issued new share options to certain key management and employees under the employee share plan established in 2018. Furthermore, the Directors believe that the Group's ability to sustain a competitive advantage over the long term depends in a large part on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all employees through development and training.

The Group is an equal opportunity employer. The Group's policies seek to promote an environment free from discrimination, harassment and victimisation and to ensure that no employee or applicant is treated less favourably on the grounds of gender, marital status, age, race, colour, nationality or national origin, disability or sexual orientation or is disadvantaged by conditions or requirements that cannot objectively be justified. Entry into, and progression within the Group, is solely determined based on work criteria and individual merit.

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

The Group holds regular meetings with employees to inform them of the development of the business and to provide them with information on matters of concern to them as employees. Consultation with employees has continued at all levels, with the aim of ensuring that their views are taken in to account when decisions are made that are likely to affect their interests.

Changes in share capital

Details of movements in share capital are set out in note 21 to the financial statements.

Directors

The Directors who served throughout the year and up to the date of approval of the financial statements, unless otherwise stated, were as follows:

Name	Age	Position	Date of Appointment	Date of Resignation
A Roberts	67	Non-Executive Chairman	19 September 2016	–
C Milverton	47	Chief Executive Officer	9 October 2017	–
N Payne	40	Chief Financial Officer	9 October 2017	16 June 2020
A Fabian	59	Chief Financial Officer	16 June 2020	–
F Small	62	Non-Executive Director	1 August 2017	–
P Massey	58	Non-Executive Director	10 July 2018	–

Details of the current Directors' experience and expertise can be found on the Company's website www.1spatial.com which does not form part of this report.

Directors' interests

Details of the share interests of the Directors, their service contracts and terms of appointment are shown in the Remuneration Report.

Directors' indemnities and insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors and officers.

Substantial interests

The Directors have been notified of the following substantial shareholdings in excess of 3% of the voting share capital of the Company as at 8 April 2021:

Name	Number of shares	Percentage of issued share capital
Columbia Threadneedle Investments	22,097,231	20.00%
Canaccord Genuity Wealth Management	17,862,433	16.17%
Azini Capital Partners	13,709,535	12.41%
Harwood Capital LLP	7,423,791	6.72%
BGF Investment Management	6,145,100	5.56%
J O Hambro Capital Management	6,000,000	5.43%
Herald Investment Management	3,950,000	3.58%

Except as referred to above, the Directors are not aware of any person who was interested in 3% or more of the issued share capital of the Company or could directly or indirectly, jointly or severally, exercise control.

Acquisition of the Company's own shares

The Company did not acquire any of its shares during the year ended 31 January 2021 (FY 2020: nil).

Post balance sheet events

Amendments to Share Purchase Agreement

As announced on 18 March 2021, the final step in the integration of Geomap-Imagis ("G-I"), which was acquired in May 2019, was completed. As part of the restructuring, two of the G-I founders and former directors will be leaving the business and the parties agreed to amend the original SPA as explained below.

On 8 May 2019, 1Spatial announced that it had entered into share purchase agreements for the acquisition of G-I. Under the original terms, the Group agreed to pay the vendors consideration, which included €1,166,999 to be satisfied by the issue by 1Spatial of new ordinary shares in the capital of the Company (the "Consideration Shares").

Of the consideration to be satisfied by the issue of the Consideration Shares, €726,459 was satisfied immediately upon Completion, with the balance of €440,540 to be satisfied on 30 March 2023 (the "Deferred Share Consideration Amount"). Accordingly, on Completion the Company issued to the vendors 1,902,686 new ordinary shares (the "Initial Consideration Shares"), subject to a lock up obligation until 31 December 2021.

In connection with completion of the integration of G-I, the Group has entered into an Amendment Agreement with these two GI founders and former directors to amend the terms of the original agreement primarily as follows:

- release 1,765,173 of the Initial Consideration Shares (the "Released Shares") from the above-mentioned lock up obligation; and
- pay out in cash to certain of the vendors, at the earlier date of 10 September 2022, €408,701 of the Deferred Share Consideration Amount.

Pursuant to the terms of the Amendment Agreement, the Released Shares remain subject to an orderly market provision for 3 months.

Independent auditors

Following a competitive tender, BDO LLP were appointed as auditors to the Group in November 2020. A resolution to reappoint BDO LLP as the Company's auditors and to authorise the Board to determine the auditors' remuneration will be proposed at the 2021 Annual General Meeting.

Directors' Responsibilities Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

Statement of Disclosure of Information to Auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Signed by order of the Board

Susan Wallace
COMPANY SECRETARY
27 April 2021

Registered Office:
Tennyson House
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

Independent Auditor's Report

to the members of 1Spatial plc

Report on the audit of the financial statements

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 1Spatial plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. The directors' assessment of going concern involves a number of highly subjective judgements and was accordingly identified by us as a Key Audit Matter. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting and in response to the key audit matter included:

- Obtained an understanding of the management process for producing cash forecasting models, including the inputs and assumptions used in those models.
- Obtained management's board approved budget and forecast cash flows and management's reverse stress test.
- Comparing forecasted sales with recent historical financial information to consider accuracy of forecasting
- Understanding and challenging the forecasts for the Group including underlining assumptions in the forecasts.
- Performing analysis of changes in key assumptions including a reasonable possible (but not unrealistic) reduction in forecast revenue to understand the sensitivity in the cash flow forecasts.
- Reviewing the bank loan documents to understand the terms and comparing these to the Group's forecasts.
- A Review of the appropriateness of the Directors' statements in note 2 of the financial statements as to whether it discloses all the relevant events and assumptions made to adopt the going concern basis of accounting in preparation of the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage for significant components	73% of Group profit before tax 80% of Group revenue 85% of Group total assets	
Key audit matters		31 January 2021
	Revenue recognition and contract costs	✓
	Capitalisation of development costs	✓
	Impairment of goodwill and other intangible assets	✓
	Going concern	✓
Materiality	Group financial statements as a whole £246,000 based on 1% of revenue.	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We instructed BDO's member firm in France as component auditor, to perform a full scope audit of financial information of 1Spatial France S.A.S, the significant component accounted for locally in that territory.

In addition, the Group audit team performed the following:

- Full scope audits on 1Spatial Group Limited and 1Spatial plc (entity).
- Specified audit procedures were performed over the revenue, deferred revenue, trade receivables, accrued revenue and government grants for 1Spatial Inc.
- The remaining components not subject to full scope audit were reviewed for group reporting purposes, by the Group audit team, using analytical procedures to support the conclusions reached that there were no significant risks of material misstatement of the aggregated financial information of these components.

This together with additional procedures performed at Group level over the consolidation process gave us the evidence we needed for our opinion on the financial statements as a whole.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with the component auditor included the following:

- Group instructions were issued to the component auditor detailing procedures and the risk assessment together with the allocated component materiality threshold.
- We conducted numerous video and conference calls throughout the audit period to ensure we obtained a full understanding of the operational activities and appropriately scoped risks and agreed responses to those risks.
- We also attended the audit planning, update and clearance meetings.
- We reviewed the work undertaken by our component auditor by reviewing their working papers as well as reviewing the summary of work done and conclusions prepared by the component auditors.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

to the members of 1Spatial plc (continued)

Key audit matter	How the scope of our audit addressed the key audit matter
Risk of fraud and error in revenue recognition	
The Group derives revenue from the sale of products and rendering services to customers. For the Directors' disclosures of related accounting policies, judgements and estimates refer to Note 2 and Note 4. The accounting for revenue recognition is complex and judgemental. This gives rise to scope for error in the timing and amount of revenue recognised. Furthermore, as these amounts are material and revenue is a key performance indicator, we consider this to be a key audit matter. In addition, ISAs (UK) presume there is a risk of fraud in revenue recognition for every audit because of the pressure management may feel to achieve the forecast results. These products and services are sold individually and in software and service bundles and revenue is recognised at either a point in time or over time, depending on whether the performance obligations are distinct and when the performance obligation is satisfied. Our specific audit focus was the timing of revenue recognition and the allocation of the transaction price to individual performance obligations within a software and service bundle. Assessment of when a performance obligation is distinct and satisfied can be judgemental in nature and increases the risk in relation to the timing of revenue recognition. This also increases the risk in relation to the revenue being recorded in the incorrect period, especially as it relates to performance obligations recognised at a point in time. Risk related to allocation of the transaction price to individual performance obligations in a software and service bundle is subject to assessment of the standalone selling price and this increases the risk in respect of the amount and timing of revenue recognition.	We evaluated the revenue recognition policy of the Group and, on a sample basis, we determined that the revenue had been recognised in conformity with the Group's policy and applicable IFRSs. For a sample of transactions through the year, we confirmed their occurrence by tracing to source documentation including contracts, invoices, timesheets and bank payments. We also verified that the performance obligation had been satisfied by agreeing to emails of delivery of licence keys and inspected time cards for the performance of hours to customer codes. We performed a proof test in total by calculating expected revenue based on movements in revenue related balances and cash receipts from the customers. We tested a sample of bank payments to confirm cash receipts from customers. We assessed agent versus principal revenue recognition for third party licences sold and confirmed the appropriateness of the accounting by reference to contracts with customers and suppliers of the licences and the relevant accounting guidance. We recalculated a sample of deferred revenue balances as at the year end to confirm accuracy of the revenue recognition. A further sample of items were tested around the year end in order to identify potential cut-off issues and the completeness of the deferred revenue balance. We assessed the basis upon which performance obligations were distinct and were recognised for each material product sold and compared this to accounting guidance, industry practice, and the Group's specific circumstances and, where necessary, we obtained corroborating information including agreeing a sample of contracts and to support delivery either over time or at a point in time. **Key observations:** Based on our audit procedures we have not identified evidence of material fraud or error in revenue recognition in the year.

Key audit matter	How the scope of our audit addressed the key audit matter
Capitalisation of development costs	
The Group capitalises costs in relation to development of the software it sells to customers. Such costs must satisfy certain criteria as set out in the Group's accounting policy in note 2 to the financial statements and in IAS 38 intangible assets. In determining which costs to capitalise management make certain estimates in relation to the allocations of payroll costs between those which should be capitalised and those which should be expensed through the consolidated statement of comprehensive income. In accordance with IAS 38, management's policy is to capitalise development expenditure on internally developed software products if the project is technically feasible, it intends to complete and sell the software, it will generate future economic benefits and it can be measured reliably. Because of the estimates involved we considered this area to be a key audit matter.	In order to address this risk, we performed the following testing: • Discussions were held with the Group's technology team to understand the Group's processes, procedures and material projects in relation to development costs. • On a sample basis, we checked the accuracy of the payroll data included in the calculations for capitalised costs by agreeing to supporting documentation including employment contracts and agreements with contractors. • On a sample basis we traced the hours capitalised by developer by project back to supporting timesheets. • We evaluated management's estimate of the amortisation period for capitalised costs and we assessed whether for amounts previously capitalised if any indicators of impairment existed taking account of discussions with technology team, knowledge of product sales and any changes in usability. • We critically evaluated management's assessment of the ability of the asset to generate future economic benefits for the business. • We re-performed the calculation of the amortisation charge for capitalised development and compared this to the actual charge. **Key observations:** Based on the procedures performed, we noted no instances indicating that the accounting for development costs, including the calculation of the related amortisation charge and the evaluation of impairment was inappropriate.
Impairment of goodwill and other intangible assets	
Refer to page 63 (Significant Accounting Policies), Note 4, Significant accounting estimates and judgements, and page 76 (notes). In order to support the carrying value of goodwill and intangible assets, the Directors performed an impairment review as at 31 January 2021 using a discounted cash flow model to calculate value in use. The impairment review involves significant judgement over the number of cash generating units ("CGU") and future results and cash flows of the business, including forecast growth in revenues and operating profit margins, as well as determining an appropriate discount rate and long-term growth rate. As a result of the significant estimate and judgement involved we considered this area to be a key audit matter.	Our work on the impairment review prepared by the Directors' had a dual focus: firstly, to check that the model was mechanically accurate and prepared in accordance with the requirements of applicable accounting standards and secondly, to check that the assumptions regarding future cash flows and the rate at which they had been discounted were appropriate to the Group's circumstances. We checked and confirmed the consistency of the forecasts used for impairment with the forecasts used for going concern. We used our internal valuations experts to assist with our interrogation of the model and the appropriateness of the discount rate. This work also included comparison to industry data, historic trading, and macro-economic factors. We assessed the appropriateness of using one CGU (compared to two in the prior year) for the impairment analysis. We concurred with management conclusion on using one CGU based on our understanding of the business and the Group's strategy subsequent to the acquisition of Geomap-Imagis. We checked that no additional impairment indicators in respect of development costs, intangible assets and property, plant and equipment were present. **Key observations:** Based on the audit procedures performed we found the impairment assessment was supported by reasonable assumptions that would require significant downside changes before any impairment would be necessary. We deem the disclosures in respect of goodwill in Note 10 to be appropriate.

to the members of 1Spatial plc (continued)

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	Parent company financial statements
	31 January 2021 £	31 January 2021 £
Materiality	246,000	159,900
Basis for determining materiality	1% of revenue.	65% of the Group materiality
Rationale for the benchmark applied	Revenue has been determined to be the most relevant performance measure to the stakeholders of the Group given the Directors' current focus on revenue growth.	Capped at 65% of Group materiality given the assessment of the components' aggregation risk.
Performance materiality	172,200	111,930
Basis for determining performance materiality	70% of materiality. This is based upon a number of factors including but not limited to historic adjustments identified, our understanding of the Group and its control environment and Managements attitude towards historic adjustments identified.	

Component materiality

We set materiality for each component of the Group based on a percentage of between 50% and 70% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £122,000 to £172,000. In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £7,500. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and its components and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, Companies Act 2006 and rules of the London Stock Exchange for companies trading securities on AIM, data privacy and the relevant tax compliance regulations.

to the members of 1Spatial plc (continued)

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements and the susceptibility of the entity's financial statements to material misstatement including fraud. As part of planning procedures undertaken and discussions with management, we obtained an understanding of the legal and regulatory framework applicable to the entity. Our tests included, but were not limited to:

- Evaluating and, where appropriate challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to impairment of goodwill and intangible assets, capitalised development, and the going concern assumption;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Procedures to address the risk of fraud in revenue recognition (refer to the key audit matters section);
- Review of minutes of Board meetings throughout the year;
- Review of tax compliance and involvement of our tax specialists in the audit; and
- In addressing the risk of management override of control, identifying and testing journal entries which met specific criteria the existence of which may have indicated the risk of fraud being inherent.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Leighton Thomas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
27 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

For the year ended 31 January 2021

	Note	2021 £'000	2020 £'000
Revenue	5	24,600	23,385
Cost of sales		(11,451)	(11,123)
Gross profit		**13,149**	**12,262**
Administrative expenses		(14,395)	(13,800)
		(1,246)	(1,538)
Adjusted EBITDA*		3,632	3,226
Less: depreciation	11	(202)	(152)
Less: depreciation on right of use asset	16	(1,106)	(878)
Less: amortisation and impairment of intangible assets	10	(2,806)	(2,169)
Less: share-based payment charge	22	(272)	(398)
Less: strategic, integration and other non-recurring items	7	(492)	(1,167)
Operating loss	**6(a)**	**(1,246)**	**(1,538)**
Finance income	8	39	40
Finance costs	8	(226)	(235)
Net finance cost	8	(187)	(195)
Loss before tax		**(1,433)**	**(1,733)**
Income tax credit	9	308	248
Loss for the year		**(1,125)**	**(1,485)**
Loss for the year attributable to:			
Equity shareholders of the Parent		**(1,125)**	**(1,485)**
		(1,125)	**(1,485)**
Other comprehensive (expense)/income			
Items that may subsequently be reclassified to profit or loss:			
Actuarial (losses)/gains arising on defined benefit pension, net of tax	18	(15)	40
Exchange differences arising on translation of net assets of foreign operations		148	(120)
Other comprehensive income/(loss) for the year, net of tax		133	(80)
Total comprehensive loss for the year		**(992)**	**(1,565)**
Total comprehensive loss attributable to the equity shareholders of the Parent		**(992)**	**(1,565)**
Loss per ordinary share attributable to the owners of the Parent during the year (expressed in pence per ordinary share):			
Basic and diluted loss per share	23	(1.0)	(1.4)

* Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items (see note 7).

Consolidated Statement of Financial Position

As at 31 January 2021

	Note	2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Intangible assets including goodwill	10	15,187	15,560
Property, plant and equipment	11	392	374
Right of use assets	16	2,694	3,272
Total non-current assets		**18,273**	**19,206**
Current assets			
Trade and other receivables	12	10,890	9,930
Current income tax receivable		164	233
Cash and cash equivalents	13	7,278	5,108
Total current assets		**18,332**	**15,271**
Total assets		**36,605**	**34,477**
LIABILITIES			
Current liabilities			
Bank borrowings	14	(470)	(135)
Trade and other payables	15	(13,418)	(11,439)
Lease liabilities	16	(925)	(957)
Deferred consideration	17	–	(599)
Total current liabilities		**(14,813)**	**(13,130)**
Non-current liabilities			
Bank borrowings	14	(2,542)	(1,086)
Lease liabilities	16	(1,743)	(2,340)
Deferred consideration	17	(390)	(370)
Defined benefit pension obligation	18	(1,606)	(1,417)
Deferred tax	19	(776)	(679)
Total non-current liabilities		**(7,057)**	**(5,892)**
Total liabilities		**(21,870)**	**(19,022)**
Net assets		**14,735**	**15,455**
Share capital and reserves			
Share capital	20	20,150	20,150
Share premium account	20	30,479	30,479
Own shares held	20	(303)	(303)
Equity-settled employee benefits reserve	22	3,604	3,332
Merger reserve	21	16,465	16,465
Reverse acquisition reserve	21	(11,584)	(11,584)
Currency translation reserve	21	332	184
Accumulated losses		(43,931)	(42,791)
Purchase of non-controlling interest reserve	21	(477)	(477)
Total equity		**14,735**	**15,455**

The financial statements on pages 53 to 93 were approved and authorised for issue by the Board on 27 April 2021 and signed on its behalf by:

Andrew Fabian
DIRECTOR

Registered company number (England): 5429800.

Consolidated Statement of Changes in Equity

For the year ended 31 January 2021

For the year ended 31 January 2021	Share capital £'000	Share premium account £'000	Own shares held £'000	Equity-settled employee benefits reserve £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Currency translation reserve £'000	Purchase of non-controlling interest reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 February 2019	**18,971**	**28,661**	**(303)**	**2,934**	**16,030**	**(11,584)**	**304**	**(477)**	**(41,346)**	**13,190**
Comprehensive income/(loss)										
Loss for the year	–	–	–	–	–	–	–	–	(1,485)	(1,485)
Other comprehensive income/(loss)										
Actuarial gains arising on defined benefit pension	–	–	–	–	–	–	–	–	40	40
Exchange differences on translating foreign operations	–	–	–	–	–	–	(120)	–	–	(120)
Total other comprehensive income/(loss)	–	–	–	–	–	–	(120)	–	40	(80)
Total comprehensive income/(loss)	**–**	**–**	**–**	**–**	**–**	**–**	**(120)**	**–**	**(1,445)**	**(1,565)**
Transactions with owners										
Issue of share capital, net of share issue costs	1,179	1,818	–	–	435	–	–	–	–	3,432
Recognition of share-based payment expense	–	–	–	398	–	–	–	–	–	398
	1,179	**1,818**	**–**	**398**	**435**	**–**	**–**	**–**	**–**	**3,830**
Balance at 31 January 2020	**20,150**	**30,479**	**(303)**	**3,332**	**16,465**	**(11,584)**	**184**	**(477)**	**(42,791)**	**15,455**
Comprehensive loss										
Loss for the year	–	–	–	–	–	–	–	–	(1,125)	(1,125)
Other comprehensive loss										
Actuarial gains arising on defined benefit pension	–	–	–	–	–	–	–	–	(15)	(15)
Exchange differences on translating foreign operations	–	–	–	–	–	–	148	–	–	148
Total other comprehensive (loss)/income	–	–	–	–	–	–	148	–	(15)	133
Total comprehensive loss	**–**	**–**	**–**	**–**	**–**	**–**	**148**	**–**	**(1,140)**	**(992)**
Transactions with owners										
Recognition of share-based payment expense	–	–	–	272	–	–	–	–	–	272
	–	**–**	**–**	**272**	**–**	**–**	**–**	**–**	**–**	**272**
Balance at 31 January 2021	**20,150**	**30,479**	**(303)**	**3,604**	**16,465**	**(11,584)**	**332**	**(477)**	**(43,931)**	**14,735**

Consolidated Statement of Cash Flows

For the year ended 31 January 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	13 (a)	3,983	572
Interest received		39	40
Interest paid		(218)	(184)
Tax received		484	313
Net cash generated from operating activities		**4,288**	**741**
Cash flows from investing activities			
Acquisition of subsidiary (net of cash acquired)	17	–	(2,151)
Purchase of property, plant and equipment	11	(192)	(132)
Capitalisation of development costs and other intangibles	10	(2,120)	(2,188)
Net cash used in investing activities		**(2,312)**	**(4,471)**
Cash flows from financing activities			
New borrowings		1,800	672
Repayment of borrowings		(146)	(133)
Repayment of lease obligations	16	(1,069)	(792)
Payment of deferred consideration on acquisition	17	(585)	–
Net proceeds of share issue	20	–	2,805
Net cash generated from financing activities		**–**	**2,552**
Net increase/(decrease) in cash and cash equivalents		1,976	(1,178)
Cash and cash equivalents at start of year		5,108	6,358
Effects of foreign exchange on cash and cash equivalents		194	(72)
Cash and cash equivalents at end of year	**13 (b)**	**7,278**	**5,108**

For the year ended 31 January 2021

1. General information

The consolidated financial statements for the year ended 31 January 2021 comprise 1Spatial plc ('the Company') and its subsidiaries (together 'the Group').

The principal activities of the Company and its subsidiaries are described within the Directors' report on page 42.

The Company is a public limited company whose shares are listed on the AIM London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office is Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, England, CB4 0WZ.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently throughout the year except where otherwise indicated.

Basis of preparation

The consolidated financial statements of 1Spatial plc have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The "requirements of the Companies Act 2006" here means accounts being prepared in accordance with "international accounting standards" as defined in section 474(1) of that Act, as it applied immediately before IP completion day (end of transition period), including where the company also makes use of standards which have been adopted for use within the United Kingdom in accordance with regulation 1(5) of the International Accounting Standards and European Public Limited Liability Company (Amendment etc.) (EU Exit) Regulations 2019. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Going concern

The Board used as its basis for the going concern review the budget for the FY22 year, rolled out to 30 April 2022 using part of its forecast for FY 2023, so that a full 12-month period from the date of signing the FY21 Annual Report and Accounts is considered. Due to the uncertainty created by Covid-19, in addition to applying the normal sensitivities to cash flows, the going concern review also included a reverse-stress test to demonstrate that even if new business and renewals are severely impacted by further lockdowns and impacts of the pandemic, the finances of the Group are in a robust position.

The Group started the prior financial year on 1 February 2020 with cash of £5.1m and borrowings of £1.2m, giving net funds (before lease liabilities) of £3.9m. The Group started the current financial year on 1 February 2021 with cash of £7.3m and debt of £3.0m, giving net funds (before lease liabilities) of £4.3m, having increased its net cash in the year even after paying £0.6m of deferred consideration.

Despite the pandemic, the year ended 31 January 2021 was a year of revenue, adjusted EBITDA* and operating cash flow growth. The two main contributors to this were the Group's industry markets, Government, Utilities and Transport, not being adversely affected by Covid-19, and swiftly adapting to home working and remote delivery of projects.

There was a Covid-19 related dip in new business generation in the first half, particularly in Europe, but the second half showed a strong performance, with a number of significant contract wins and new clients added in all Geographies.

The growth of the pipeline of new business opportunities, and accelerated win rate in recent months, provides the Board with confidence that 1Spatial is on a path of profitable growth. We have entered the new year with a record level of contracted future revenue, a wide range of customers in stable industry segments of Government, Utilities and Transport and growing proof of delivery both in Europe and the USA.

The Board has concluded, after reviewing the work performed and detailed above, that the Group has adequate resources to continue in operation for at least 12 months from the date of approval of the financial statements. Accordingly, they have adopted the going concern basis in preparing these financial statements.

Audit exemption

Subsidiary undertaking 1Spatial Holdings Limited has claimed the audit exemption under Companies Act 2006 Section 479A with respect to the year ended 31 January 2021. The Group parent company, 1Spatial plc, has given a statement of guarantee under Companies Act 2006 Section 479C, whereby 1Spatial plc will guarantee all outstanding liabilities to which the subsidiary company is subject as at 31 January 2021. In addition, Aon Spásúil Limited has claimed the audit exemption under Irish Companies Act 2014 section 357 with respect to the year ended 31 January 2021. The Group parent company, 1Spatial plc has given a statement of guarantee whereby it will guarantee all outstanding liabilities to which Aon Spásúil Limited is subject to at 31 January 2021.

2. Summary of significant accounting policies (continued)

Members' Voluntary Liquidation

Subsidiaries Storage Fusion Limited and Sitemap Ltd were placed into members' voluntary liquidation on 16th December 2020. Both businesses have been dormant in the year and prior year.

Adoption of new and revised International Financial Reporting Standards ("IFRSs")

The accounting policies adopted in these consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 January 2020, with the exception of the following standards, amendments to and interpretations of published standards adopted during the year:

(i) New standards, amendments and interpretations affecting amounts reported in the financial statements

Covid-19-Related Rent Concessions – Amendment to IFRS 16

The Group has elected to utilise the practical expedient for all rent concessions that met the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Group, occurred from March 2020 to June 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The effect of applying the practical expedient is disclosed in note 16.

There were no other new standards or amendments or interpretations to existing standards that became effective during the year that were material to the Group.

No new standards, amendments or interpretations to existing standards having an impact on the financial statements that have been published and that are mandatory for the Group's accounting periods beginning on or before 1 February 2021, or later periods, have been adopted early.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 February 2021 and not adopted early

Certain new accounting standards and interpretations have been published that are not mandatory for financial years ended 31 January 2021 and have not been early adopted by the group. These are:

- IFRS 17 Insurance contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

The results and net assets of all subsidiary undertakings acquired are included in the statement of comprehensive income and consolidated statement of financial position using the purchase method of accounting from the effective date at which control is obtained by the Group. Subsidiary undertakings cease to be consolidated from the date at which the Group no longer retains control, or from the date that the subsidiary is classified within disposal groups held for sale. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intercompany balances and transactions are eliminated in full. Accounting policies of subsidiaries are changed where necessary to ensure consistent policies across the Group.

Fair value measurements

The disclosures in IFRS 13 must be made separately for each class of assets and liabilities. Appropriate classes of assets and liabilities are determined by considering the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy within which the fair value measurement is categorised.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Where there is deferred consideration payable in cash, the amount is discounted to its present value. The fair value of deferred cash consideration is included within the Group's financial statements as a liability.

Where there is deferred consideration payable in shares (and it is a fixed number of shares), the consideration is accounted for as equity to be issued. Where there is deferred consideration payable in shares (and it is a fixed value payable in shares), the amount is discounted to its present value and the fair value of deferred consideration is included within the Group's financial statements as a liability.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition related costs are expensed as incurred.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is as transactions with owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is regarded as equity.

Where a business combination is achieved in a series of transactions, the business combination's cost is the aggregate of the fair values of the assets given, liabilities assumed and equity instruments issued by the acquirer at the date of each transaction in the series. The previously held interest is re-measured to fair value at the acquisition date, and a gain or loss is recognised in the statement of comprehensive income.

Disposal of subsidiaries

The date of disposal of a subsidiary is the date on which control passes. The consolidated statement of comprehensive income includes the results of a subsidiary up to the date of disposal; the gain or loss on disposal is the difference between (a) the carrying amount of the net assets plus any attributable goodwill and amounts accumulated in other comprehensive income; and (b) the proceeds of sale.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors which makes the Group's strategic decisions.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in UK sterling which is the Company's functional and presentation currency. Foreign currency adjustments arise on translating the overseas subsidiaries into the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the period in which they arise.

2. Summary of significant accounting policies (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
ii. income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
iii. all resulting exchange differences are recognised as a separate component of equity.

(d) Goodwill and intangibles

Goodwill and intangibles adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

Revenue has been recognised in the year ended 31 January 2021 by applying IFRS 15, the policies adopted are set out below.

Revenue comprises the fair value of the consideration received or receivable for software licences, support and maintenance, professional services (including distinct software development services) in the ordinary course of the Group's activities. The consideration is allocated between the individual performance obligations in a contract, and revenue is recognised when the associated performance obligations are satisfied.

Revenue is allocated to the various performance obligations on a relative stand-alone selling price ("SSP") basis. The Group utilises available data points based on relevant historical transactions, to establish the observable stand-alone selling prices to be used in allocating transaction consideration. For observable stand-alone sales a reasonable range of prices will be determined to represent the stand-alone selling price of that performance obligation. For performance obligations where observable stand-alone sales are not available, SSP will be estimated using the following methods in the order set out below:

- Market price
- Expected cost plus a margin
- Residual approach

Revenue for each of the Group's different performance obligations and how it is recognised is set out below.

Recurring revenue

Software licence

Fixed term software licence revenue is the sale of right to use the software and is recognised when the software is made available to the customer (i.e. when control of the asset is transferred and the performance obligation is satisfied). Licence revenue is considered right to use as the customer receives the right to download and use the software. Fixed term licence contracts are typically sold on twelve month terms and subject to annual renewal.

SaaS arrangements where customers access the functionality of a hosted software over the contract period without taking possession of the software are deemed right of access. As such, the performance obligations are provided evenly over a defined term and the Group recognises revenue over the period in which the subscriptions are provided as the service is delivered, generally on a straight-line basis.

Support and maintenance

Where the support and maintenance is sold for a fixed term and there is a continuing performance obligation, revenue is recognised over the term of the agreement on a straight-line basis.

Where fees for support and maintenance are bundled with the licence fee, the transaction price is allocated to the distinct performance obligations with revenue recognised when the performance obligation has been met. In order to determine the allocation to the distinct elements, reference is made to market price or where there is no market price, the estimated standalone selling price for that performance obligation.

Services

Professional services

Revenue is recognised based upon stage of completion of the services project or where there are a series of distinct milestones, to the completion of that element of the overall services project. The stage of completion is based on a percentage of completion basis, as determined by the percentage of labour costs incurred to date compared to the total estimated labour costs of a contract.

Software development services

Revenue is recognised over time based upon stage of completion of the software project. The percentage of completion of the project is arrived at by a considered objective review as to the work that has been carried out, against that which is yet to be completed, to allow the project to be delivered to the customer. These reviews are carried out throughout the project. Where the Group has an enforceable right to payment for performance to date, revenue is recognised using an input method based on costs incurred as a proportion of total costs expected to be incurred. Where there is no enforceable right to payment for performance to date, revenue is recognised based on an output method based on contract milestones achieved. Any costs relating to the element of the project not yet being recognised as revenue are deferred, until the associated revenue is recognised, and included within other receivables.

Non-recurring revenue

Perpetual licences

Non-recurring perpetual software licences revenue is the sale of right to use the software and the term is undefined. Non-recurring perpetual software licences revenue is recognised when the software is made available to the customer (i.e. when control of the asset is transferred and the performance obligation is satisfied). Licence revenue is considered right to use as the customer receives the right to download and use the software. This revenue is expected to transition in time to being part of recurring term or subscription licences.

Principal versus agent considerations

When the Group is involved in providing other party's products to a customer, the Group determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. To determine the nature of its promise, the Group shall:

- identify the specified goods or services to be provided to the customer (which, for example, could be a right to a good or service to be provided by another party); and
- assess whether it controls each specified good or service before that good or service is transferred to the customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. The following factors are considered in the analysis:
  - The entity which is primarily responsible for fulfilling the promise to provide the specified product.
  - If the Group has inventory risk before the specified good or service has been transferred to a customer, or after transfer of control to the customer.
- The Group has discretion in establishing the prices for the specified product.

When the Group is a principal, the revenues are recognized in the gross amount in profit and loss while as an agent the revenues are recognized on a net basis in profit and loss.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Government grants

Government grants and other assistance are accounted for under IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. A government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be or has been received.

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Assistance in the form of bank loans backed by government support that may be forgiven if certain conditions are met are initially recorded as loans. When the conditions for forgiveness are met, or there is reasonable assurance that the conditions will be met, the grant is credited to the profit and loss.

2. Summary of significant accounting policies (continued)

Deferred costs and deferred revenues

To the extent that the cost and revenue recognition differs from the contractual billing terms, costs are included in other receivables and revenue is included in contract assets or contract liabilities. Incremental costs of obtaining a contract and costs to fulfil a contract are included within other receivables if they are expected to be recovered. The costs are amortised on a systematic basis consistent with the expected pattern of the transfer of services under the contract.

Strategic, integration and other non-recurring items

The Group incurs costs from certain strategic, integration and other non-recurring items, e.g. acquisition costs, compromise agreements and redundancy payments. Management has disclosed these separately to enable a greater understanding of the underlying results of the trading business so that the underlying run rate of the businesses can be established and compared on a like-for-like basis each year.

The policy of the Group is to separately disclose the following:

- Strategic costs, e.g. costs of due diligence on acquisitions which cannot be capitalised under IFRS 3 (revised) and costs of other strategic items such as aborted due diligence costs.
- Integration costs, such as bonuses, duplicated costs, or redundancy and compromise payment costs.
- Non-recurring items that will impact the underlying profitability of the business.

Adjusted EBITDA is the impact before interest, tax, depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, strategic, integration and other non-recurring items and the share-based payment charge. Adjusted EBITDA is a non-GAAP measure and is used as an alternative performance measure on the basis that it assists the reader in a better understanding of the underlying profitability and cash generation of the business. Share based payments are excluded on the basis that they are non-cash charges and are added back in the net assets.

Current and deferred income tax

The tax charge for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Taxable profit differs from loss as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

A deferred tax liability is provided on intangible assets acquired as part of a business combination. This results in an increase in residual goodwill by the same amount. This liability has been recognised in accordance with IAS12.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws that have been enacted or substantively enacted by the end of the financial year. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the financial year, to recover or settle that carrying amount of its assets and liabilities.

Intangible assets

(a) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the excess is recognised immediately in profit and loss as a bargain purchase gain. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the statement of comprehensive income and is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to the operating segment.

(b) Other intangible assets

Other intangible assets are carried at cost less accumulated amortisation and impairment losses.

An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Expenditure on internally developed intangible assets, excluding development costs, is taken to the statement of comprehensive income in the year in which it is incurred. Development expenditure is recognised as an intangible asset only if all of the following conditions are met: an asset is created that can be identified; it is probable that the asset created will generate future economic benefits; it is technically feasible that the asset can be completed so that it will be available for use or sale and there are sufficient available resources to complete it; and the development costs can be measured reliably. The types of costs capitalised include employee costs and subcontractor costs directly associated with development activity.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the statement of comprehensive income in the period in which it is incurred. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less amortisation and accumulated impairment losses. Internally generated intangible assets consist of development costs.

Amortisation is charged to profit or loss. Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

Brands	5 to 15 years
Customer and related contracts	5 to 15 years
Software and intellectual property	3 to 10 years
Development costs	2 to 5 years
Website costs	3 years

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation. These are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost or valuation of property, plant and equipment, less their estimated residual value over their expected useful lives on the following basis:

Leasehold property improvements	straight line over period of lease
Motor vehicles	25% to 33% per annum – straight line
Fixtures, fittings and equipment	20% to 33% per annum – straight line
Right of use assets	straight line over period of lease

The Directors annually review the residual value and estimated useful lives of the property, plant and equipment.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in administrative expenses.

2. Summary of significant accounting policies (continued)

Leases

IFRS 16 requires lessees to recognise a lease liability that reflects future lease payments and a "right-of-use asset" in all lease contracts within scope. IFRS 16 exempts lessees in short-term leases or when underlying asset has a low value.

The Group has elected to apply the practical expedient and not to recognise right-of-use assets and lease liabilities for leases with low-value assets only. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.
The lease liability is initially measured at the present value of the following lease payments:

- Fixed payments
- Variable payments that are based on index or rate
- The exercise price of an extension or purchase option if reasonably certain to be exercised
- Payment of penalties for terminating the lease, if a termination option is reasonably certain to be exercised

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 4.2%.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable. A corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Extension and termination options are in both the UK and French office building leases. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment of whether the Group is reasonably certain to exercise an extension option is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the Group.

Non-current assets or disposal groups classified as held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of the classification.

Financial assets

The Group's financial assets comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(a) Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and subsequently held at amortised cost, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss. The Group has utilised the simplified approach to measuring credit losses, using a lifetime expected loss allowance for all trade receivables and contract assets. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise readily accessible cash at bank and in hand. Bank accounts held which have an original maturity of more than three months, or which are subject to significant restrictions over access, are not presented as cash and cash equivalents. Such amounts are shown separately as short-term investments or other financial assets with appropriate disclosure of the related terms.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial liabilities

The Group classifies its financial liabilities as 'trade and other payables' and 'borrowings' according to the substance of the contractual arrangements entered into.

(a) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 12 months or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) Borrowings

All borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost; any difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

(a) Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2. Summary of significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, share options or share warrants are shown in equity as a deduction, net of tax, from the proceeds.

Employee benefits

(a) Pensions

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, dependent on factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period (there are no plan assets). The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise. The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability. Past-service costs are recognised immediately in the statement of comprehensive income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based payments

The Group operates a number of equity-settled, share-based payment compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee service received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any market-based performance conditions (for example, the Company's share price), but excluding the impact of any service and non-market performance vesting conditions (for example, profitability targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, a corresponding adjustment to equity.

Where options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

If a granted option is cancelled and regranted the increase in fair value of the granted option measured immediately before and after the cancellation and regrant is added to the value of the employee's service received in exchange for the grant. If an option is cancelled this is accounted for as an acceleration of the vesting period and any amount unrecognised is recognised immediately.

(c) Other

Wages, salaries and social contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group.

3. Financial instruments

Financial assets and financial liabilities

The Group holds the following financial instruments:

	At 31 January 2021 £'000	At 31 January 2020 £'000
Financial assets held at amortised cost		
Trade and other receivables*	9,393	8,727
Cash and cash equivalents	7,278	5,108
	16,671	**13,835**
Financial liabilities (amortised cost)		
Bank borrowings	3,012	1,221
Trade and other payables**	3,773	3,758
	6,785	**4,979**

* excluding prepayments and VAT and costs incurred to fulfil or obtain a contract.
** excluding contract liabilities as there is no obligation to pay cash. This also excludes statutory liabilities such as other taxation and social security.

Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign currency risk, market risk (including cash flow and fair value interest rate risk), credit risk, liquidity risk and capital risk.

Risk management is carried out by the finance team under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, foreign exchange risk and use of derivative financial instruments and non-derivative financial instruments.

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

During the year, the Group had operating subsidiaries in Australia, the United States, Belgium, France, Tunisia and Ireland, whose revenues and expenses are denominated in Australian dollars, US dollars, euros or Tunisian dinars.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows (CU being Currency Unit):

	Monetary assets			
	At 31 January 2021 £'000	At 31 January 2020 £'000	At 31 January 2021 CU'000	At 31 January 2020 CU'000
Euros	2,441	2,918	2,754	3,470
Australian dollars	373	223	668	437
US dollars	1,056	941	1,447	1,237
Canadian dollars	4	3	7	5
Moroccan dirham	158	82	1,925	1,031
Tunisian dinar	141	11	523	41
	4,173	**4,178**		

The following table details the Group's sensitivity to a 10% strengthening of the currency unit (CU) against sterling. The sensitivity adjusts their translation at the year end. 10% represents management's assessment of the reasonably possible movement in exchange rates.

3. Financial instruments (continued)

Financial risk factors (continued)

	Australian dollar currency impact		Euro currency impact		US dollar currency impact	
	At 31 January 2021 £'000	At 31 January 2020 £'000	At 31 January 2021 £'000	At 31 January 2020 £'000	At 31 January 2021 £'000	At 31 January 2020 £'000
Gain/(loss)	31	(17)	(45)	(11)	32	(58)
Net assets/(liabilities)	(85)	92	570	(994)	414	(341)

(b) Cash flow and interest rate risk

The Group's exposure to interest rate risk relates primarily to its bank loans in 1Spatial France and Geomap-Imagis totalling £3.0m at the year-end (2020: £1.2m). Bank loan interest is charged on a fixed rate basis with interest rates ranging between 0% and 3.1%. Given the magnitude of the bank loans and low interest rates that range between 0% and 3.1%, the Board does not consider it appropriate to hedge the interest rate risk.

There is no interest on trade and other payables at 31 January 2021 (2020: nil).

Sensitivity analysis

The Group does not consider the cash flow and fair value interest rate risk to be significant. Should substantial debt be put in place in the future with variable interest rates, the Board will consider whether it would be appropriate to hedge the cash flow and interest rate risk. However, no such instrument has been taken out in the current or prior year. The Board will continue to keep this position under review.

	At 31 January 2021 £'000	At 31 January 2020 £'000
Financial assets		
Cash and cash equivalents	7,278	5,108
Financial liabilities		
Bank borrowings	(3,012)	(1,221)

	At 31 January 2021 £'000	At 31 January 2020 £'000	At 31 January 2021 CU'000	At 31 January 2020 CU'000
Cash and cash equivalents				
Sterling	3,329	697	3,329	697
Euros	2,918	3,620	3,293	4,300
Australian dollars	399	230	715	451
US dollars	469	514	642	676
Tunisian dinar	141	11	523	41
Moroccan dirham	22	36	271	450
	7,278	**5,108**		
Bank borrowings				
Sterling	–	–	–	–
Euros	3,012	1,221	3,399	1,452
US dollars	–	–	–	–
	3,012	**1,221**		

Cash and cash equivalents are placed upon deposit at the best market rates available (subject to the Group's credit risk policy below) should an excess above that required for working capital be held.

Other financial assets comprise trade receivables and other receivables as detailed in note 12.

(c) Credit risk

Credit risk is managed by the trading entities. Credit risk arises from exposure to outstanding customer receivables. Credit checking is used; however, if there is no independent rating, management will assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. Credit risk also arises from cash and cash equivalents with banks and financial institutions.

The table below shows the ageing of customer receivables at the reporting date (shown net of provision for impairment). Refer to note 12 for further details.

	2021 £'000	2020 £'000
Current	3,537	3,677
Up to 3 months overdue	1,385	982
3 to 6 months overdue	145	82
6 to 12 months overdue	258	110
> 12 months overdue	202	93
	5,527	**4,944**

(d) Liquidity risk

Liquidity is managed so that sufficient funds are maintained to support the ongoing strategic and trading activities of the Group. Management monitors rolling forecasts of the Group's expected cash flow. The detailed forecasting is carried out at local level in the operating companies of the Group. This is combined into a group cash flow forecast.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 January 2021	**Less than one year £'000**	**Between one and two years £'000**	**Between two and five years £'000**
Bank borrowings	470	515	2,027
Trade and other payables*	4,051	–	–
Lease liabilities	925	990	753
	5,446	**1,505**	**2,780**

At 31 January 2021	Less than one year £'000	Between one and two years £'000	Between two and five years £'000
Bank borrowings	135	204	882
Trade and other payables*	3,758	–	–
Lease liabilities	957	795	1,545
	4,850	**999**	**2,427**

* Excludes contract liabilities as it is not a financial liability as there is no obligation to pay cash. This also excludes statutory liabilities such as other taxation and social security.

3. Financial instruments (continued)

Sensitivity analysis (continued)

(e) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets/businesses to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net funds/(debt) divided by total capital. Net funds are calculated as cash and cash equivalents less total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position and excluding lease liabilities). Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

During the year ended 31 January 2021, the Group's strategy, which is unchanged from the previous year, was to maintain the gearing ratio below 50% and this has been maintained.

4. Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill and other intangible assets

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. Management now considers that it has only one cash generating unit as the business, including the acquired European business, is managed under one global strategy. The recoverable amounts of its cash-generating unit has been determined based on value in use. Management has also had to make significant estimates when putting together the budgets and projections and in determining an appropriate discount rate, which are used in the value in use calculations. These calculations require the use of estimates as further detailed in note 10.

Capitalisation of development expenditure

Management has to make judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is capitalised only after its reliable measurement, technical feasibility and commercial viability can be demonstrated. In addition, estimates are made in relation to the impairment of capitalised expenditure based on the projected revenues and margins to be earned from the related products.

In order to assess the commercial viability of the development of future solutions, management assess the potential market for the service and estimate the net present value of cash flows from the potential offering against the cost of development. Only if the return on investment is above a minimum level set by the Board will the development be internally approved to proceed.

Other estimates and assumptions include:

- Revenue recognition, namely allocation of consideration to different performance obligations
- Number of share options that will vest under share options schemes
- Defined benefit pension scheme (see note 18)

These areas of estimates and judgements are not considered significant on the basis that judgement and estimate methods used have not materially altered year on year and they have not materially affected the reported numbers. The assumptions used are also not considered to be materially uncertain. Estimates and judgements are made with reference to the Group's accounting policies and relevant financial reporting standards.

5. Segmental information

The chief operating decision-maker has been identified as the Board of Directors, which makes the Group's strategic decisions. The Group is now focused on developing and selling repeatable solutions and recurring term licences globally, with associated support services. As such, the Board considers that the Group operates with only one segment and one CGU under one global strategy and the results are accordingly presented as group results only.

The following table provides an analysis of the Group's revenue by type.

Revenue by type

	2021 £'000	2020 £'000
Term licences	1,100	1,000
Support & maintenance – own	7,800	7,000
Support & maintenance – third party	1,700	1,600
Recurring revenue	**10,600**	**9,600**
Services	11,100	10,000
Perpetual licences – own	1,400	1,400
Perpetual licences – third party	1,500	2,400
Total revenue	**24,600**	**23,400**

The Group's operations are located in the United Kingdom, Europe (Ireland, France and Belgium) the United States, Tunisia and Australia. The following table provides an analysis of the Group's revenue by geographical destination.

Revenue by region

	2021 £'000	2020 £'000
UK	**7,160**	7,381
Europe	**11,460**	11,080
US	**2,908**	2,250
Rest of World	**3,072**	2,674
Total revenue	**24,600**	**23,385**

The Board assesses the performance of the Group based on a measure of adjusted EBITDA. Adjusted EBITDA is a company-specific measure which is calculated as operating loss before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items (see note 7).

The following table provides an analysis of the Group's revenue by country of domicile, split by whether the revenue is recognised at a point in time or over time.

	2021 £'000	2020 £'000
UK/Ireland	**8,443**	**8,810**
At a point in time	1,081	1,651
Over time	7,362	7,159
Europe	**11,150**	**10,242**
At a point in time	1,687	2,158
Over time	9,463	8,084
United States	**2,908**	**2,250**
At a point in time	987	864
Over time	1,921	1,386
Australia	**2,099**	**2,083**
At a point in time	742	915
Over time	1,357	1,168
	24,600	**23,385**

As at 31 January 2021, costs to obtain and fulfil a contract of £197,000 were included in other receivables (2020: £113,000). Amortisation of costs to obtain and fulfil a contract for the year ended 31 January 2021 were £109,000 (2020: £71,000). The Group has no significant concentration risk with no major customers representing more than 10% of Group revenue. (2020: nil).

The Group has significant contract balances (both assets and liabilities), which arise out of the ordinary course of its operations.

5. Segmental information (continued)

Contract assets include accrued income, which arises where chargeable work is performed, and the revenue is recognised based upon satisfaction of performance obligations in advance of invoicing the client. This can arise because, particularly for some larger projects, client invoicing may be in stages and linked to project milestones. Once an invoice is raised then the related accrued income will be reduced by the invoiced amount. Further information can be found in note 12.

Significant contract liabilities arise when a client has been invoiced annually in advance (for example, for annual support and maintenance contracts) and the revenue is recognised on a monthly basis over the year. In that case, the initial invoiced amount is fully deferred and then released to the profit and loss over the course of the contract. Further information can be found in note 15.

The following table provides an analysis of the Group's non-current assets by location.

	2021 £'000	2020 £'000
UK/Ireland	6,772	7,223
Europe	8,741	8,950
United States	2,755	3,007
Rest of World	5	26
Total	**18,273**	**19,206**

6. (a) Operating loss

	2021 £'000	2020 £'000
Operating loss is stated after charging:		
Wages and salaries	12,177	11,789
Social security costs	2,207	2,034
Other pension costs	941	779
Share-based payment charge	272	398
Staff costs including Executive Directors	**15,597**	**15,000**
Depreciation of property, plant and equipment – owned assets	202	152
Lease depreciation	1,106	878
Amortisation and impairment of intangible assets	2,806	2,169
Net foreign exchange (gains) / losses	(184)	22
Short term lease payments	61	92
Research costs	2,164	2,004
Government grants credit	(346)	–
Auditors' remuneration:		
Fees payable to the Company's auditors and its associates for the audit of the parent company and consolidated financial statements	169	219
Fees payable to the Company's auditors and its associates for other services:		
– The audit of the Company's subsidiaries	15	5
– Other Services	16	11

The conditions related to the government grant credit (shown above) included spending the support only on specifically allowable items and ensuring a minimum percentage was spent on salaries of employees. Where these criteria were met, or there was a reasonable assurance that the conditions would be met, the grant was credited to the profit and loss.

6. (b) Average monthly number of personnel employed (including Executive Directors)

	2021 Number	2020 Number
Software developers	121	121
Consulting	76	75
Sales and marketing	40	31
Administration	32	27
Support	15	12
Directors	2	2
	286	**268**

6. (c) Directors' emoluments

Details of individual Executive Directors' remuneration for the year are as follows:

	Emolu-ments £'000	**Pension contributions £'000**	**Total 2021 £'000**	**Employer's Social Security Costs £'000**	**Total 2021 £'000**	Emolu-ments £'000	Pension contributions £'000	Total 2020 £'000	Employer's Social Security Costs £'000	Total 2020 £'000
C Milverton	253	22	**275**	**28**	**303**	222	21	**243**	**35**	**278**
A Fabian (appointed 16/06/20)	119	–	**119**	**14**	**133**	–	–	**–**	**–**	**–**
N Payne (resigned 16/06/20)	102	3	**105**	**12**	**117**	98	7	**105**	**14**	**119**
	474	25	499	54	553	320	28	348	49	397

Discretionary bonuses for business performance of £30,000 for C Milverton and £12,000 for A Fabian are included in directors' emoluments above for the year ended 31 January 2021 (2020: Nil). Benefits in kind includes car allowances, private health care, and life assurance are included in emoluments.

No Directors were accruing benefits under a defined benefit pension scheme at the end of the current or prior year and no Directors exercised share options in either the current or prior year. The highest paid director in the current year was C Milverton (2020: C Milverton).

Details of options for Directors who served during the year are as follows:

	1 February 2020	Granted	Lapsed	**31 January 2021**	EMI share option	Executive unapproved share option	Exercise price
	Number	Number	**Number**	**Number**	Number	Number	pence
C Milverton	659,368	650,000	–	1,309,368	537,632	771,736	0p
C Milverton	769,793	–	–	769,793	–	769,793	46.5p
C Milverton	–	25,000	–	25,000	–	25,000	26.5p
A Fabian (appointed 16 June 2020)	–	330,000	–	330,000	–	330,000	0p
A Fabian (appointed 16 June 2020)	–	25,000	–	25,000	–	25,000	26.5p
N Payne (resigned 16 June 2020)	118,548	–	(118,548)	–	–	–	0p
N Payne (resigned 16 June 2020)	107,967	–	(107,967)	–	–	–	46.5p
	1,655,676	**1,030,000**	**(226,515)**	**2,459,161**	**537,632**	**1,921,529**	

Details of the share option schemes in the table above are included in note 22. The share option charge in the year relating to Directors is £38,000 (2019: £130,000). No directors exercised any options during the year.

Details of individual Non-Executive Directors' fees for the year are as follows:

	2021 £'000	2020 £'000
A Roberts	79	91
F Small	41	41
P Massey	41	41
	161	**173**

There are no other personnel that meet the definition of key management personnel under IAS 24, other than the Directors and the total remuneration for the year ended 31 January 2021 totalled £698,000 (2020: £651,000) comprising £635,000 (2020: £493,000) for short-term employee benefits; £25,000 (2020: £28,000) for employer pension contributions and £38,000 (2020: £130,000) for share-based payments.

7. Strategic, integration and other non-recurring items

In accordance with the Group's policy for strategic, integration and other non-recurring items, the following charges were included in this category for the year:

	2021 £'000	2020 £'000
Costs associated with the acquisition and integration of Geomap-Imagis	555	1,198
Net credits associated with the disposal of Enables IT	(63)	(31)
Total	**492**	**1,167**

Costs of £0.6m in relation to the acquisition and integration of the Geomap-Imagis acquisition comprise professional fees associated with integrating the operations, costs of legal and operational merger activities and redundancies as part of the restructuring.

The Group also received £63,000 further receipts related to the disposal of Enables IT in a prior year.

8. Finance income and costs

Finance income	2021 £'000	2020 £'000
Bank interest receivable	39	40
	39	**40**
Finance costs		
Interest expense		
– Bank borrowings	(48)	(45)
– Bank charges	(56)	(24)
– Interest cost on defined benefit pension obligation	(7)	(16)
Lease interest	(114)	(116)
Foreign exchange losses on intercompany funding	(1)	(34)
	(226)	**(235)**
Net finance cost	**(187)**	**(195)**

9. Income tax credit

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on income for year	(187)	(212)
Foreign tax	73	(6)
Adjustments in respect of prior years	(268)	48
Total current tax	**(382)**	**(170)**
Deferred tax (note19)		
Origination and reversal in temporary differences	(111)	(78)
Effect of tax rate change on opening balance	11	–
Adjustments in respect of prior years	174	–
Total deferred tax	**74**	**(78)**
Total tax credit	**(308)**	**(248)**

Factors affecting the tax credit for the year

The tax credit for the year is higher (2020: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(1,433)	(1,733)
	(1,433)	**(1,733)**

Loss on ordinary activities before tax multiplied by the effective rate of corporation tax in the UK of 19% (2020: 19%)	(272)	(330)
Effect of:		
Expenses not deductible for tax purposes	22	157
Adjustment in respect of R&D tax credits	(191)	(153)
Effect of movement in deferred tax rate	27	(80)
Utilisation of losses not previously recognised for tax purposes	(170)	(19)
Deferred tax not recognised on losses carried forward	440	20
Adjustments in respect of prior years	(94)	34
Differences in tax rates applicable to overseas subsidiaries	(70)	123
Total credit for year	**(308)**	**(248)**

The relevant deferred tax balances have been measured at 19% for the current year-end, being the tax rate enacted by the reporting date (2020: 17%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. As the proposal to change the rate had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the deferred tax charge for the period of £71,500 and to increase the deferred tax liability by £71,500.

10. Intangible assets including goodwill

	Goodwill £'000	Brands £'000	Customers and related contracts £'000	Software £'000	Development costs £'000	Website costs £'000	Intellectual property £'000	Total £'000
Cost								
At 1 February 2020	17,291	452	4,579	6,487	16,932	30	66	45,837
Additions	–	–	–	75	2,039	–	6	2,120
Written-off	–	–	–	–	–	(30)		(30)
Effect of foreign exchange	156	12	185	195	314	–	–	862
At 31 January 2021	**17,447**	**464**	**4,764**	**6,757**	**19,285**	**–**	**72**	**48,789**
Accumulated impairment and amortisation								
At 1 February 2020	11,363	204	3,113	4,185	11,374	30	8	30,277
Amortisation	–	47	422	445	1,889	–	3	2,806
Written-off	–	–	–	–	–	(30)	–	(30)
Effect of foreign exchange	185	1	106	66	191	–	–	549
At 31 January 2021	**11,548**	**252**	**3,641**	**4,696**	**13,454**	**–**	**11**	**33,602**
Net book amount at 31 January 2021	**5,899**	**212**	**1,123**	**2,061**	**5,831**	**–**	**61**	**15,187**

The net book amount of development costs includes £5,831,000 (2020: £5,558,000) internally generated capitalised software development costs that meet the definition of an intangible asset. The amortisation charge of £2,806,000 (2020: £2,058,000) is included in the administrative expenses in the statement of comprehensive income.

For the year ended 31 January 2021

10. Intangible assets including goodwill (continued)

The key assumptions used in the value in use calculations were the pre-tax discounts rate applied (13%) and growth assumptions. Sales forecasts and their corresponding costs for the Group in relation to the business applications for the five-year period ending 31 January 2026 are likely to increase by 12% p.a. overall. No impairment is required as no individual asset has a higher carrying value than its value in use.

	Goodwill £'000	Brands £'000	Customers and related contracts £'000	Software £'000	Development costs £'000	Website costs £'000	Intellectual property £'000	Total £'000
Cost								
At 1 February 2019	16,161	232	2,843	4,421	15,012	30	66	38,765
Arising on acquisition	1,338	226	1,847	2,164	–	–	–	5,575
Additions	–	–	–	–	2,188	–	–	2,188
Effect of foreign exchange	(208)	(6)	(111)	(98)	(268)	–	–	(691)
At 31 January 2020	**17,291**	**452**	**4,579**	**6,487**	**16,932**	**30**	**66**	**45,837**
Accumulated impairment and amortisation								
At 1 February 2019	11,533	165	2,754	3,850	10,232	30	7	28,571
Amortisation	–	40	433	385	1,197	–	3	2,058
Impairment	–	–	–	–	111	–	–	111
Effect of foreign exchange	(170)	(1)	(74)	(50)	(166)	–	(2)	(463)
At 31 January 2020	**11,363**	**204**	**3,113**	**4,185**	**11,374**	**30**	**8**	**30,277**
Net book amount at 31 January 2020	**5,928**	**248**	**1,466**	**2,302**	**5,558**	**–**	**58**	**15,560**

Impairment tests for goodwill

Goodwill is assessed for the Group as a whole as the Group operates with one segment and one CGU. The Group has moved from two CGUs to one as the Group now manages its operations under one global strategy and the European acquisition is now fully integrated into the business. All aspects of the business are focusing now on growing recurring revenue of repeatable solutions using technology that will be deployed globally under a single strategy. Products developed by regional development teams are marketed globally.

Goodwill	**2021 Total £'000**	2020 Total £'000
Opening carrying value	**5,928**	**4,628**
Arising on acquisition	**–**	**1,338**
Effect of foreign exchange	**(29)**	**(38)**
Closing carrying value	**5,899**	**5,928**

Basis for calculation of recoverable amount

The Group has prepared, and formally approved, a five-year plan for its CGU (based on a formal 3-year plan extended for two more projected years). The detailed plan put together by the management team and the Board makes estimates for revenue and gross profit expectations. This is from both contracted and pipeline revenue streams. It also takes account of historical success of winning new work and has been prepared in accordance with IAS 36, 'Impairment of Assets'.

The key assumptions used in the value in use calculations were the pre-tax discount rates applied (13%) and the growth assumptions. Growth in sales and corresponding costs for the five-year period has been forecast at 12% and 6% per annum respectively.

The rates used in the above assumptions are consistent with management's knowledge of the industry and strategic plans going forward. The assumptions noted above have been given in terms of revenue and overhead percentage growth. For 2022 and subsequent years, the assumption has been provided in terms of growth on the prior year EBITDA. The terminal growth rate of 2% does not exceed the long-term growth rate for the business in which the CGUs operate. The discount rate used is pre-tax and reflect specific risks relating to the Group. The forecasts are most sensitive to changes in revenue and overhead assumptions (taken together as the EBITDA). However, there are no major changes to the key assumptions which would cause the goodwill to be impaired.

There would have to be a reduction in forecast EBITDA by 24% in the year ending 31 January 2022 for the headroom to be removed.

11. Property, plant and equipment

Cost	Leasehold property improvements £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
At 1 February 2020	383	10	1,222	**1,615**
Additions	28	–	164	**192**
Disposal	(36)	(11)	(272)	**(319)**
Exchange adjustment	23	1	(10)	**14**
At 31 January 2021	**398**	**–**	**1,104**	**1,502**
Accumulated depreciation				
At 1 February 2020	229	10	1,002	**1,241**
Charge for the year	68	–	134	**202**
Disposal	(36)	(11)	(272)	**(319)**
Exchange adjustment	12	1	(27)	**(14)**
At 31 January 2021	**273**	**–**	**837**	**1,110**
Net book amount at 31 January 2021	**125**	**–**	**267**	**392**

Cost	Leasehold property improvements £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
At 1 February 2019	362	11	1,058	**1,431**
Arising on acquisition	38	–	109	**147**
Additions	–	–	98	**98**
Disposal	–	–	(33)	**(33)**
Exchange adjustment	(17)	(1)	(10)	**(28)**
At 31 January 2020	**383**	**10**	**1,222**	**1,615**
Accumulated depreciation				
At 1 February 2019	203	11	932	**1,146**
Charge for the year	40	–	112	**152**
Disposal	–	–	(33)	**(33)**
Exchange adjustment	(14)	(1)	(9)	**(24)**
At 31 January 2020	**229**	**10**	**1,002**	**1,241**
Net book amount at 31 January 2020	**154**	**–**	**220**	**374**

Depreciation expense of £202,000 (2020: £152,000) has been charged in administrative expenses.

12. Trade and other receivables

Current	2021 £'000	2020 £'000
Trade receivables	5,607	5,012
Less: provision for impairment of trade receivables	(80)	(68)
	5,527	**4,944**
Other receivables	1,497	1,431
Prepayments and accrued income	**3,866**	**3,555**
	10,890	**9,930**

Below is a reconciliation of the movement in accrued income:

	Total £'000
At 1 February 2020	**2,613**
Accrued revenue invoiced in the year	**(2,613)**
Revenue accrued in the year	2,847
Foreign exchange difference	103
At 31 January 2021	**2,950**

The fair value of the Group's trade receivables and other receivables is the same as its book value stated above. No interest is charged on overdue receivables.

At 31 January 2021, trade receivables of £3,541,000 (2020: £3,681,000) were fully performing. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected credit losses are based on the Group's historical credit losses which are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified gross domestic growth rates, unemployment rates and inflation rates as the key macroeconomic factors in the countries in which the Group operates.

At 31 January 2021, trade receivables of £1,986,000 (2020: £1,262,000) were past due but not impaired. The ageing analysis of these customers is set out below. There has been no change in the credit quality of these balances; they relate to customers where there is no history of default and are still considered fully recoverable.

The ageing of these receivables is as follows:

	2021 £'000	Weighted average loss rate	Impairment loss allowance £'000
Current	3,541	0.1%	**4**
Up to 3 months overdue	1,392	0.5%	7
3 to 6 months overdue	149	2.5%	4
6 to 12 months overdue	272	5.0%	14
> 12 months overdue	253	20.0%	51
	5,607		**80**

	2020 £'000	Weighted average loss rate	Impairment loss allowance £'000
Current	3,681	0.1%	4
Up to 3 months overdue	997	1.5%	15
3 to 6 months overdue	87	5.0%	5
6 to 12 months overdue	123	10.0%	13
> 12 months	124	25.0%	31
	5,012		**68**

As of 31 January 2021, trade receivables of £80,000 were impaired (2020: £68,000) and provided for.

The trade receivables above include performance retentions on long-term contracts.

Movements on the Group provision for impairment of trade receivables are as follows:

	2021 £'000	2020 £'000
At 1 February	68	13
Created on acquisition	–	55
Increase in provision	12	–
At 31 January	**80**	**68**

The other classes within trade and other receivables do not contain impaired assets and the Group expects to recover these in full. There are no financial assets whose terms have been renegotiated that would otherwise be past due or impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable noted above. The Group does not hold any collateral as security.

13. Cash and cash equivalents and notes to the consolidated statement of cash flows

	2021 £'000	2020 £'000
Cash at bank and in hand	7,278	5,108
	7,278	**5,108**

The fair value of the Group's cash and cash equivalents is the same as its book value stated above.

Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	Note	2021 £'000	2020 £'000
Loss before tax		(1,433)	(1,733)
Adjustments for:			
Finance income		(39)	(40)
Finance cost		226	184
Depreciation		1,308	1,030
Amortisation of acquired intangibles		917	861
Amortisation and impairment of development costs		1,889	1,308
Share-based payment charge	22	272	398
Net foreign exchange movement		(34)	167
Increase in trade and other receivables		(655)	(2,377)
Increase in trade and other payables		1,446	702
Increase in defined benefit pension obligation		86	72
Cash generated from operations		**3,983**	**572**

	2021 £'000	2020 £'000
Cash generated from operations before strategic, integration and other non-recurring items	**4,156**	**1,861**
Cash flow on strategic, integration and other non-recurring items	(173)	(1,289)
Cash generated from operations	**3,983**	**572**

13. Cash and cash equivalents and notes to the consolidated statement of cash flows (continued)

Notes to the consolidated statement of cash flows (continued)

(b) Reconciliation of net cash flow to movement in net funds

	2021 £'000	2020 £'000
Increase/(Decrease) in cash in the year	1,976	(1,178)
Changes resulting from cash flows	**1,976**	**(1,178)**
Net cash inflow in respect of new borrowings	(1,800)	(672)
Change in net funds due to borrowings acquired	–	(731)
Net cash outflow in respect of borrowings repaid	146	133
Effect of foreign exchange	57	(23)
Change in net funds	**379**	**(2,471)**
Net funds at beginning of year	3,887	6,358
Net funds at end of year	**4,266**	**3,887**
Analysis of net funds		
Cash and cash equivalents classified as:		
Current assets	7,278	5,108
Bank loans	(3,012)	(1,221)
Net funds at end of year	**4,266**	**3,887**

Net funds is defined as cash and cash equivalents net of bank loans.

(c) Reconciliation of movement in liabilities from financing activities

	Bank borrowings and leases due within 1 year £'000	Bank borrowings and leases due after 1 year £'000	Total £'000
Total debt (including lease liabilities) as at 2020	**1,092**	**3,426**	**4,518**
Borrowings at 2020	135	1,086	1,221
New borrowings in the year	–	1,800	1,800
Repayment of borrowings	(146)	–	(146)
Foreign exchange difference	11	126	137
Borrowings before transfer	**–**	**3,012**	**3,012**
Transfer from due after 1 year to due within 1 year	470	(470)	–
Borrowings as at 2021	**470**	**2,542**	**3,012**
Lease liability at 2020	957	2,340	3,297
Cash movements:			
Lease payments	(1,183)	–	(1,183)
Rent concession	(88)	–	(88)
Non-cash movements:			
Additions in the year	–	586	586
Interest cost	114	–	114
Foreign exchange difference	200	(258)	(58)
Lease liability before transfer	**–**	**2,668**	**2,668**
Transfer from due after one year to due within one year	925	(925)	–
Lease liability as at 2021	**925**	**1,743**	**2,668**
Total debt (including lease liabilities) as at 2021	**1,395**	**4,285**	**5,680**

14. Bank borrowings

	2021 £'000	2020 £'000
Current bank borrowings	470	135
Non-current bank borrowings	2,542	1,086
	3,012	**1,221**

Bank borrowings relate to bank loans 1Spatial France and Geomap-Imagis totalling. Bank loan interest is charged on a fixed rate basis with interest rates ranging between 0% and 3.1%, included the related guarantee costs.

The loans are due for repayment over a five-year period, with a broadly even repayment pattern with approximately €0.5m (£0.4m) due for repayment in FY 2022. New borrowings in the year amounted to £1.8m. There are no financial covenants attached to the loans, nor is there any security applied. All loans are denominated in €.

15. Trade and other payables

Current	2021 £'000	2020 £'000
Trade payables	1,736	2,143
Other taxation and social security	3,496	2,477
Other payables	852	996
Accrued liabilities	1,464	905
Deferred income	5,870	4,918
	13,418	**11,439**

The Directors consider that the book value of trade payables, taxation, other payables, accrued liabilities and deferred income approximates to their fair value at the reporting date.

Below is a reconciliation of the movement in deferred income:

	Total £'000
At 2020	4,918
Revenue recognised in the year	(4,918)
Revenue deferred at year end	5,719
Foreign exchange difference	151
At 2021	**5,870**

16. Leases

Right of use assets	Total £'000
At 2020	3,272
Additions during the year	598
Depreciation	(1,106)
Foreign exchange difference	(70)
	2,694

	2021 £'000	2020 £'000
Buildings	2,428	3,004
Cars	216	221
Others	50	47
	2,694	**3,272**

16. Leases (continued)

Lease liabilities	Total £'000
At 2020	3,297
Additions during the year	586
Rent concession	(88)
Interest cost	114
Cash paid	(1,183)
Foreign exchange difference	(58)
At 2021	**2,668**

	2021 £'000	2020 £'000
Current	925	957
Non-current	1,743	2,340
	2,668	**3,297**

Amounts recognised in profit or loss:

Depreciation charge of right of use assets	2021 £'000	2020 £'000
Buildings	970	759
Cars	104	92
Others	32	27
	1,106	**878**

The Group has elected to utilise the practical expedient for all rent concessions that met the criteria under the amendment to IFRS 16 (Covid-19-Related Rent Concessions). The effect of applying the practical expedient was a credit to administrative expenses of £88k (2020: nil).

17. Business combinations

On 7 May 2019, the Company entered into two share purchase agreements (each a "SPA") to acquire the entire issued share capital of Geomap-Imagis Participations ("Geomap-Imagis") (the "Acquisition"), for a total consideration of €7.0m (the "Consideration"). Full details of the acquisition were provided in the Annual Report for the year ended 31 January 2020. No changes were made in the year ended 31 January 2021 to the previously reported fair values and resulting goodwill.

During the year, further costs were incurred associated with the acquisition and integration of the Geomap-Imagis Group amounting to £0.5m as disclosed in note 7.

In June 2020, 1Spatial France paid the deferred consideration of €0.7m (£585,000) of the cash consideration which had been held in escrow until the first anniversary of Completion.

As at 31 January 2021, a balance of €440,540 (£390,000) Consideration Shares remained outstanding to be satisfied on 30 March 2023.

As disclosed in note 28, Post Balance Sheet Events, the terms of the Share Purchase agreement were amended.

18. Pension obligations

Defined benefit pension

1Spatial France SAS, Geomap-Imagis SAS and Geomap-Imagis Participations SAS operate defined benefit pension schemes. The French pension system is operated on a "pay as you go" basis. Each employee is entitled to receive a basic pension from the Social Security plus a complementary pension from the defined contribution schemes ARRCO and AGIRC (AGIRC being solely for management). The lump sum retirement allowance must by law be paid by the employer when an employee retires. The allowances to be paid to 1Spatial France's employees are defined by the Collective Bargaining Agreement of the R&D, IT and consulting firms ("Syntec").

The lump sum allowances to be paid on retirement are calculated as follows:

- For service up to 5 years: nil
- For service beyond 5 years: 1 month's basic salary plus 1/5 of a month's basic salary per year of service beyond 5 years

All permanent employees are covered by this scheme. The normal retirement age in France is 62 (62 in 2020). Benefit rights do not vest before the normal retirement age.

The scheme is not externally funded through an insurance contract.

The risks of the scheme are as follows:

(a) Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities.

(b) Life expectancy

Should the normal retirement age of 62 increase due to life expectancy increases, this will result in an increase in the plan's liabilities.

(c) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

A comprehensive actuarial valuation of the Company pension scheme, using the projected unit basis, was carried out at 31 January 2021 and 31 January 2020 by independent consulting actuaries. The valuations at those dates are based on the following assumptions:

	2021	2020
Expected rate of salary increases	2.00%	2.00%
Discount rate	0.4%	0.5%
Rate of inflation	1.70%	2.00%
Retirement age – management	65	65
Retirement age – others	63	63

Annual staff turnover rates are as follows:

	2021	2020
16 – 24 years	20%	20%
25 – 29 years	15%	15%
30 – 34 years	10%	10%
35 – 39 years	7%	7%
40 – 44 years	5%	5%
45 – 49 years	2%	2%
50 years and above	0%	0%

The turnover rates used are based on statistics over the last few years. These rates project 3.60 (2020: 3.50) resignations over the next 12 months.

Reconciliation of scheme liabilities:

	2021 £'000	2020 £'000
At 1 February	(1,417)	(677)
Acquired in the year	–	(751)
Current service cost	(86)	(72)
Interest expense	(7)	(16)
Re-measurement (losses)/gains	(20)	54
Exchange difference	(76)	45
At 31 January	**(1,606)**	**(1,417)**

18. Pension obligations (continued)

Defined benefit pension (continued)

The sensitivity of the defined benefit obligation to changes in the principal assumption is:

	Impact on defined benefit obligation		
2021	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.25%	Decrease of 2.9%	Increase of 2.9%

	Impact on defined benefit obligation		
2020	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease of 3.1%	Increase of 3.0%

Total cost recognised as an expense:

	2021 £'000	2020 £'000
Current service cost – within administrative expenses	86	72
Interest cost – within finance costs	7	16
	93	**88**

The amount recognised in other comprehensive income is:

	2021 £'000	2020 £'000
Re-measurement (losses)/gains	(20)	54
Deferred tax on re-measurements	5	(14)
	(15)	**40**

Based on the demographic data and assumptions at 31 January 2021, a valuation was performed of the benefit expense for the financial year ending 31 January 2022 and the projections were as follows:

	£'000
Current services cost	(89)
Total service cost	**(89)**
Interest cost	(6)
Total net interest on defined benefit (liability)/asset	**(6)**
Total Defined Benefit cost for the year ending 31 January 2022	**(95)**

The expected benefit payments over the next 10 years are shown below:

	£'000
FY22	25
FY23	–
FY24	53
FY25	136
FY26	195
FY27-FY31	707

Defined contribution pension

The Group operates several defined contribution plans, which receive fixed contributions from group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current year in relation to all pension costs was £941,000 (2020: £779,000).

19. Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the Group and movements thereon during the current year and prior reporting years.

	Tax losses £'000	Accelerated tax depreciation £'000	Intangibles £'000	Other temporary differences £'000	Total £'000
At 1 February 2019	**(405)**	**22**	**586**	**(11)**	**192**
Acquired in the year	(310)	–	1,059	(188)	**561**
Deferred tax (credit)/charge for year in profit or loss	100	(22)	(149)	(7)	**(78)**
DT charge/(credit) OCI	–	–	–	23	**23**
Foreign exchange difference	–	–	(20)	1	**(19)**
At 31 January 2020	**(615)**	**–**	**1,476**	**(182)**	**679**
Deferred tax (credit)/charge for year in profit or loss	53	–	(121)	142	**74**
DT charge/(credit) OCI	–	–	–	5	**5**
Foreign exchange difference	–	–	–	18	**18**
At 31 January 2021	**(562)**	**–**	**1,355**	**(17)**	**776**

Deferred income tax assets are recognised against tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable benefits is probable. The Group did not recognise potential deferred tax assets of £4,018,000 (2020: £3,859,000) in respect of losses amounting to £18,029,000 (2020: £18,442,000) that can be carried forward against future taxable income, on the grounds that at the balance sheet date their utilisation is not considered probable.

The deferred tax balance is analysed as follows:

	Deferred tax asset £'000	Deferred tax liability £'000	Total £'000
Recoverable within 12 months	–	356	356
Recoverable after 12 months	–	999	999
Settled within 12 months	(85)	–	(85)
Settled after 12 months	(494)	–	(494)
	(579)	**1,355**	**776**

20. Share capital, share premium account and own shares held

Allotted and fully paid	2021 Number	2020 Number
Ordinary shares of 10p each	110,805,795	110,805,795
Deferred shares of 4p each	226,699,878	226,699,878

Rights of shares

Ordinary shares

The ordinary shares all rank pari passu, have the right to participate in dividends and other distributions made by the Company, and to receive notice of, attend and vote at every general meeting of the Company. On liquidation, ordinary shareholders are entitled to participate in the assets available for distribution pro rata to the amount credited as paid up on such shares (excluding any premium).

Deferred shares

The deferred shares do not carry voting rights or a right to receive a dividend. The holders of deferred shares will not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. The deferred shares will also be incapable of transfer (other than to the Company). In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares has received a payment of £1,000,000 in respect of each ordinary share. Accordingly, the deferred shares will have no economic value. No application will be made for the deferred shares to be admitted to trading on AIM nor to trading on any other stock or investment exchange.

For the year ended 31 January 2021

20. Share capital, share premium account and own shares held (continued)

Rights of shares (continued)

Voting Rights

1Spatial plc has 110,805,795 ordinary shares of 10p in issue, of which a total of 319,635 ordinary shares are held in treasury. Therefore, the total number of ordinary shares with voting rights is 110,486,160*.

* In addition, there are deferred consideration shares with an approximate value of €0.03 million (€0.4m at 31 January 2021) due to be issued in March 2023, in relation to the Geomap-Imagis acquisition. See note 28.

	Number of shares £'000	Allotted, called up and fully paid shares £'000	Share premium account £'000	Own shares held £'000
At 1 February 2019	**325,731,767**	**18,971**	**28,661**	**(303)**
Issue of shares	11,773,906	1,179	2,119	–
Share issue costs	–	–	(301)	–
At 31 January 2020 and at 31 January 2021	**337,505,673**	**20,150**	**30,479**	**(303)**

There was no movement in share capital in the year. In the prior year, of the 11,773,906 shares were issued in the year relating to the Geomap-Imagis acquisition, 9,871,220 were issued for cash which increased share capital by £987,000 and share premium by £2,119,000 before share issue costs of £301,000. The remaining 1,902,686 were issued through acquisition of shares which increased share capital by £192,000 and increased the merger reserve by £435,000.

For details of the Group's share option scheme, refer to note 22.

Own shares

The Group has 319,635 ordinary shares of 10p each and 3,500,000 deferred shares with a nominal value of 4p each held in treasury. The consideration paid was £306,000.

21. Other reserves

Equity-settled employee benefits reserve

The equity-settled employee benefits reserve arises from the requirement to reflect the fair value of share options vested during the reporting period. For further detail see note 22.

Merger reserve

The merger reserve arises on the difference between the nominal value of shares issued and the premium payable to acquire shares in another company. There was an increase in the prior year of £435,000 to the merger reserve through the acquisition of Geomap-Imagis.

Reverse acquisition reserve

The reverse acquisition reserve was created in accordance with IFRS 3, 'Business combinations'. The reverse acquisition reserve arose during the year ended 31 January 2010.

Currency translation reserve

The currency translation reserve arises on the translation of foreign entity balances where the functional currency is different from the presentation currency.

Purchase of non-controlling interest reserve

The purchase of non-controlling interest reserve arises on purchase of further shares in a subsidiary of the Group already under the control of the parent company, with the effect of increasing the percentage under control and reducing the percentage owned by the non-controlling interest.

22. Share-based payments

The total charge for the year relating to share-based payment plans was £272,000 (2020: £398,000).

The estimated fair value of the employees' services received in exchange for the grant of share options is measured at the grant date and recognised as an expense on a straight-line basis over the vesting period, based upon the Group's estimate of shares that will eventually vest. Fair value is determined by reference to the Black-Scholes option pricing model. If a granted option is cancelled and regranted the increase in fair value of the granted option measured immediately before and after the cancellation and regrant is added to the value of the employee's service received in exchange for the grant. If an option is cancelled this is accounted for as an acceleration of the vesting period and any amount unrecognised is recognised immediately.

On 6 November 2020, the Group announced that it had made new annual awards ("**New Awards**") under its Employee Share Plan ("**Plan**") and revised the performance targets applying to certain awards made in 2018 ("**Revised Awards**").

The market-priced options (consisting of a right to acquire Ordinary Shares at an exercise price of £0.265 per share, being the closing middle market price on 6 November 2020) have been granted over 2,442,000 Ordinary Shares in total ("**Option Awards**"). A combination of Black-Scholes, Finnerty and Stochastic models were used to estimate the share-based payment charge.

Option tranche	Expected term	Risk-free rate	Dividend Yield	Volatility	Expected lapse rate	Fair value
Tranche 1 (two year)	6.0 years	0.00%	N/a	53.43%	10%	26.5p
Tranche 2 (three year)	6.5 years	0.04%	N/a	53.02%	10%	26.5p
Tranche 3 (four year)	7.0 years	0.08%	N/a	52.97%	10%	26.5p

New Awards

On 6 November 2020, the Company granted awards to acquire ordinary shares of 10p each in the Company ("**Ordinary Shares**") to certain directors and employees of the Company and its subsidiaries pursuant to the Plan as detailed further below.

LTIP Awards

LTIP awards (consisting of either a contingent right or a nil-cost option to acquire Ordinary Shares for no consideration) have been granted over 1,980,000 Ordinary Shares in total ("**LTIP Awards**"). Such awards were granted to certain employees, members of the senior management team and to the following directors of the Company:

Director	No. of LTIP Awards
Claire Milverton (Chief Executive Officer)	650,000
Andrew Fabian (Chief Financial Officer)	330,000

These new LTIP Awards vest subject to the achievement of the following performance targets:

- 25 per cent. of the shares vest subject to the achievement of a revenue target for the year ending 31 January 2024 ("**2024 Revenue**"). 50 per cent. of the shares subject to this target vest if the 2024 Revenue exceeds £30m, 75 per cent. if the 2024 Revenue exceeds £32m and 100 per cent. if the 2024 Revenue exceeds £34m.
- 25 per cent. of the shares vest subject to the achievement of an EBITDA target for the year ending 31 January 2024 ("**2024 EBITDA**"). 50 per cent. of the shares subject to this target vest if the 2024 EBITDA exceeds £5.5m, 75 per cent. if the 2024 EBITDA exceeds £6m and 100 per cent. if the 2024 EBITDA exceeds £7m.
- 50 per cent. of the shares vest subject to the achievement of a share price target which will be calculated based on the average closing mid-price for the 20 trading days following the Company's Annual General Meeting in 2024 ("**2024 Share Price**"). 50 per cent. of the shares subject to this target vest if the 2024 Share Price exceeds £0.50, 75 per cent. if the 2024 Share Price exceeds £0.60 and 100 per cent. if the 2024 Share Price exceeds £0.80.

Following vesting, the LTIP Awards will be subject to an additional one-year holding period (before the award can be exercised or the shares otherwise be released).

In the event of a takeover of the Company completing, either by way of a contractual takeover offer becoming wholly unconditional or a scheme of arrangement becoming effective, the LTIP Awards would vest in full, provided that the award holder continues to be an employee at that time.

22. Share-based payments (continued)

New Awards (continued)

Option Awards

Market-priced options (consisting of a right to acquire Ordinary Shares at an exercise price of £0.265 per share, being the closing middle market price on 6 November 2020) have been granted over 2,442,000 Ordinary Shares in total ("**Option Awards**"). Such Option Awards were granted to certain employees, members of the senior management team and to the following directors of the Company:

Director	No. of Options
Claire Milverton (Chief Executive Officer)	25,000
Andrew Fabian (Chief Financial Officer)	25,000

It is proposed that the Option Awards will vest as to 25 per cent. of the shares subject to the option on the second anniversary of the date of grant, as to a further 25 per cent. of the shares on the third anniversary of the date of grant and as to the balance on the fourth anniversary of the date of grant. Option Awards granted to employees outside of the UK may, in order to comply with local tax rules, vest in two tranches on the third and fourth anniversaries of the date of grant (50 per cent. and 50 per cent. respectively).

In the event of a takeover of the Company completing, either by way of a contractual takeover offer becoming wholly unconditional or a scheme of arrangement becoming effective, the Option Awards would vest in full provided that the award holder continues to be an employee at that time.

Revised Awards

On 5 September 2018, the Company announced that LTIP awards (consisting of either a contingent right or a nil-cost option to acquire Ordinary Shares for no consideration) were granted under the Plan on 4 September 2018 ("**2018 LTIP Awards**"). These awards vest from 2021 onwards. 50% of these awards vest based on an EBITDA target and 50% vest on reaching share price targets. In total, 1,256,600 Ordinary Shares remain subject to these LTIP awards, including awards held by the following director:

Director	No. of LTIP Awards
Claire Milverton (Chief Executive Officer)	659,368

The Company's remuneration committee ("**Remuneration Committee**") has, in accordance with the Plan, exercised its discretion to amend the performance targets applying to the 2018 LTIP Awards as follows:

EBITDA target

50 per cent. of the shares vest subject to the achievement of an EBITDA target for the year ending 31 January 2021 ("**2021 EBITDA**"). 50 per cent. of the shares subject to this target vest if the 2021 EBITDA exceeds £2m, 75 per cent. if the 2021 EBITDA exceeds £2.5m and 100 per cent. if the 2021 EBITDA exceeds £3m. As a result of a change in accounting standards (IFRS 16), the Remuneration Committee has determined to make the following increase to each of the targets (to reflect the anticipated impact on the Company's EBITDA brought about by the change in accounting standard):

% vesting	Previous target	Revised target
50%	£2m	£3m
75%	£2.5m	£3.5m
100%	£3m	£4m

Share price target

50% of the shares subject to the share price target. In order that the 2018 LTIP Awards continue to provide an appropriate incentivisation mechanism, the Remuneration Committee has reduced each of the share price targets and extended the period over which the targets will be measured. The target share price date was originally the 2021 AGM but this has now been changed to the 2022 AGM. Following vesting, the awards will be subject to an additional one-year holding period (as before). The revised targets are as follows:

% vesting	Previous target	Revised target
50%	£0.80	£0.40
75%	£1.00	£0.50
100%	£1.20	£0.60

The Remuneration Committee considered it appropriate to revisit the share price hurdles and timings, given the current economic backdrop and the impact of Covid-19 on share prices (both immediately and over the medium term). The Remuneration Committee considers that the revised targets constitute a fairer measure of performance and ensure that the 2018 LTIP Awards provide a more effective incentive to the employees. The Remuneration Committee also considers that the revised targets better reflect the level of stretch performance that the Remuneration Committee had anticipated when the targets were originally set.

Revision of the targets were identified as a modification in accordance with IFRS 2 and the incremental fair value is expensed over the remaining vesting period.

Awards under the New Plan ("**Potential Awards**") are structured as:

(a) options to acquire Ordinary Shares with an exercise price equal to the closing market price of the Ordinary Shares on the day prior to the date of grant ("**Options**"); and
(b) long-term incentive plan awards ("**LTIP Award**"), being options exercisable, or options to acquire Ordinary Shares for nil consideration.

Movements in the number of share awards outstanding, and their related weighted average exercise prices, are as follows:

	2021		2020	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding brought forward	5,821,011	35.5p	7,063,196	34.3p
LTIPs granted during the year	1,980,000	–	–	–
Share options granted during the year	2,442,000	26.5p	–	–
Lapsed during the year	(301,515)	27.4p	(1,242,185)	28.8p
Outstanding carried forward	**9,941,496**	**26.4p**	**5,821,011**	**35.5p**
Exercisable as at 31 January	1,065,724	46.5	–	–

The weighted average remaining contractual life of share options outstanding at the end of the year was 8.6 years (2020: 8.6 years). The exercise prices of the outstanding options range between 0p and 46.5p.

For the year ended 31 January 2021

23. Earnings/(loss) per ordinary share

Basic (loss)/profit per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2021 £'000	2020 £'000
Loss attributable to equity shareholders of the Parent	**(1,125)**	**(1,485)**

	2021 Number 000s	2020 Number 000s
Ordinary shares with voting rights	**110,486**	**107,284**
Deferred consideration payable in shares	1,394	1,154
Basic weighted average number of ordinary shares	**111,880**	**108,438**
Impact of share options/LTIPs	2,495	1,743
Diluted weighted average number of ordinary shares	**114,375**	**110,181**

	2021 Pence	2020 Pence
Basic and diluted loss per share	**(1.0)**	**(1.4)**

Basic loss per share and diluted loss per share are the same because the options are anti-dilutive. Therefore, they have been excluded from the calculation of diluted weighted average number of ordinary shares.

24. Commitments

The future aggregated minimum payments under non-cancellable short-term leases are as follows:

Short-term lease commitments	2021 £'000	2020 £'000
No later than one year	26	2
Later than one year but no later than five years	–	–
Later than five years	–	–
	26	**2**

Short-term lease payments in this note represent rentals payable by the Group for any of its items that are not recognised under IFRS 16. These are made up smaller leases which are less than twelve months, specifically photocopiers in both the UK and French offices.

25. Contingent liabilities

The Group has given performance guarantees on contracts as follows:

	2021 £'000	2020 £'000
Euro	246	119
US dollar	1	–
Moroccan dirham	40	39
Tunisian dinar	3	3
Total	**290**	**161**

26. Related-party transactions

(a) Key management compensation

The only key management personnel of the Group are the Directors. Details of the compensation of the key management personnel are disclosed in note 6(c) to the financial statements.

(b) Controlling party

There is no one party which controls the Group.

(c) Company and subsidiary

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

27. Subsidiaries and associates of the Group as at 31 January 2021

	Description and proportion of share capital held by 1Spatial plc	Description and proportion of share capital held by Group	Country of incorporation or registration	Nature of business	Registered office address
1Spatial Holdings Limited	Ordinary 100%	–	England & Wales	Holding company	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK
1Spatial Inc.	–	Ordinary 100%	United States	Location-based software development and consultancy	8614 Westwood Center Drive, Suite # 450, Vienna, VA 22182, USA
1Spatial Group Limited	–	Ordinary 100%	England & Wales		Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK
Aon Spásúil Limited	–	Ordinary 100%	Ireland		c/o Roberts Nathan LLP, First Floor, 11 Exchange Place, International Financial Services Centre, Dublin 1, Ireland
1Spatial Australia Pty Limited	–	Ordinary 100%	Australia		Level 4, 29 Kiora Road, Miranda, NSW, 2228
1Spatial Belgium SA	Ordinary 100%	–	Belgium		13, Clos Chanmurly, 4000, Liège, Belgium
1Spatial France SAS	–	Ordinary 100%	France		Immeuble AX02, 23-25 avenue Aristide Briand, 94110, Arcueil, France
Imagis Tunisie SARL	–	Ordinary 100%	Tunisia		Immeuble Lloyd, Bureau 2A-B, Centre Urbain Nord, 1003 Tunis, Tunisie
DMR Production SARL	–	Ordinary 100%	Tunisia		Immeuble Lloyd, Bureau 2A-B, Centre Urbain Nord, 1003 Tunis, Tunisie
1Spatial US Inc.	Ordinary 100%	–	United States	Dormant	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA
Sitemap Ltd*	Ordinary 100%	–	England & Wales	Location-based software	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK
Storage Fusion Limited*	Ordinary 100%	–	England & Wales	IT business service assurance solutions	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK

* These entities were placed in Members' Voluntary Liquidation in December 2020.

28. Post balance sheet events

Amendments to Geomap-Imagis Share Purchase Agreement (“SPA”)

The final step in the integration of Geomap-Imagis (“G-I”), which was acquired in May 2019, was completed in March 2021. As part of the restructuring, two of the G-I founders and former directors will be leaving the business and the parties agreed to amend the original SPA as explained below.

Under the original terms, the Group agreed to pay the vendors consideration, which included €1,166,999 to be satisfied by the issue by 1Spatial of ordinary shares (the “Consideration Shares”).

Of the consideration to be satisfied by the issue of the Consideration Shares, €726,459 was satisfied immediately upon Completion, with the balance of €440,540 to be satisfied on 30 March 2023 (the “Deferred Share Consideration Amount”). Accordingly, on Completion the Company issued to the vendors 1,902,686 new ordinary shares (the “Initial Consideration Shares”), subject to a lock up obligation until 31 December 2021.

In connection with completion of the integration of G-I, the Group has entered into an Amendment Agreement with these two GI founders and former directors in March 2021 to amend the terms of the original agreement primarily as follows:

- Release 1,765,173 of the Initial Consideration Shares (the “Released Shares”) from the above-mentioned lock up obligation; and
- pay out in cash to certain of the vendors, at the earlier date of 10 September 2022, €408,701 of the Deferred Share Consideration Amount.

Pursuant to the terms of the Amendment Agreement, the Released Shares remain subject to an orderly market provision for 3 months.

Company Statement of Financial Position

As at 31 January 2021

	Note	2021 £'000	2020 £'000
Assets			
Fixed assets			
Investments	3	19,610	19,378
Total fixed assets		**19,610**	**19,378**
Current assets			
Debtors	4	9,620	10,425
Cash and cash equivalents	5	2,133	217
Total current assets		**11,753**	**10,642**
Creditors: amounts falling due within one year			
Creditors	6	(3,453)	(1,351)
Deferred consideration	7	–	(599)
Total creditors due within less than one year		**(3,453)**	**(1,950)**
Creditors: amounts falling due after more than one year			
Deferred consideration	7	(390)	(370)
Creditors: amounts falling due after more than one year		**(390)**	**(370)**
Total Creditors		**(3,843)**	**(2,320)**
Net assets		**27,520**	**27,700**
Capital and reserves			
Called up share capital	9	20,150	20,150
Share premium account	9	30,479	30,479
Own shares held	9	(303)	(303)
Share-based payments reserve		4,243	3,971
Merger reserve		16,466	16,466
Currency translation reserve		(125)	(125)
Accumulated losses (of which loss for the year was £452,000 (2020: profit of £7,078,000))		(43,390)	(42,938)
Total equity		**27,520**	**27,700**

The financial statements on pages 94 to 103 were approved and authorised for issue by the Board on 27 April 2021 and signed on its behalf by:

Andrew Fabian
DIRECTOR

Company Statement of Changes in Equity

For the year ended 31 January 2021

	Share capital £'000	Share premium account £'000	Own shares held £'000	Share-based payments reserve £'000	Merger reserve £'000	Currency translation reserve £'000	Accum-ulated losses £'000	Total equity £'000
Balance at 1 February 2019	**18,971**	**28,661**	**(303)**	**3,573**	**16,031**	**(125)**	**(50,016)**	**16,792**
Comprehensive income								
Profit for the year	–	–	–	–	–	–	7,078	7,078
Total comprehensive profit	**–**	**–**	**–**	**–**	**–**	**–**	**7,078**	**7,078**
Transactions with owners								
Issue of share capital, net of share issue costs (note 12)	1,179	1,818	–	–	435	–	–	3,432
Recognition of share-based payments	–	–	–	398	–	–		398
	1,179	**1,818**	**–**	**398**	**435**	**–**	**–**	**3,830**
Balance at 31 January 2020	**20,150**	**30,479**	**(303)**	**3,971**	**16,466**	**(125)**	**(42,938)**	**27,700**
Comprehensive loss								
Loss for the year	–	–	–	–	–	–	(452)	(452)
Total comprehensive loss	**–**	**–**	**–**	**–**	**–**	**–**	**(452)**	**(452)**
Transactions with owners								
Recognition of share-based payments	–	–	–	272	–	–	–	272
	–	**–**	**–**	**272**	**–**	**–**	**–**	**272**
Balance at 31 January 2021	**20,150**	**30,479**	**(303)**	**4,243**	**16,466**	**(125)**	**(43,390)**	**27,520**

Notes to the Company Financial Statements (continued)

For the year ended 31 January 2021

1. Summary of significant accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and associated assumptions are based on industry experience and various other factors that are believed to be reasonable under the circumstances.

The Directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The estimates and assumptions relating to the carrying value of investments have a significant risk of causing a material adjustment in the next financial year. Refer to note 5 for further information.

The following exemptions from the requirement of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 7, 'Statement of cashflows'
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, and to disclose compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services that are provided by a separate management entity
- IFRS 7, 'Financial instruments: Disclosures'
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- The requirements in IAS 8 to disclose information in relation to a new standard that has been issued but is not yet effective

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included a statement of comprehensive income in these separate financial statements. The loss attributable to members of the company for the year ended 31 January 2021 is £452,000 (2020: profit of £7,078,000). The prior year profit of £7,078,000 included a number of one-off items including £5,539,000 relating to an impairment reversal.

The auditors' remuneration for audit and other services is disclosed in note 6(a) to the consolidated financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout all years presented except where otherwise indicated.

There is no one party which controls the Company.

Going concern

Taking into account the cash flow projections approved by the Board of Directors, the Directors have formed a judgement that, at the time of approving these financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore adopt the going concern basis for the financial statements.

Share-based payments

The Company operates a number of equity-settled, share-based payment compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee service received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any market-based performance conditions (for example, the Company's share price) but excluding the impact of any service and non-market performance vesting conditions (for example, profitability targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each reporting date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. Where options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Investments

Investments in group undertakings are carried at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account. Management has used significant estimates and judgements when putting together the budgets and projections which are used in the value in use calculations. These judgements are mainly in relation to projected revenues and margins. Refer to note 5 for further information.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and subsequently held at amortised cost, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss. The Company has utilised the simplified approach to measuring credit losses, using a lifetime expected loss allowance for all trade receivables and contract assets. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

This loss allowance for intercompany receivables are based on management assumptions about the risk of default and expected loss rates. Management has made estimations in making these assumptions and inputs to the impairment calculations which are based on history, external conditions and forward looking scenarios.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise readily accessible cash at bank and in hand. Bank accounts held which have an original maturity of more than three months, or which are subject to significant restrictions over access, are not presented as cash and cash equivalents. Such amounts are shown separately as short-term investments or other financial assets with appropriate disclosure of the related terms.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 12 months or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle that carrying amount of its assets and liabilities.

1. Summary of significant accounting policies (continued)

Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the period in which they arise.

Employee pensions

The Company operates a stakeholder pension plan for which all employees are eligible. No employees have as yet joined the scheme.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, share options or share warrants are shown in equity as a deduction, net of tax, from the proceeds.

Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Company holds investments in group undertakings with a carrying value of £19,610,000. The key assumptions concerning the carrying value of the investment in subsidiaries have been set out in note 5.

1.1 Financial risk management

The Company's financial instruments comprise amounts due to/from subsidiary undertakings, cash and cash equivalents, other receivables and trade and other payables. The Company's approach to the financial risks is discussed in note 2, Financial Instruments, to the consolidated financial statements.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's policy is to manage working capital in order to ensure that liquidity is maintained so as to meet peak funding requirements.

Foreign currency risk

As at 31 January 2021 and 31 January 2020, there was no significant foreign exchange currency exposure to the Company.

Borrowing facilities

The Company has no overdraft facility (2020: £nil) at the reporting date to support working capital requirements.

2. Directors' emoluments

Details of Directors' emoluments borne by the Company are disclosed in note 6(c) of the consolidated financial statements. This includes details of the highest paid Director.

3. Investments

	Total £'000
Shares in group undertakings	
Cost	
At 1 February 2020	41,654
Additions	–
Capital contribution to subsidiaries	232
At 31 January 2021	**41,886**
Accumulated amounts provided	
At 1 February 2020	22,276
At 31 January 2021	**22,276**
Net book amount	
At 31 January 2021	**19,610**
At 31 January 2020	**19,378**

	Total £'000
Shares in group undertakings	
Cost	
At 1 February 2019	35,015
Additions	6,371
Capital contribution to subsidiaries	268
At 31 January 2020	**41,654**
Accumulated amounts provided	
At 1 February 2019	27,815
Impairment reversal	(5,539)
At 31 January 2020	**22,276**
Net book amount	
At 31 January 2020	**19,378**

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable.

The addition in the prior year relates to the acquisition of the Geomap-Imagis group and the impairment reversal related to 1Spatial Belgium SA.

The recoverable amount of the investments held is determined from value in use calculations for the cash-generating unit (CGU) covering a five-year period. The detailed plan put together by the management team and the Board makes assessments on revenue and gross profit expectations. This is from both contracted and pipeline revenue streams. It also takes account of historical success of winning new work. Details of the assumptions used are provided in note 10 to the consolidated financial statements.

Notes to the Company Financial Statements (continued)

For the year ended 31 January 2021

4. Debtors

	2021 £'000	2020 £'000
Amounts owed by group undertakings	9,354	10,188
Taxation and social security	83	27
Other receivables	60	110
Prepayments and accrued income	123	100
	9,620	**10,425**

All amounts that fall due within one year are presented within current assets as required by the Companies Act. The amounts owed by group undertakings are repayable on demand with no fixed repayment date although it is noted that a significant proportion of the amounts may not be sought for repayment within one year depending on activity in the group companies. These amounts are unsecured and interest free.

5. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	2,133	217

6. Creditors due in less than one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	2,830	907
Trade payables	156	181
Taxation and social security	25	26
Other payables	10	27
Accrued liabilities	432	210
	3,453	**1,351**

The carrying value of trade and other payables is consistent with their book values. It is the Company's policy to settle trade payables within normal credit terms. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

7. Deferred consideration

Disclosures in relation to the deferred consideration that arose in the year on the acquisition of the Geomap-Imagis group are made in note 17 to the consolidated financial statements.

8. Share-based payments

Disclosures in relation to the share options in issue are made in note 22 to the consolidated financial statements.

9. Share capital, share premium account and own shares held

Allotted and fully paid	2021 Number	2020 Number
Ordinary shares of 10p each	110,805,795	110,805,795
Deferred shares of 4p each	226,699,878	226,699,878

Rights of shares

Ordinary shares

The ordinary shares all rank *pari passu*, have the right to participate in dividends and other distributions made by the Company, and to receive notice of, attend and vote at every general meeting of the Company. On liquidation, ordinary shareholders are entitled to participate in the assets available for distribution pro rata to the amount credited as paid up on such shares (excluding any premium).

Deferred shares

The deferred shares do not carry voting rights or a right to receive a dividend. The holders of deferred shares will not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. The deferred shares will also be incapable of transfer (other than to the Company). In addition, holders of deferred shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares has received a payment of £1,000,000 in respect of each ordinary share. Accordingly, the deferred shares will have no economic value. No application will be made for the deferred shares to be admitted to trading on AIM nor to trading on any other stock or investment exchange.

	Number of shares	Allotted, called up and fully paid shares £'000	Share premium account £'000	Own shares held £'000
At 1 February 2019	**325,731,767**	**18,971**	**28,661**	**(303)**
Issue of shares	11,773,906	1,179	2,119	–
Share issue costs	–	–	(301)	–
At 31 January 2020 and at 31 January 2021	**337,505,673**	**20,150**	**30,479**	**(303)**

Of the 11,773,906 issued shares in the prior year relating to the Geomap-Imagis acquisition, 9,871,220 were issued for cash which increased share capital by £987,000 and share premium by £2,119,000 before share issue costs of £301,000. The remaining 1,902,686 were issued through acquisition of shares which increased share capital by £192,000 and increased the merger reserve by £435,000.

Own shares

The Company has 319,635 ordinary shares of 10p and 3,500,000 deferred shares of 4p held in treasury. The consideration paid was £306,000.

For the year ended 31 January 2021

10. Subsidiaries and associates of the Company as at 31 January 2021

	Description and proportion of share capital held by 1Spatial plc	Description and proportion of share capital held by Group	Country of incorporation or registration	Nature of business	Registered office address
1Spatial Holdings Limited	Ordinary 100%	–	England & Wales	Holding company	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK
1Spatial Inc.	–	Ordinary 100%	United States	Location-based software development and consultancy	8614 Westwood Center Drive, Suite # 450, Vienna, VA 22182, USA
1Spatial Group Limited	–	Ordinary 100%	England & Wales	Location-based software development and consultancy	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK
Aon Spásúil Limited	–	Ordinary 100%	Ireland	Location-based software development and consultancy	c/o Roberts Nathan LLP, First Floor, 11 Exchange Place, International Financial Services Centre, Dublin 1, Ireland
1Spatial Australia Pty Limited	–	Ordinary 100%	Australia	Location-based software development and consultancy	Level 4, 29 Kiora Road, Miranda, NSW, 2228
1Spatial Belgium SA	Ordinary 100%	–	Belgium	Location-based software development and consultancy	13, Clos Chanmurly, 4000, Liège, Belgium
1Spatial France SAS	–	Ordinary 100%	France	Location-based software development and consultancy	Immeuble AX02, 23-25 avenue Aristide Briand, 94110, Arcueil, France
Imagis Tunisie SARL	–	Ordinary 100%	Tunisia	Location-based software development and consultancy	Immeuble Lloyd, Bureau 2A-B, Centre Urbain Nord, 1003 Tunis, Tunisie
DMR Production SARL	–	Ordinary 100%	Tunisia	Location-based software development and consultancy	Immeuble Lloyd, Bureau 2A-B, Centre Urbain Nord, 1003 Tunis, Tunisie
1Spatial US Inc.	Ordinary 100%	–	United States	Dormant	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA
*Sitemap Ltd	Ordinary 100%	–	England & Wales	Location-based software	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK
*Storage Fusion Limited	Ordinary 100%	–	England & Wales	IT business service assurance solutions	Tennyson House, Cambridge Business Park, Cowley Road, Cambridge, Cambridgeshire, CB4 0WZ, UK

* These entities were placed in Members' Voluntary Liquidation in December 2020.

11. Contingent liabilities

As disclosed in note 2 of the consolidated financial statements, Summary of significant accounting policies, the Company has taken advantage of the exemption available under Section 479A of the Companies Act 2006 in respect of the requirement for audit of certain 100% owned subsidiaries. In addition, Aon Spásúil Limited has claimed the audit exemption under Irish Companies Act 2014 section 357 with respect to the year ended 31 January 2021. 1Spatial plc has given a statement of guarantee whereby it will guarantee all outstanding liabilities to which Aon Spásúil Limited is subject to at 31 January 2021. The Company guarantees the liabilities of the company at the end of the year until those liabilities have been settled in full. The contingent liability at the year-end was £92,000 (2020: £78,000).

12. Post balance sheet events

Amendments to Geomap-Imagis Share Purchase Agreement (SPA)
The final step in the integration of Geomap-Imagis ("G-I"), which was acquired in May 2019, was completed in March 2021. As part of the restructuring, two of the G-I founders and former directors will be leaving the business and the parties agreed to amend the original SPA as explained below.

Under the original terms, the Group agreed to pay the vendors consideration, which included €1,166,999 to be satisfied by the issue by 1Spatial of ordinary shares (the "Consideration Shares").

Of the consideration to be satisfied by the issue of the Consideration Shares, €726,459 was satisfied immediately upon Completion, with the balance of €440,540 to be satisfied on 30 March 2023 (the "Deferred Share Consideration Amount"). Accordingly, on Completion the Company issued to the vendors 1,902,686 new ordinary shares (the "Initial Consideration Shares"), subject to a lock up obligation until 31 December 2021.

In connection with completion of the integration of G-I, the Group has entered into an Amendment Agreement with these two GI founders and former directors in March 2021 to amend the terms of the original agreement primarily as follows:

- Release 1,765,173 of the Initial Consideration Shares (the "Released Shares") from the above-mentioned lock up obligation; and
- pay out in cash to certain of the vendors, at the earlier date of 10 September 2022, €408,701 of the Deferred Share Consideration Amount.

Pursuant to the terms of the Amendment Agreement, the Released Shares remain subject to an orderly market provision for 3 months.

Company Information

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A Fabian	Chief Financial Officer
A Roberts	Non-Executive Chairman
F Small	Non-Executive Director
P Massey	Non-Executive Director

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