2022
Annual Report
1Spatial plc

Enabling critical decision-making for a **safer, smarter** and **more sustainable** world

Unlocking the value

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

Accurate and reliable location data provide significant opportunities for businesses and governments to deliver against important sustainability and Net Zero goals, improve operational efficiencies and contribute to a better society for all.

Our purpose

Our purpose is to enable our customers to make better decisions by unlocking the value in location data, helping to make the world safer, smarter and more sustainable.

What we do

We are global leaders in Location Master Data Management. We unlock the value of data by providing automated solutions for optimising our customers' location data, delivering data that is reliable, up-to-date and complete, enabling them to make better-informed decisions and meet the demands of the digital economy.

How we do it

We deliver our solutions through the 1Spatial Platform, which incorporates a comprehensive set of data and system-agnostic Location Master Data Management software components, which help ensure master data is compliant, current, complete, consistent and coordinated.

The 1Spatial Platform automatically validates, cleanses, synchronises, updates and analyses data from multiple sources and formats.

The Platform allows our customers to master their data on any device, anywhere, anytime. It can be deployed as SaaS in the Cloud, on-premise, or as a hybrid of both.

311
Employees worldwide

OUR PARTNERS

ATKINS, esri, Landmark Information Group, OS Partner, QINETIQ, Safe Software, spatial partners, VertiGIS Studio, VERSION 1

OVER 1,000 CUSTOMERS

ADOT, Cal OES, Northern Gas Networks, NOAA, Northumbrian Water living water

# of location data

7
Operational countries

United Kingdom
United States
France
Belgium
Republic of Ireland
Tunisia
Australia

25
Locations of our key customers

Australia
Belgium
Canada
Denmark
France
Germany
Gibraltar
India
Ireland
Indonesia
Italy
Luxembourg
Monaco
Morocco
Netherlands
New Zealand
Norway
Philippines
Republic of Ireland
Singapore
South Africa
Spain
Tunisia
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 26-27

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 being common practice.

See page 15

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

See pages 26-27

Investment Case

Contents

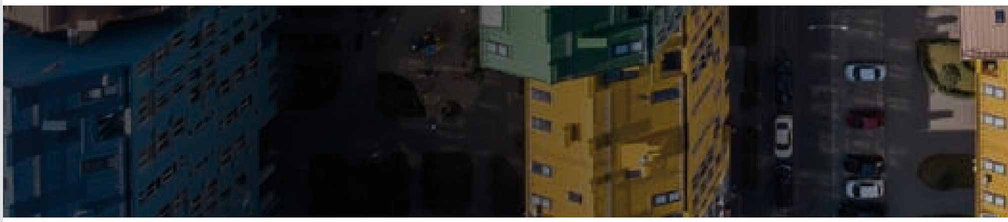
Reasons to invest in 1Spatial

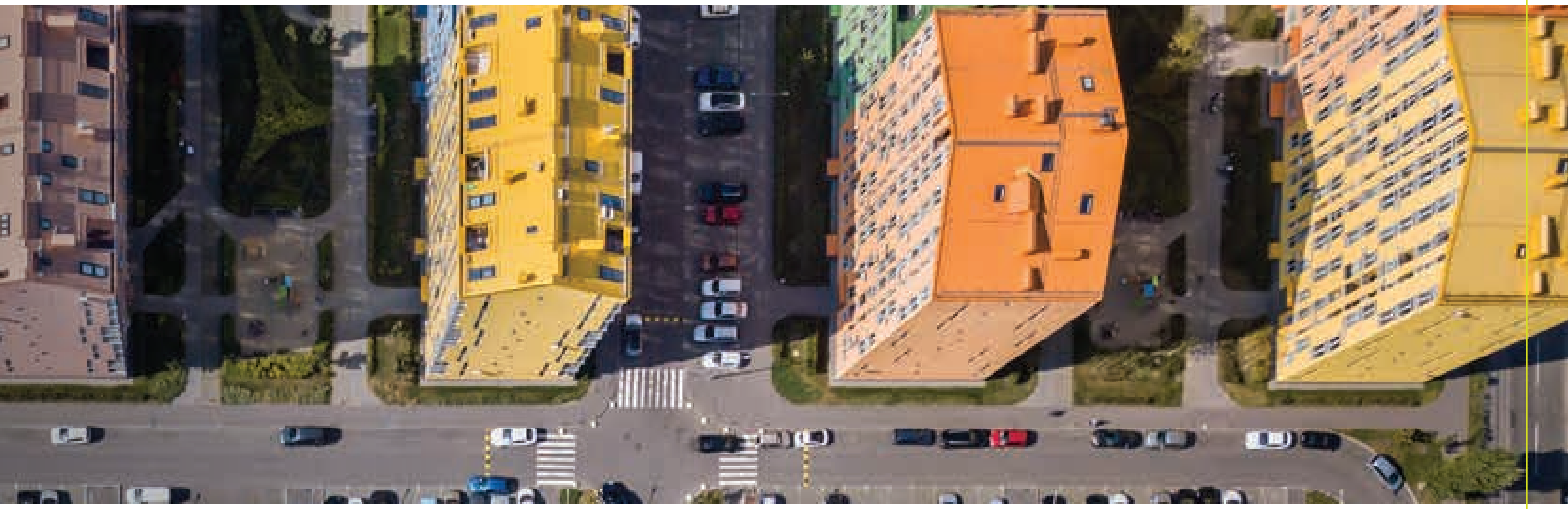
Growing market opportunities

- 1Spatial sits right at the heart of significant growth opportunities across multiple sectors, enabling a smarter, safer and more sustainable world. We help governments and energy providers to meet the green agenda, support the investment in infrastructure upgrades and help organisations implement digital transformation strategies.
- We collaborate with global partners on large-scale data transformation projects and tap into a broader network of prospective clients.
- The US is a significant growth opportunity for the Group, particularly with our Next Generation 911 SaaS solution.

Pioneering technology and long-standing location data expertise

- We are pioneers in the auditing, validation, cleansing, and maintenance of location data, and our technology is recognised as being of a world-class standard.
- Our market-leading technology powers some of the world's largest location data implementations, such as the US Census Bureau and the UK National Underground Asset Register (NUAR).
- We understand the complexity of location data formats and sources, the rules that need to be applied to validate data and how to resolve issues that arise from complex data integration and transformation projects.
- Our domain expertise has been honed over 30 years, which presents a high barrier to entry.
- Our patented technology enables us to validate, map and integrate data from multiple sources, systems and formats at speed and at scale, without requiring the data to be centralised beforehand.





Valuable customer base

- We have a customer base of over 1,000 organisations, providing a strong foundation for growth.
- Our commitment to service excellence means we benefit from high levels of customer retention.

Scalable business model

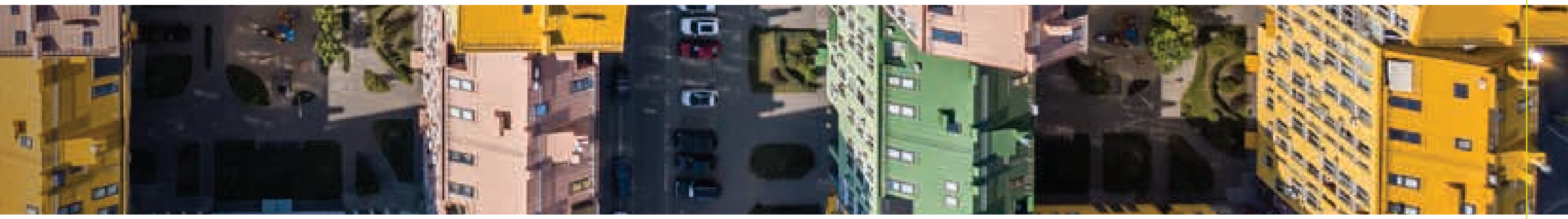
- We are transitioning to a SaaS delivery and business model, with a growing proportion of recurring software revenue.
- We have built an elastic, multi-tenant cloud platform to support increased market penetration and scalable growth.
- We forge strong relationships with an expanding list of partners, providing additional sales and marketing reach.

Strengthening financial position

- We are delivering growing revenues with our global offering and clients in 25 countries.
- Our focus on growing recurring subscription term licences, our SaaS strategy and other recurring revenue from long-term contracts will continue to deliver revenue growth.
- We have a positive adjusted EBITDA and are cash generative.
- Our balance sheet is strong with a net cash position.

“Having this new data in place will mean any planner or field worker can ask “How deep should I expect to find the pipe at this point and how certain are you of the answer?” As a result, NWG can continue to deliver and exceed excellent customer service levels, knowing their teams can work in a safer way while minimising disruption to the water supply.”

Clive Surman-Wells
Operational Solutions Manager, Northumbrian Water Group



Highlights

FINANCIAL HIGHLIGHTS

Group revenue

2022 £27.0m
2021 £24.6m

▲ 10%

Group gross profit

2022 £13.9m
2021 £13.1m

▲ 6%

Adjusted EBITDA *

2022 £4.2m
2021 £3.6m

▲ 15%

Earnings/(loss) per share – basic and diluted (p)

2022 0.2p
2021 (1.0)p

▲

Recurring revenue

2022 £12.2m
2021 £10.6m

▲ 15%

Term licences revenue

2022 £2.9m
2021 £1.1m

▲ 167%

HIGHLIGHTS

- Significant high-value contracts signed in FY 2022 combined with strong growing pipeline of prospects
- Organic revenue growth with higher levels of recurring revenue achieved from new customer wins and expansion contracts in all regions
- Continued R&D investment in innovative solutions creating market-leading Location Master Data Management (“LMDM”) solution

Adjusted EBITDA * margin (%)

2022 15.5%
2021 14.8%

▲ 0.7pp

Operating profit/(loss)

2022 £0.4m
2021 £(1.2)m

▲

Profit/(loss) before tax

2022 £0.2m
2021 £(1.4)m

▲

Group total ARR **

2022 £13.4m
2021 £10.7m

▲ 26%

Term licences ARR **

2022 £4.1m
2021 £1.6m

▲ 160%

Committed services backlog

2022 £12.5m
2021 £5.5m

▲ 129%

Net cash ***

2022 £3.2m
2021 £4.3m

▼ 24%

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

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

*** Net cash is gross cash less bank borrowings but excludes lease liabilities

OPERATIONAL HIGHLIGHTS AND OUTLOOK

- 37% revenue growth in the US at constant currency
- Reporting first Group profit before tax for over a decade
- Trading in the current financial year has started positively and, while cognisant of inflationary cost pressures, the Board remains confident in delivering results for FY 2023, in line with current expectations

Our purpose

Our purpose is to enable our customers to make better decisions by unlocking the value in location data, helping to make the world safer, smarter and more sustainable.

We help our customers make critical location-based decisions in many different ways.

Safer

Our technology helps to eliminate the incidence of utility strikes, preventing thousands of life-changing injuries and saving millions in costs every year.

Read more about our involvement in the NUAR project on page 23

Our solutions help emergency centres in the USA correctly locate and route emergency services calls, helping to improve response times, alleviate the impact of disasters and save millions of lives.

Read more about our NG-911 solution on page 21

OUR STAKEHOLDERS

Doing the right thing – supporting the environment, our people and all stakeholders, is fundamental to what drives us as a business.

Planet

We are committed to embedding sustainability at the core of our business. Not only do we support the United Nations' Sustainable Development Goals through the work we do for our clients, but through our own ESG project and sustainability initiatives. We are developing an ESG strategy and framework which, combined with our purpose, will guide our decision-making about the assets we deploy and the outputs we produce.

Customers

We work closely with our customers to identify and understand their business issues. Increasingly, customers cite sustainability, health and safety, and infrastructure investment as key drivers. Helping them make data-enabled decisions drives development of innovative solutions and applications, which in turn drives our business growth.

Smarter

Local and national governments use our technology to make informed, evidence-based decisions when setting regulations, collecting taxes and providing public services, saving thousands in public spending.

Read more about our work for Northern Ireland's Department of Finance on page 26

We are helping to create a digital replica of the outside world using our 3D-enabled technology for the Municipality of Aarhus, the second largest city in Denmark. This will support the Danish Government's plans for a smarter city to combat climate change, mitigate disasters, improve emergency response and calculate tax more effectively.

Read more on page 27

More sustainable

As organisations work towards achieving their Net Zero goals, we create data platforms for modelling green decisions and reducing carbon emissions. We are helping the Energy Networks Association (ENA), in collaboration with Ordnance Survey, to create a digital twin of the UK's energy network infrastructure to support planning for alternative energy sources.

We are helping utilities providers in France to ensure the safe and reliable supply of water to their customers with our 1Water solution, which supports the improved management of inventory, operations, planning and maintenance of water and wastewater networks.

Read more on page 15

People

Our dedicated, committed and passionate team are the cornerstone of our success. Our culture is open, supportive, inclusive and encouraging. Guided by our purpose and underpinned by our values (We Respect, We Innovate, We Collaborate, We Trust and We Care), we believe in the concept of 1Team to achieve sustainable outcomes.

Suppliers & Partners

We strongly value the business relationships with our suppliers and partners and the opportunities created by working together. Through partnerships we learn, share best practice and set future goals so that we can bring our software and solutions to new geographic regions and industries and provide additional scale to our capabilities. Our commitment to ESG means we are taking steps to embed sustainable practices across our supply chain.

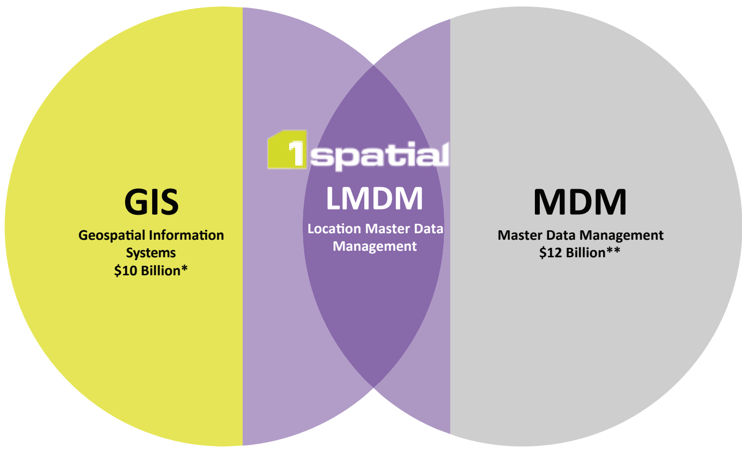
Shareholders

We believe that our purpose is material to the performance of our business and aim to generate increasing value for our investors while managing within the risk, governance and compliance frameworks that guide us. We aim to engage openly, consistently and transparently with our shareholders through formal AGMs, results announcements and presentations, investor roadshows, conferences and updates on our website.

Our market

Location data is helping to improve responses to the great challenges we now face such as climate change, while also enhancing the planning and delivery of more immediate projects related to infrastructure, construction, housing, transport, retail, the environment, and emergency response services.

1Spatial operates at the intersection of two growing global markets: the geospatial market – often referred to as the GIS (or Geographic Information Systems) market – and master data management (a technology discipline that ensures the uniformity, accuracy and accountability of shared data assets).



*Estimated: US$21.1 Billion by 2027

**Estimated: US$46.8 Billion by 2027

Estimated market size

Seizing the future

The global geographic information system (GIS) market size was US$ 10.1 Billion in 2021 according to the IMARC Group, and is expected to reach US$ 21.1 Billion by 2027, exhibiting at a CAGR of 13.1% during 2022-2027. Similarly, the MDM Market was valued at US$11.6 Billion in 2019 and is projected to reach US$46.8 Billion by 2027, growing at a CAGR of 19.1% from 2020 to 2027, according to the Master Data Management Size and Forecast Report.

Several major trends are driving geospatial industry growth, including the acceleration of digitalisation, the integration of geospatial and new technologies (such as 3D, machine learning and Artificial Intelligence), the need to meet Net Zero goals, the increasing trend to develop smart cities and digital twins, and infrastructure stimulus investment plans.

A data-driven economy

Sustainability goals, and the move to a data-driven economy, continue to drive unprecedented growth in both the quantity of location data and the need for applications to derive value from it. 80% of all data collected now has a location component to it (according to a survey by Esri). In fact, a recent global survey run by intelligence company Carto found that 94% of large businesses collect and/or store location data.

This growing business need means that location data is becoming more ‘mainstream’ as enterprise and government organisations place an increasing emphasis on its importance.

The variety of formats and repositories of this data, however, mean that much is currently unusable – fuelling the growth of solutions that will unlock the power of these datasets.

Our market position

Very few organisations have the breadth of knowledge, the location expertise and the unique product solutions that 1Spatial offers, making us a significant and important part of the global geospatial ecosystem.

The 1Spatial Platform incorporates a complete set of Location Master Data Management (LMDM) software components that can be used 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 have become imperative for organisations to provide the required services to their customers or citizens.

Our expertise

The forecast growth of the GIS market is attracting more software providers into the market; however, we believe very few have the comparable experience and expertise in location data and the breadth of knowledge of the sector. This growth of the market provides opportunities for us to partner with organisations that have applications or customers, but not the necessary location data management skills, products or solutions, creating a barrier to entry. Moreover, our close relationship with Esri Inc., the global market leader in GIS database software, gives us additional credibility, while enhancing our market reach and visibility.

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

At the heart of multiple themes: accurate, shareable location data

There is a growing awareness across multiple industries that location data is a vital element in the delivery of more efficient, faster and safer services. With location data increasingly being used as the main point of reference when connecting multiple systems, there is a need for that data to be accurate and shareable.

Sustainability drivers

In the past, our offerings have traditionally been used to address customer needs such as increased efficiencies or cost savings, but increasingly these drivers are now around sustainability, health and/or safety and infrastructure investment. Our rules engine, 1Integrate and its companion cloud portal 1Data Gateway are consistently being recognised as powerful tools to ensure good quality data.

The macro climate

At the macro level, we believe themes such as the 17 United Nations (UN) Sustainable Development Goals (DSGs), 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 $1.2 Trillion into infrastructure development 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 play a significant role
- A need for improved data quality driven by the United Nations

SUSTAINABLE DEVELOPMENT GOALS

Government Investment Initiatives

- US$1.2 Trillion infrastructure investment – USA
- £600 Billion investment – Build Back Better – UK
- €750 Billion stimulus fund – European Commission
- US$500 million funding for Next Generation 911 projects

Digital Economy

- Drive for digital representation of assets (digital twins)
- Greater need to share data across organisations and the public sector
- Increasing demand for Cloud First and SaaS-enabled solutions

TARGET MARKETS

Government

Utilities

Transport

MARKET DRIVERS

Sustainability (drive to Net Zero)

Infrastructure Investment

Health & Safety

Enabling critical decision-making

What we do

We unlock the value of data by providing automated solutions for optimising our customers' location data, delivering data that is reliable, up-to-date and complete, enabling them to make better-informed decisions and meet the demands of the digital economy.

How we do it

The 1Spatial Platform automatically validates, cleanses, synchronises, updates and analyses data from multiple sources and formats.

Innovation

Be innovative in how we develop and use our core products and technology

	HOW WE PRIORITISE OUR BUSINESS ACTIVITIES	RESOURCES & RELATIONSHIPS WE RELY ON
BUSINESS	Financial performance Investor growth Customer needs	Financial capital Industry expertise Customers
ESG	People, society & environment Regulatory requirements	Our people, partners & suppliers Shareholders Governing institutions
TECHNOLOGY	Innovation SaaS enablement	1Spatial Platform

OUR STRATEGIC PILLARS

Customer Relationships

Be approachable through customer-guided innovation and market research

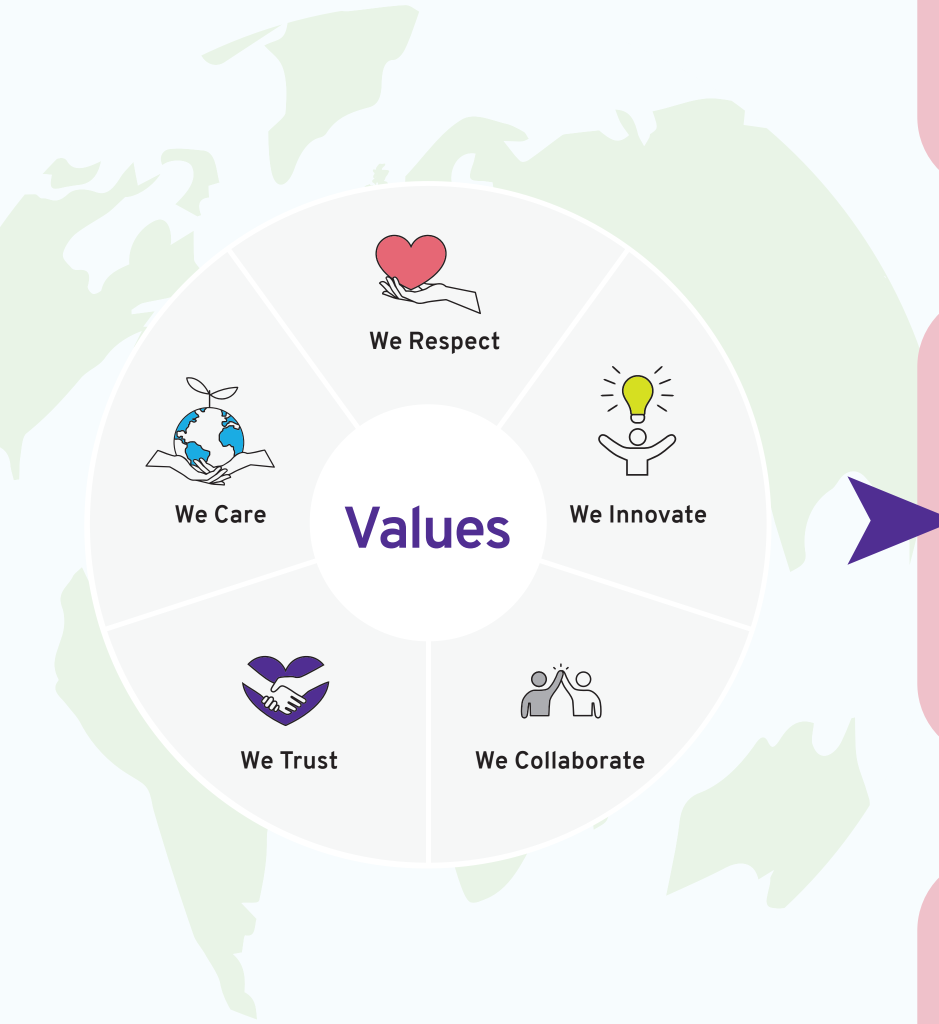
Smart Partnerships

Be smart in how we work with our partners

OUR OUTPUT

Location Master Data Management

- Products
- Applications
- Solutions



REVENUE SOURCES

- Licensing
- Consulting services
- Maintenance & support contracts

OUR DIFFERENTIATORS

- Scalability
- Automation
- Configuration
- Data and system agnostic
- Spatial & non-spatial data
- No-code rules engine
- High volumes of complex data

OUR BUSINESS MODEL IS UNDERPINNED BY OUR PEOPLE AND COMPANY VALUES

Location Master Data Management

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.

At the heart of the data ecosystem

Data is often collected and stored in silos. The 1Spatial Platform is an integrated data system – an ecosystem where data can be shared – saving our customers significant time and money on having to collect data themselves which already exists elsewhere (internally or externally).

But to rely on this shared data there first needs to be a mechanism to validate its accuracy.

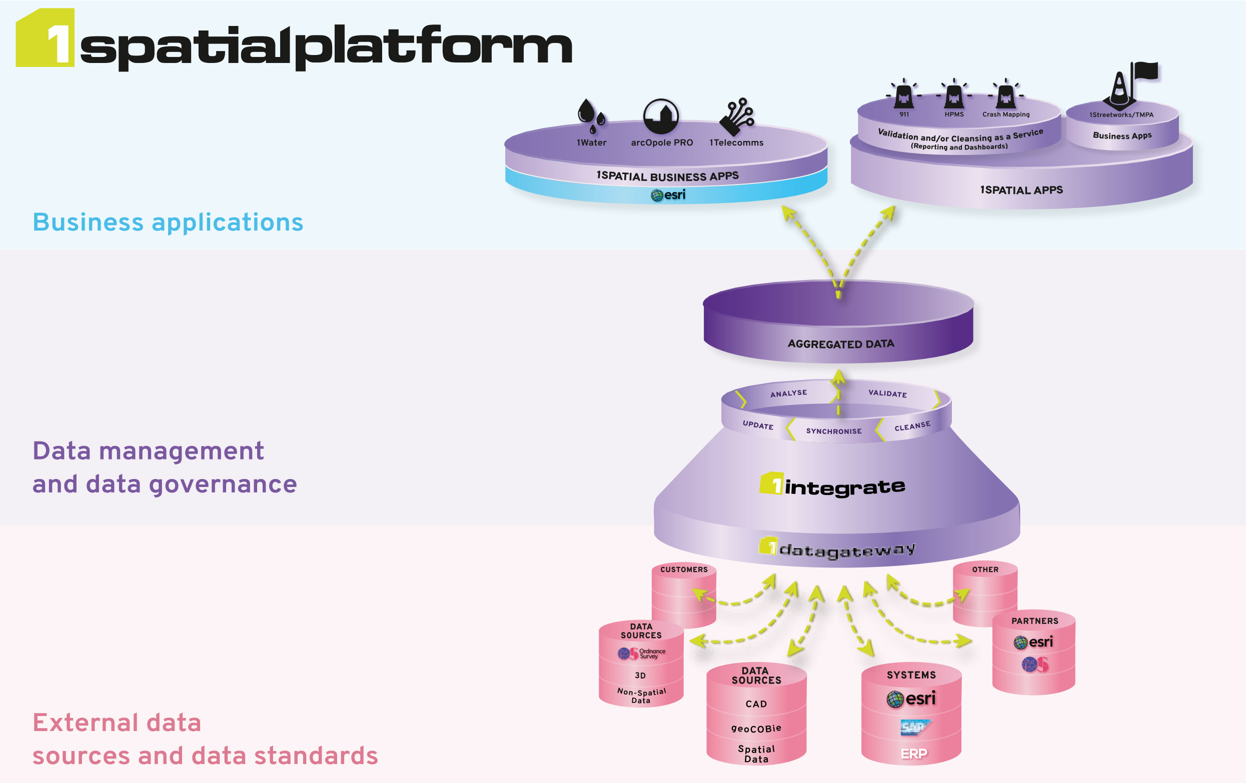
Since data is often captured and stored in different standards and formats and at differing levels of data quality, it needs to be audited and assessed against specific standards or criteria before it can be trusted.

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.

How the Platform works:

1. **Ingest:** Data is ingested into the platform from various formats, systems and sources (e.g. Ordnance Survey data, Esri data, 3D data).
2. **Rules:** We then incorporate the data standards and rules which the data needs to conform to.
3. **Validate:** Our automated rules engine 1Integrate audits this data and validates it against the relevant data standards.
4. **Cleanse:** We then cleanse it to ensure it is compliant by either flagging up errors of non-compliance for manual correction, or by applying automatic corrections.
5. **Synchronise:** The data is then synchronised across the data ecosystem.
6. **Update:** The Platform will continuously update any changes to the data, ensuring the data remains of a consistent quality.
7. **Analyse:** Finally, the 1Spatial Platform enables our customers to analyse the data, feeling confident to use and rely on it for making business-critical and life-saving decisions.

Our customers can use this data through one of our business apps such as NG911, HPMS or 1Streetworks/TMPA or share it back to their systems or partners such as Esri or SAP.



Our business applications

1Water

1Water is a business application for water network management. This global solution has been built on top of the Esri platform and works with the new Esri Utility Network Model. We have used this solution to successfully migrate our existing French customers in the water sector to the Esri platform and intend to market this solution globally. We have already secured four utilities clients in France since its launch late in 2021.

1Telecomms

1Telecomms is a business application for fibre optic and telecommunications networks, built on the Esri platform. It is aimed at operators, engineering and construction firms and local authorities, enabling them to optimise processes around the construction, deployment, operation and maintenance of telecommunications assets. It also helps them accurately locate their indoor-outdoor telecommunications infrastructure while improving inventory management and maintenance.

Next Generation 9-1-1

Our Next Generation 9-1-1 Solution ensures that emergency services are using validated and integrated location data and that any issues with the data are rectified as quickly as possible. The automated process saves time and resources for multiple emergency services departments. By having a complete dataset, the emergency service departments will be able to react to incidents faster, and make decisions confidently, based on quality data. We are making significant headway in the US with this application, and to date, we have secured contracts with 7 Federal States, in addition to Los Angeles County.

US Highways Performance Management System (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 the Federal Highway Administration, and the Departments of Transport for Massachusetts, West Virginia and Pennsylvania.

1Streetworks/Traffic Management Plan Automation

1Streetworks, our traffic management plan automation application 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 each 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.

Crash Mapping

To improve road safety and reduce car accidents along the roadways, the Departments of Transportation in each State in the US must report on car crashes every year. However, crash data is typically collected in the field – either manually or with GPS-enabled devices, and not where the actual crash occurred. The 1Spatial Platform can determine where the crash occurred along the DOT's transportation network. This can help with providing metrics like the number of crashes at a given intersection. The crash data can also be cross referenced, using 1Integrate, with the transportation department's asset data, to identify inconsistencies between the systems. We are already helping the Departments of Transport for Kansas and Alabama automate their crash mapping and validation processes.

Our Differentiators

Extensive domain expertise

We have been at the forefront of software development and location data for many years, and our domain expertise has been honed over the past 30 years. Our world-class technology has been used in major international projects such as the US Census Bureau and the National Underground Asset Register Project (NUAR) and is continually evolving and improving.

Data and application agnostic

Unlike other GIS solutions providers, we can efficiently validate, cross-reference and integrate data from multiple sources, systems and formats at speed and at scale, without requiring the data to be centralised beforehand.

Our technology can be used to process both spatial and non-spatial data.

Broad industry footprint

Our extensive client base of more than 1,000 organisations stretches across a range of industries and geographies including government, utilities, transportation, defence and facilities management.

Data specialists

When bidding for large contracts, we recognise that there is often a need to demonstrate the collaboration of specialist teams.

1Spatial is an SME with specialist expertise in the form of master data management and location master data management. Our skills and capabilities have successfully been applied to in many competitive partnership bidding processes.

Proven automation technology

Automation eliminates any subjectivity involved in manual data management processes, providing a much more efficient data governance process.

Our technology is often deployed to deal with high volumes of complex location data 'at speed' – enabling significant savings in time and costs for customers.

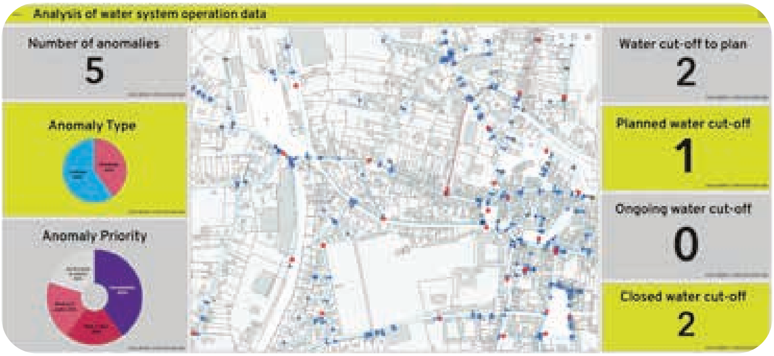
Secure and compliant

We have security in mind at all stages of our development lifecycle, applying a risk-based approach in line with ISO 9001:2015 and ISO 27001:2013 (a certification we are working towards achieving).

Our products and solutions undergo penetration testing to ensure they are as robust as possible, and we release regular patches to proactively shield against any identified issues or third-party vulnerabilities.

Case study:
Supporting the safe and reliable supply of water
1Water Application

Initial contract value: **€0.3 million**
Duration: **ongoing**
Annual recurring revenue: **€0.8 million**



> “1Water allows organisations to intelligently combine technical, geospatial and operational data for optimal decision-making, enabling users to view their water network data in a user-friendly way, achieve instant updates and data sharing in real time.”

Claire Milverton
CEO, 1Spatial

- 1Water is our new flagship application for effective water network management, built on the Esri platform.
- The product helps to ensure the safe and reliable supply of water to utility customers by improving the planning and maintenance of water networks and assets, while saving time and reducing costs.
- It also supports compliance with water management regulations and ESG initiatives by providing greater visibility over water usage and trends, enabling the reduction of water leakages and improved water treatment management.
- It is configurable and can be used by local authorities, water syndicates and private operators of all sizes.
- User-friendly maps, dashboards and reports present powerful visualisations and analytics of the network and asset data and operations in real time.
- 1Water is based on the Esri ArcGIS Utility Network model, a global leader in GIS solutions and 1Spatial partner, extending our reach to a broader range of customers that use the Esri software.
- So far we’ve migrated 15 clients from the legacy Elyx system to our Esri-supported solutions such as 1Water with a further 14 in progress, with a total annual recurring revenue of c €0.7m
- 1Spatial is the only company in France to support Esri’s Utility Network Model, and Esri Inc considers 1Spatial to be a leading Utility Network specialist.
- In 2021, 1Spatial won two high-profile Esri awards based on the work we are doing with 1Water (Esri Utility Network Speciality Designation and the Web GIS Transformation Award).
- 1Water is available on-premise or in the Cloud.
- Since launching in October 2021, we have secured four clients for our 1Water solution.

2022 PERFORMANCE

10%

Group revenues increased by 10% to £27.0m (FY21: £24.6m)

15%

Adjusted EBITDA* increased by 15% to £4.2m (FY21: £3.6m)

Driving substantial financial growth

"Significant high-profile wins in the year, with sales orders being considerably higher than expectations."

Andrew Roberts

NON-EXECUTIVE CHAIRMAN

1Spatial has enjoyed a successful first year of its three-year growth plan. Expansion has been seen in all parts of the business, delivering across all three of our strategic growth pillars: Innovation, Customer Relationships and Smart Partnerships. We have seen substantial financial growth, exceeding our revenue and sales forecasts for the year which has provided a solid basis for long-term success.

Digital transformation, combined with government initiatives such as increased infrastructure investment and the launch of sustainability programmes, are driving a substantial need for data management tools, particularly those capable of managing complex location data. With its enterprise grade software and over 30 years' heritage in location data, 1Spatial sits at the heart of this rapidly increasing demand, as evidenced by the significant high-profile wins in the year; which in turn are elevating our profile on the global stage. These wins highlight the quality of 1Spatial's world-class technology and geospatial expertise, and the ability of the business to scale through the sale of repeatable business applications and software solutions.

Financials

Our key financial objectives for the year were to grow recurring revenues, while generating funds to be reinvested into the business. I am pleased to report that our financial performance exceeded expectations this year, with sales orders being considerably higher than our expectations. We have also returned to organic revenue growth, with increased revenue across all regions and sectors in which we operate. Our first recorded operating profit and profit before tax for over a decade represents a positive financial milestone and is particularly pleasing given the accelerated transition we are achieving in our business model towards term and SaaS-based subscription licenses.

Operational successes

This year has been a year of investment for 1Spatial, to provide a platform for scalable growth as we develop our people and build out our technology offering. We are successfully building repeatability into our solutions and have invested in Cloud delivery, which will increase our addressable market significantly in future years. We have won several new landmark customers, including high profile and national level digital transformation initiatives and signed two of our largest ever deals. Growth in the US has been pivotal to this year's successes, which alongside our strengthened partnerships and substantial customer wins has significantly expanded our horizons of opportunity.

People

We have invested in the expansion of our senior leadership team to ensure we have the depth of management to deliver our strategy and have been delighted by the immediate positive impacts the new team members have made.

Our priority continues to be the wellbeing of our teams around the world, providing them with the best environment to continue to deliver the high-quality service our customers expect of 1Spatial.

World events continue to be challenging and worrying for many. We do not have any operations in Russia or the Ukraine and no customers in those regions.

Environmental, Social and Governance (ESG)

Like many businesses, ESG is very important for 1Spatial as we strive to make the world safer, smarter and more sustainable for the future. Whilst we are still in the early stages of implementing ESG initiatives across the Group, we have already taken steps to address key areas within ESG over the past few years. During the year we engaged with a third party with expertise in this area to help us consolidate all of our initiatives and define and create our full ESG strategy, which is set out in more detail on page 28.

Given the nature of what we do, we have a low impact on the environment, but we are always aiming to improve and offset our carbon footprint by initiatives such as donating to the Woodland Trust to offset travel.

Outlook/summary

We have entered the new financial year in a significantly stronger position. With a strong sales backlog and increased levels of recurring revenue, I am confident the Group's success over the past 12 months is set to continue.

We anticipate scalable growth in three key areas. Firstly, we expect the US to continue to accelerate in the coming years and become a substantial part of our Group revenues in the future. Secondly there is significant growth potential from new partnerships, targeting the government and large enterprise digital transformation opportunities. Thirdly, the commercialisation of our cloud-based platform planned in the second half of the year, enabling us to launch Validation as a Service (VaaS) offerings and other targeted SaaS business applications such as 1Streetworks/TMPA should be a transformational opportunity for scalable growth.

The Board is confident that the inflationary pressures being felt by all businesses in the current environment are being well managed.

We believe the investments we have made over the past year in our people and technology position us well to take advantage of the huge opportunity that is ahead. The significant number and range of new wins in the year provides the Board with confidence that 1Spatial is in an excellent position to continue in an upward trajectory and we expect a successful continuation of the execution of our growth strategy.

Finally, I would like to thank all our staff for their contribution and fortitude through the pandemic.

Andrew Roberts
NON-EXECUTIVE CHAIRMAN
26 April 2022

2022 PERFORMANCE

15%

Recurring revenue up 15%

37%

Revenue growth rate in the US - fastest regional growth rate at constant currency

Double-digit growth in recurring revenue year on year

"Strong financial performance during the year, particularly in H2 FY 2022, which has seen the Group secure its largest contracts to date."

Claire Milverton

CHIEF EXECUTIVE OFFICER

This year has been one of solid organic growth, fuelled by a number of landmark wins, including high profile and national level contracts in each of our target markets, as we conclude what has been a transformative first year of our three-year growth plan. We have expanded our product offering and delivered growth in revenues, term licence revenue, ARR (annual recurring revenue) and adjusted EBITDA as we successfully transition our business model. It is encouraging to see strong performance in all regions, with growth in the UK and North America particularly noteworthy.

We help over 1,000 customers, spanning key sectors such as government, utilities and transportation make better business decisions and move towards a smarter world, through improved accuracy and sharing of location data. While this is already an extensive customer base, we believe, as leaders in location data validation and sharing, we are just at the start of our growth journey.

The demand for up-to-date location data has never been greater, due to the acceleration in digital transformation taking place across all industries. Location data is a vital element in the delivery of faster and safer services, and because it is increasingly being used as the main point of reference when connecting multiple systems, it needs to be accurate and shareable. Our rules engine, 1Integrate, and cloud portal, 1Data Gateway, are recognised, both by our customers and a growing number of influential partners, as powerful tools to ensure good quality data and trust when sharing data.

This fast-growing industry need has led to growth in our customer numbers and revenues and created a record pipeline of opportunities as we enter the new financial year.

Top-line growth and a return to profits

The success of our strategy and the growth in our market can be seen in our strong financial performance during the year, particularly in H2 FY 2022, which has seen the Group secure its largest contracts to date, providing a strong platform for growth in future years.

I am pleased to report our first operating profit and profit before tax for over a decade, representing a significant shift from an operating loss of £1.2m in the prior year. We have seen organic growth in revenues, recurring revenues and adjusted EBITDA profit levels, whilst at the same time increasing investment in the business as part of the three-year growth plan. Group revenue increased by 10% to £27.0m from £24.6m in FY 2021 with double digit growth in recurring revenue year on year. The order book of committed revenue increased by 129% to £12.5m and term licence ARR increased by 160% to £4.1m.

US delivering on its promise

A key success story is the Group's expansion across North America, which presents a major opportunity for the business going forward.

We have successfully sold and implemented 1Integrate and 1Data Gateway in key US States including California and Michigan. We secured several landmark contracts in the year, most notably four new wins with US States to support delivery of their Next Generation 9-1-1 Emergency Services system.

US legislation requires all States to upgrade their emergency services, building digital platforms and incorporating the use of GIS data, to support 9-1-1 services and ensure a modern and safe emergency response system. Key challenges to meeting these requirements have been the completeness and accuracy of the GIS data, the need to integrate other data from multiple sources such as road traffic information, and the fact that location data is constantly changing. Our Next Generation 9-1-1 solution, now being implemented in seven US States, ensures that emergency services are using validated, integrated and up to date data and ultimately, that the teams on the ground are able to respond to incidents more quickly and with greater confidence in data quality.

Typical ARR per State for our NG911 solution is initially around US$0.1-0.2m and we expect total ARR for this solution across the US to grow to over $1m in FY23. We are growing our sales team to support this opportunity in other States.

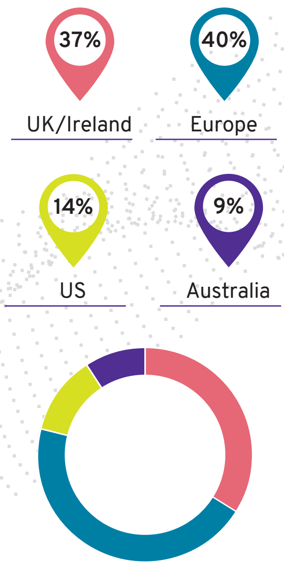
Following the passing of a $2.2 trillion reconciliation bill in the US in November 2021, which includes $500 million of funding to support NG911 deployments, alongside the digitalisation of 9-1-1 systems across America, we are seeing significant new opportunities where we can bring our unique technology and solutions to help providers achieve faster response times.

The development of our cloud platform means we will soon be able to offer a 'light version' NG911 SaaS solution aimed at the hundreds of counties and cities within each State, considerably increasing our addressable opportunity.

There is also sizeable opportunity for growth within each State by launching additional solutions, including for example Highway Performance Monitoring Systems (HPMS) and Crash Reporting. We have already seen success in Michigan where we have doubled the initial ARR through the upsell of additional solutions.

This all contributes to a high-margin medium-term opportunity, based around our own IP and channels to market, that can transform the economics of our US operation. Further out we have the opportunity for expansion into Canada and Latin America.

Regional revenue



Major contract wins

In the UK, we have continued to deliver top and bottom line growth through new multi-year contracts with government bodies. These include an £8m multi-year contract in partnership with a consortium to deliver a significant digital transformation programme for a department of the UK Government, and a £6.5m contract for the UK Government's Geospatial Commission supporting Atkins to deliver the National Underground Asset Register. These contracts contribute £1.7m in Annualised Recurring Revenue.

Successes such as these, and the considerable size of our sales pipeline, give us the confidence to continue to invest in the business, to ensure we have the right structure to deliver on the growing opportunity as we move into the second year of our three-year growth plan. We have made a number of senior appointments across the Group to ready the business for this next phase of growth, expanded our sales and delivery teams and invested in the Cloud to increase our addressable market.

Strategic review

We are building our highly scalable business on three pillars: Innovation, Customer Relationships and Smart Partnerships and I am proud to say we made considerable progress against all three throughout the year.

1. Innovation

Innovation lies at the heart of 1Spatial. We use our patented software to audit and automatically correct location data, keeping it accurate and up to date. Our automated software is able to handle huge volumes of complex data allowing our customers not only to ensure accuracy but also save significant amounts of time and money, giving them the ability to solve complex challenges in the management of their spatial and non-spatial data.

During the year, we were granted a UK Patent for Modification and Validation of Spatial Data, recognising its power as a tool to ensure good quality data and facilitate trust when sharing data. The patent protects the use of 1Spatial's Rules Engine technology, which is used in 1Integrate, further strengthening the Group's international patent coverage, which includes a US patent for Modification and Validation of Spatial Data.

The 1Spatial Platform for Location Master Data Management 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

Data management solutions

Key development initiatives during the year were to ensure that our solutions meet the rising demand for integration with a cloud-enabled world. This also included improvements to data security and the ability to make our customer deployments simpler than ever.

The innovation in both 1Integrate and 1Data Gateway throughout the year have provided a vehicle for further growth and accessibility of our solutions and the development team continue to assess the products against both the customer and market needs so that we are always at the forefront in our market sectors.

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 1Integrate was successfully upgraded to include access to more data types. This included access to more data store formats and access to data over the web such as Esri's Web Feature Services. 1Integrate is also now packaged with a Repository Synchronisation Tool making it simpler for our customer teams to collaborate; and faster to build, test and deploy rules across the organisation.

We continued to add further support for 3D data which was used in a pilot project with a national mapping agency. This pilot project was focused on automating the import of geospatial data into a 3D database, and automatically validating against the project's data specification using 1Integrate 3D. The rules inspect the building information, finding and correcting any overlaps, overhangs and any misalignments. The current and correct data was then loaded into the central databank, where the data was made available to the national mapping agency stakeholders.

1Data Gateway

1Data Gateway is our self-service web portal for spatial data validation, processing and analytics. During the year we have made several upgrades including enhancements to our APIs, which allow systems to talk to each other, so our customers can analyse the results from 1Data Gateway with their own BI tools such as Esri ArcGIS Dashboard.

Business applications

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

Applications plugged directly into the 1Spatial Platform

This year we focused on the development of two types of applications on the 1Spatial Platform. These are Validation Applications and specific Business Applications.

- **Validation Applications**
  These applications validate data to a predefined set of rules and provide back a report of the errors. The first of these applications are NG911 and HPMS which are being sold in the US.

  We also have identified a number of other similar solutions across our territories which will be brought to market in FY23. We are also looking to deploy a number of these solutions to the 1Spatial cloud in FY23 so they can be offered as Validation as a Service ("VaaS") solutions.

- **Specific Business Applications**
  This year, we also focused on building targeted solutions on the platform, such as 1Streetworks (previously known as Traffic Management Plan Automation ("TMPA")), which is currently being tested with selected customers.

Both the Validation Applications (VaaS) and specific Business Applications such as 1Streetworks should provide the Group with potential exciting new "go to market" models, lowering the price point for new customers onto the Platform planned in the second half of FY23.

- **Launch of 1Spatial cloud platform**
  We have now finalised the majority of the development on the 1Spatial cloud platform which will allow us to sell the Cloud solutions noted above. The multi-tenancy SaaS platform will be more cost effective for 1Spatial as we will be managing fewer deployments and the elastic nature of the platform architecture is more cost efficient.

Applications using the benefits of Esri technology

During the year we have continued to invest in the business applications built on Esri technology. These include ArcOpole Pro, the application to help local authorities manage assets and urban planning, and 1Water to manage Water Networks. In addition, we have also developed 1Telecomms this year which will address the telecoms sector. These business applications provide solutions to targeted needs that are not fulfilled by the Esri Platform.

2. Customer relationships

We continued to strengthen our relationships with existing customers throughout the year and secured new customer wins across all territories. Our aim is to be our customers' strategic partner and advisor in LMDM. We typically expand our customer relationships over time, as we identify additional areas where our software and expertise can support our customers.

Case study:
Improving response times in Emergency Services
Next Generation 9-1-1 Emergency Services Solution

Typical contract value: **US$0.2m - 0.5m**
Typical duration: **1 to 3 years**
Typical ARR: **US$0.1m - 0.2m**

"The only way we are going to achieve our goals is through automated rules-based compliance, and the 1Spatial Tools are just an amazing asset."

Susan Miller
State Geospatial Information Officer,
US State of Georgia

"We could not have accomplished this without the support of 1Spatial."

Sandi Stroud
9-1-1 Program Manager,
US State of Minnesota

- In the US, the Next Generation 9-1-1 Act requires that 911 centres upgrade to an IP-based 911 system.
- In the future, GIS data will be used to improve the accuracy of location information, enabling emergency services calls to be routed to the relevant dispatch centre faster.
- A lack of coordination between jurisdictions and data quality concerns require an effective solution to ensure data will be routed to the right public sector access points (PSAPs).
- 1Spatial's NG 9-1-1 validation solution instantly checks and proves the completeness and quality of NG 9-1-1 datasets before being delivered to the State or County.
- Our automated data validation process ensures that the data will be accepted, reducing unnecessary rework, and providing assurance to data owners.
- The solution combines our powerful rules engine and data aggregator 1Integrate with our 1Data Gateway portal to support emergency services in their data readiness needs.
- Users can identify where the data requires adjustment, and pinpoint problems and errors that can be rectified quickly.
- The cloud-based solution can be deployed within a few months from contract inception, bringing benefits to customers much faster than other solutions on the market.
- To date, we have deployed our solution in 7 different States, including the states of Georgia, Arizona, Minnesota, Michigan and Montana, as well as Los Angeles County.
- The platform can also be used to address broader data challenges related to transportation, utilities, planning, etc.
- We are now building on the successes of our NG 9-1-1 solution to develop a Validation and Correction as a Service application that will expand our reach across the United States, reaching thousands of counties and cities that are required to adopt NG 911.

The success of our customer focus, combined with ongoing transition to term licensing, can be seen in the 26% growth in Annualised Recurring Revenue driven both by new customer wins and the expansion of existing customer accounts.

Land & expand

The Group delivered new customer wins, including multi-year licence contracts in the year across all regions, with the USA performing particularly well.

New customer wins include:

- **National Underground Asset Register (NUAR)** – Supporting the Government to build back better, greener and levelling up the North – **£6.5 million (1.5m licence over 3 years).**
- **Department of the UK Government** – Multi-year digital transformation programme – **£8.0 million (£6.0m licence over 5 years).**
- **HM Land Registry** – Single digital register across England and Wales – **£0.5 million (£0.4m licence over 3 years).**
- Four new contracts for **NG 9-1-1 solutions** in the US, with the **States of Montana, Georgia, Minnesota and Arizona**, demonstrating 1Spatial's unique technology and the replicability of this solution. Each with ARR of average **US$0.15 million** plus services of **US$0.1 million**.
- Our first term licence in France, with **VINCI Highways**, to supply 1Telecomms, a 1Spatial app built on the Esri platform.

Customer expansion contracts in the period included:

- **Department of Environment, Food and Rural Affairs (DEFRA)** to support the Land Management System, operated by DEFRA's **Rural Payments Agency (RPA)**, in partnership with Version 1 – **£1.2 million over 5 years)**.
- Another contract win with **DEFRA** and **RPA** to support its field collection system – **£0.5 million (£0.4m licence over 2 years)**.
- Multi-year framework agreement with **Land and Property Services in Northern Ireland** in partnership with Version 1, to support the Department of Finance's ongoing programme of Digital Transformation.
- Managed service for a **major utility organisation in France** in support of the deployment of 1Water – **€0.3 million**.
- Additional services and licences for **Google Real Estate and Workplace Services – US$0.9 million (US$0.3m licence).**
- In France, 29 existing customers have completed or commenced migration from the Group's legacy Elyx platform, to Esri-supported solutions, including **1Water**.

3. Smart partnerships

We believe partnerships will play an important role in providing us with the reach to capitalise on the opportunity ahead. We have secured many of our largest contracts via our partners this year.

In order to accelerate this new business channel, we hired a new Head of Global Partners during the year. Key focus areas in the year have been to identify and extend our relationships with large global corporates where location data management forms part of a larger customer bid and also to extend our technology partnership with Esri.

Large global corporates

We are increasingly being selected as the data integrity provider within a consortium, cleansing the data before passing it back through wider systems. The depth of our data domain expertise and the enterprise grade of our software mean we are one of the few technology partners able to work on the scale that our partners need.

New partners we have won and commenced work with this year include Atkins, QinetiQ and Landmark. We also strengthened our longstanding partnership with both Version1 and Ordnance Survey.

Technology partnership – Esri

Our long-term partnership with Esri is a key differentiator for us in many markets and provides a major opportunity as we build our own IP solutions. Esri is the global market leader in GIS with a network of over 2700 partners around the world. We were pleased to receive the prestigious "Web GIS Transformation Award' award at the global 2021 Esri Partner Conference. This award builds on the close collaboration between 1Spatial and Esri, with 1Spatial having received Esri Utility Network Management Specialty designation, recognising 1Spatial's knowledge and expertise within utilities and the implementation of Water Solutions. Last year 1Spatial announced the collaboration with Esri UK and Northern Gas Networks to lead the UK's first ArcGIS Utility Network Migration.

We continue to build 1Spatial business applications on the Esri platform and during FY23 we are looking to internationalise a number of these.

Corporate activity

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

People

The success of our business is a tribute to our employees' commitment and knowledge. We are passionate about looking after our staff to ensure each individual can realise their potential. We continue to invest in our people, providing them with the tools and training to support and allow them to realise this, with clear alignment to our Group strategy. During the year, following employee consultation, we launched our new 1Spatial values which we believe reflect the ethos of the company. These values are: We Respect, We Innovate, We Collaborate, We Trust and We Care.

We have added new people to the senior team to enable us to capitalise on the significant growth opportunities in the market. This includes a Global Chief Commercial Officer, Global Head of Marketing and Global Head of Partners. We have also bolstered the development teams with new product owners and technical leads to ensure that we can align with our strategy to increase technology sales of both our core data management solutions as well as our business applications.

Communication with our staff and maintaining wellbeing is crucial especially in the current macroeconomic environment. We actively promote the importance of mental health 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 create 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 continue to show ingenuity and commitment day-to-day, for which the Board and I thank them wholeheartedly. Whilst we are much better connected across all geographies as a result of the pandemic requiring colleagues to connect online, we were delighted to hold our first face-to-face Group sales meeting since the start of the pandemic in Cambridgeshire in February 2022 with all regional managers and sales teams joining. The event was a huge success, setting us up for a successful FY23.

Strategic priorities for the year ahead

Our focus will remain on the three pillars of our growth strategy. We are now well positioned to capitalise on the opportunity in front of us, particularly with a focus on growth in North America, where we will invest in the expansion of our sales and marketing resources.

The expansion of the 1Spatial Cloud platform will be a key strategic focus for the Group as the platform will enable us to increase our addressable market and existing customer demand for web-based access to our solutions. We anticipate that this, alongside new Validation as a Service (VaaS) solutions and SaaS based solutions such as 1Streetworks/TMPA, will be transformational for the Group in future years.

We will continue to invest in the business and its people to support our expanded customer base, while maintaining our focus on the financial goals of increased 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.

Current trading and outlook

It is extremely encouraging to see such positive early indicators of the success of our strategic growth plan. We have exited the year with increased levels of recurring revenues, an expanded customer base and a partner network stronger than we have ever had – all of which provide us with a valuable base on which to expand in the year ahead.

Location data underpins decision-making in every state, country and government entity and commercial businesses today across the globe. With the validation and sharing of location data sitting at the heart of many areas of digital transformation, we are seeing a growing number of opportunities entering our sales pipeline across all our regions and markets.

This healthy sales pipeline and increased levels of recurring revenue provide the Board with confidence that the Group's progress over the last year is set to continue in the coming year and beyond.

Trading in the new financial year has begun positively and is in line with Board expectations, with several new contracts secured and growth in the sales pipeline.

While cognisant of inflationary cost pressures, the Board remains confident in delivering results for FY 2023 in line with current expectations.

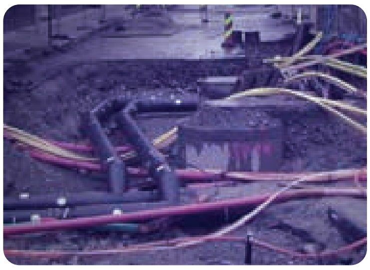
We believe the investments we are making in our people and technology put us in the right place to capitalise on this supportive market backdrop, and we are confident in our ambition and ability to deliver on our key priorities.

Claire Milverton
CHIEF EXECUTIVE OFFICER
26 April 2022

Case study:

National Underground Asset Register Project (NUAR)

Supporting a safer and more sustainable infrastructure



Contract value: **£6.5 million**
Duration: **3 years**
Total recurring revenue: **£1.5 million**
(ARR: **£0.5 million for three years**)

- The NUAR project will improve the efficiency and safety of underground works by creating a digital map of underground pipes and cables.
- The project, when complete, will revolutionise the way the UK installs, maintains, and repairs its buried infrastructure.
- The UK does not currently have a single platform that allows consistent access to data related to underground assets.
- This data is currently held in many different locations and varies significantly in quality and format.
- The UK Geospatial Commission appointed design, engineering and project management consultancy Atkins to deliver the build phase of NUAR, supported by UK mapping agency Ordnance Survey.
- 1Spatial joined the project by partnering with Atkins.
- 1Spatial will lead the data transformation and data ingestion workstream.
- More than 650 asset owners will share and upload their data via the online portal 1Data Gateway.
- 1Integrate will be used to transform the data from their source representation to a target NUAR data model.

Our strategic pillars

Underpinned by our people

As we complete the first year of our three-year strategic plan, we are continuing to build a highly scalable business based on our three strategic pillars.

At the heart 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 while delivering the highest levels of customer satisfaction means that our strategic growth pillars are built on secure foundations.

Innovation

Innovation is the cornerstone of everything we do at 1Spatial. We have been at the forefront of providing software to manage location data for over 30 years. We help organisations build strong location data infrastructures leading to better business decisions using our automated, rules-based approach to validate, integrate, enhance and transform data.

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 designed to meet our customer needs. We will focus our efforts on the sectors in which we have extensive expertise and proven competitive advantage.
- **Cloud platform:** We will deliver our business applications quickly and efficiently. We will develop a scalable, multi-tenant cloud platform, which provides customers access to configured versions of our business applications.

Progress

- 1Integrate was successfully upgraded to include more data types and data store formats.
- We were granted a UK patent for Modification and Validation of Spatial Data for our rules engine technology which is used in 1Integrate (we have already secured the US patent).
- 1Integrate has also been improved to make it simpler for our customers to collaborate; and faster to build, test and deploy rules.
- We added further support to 1Integrate for 3D data which was used for a pilot for a national mapping agency.
- We released our next-generation GIS solution for water and wastewater network management 1Water, as well our as 1Telecomms solution, which are both built on the Esri ArcGIS platform.
- We also added further enhancements to 1Data Gateway, including enabling our customers to use their own BI tools to analyse the results.
- We have developed validation applications to support Next Generation 911 and Highways Performance Management System projects.
- We will continue to invest in developing new applications, as well as bringing our applications to the Cloud as Validation as a Service offerings.
- We have finalised the majority of development for the 1Spatial multi-tenancy cloud platform, resulting in greater cost-effectiveness and efficiencies.

Customer relationships

We are growing our customer base and strengthening customer relationships.

We aim to be our customers' strategic partner and trusted advisor in Location Master Data Management in specific 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-ranging business problems in 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 25% growth in Annual Recurring Revenue (ARR)* driven both by new customer wins and expansion of existing customer accounts.
- New contract wins in four key US states for our Next Generation 9-1-1 solution support our expansion strategy in the USA and demonstrates the market appetite for our repeatable NG-9-1-1 solution.
- A key contract win with Energy Networks Association (ENA) and Ordnance Survey (OS) to build a digital map of the UK's energy system to support Net Zero plans.
- Two contract wins with the Department for Environment, Food and Rural Affairs and the Rural Payments Agency to support its land management system.
- A multi-year contract win with VINCI Highways in France, to supply 1Telecomms, built on the Esri platform.

Smart partnerships

We draw on smart partnerships to extend our market reach, providing additional scale to our capabilities.

We regularly partner with leading organisations across the geospatial ecosystem, adding value to digital transformation projects - and delivering better outcomes for customers.

- 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 complement their domain expertise.

- We hired a new Head of Global Partners into the business during the year to support our partnership expansion strategy.
- We have secured three new significant partners – Atkins, Landmark and QinetiQ, while strengthening our long-standing partnerships with Ordnance Survey, Esri and Version 1.
- We are actively engaged with a number of other global leading organisations.
- We were awarded the prestigious "Web GIS Transformation Award" at the global 2021 Esri Partner Conference.
- This award builds on the close collaboration between 1Spatial and Esri, with 1Spatial having received Esri Utility Network Management Specialty designation, recognising 1Spatial's knowledge and expertise within utilities and the implementation of Water Solutions.

Unlocking the value of location data

Case study:

Optimising telecoms network asset management

VINCI Highways

Contract value: **€0.3 million**
Duration: **5 years**
Total recurring revenue: **€0.2 million**

- Viaveïs is a subsidiary of VINCI Autoroutes, France's leading motorway concession holder, responsible for managing VINCI's telecommunications infrastructure.
- Viaveïs has selected 1Spatial to help it improve the management of VINCI's telecommunications assets, which include fibre optic networks as well as equipment and toll stations.
- 1Spatial will deploy its new telecommunications asset management product, 1Telecomms for the project.
- The software will allow Viaveïs to have better visibility over its network, improve the management of its assets and deliver enhanced telecommunications services.
- The insights gained from the software will also guide decision-making (for instance where to deploy future services), activity monitoring (such as the number of faults and clients) and the management of contracts.
- The project will deliver greater insights into the future potential of the VINCI telecommunications networks, and help to drive new service offerings.
- 1Spatial will support Viaveïs with project management, change management, and the management of the new system.
- The contract includes the delivery and implementation of the 1Telecomms software and the integration of all the data that Viaveïs has managed in the past, such as the geolocation of the fibre optic networks.

Case study:

Creating efficiencies in land and property services

Department of Finance (Northern Ireland)

Contract value: **Framework agreement**
Duration: **3 years, with 2 optional extension periods of 2 years each**

- The Department of Finance (Northern Ireland), has embarked on a digital transformation programme ("NOVA") to create a more customer-focused, integrated, agile and efficient organisation.
- The multi-year framework agreement by Land and Property Services (LPS) will deliver digitally-integrated solutions, systems and outcomes to enable LPS to meet its strategic goals.
- Data will underpin the operational foundation of a new range of land and property services, enabling connections between multiple government departments including property, taxation, agriculture, housing and policing.
- The project will enable LPS to use accurate and reliable data about land and property to support public services and economic development in Northern Ireland.
- The bid was won in conjunction with a consortium led by Version 1.
- 1Spatial is the exclusive spatial consultant for the NOVA Programme Integration Partner contract, a three-year framework agreement.
- 1Spatial will guide the validation and integration of spatial data usage and technologies throughout the LPS enterprise.
- The framework agreement is for an initial three-year period, with two optional extension periods of two years each.
- As it is a framework agreement, there is no contractually committed value, however 1Spatial is committed to deliver services as the need arises for the following 3-5 years.

Case study:

Supporting the development of smart cities

Danish Agency for Data Supply and Efficiency (SDFE)

Contract value: **Pilot project**
Duration: **Ongoing**

- The Danish Agency for Data Supply and Efficiency (SDFE) is a government agency responsible for cross-governmental data infrastructure.
- SDFE aims is to provide a coherent data foundation and infrastructure for building a digital society.
- The data will be made available to all government departments and used to help solve important challenges such as combatting climate change, disaster mitigation, emergency response and tax calculations.
- 1Spatial are working closely with SDFE on a pilot project, together with the municipality of Aarhus – the second largest city in Denmark.
- The project aims to validate that the proposed automated workflow for producing a 3D city model and data quality specification is viable.
- The pilot project is focused on automating the import of geospatial data into a 3D database, and automatically validating the data using 1Spatial's rules engine, 1Integrate 3D.
- 1Integrate supports full 3D data in its data stores, rules and actions.
- The pilot aims to create a process that could be scaled and used across multiple municipalities.

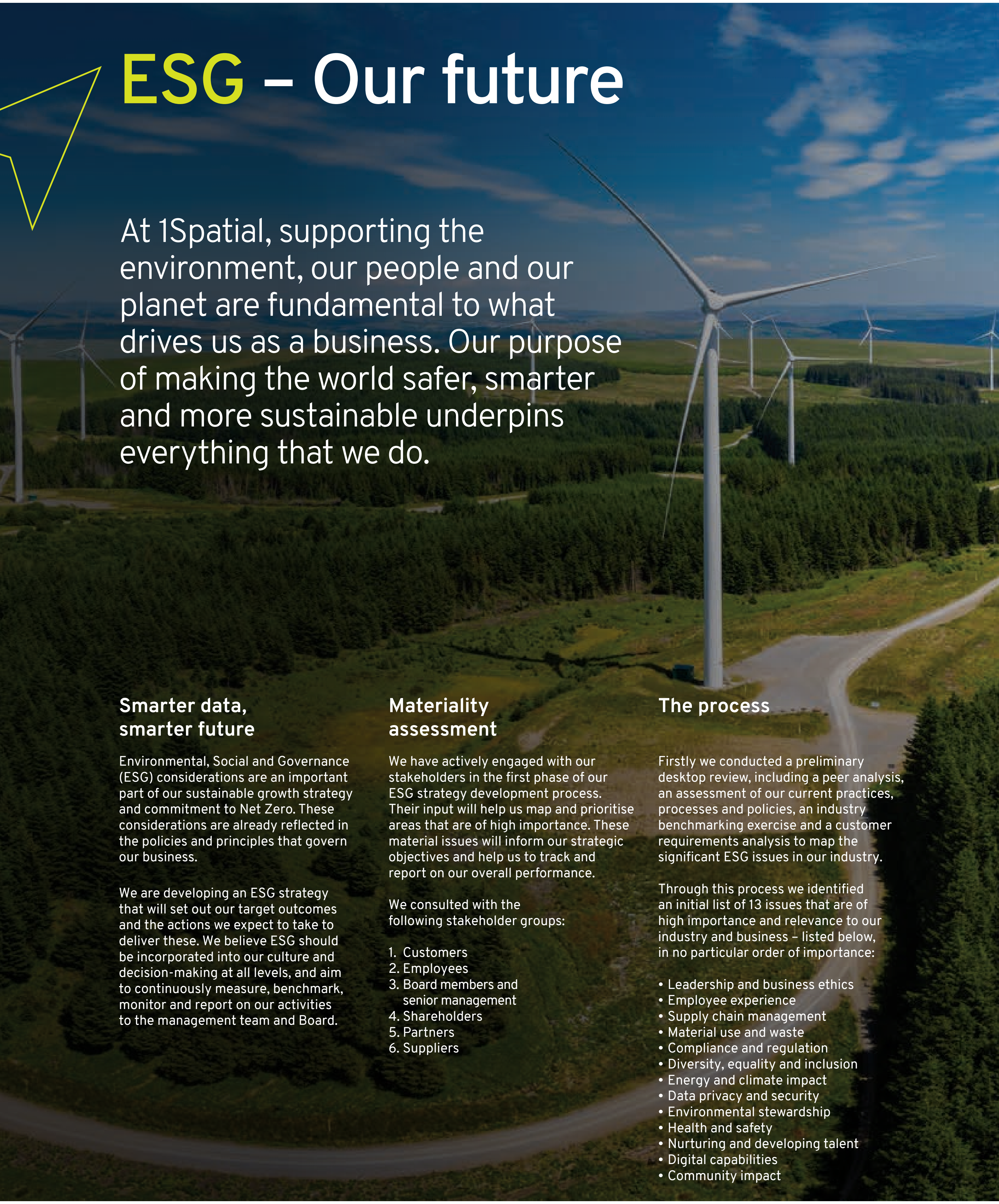
Case study:

Delivering improved public sector efficiencies

UK Government digital transformation project

Contract value: **£8.0 million**
Duration: **5 years**
Total recurring revenue: **£6.0 million**
(ARR: **£1.2 million for five years**)

- 1Spatial was awarded a major multi-year contract by a leading UK Government department, following a competitive tender, in partnership with a consortium, to deliver a significant multi-year digital transformation project.
- Due to confidentiality, we are not able to provide specific project details.
- The 5-year contract is expected to have a significant weighting towards recurring revenue.
- The contract comprises recurring software licences (around £1.2 million ARR value, expected to commence in early 2023) and software configuration and integration services worth £8.0 million in aggregate over five years, of which £2.1m is expected to be delivered over the next two financial years.
- Both the software configuration and integration services and the first three years of software licences within the contract are contractually committed.
- The contract win underlines the quality of 1Spatial's world-class technology and geospatial expertise, and the ability of the business to scale through the sale of repeatable business applications and software solutions.
- The structure and scale of this contract is transformational for 1Spatial from a recurring revenue perspective and aligns completely with our growth strategy to focus on repeatable software solutions.



ESG – Our future

At 1Spatial, supporting the environment, our people and our planet are fundamental to what drives us as a business. Our purpose of making the world safer, smarter and more sustainable underpins everything that we do.

Smarter data, smarter future

Environmental, Social and Governance (ESG) considerations are an important part of our sustainable growth strategy and commitment to Net Zero. These considerations are already reflected in the policies and principles that govern our business.

We are developing an ESG strategy that will set out our target outcomes and the actions we expect to take to deliver these. We believe ESG should be incorporated into our culture and decision-making at all levels, and aim to continuously measure, benchmark, monitor and report on our activities to the management team and Board.

Materiality assessment

We have actively engaged with our stakeholders in the first phase of our ESG strategy development process. Their input will help us map and prioritise areas that are of high importance. These material issues will inform our strategic objectives and help us to track and report on our overall performance.

We consulted with the following stakeholder groups:

1. Customers
2. Employees
3. Board members and senior management
4. Shareholders
5. Partners
6. Suppliers

The process

Firstly we conducted a preliminary desktop review, including a peer analysis, an assessment of our current practices, processes and policies, an industry benchmarking exercise and a customer requirements analysis to map the significant ESG issues in our industry.

Through this process we identified an initial list of 13 issues that are of high importance and relevance to our industry and business – listed below, in no particular order of importance:

- Leadership and business ethics
- Employee experience
- Supply chain management
- Material use and waste
- Compliance and regulation
- Diversity, equality and inclusion
- Energy and climate impact
- Data privacy and security
- Environmental stewardship
- Health and safety
- Nurturing and developing talent
- Digital capabilities
- Community impact

The next step will be the prioritisation of a core set of issues that will guide the development of our ESG strategy, with associated goals and targets that will be communicated to our stakeholders.

“Our commitment to ESG means we are working towards finding ways to improve our environmental, social and governance activities. The work we are undertaking to establish an ESG framework, tied to performance targets, will embed our purpose of creating a safer, smarter and more sustainable world.”

Claire Milverton

CHIEF EXECUTIVE OFFICER

Current ESG initiatives

The natural world is an inspiration for the whole 1Spatial team. We know that together, we can make our world better. We are committed to finding ways of reducing our impact on the environment, our people, our community and our planet.

Some of the initiatives we have undertaken in the past year in our global offices include:

Environmental

- 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.
- We have hosted several eco responsibility webinars and games.
- Our Paris (France) and Vienna (US) offices are energy efficient "green" buildings.
- We have recycling initiatives across our offices including recycling our computer equipment.
- We actively source and choose recycled stationery and other office supplies wherever possible.
- Our website is climate neutral, with a fully traceable scheme that offsets carbon emissions through a project in the DR Congo.
- Donations to various charities including MapAction, the Woodland Trust and Earth Day.
- We are certified to ISO 14001:2015 (UK).

Social

- Donations to charities including the Disaster Emergency Committee in support of the Ukraine crisis, the Cambridge Rape Crisis Centre and other local charities.
- Mental health, wellbeing and stress "busting" workshops and activities.
- Various 'Get Active' challenges.
- We promote equality and diversity in the workplace and support International Women's Day.
- Ongoing celebrations for International Women's Day, Mental Health Awareness Week, Earth Day, Health and Happiness Month, World Food Day, Thanksgiving, Diwali and more.
- Flexible working for staff, including enhanced maternity and paternity leave.
- Menopause support for women.
- We have established social and community committees to facilitate various activities and events.

Governance

- Certified to Cyber Essentials Plus (UK).
- We are working towards ISO 27001:2013 certification (UK).
- ISO 9001:2015 certified (US/ UK).
- Adherence to the Code for Corporate Governance for Small and Mid-Sized Quoted Companies (QCA).
- We have an established governance committee to support our various ESG objectives.

Streamlined Energy and Carbon Reporting (SECR)

We are committed to urgent and sustained action to address the climate challenges we all face and believe that business success should not come at a cost to the environment.

We have now embarked on an exercise to measure and report on our UK office's energy consumption and carbon emissions with a view to identify opportunities for reduction.

The next phase in this project will be to expand the reporting scope to our global offices.

The results of our combined reduction initiatives will be published annually along with our financial results for FY 2023.

TO VIEW THE FULL REPORT SEE PAGE 56

CFO's Review

2022 PERFORMANCE

167%

Term licence revenue increased in the year by 167% from £1.1m in 2021 to £2.9m in 2022

13%

Group revenue increased by 13% at constant currency

Solid financial performance, growing revenues, recurring revenues and adjusted EBITDA profit levels.

"The Group has reported its first operating profit and profit before tax in over a decade."

Andrew Fabian

CHIEF FINANCIAL OFFICER

Summary

The Group delivered a solid financial performance in the year, growing revenues, recurring revenues and adjusted EBITDA* profit levels, whilst increasing investment in the business as part of the three-year growth plan. The Group has also reported its first operating profit and profit before tax for over a decade, representing a significant shift from an operating loss of £1.2m in the prior year.

Revenue

Group revenue increased by 10% (13% at constant currency) to £27.0m from £24.6m in FY 2021.

Recurring revenue

The business strategy is to grow revenue from repeatable business solutions on long-term contracts, including transitioning towards selling only recurring term licences, rather than one-off perpetual licences, aiming to increase the proportion of revenue from recurring term licences compared to services. As a result, the business achieved a growth in revenue of 13% (excluding the impact of the reduction in perpetual licence revenue), and recurring revenue, as a percentage of total revenue, increased to 45% (FY 2021: 43%). Revenue by type is shown on the next page:

Annualised Recurring Revenue

Profit/(loss) before tax

Revenue by type

	FY 2022 £m	FY 2021 £m	% change
Recurring revenue **	**12.18**	10.60	15%
Services	**12.36**	11.10	11%
Revenue (excluding perpetual licences)	**24.54**	21.70	13%
Perpetual licences	**2.49**	2.90	(14%)
Total revenue	**27.03**	24.60	10%
Percentage of recurring revenue	**45%**	43%	

* Adjusted EBITDA is a company-specific measure, which is calculated as an operating profit/(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

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

ARR

The Annualised Recurring Revenue ("ARR") (annualised value at the year-end of committed recurring contracts for licences and support and maintenance) increased in the year by 26% (at constant currency) from £10.7m to £13.4m as at 31 January 2022. The growth rates varied by region as shown in the table below and in the regional revenue analysis with the UK/Ireland region growing at the fastest rate of 55%, boosted by the large strategic contract wins in H2 FY 2022. The Group increased term licence ARR by 160% to £4.1m (FY 2021: £1.6m). While some of this contracted revenue relates to future years beyond FY 2023, it forms a strong platform for recurring revenue for the business. The overall renewal rate improved to 93% (FY 2021: 90%).

ARR by region

	FY 2022 £m	FY 2021 £m	% growth
UK/Ireland	**5.93**	3.82	55%
Europe	**4.79**	4.71	2%
US	**1.40**	1.14	23%
Australia	**1.32**	1.01	31%
Total ARR	**13.44**	10.68	26%

Committed revenue

The level of committed revenue (revenue for future services, licences and support contracts 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 129% (at constant currency) from £5.5m to £12.5m.

The strong pipeline of prospects, coupled with the increased ARR and committed revenue, means that the Group starts the current financial year with a higher proportion of current year revenue already committed at the start of the year and a strong likelihood of achieving further progress on its three year plan revenue growth targets. With the business focus on developing, marketing 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 2022 £m	FY 2021 £m	% change	% change (constant fx)
UK/Ireland	**9.93**	8.44	18%	18%
Europe	**10.88**	11.15	(2%)	2%
US	**3.72**	2.91	28%	37%
Australia	**2.50**	2.10	19%	19%
Total ARR	**27.03**	24.60	10%	13%

Revenue (at constant currency) grew organically in all regions. Revenue in the US, which now represents 14% of Group revenue (FY 2021: 12%), had the highest growth rate at 28% (37% at constant currency). It was also pleasing to see strong growth in the Australian region of 19%. The UK/Ireland region returned to growth with double-digit growth of 18%. Revenue in the European business grew organically by 2% at constant currency, having been impacted by the reduction in one-off legacy Elyx licences sold in FY 2021 as the business evolves towards more term licences.

Gross profit margin

The gross margin reduced to 52% compared to 53%, impacted partly by the Board's decision to increase sales and delivery capacity in order to aim to secure higher value contracts, and increased spending on R&D, which is included within the cost of sales. Furthermore, the prior year benefitted (within the cost of sales) from grants given by overseas governments (£0.3m) as part of business Covid-19 support schemes. On a like-for-like basis, (i.e. excluding the impact of this benefit), the gross margin was at a similar level to the prior year (52%). Going forward, the management team are focused on driving improvements to gross margin through revenue growth of higher margin term licences.

Adjusted EBITDA*

The adjusted EBITDA* increased by 15% to £4.2m from £3.6m in the prior year resulting in a higher EBITDA margin of 15.5% (FY 2021: 14.8%). Cost management remains an important focus and expenses are constantly reviewed to ensure the level is appropriate for the structure of the business during this growth phase.

Operating profit/(loss) and profit/(loss) before tax

The Group achieved an operating profit of £0.4m and profit before tax of £0.2m, representing a significant shift from an operating loss of £1.2m and loss before tax of £1.4m for the prior year.

Taxation

The net tax charge for the period was £43k (FY 2021: credit £0.3m).

Balance sheet

The Group's net assets increased to £15.1m at 31 January 2022 (2021: £14.7m), mainly due to the overall profit after tax offset by currency losses in reserves.

Trade and other receivables increased in the year to £12.3m (FY 2021: £10.9m), mainly due to increased accrued income at year end following contract wins in Q4. Trade and other payables were at a similar level to the prior year at £13.3m (2021: £13.4m).

Cash flow

Operating cash inflow (before strategic, integration and other non-recurring items) reduced to £2.8m (2021: £4.2m) primarily due to the working capital requirements on larger contracts signed in H2. As part of the three-year growth plan, the Group invested free cash flow in expanding the sales and delivery team and cloud technology and this impacted the operating cash flow and free cash flow as shown below.

Operating cash flow	FY 2022 £'000	FY 2021 £'000
Cash generated from operations	**2,497**	3,983
Add back: Cash flow on strategic, integration and other non-recurring items	**294**	173
Cash generated from operations before strategic, integration and other non-recurring items	**2,791**	4,156

Free cash flow	FY 2022 £'000	FY 2021 £'000
Cash generated from operations before strategic, integration and other non-recurring items	**2,791**	4,156
Net interest paid	**(134)**	(179)
Net tax received	**176**	484
Expenditure on product development and intellectual property capitalised	**(2,449)**	(2,120)
Purchase of property, plant and equipment	**(164)**	(192)
Lease payments	**(1,088)**	(1,069)
Free cash flow before strategic, integration and other non-recurring items	**(868)**	1,080
Cash flow on strategic, integration and other non-recurring items	**(294)**	(173)
Free cash flow *	**(1,162)**	907

* 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

Investment in R&D

Development costs capitalised in the year increased to £2.4m (FY 2021 £2.1m) as the business has increased its investment in its technology and business solutions. Amortisation of development costs was £1.7m (FY 2021 £1.9m).

Financing

The Group's financial position is supported by long-term bank loans. At the end of January 2022, the remaining principal balance outstanding was £2.4m (2021: £3.0m). The amount repayable in FY 2023 is approximately €0.6m (£0.5m). With a gross cash position of £5.6m at 31 January 2022 (FY 2021: £7.3m), a growing EBITDA and positive operating cash generation, the business is in a healthy financial position, which gives the Board the confidence to continue to invest in its three-year growth plan.

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

Andrew Fabian
CHIEF FINANCIAL OFFICER
26 April 2022

Key Performance Indicators

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

Revenue growth – term licence revenue

2022 £2.9m
2021 £1.1m

▲ 167%

Revenue growth – recurring revenue

2022 £12.2m
2021 £10.6m

▲ 15%

Revenue growth – total revenue

2022 £27.0m
2021 £24.6m

▲ 10%

Gross profit margin

2022 52%
2021 53%

▼ 2%

Adjusted EBITDA *

2022 £4.2m
2021 £3.6m

▲ 15%

Profit/(loss) before tax

2022 £0.2m
2021 £(1.4)m

▲

Free cash flow **

2022 £(1.2)m
2021 £0.9m

▼

* Adjusted EBITDA is a company-specific measure which is calculated as operating profit/(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

Managing and mitigating our risks

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 the ongoing global pandemic, 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. In the last financial year, we successfully continued to evolve a hybrid approach to operations and client delivery. We have provided our customers with user events on a virtual basis through webinars and also attending events and exhibitions on a virtual basis, although in-person or hybrid events are now returning.
Macro-economic or political changes (e.g. escalation of war in Ukraine) and impact on customers and operations	
With the uncertainty across global markets emerging from the COVID-19 pandemic, which is now exacerbated by the war in Ukraine and the impact in particular on the global energy markets, there is the risk that companies and government agencies are under more pressure to reduce spending budgets. New projects may require a more robust business case before investing in technology and services which can impact or lengthen deal sales cycles and reducing deal size.	Whilst there are these macro-economic risks, they may provide an opportunity for 1Spatial. The large fiscal stimuli in major economies and the green agenda may also provide a cushion to these risks. 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, and further incentives were awarded under this scheme in 2020, to incentivise management and employees. This is part of the reward structure to deliver long-term value as part of a three-year plan and align the interests of key people with those of the Company's shareholders.

Principal risk description and potential impact	Mitigation and controls
Reliance on key customers	
The Group has traditionally had some client concentration and over reliance on certain key customers. There is a risk with this narrow approach that disruption within one or two clients can have an adverse effect on overall Group performance.	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 licence) 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.
There are also risks that arise from signing higher value contracts and managing the relationship with customers through partners on larger projects, as well as managing the recruitment of additional resources, project scope and ensuring profitable delivery.	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. We have also recruited a Chief Commercial Officer who is focusing on managing our project delivery and exploring ways that we can improve our project management As recurring revenue from term licences increases, the percentage of annual revenue that is at risk from any disruption from key customers will be reduced.
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 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.
Organic growth If the Group is unable to manage expansion effectively, its business and financial results could suffer. There are potential risks to achieving revenue growth from competitors with open system offerings and similar solutions. There are also greater challenges arising from managing larger. Longer-term complex projects.	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. The risk of poor project management and overruns has been mitigated by the recruitment of a Chief Commercial Officer whose remit includes improving management of project delivery and services financial performance.
Inorganic growth The risks associated with inorganic growth include the delivery of market penetration through the integration of acquisitions, conversion of leads to sales, and control of increases in fixed operating costs to support revenue growth.	The successful integration of any acquisition is a key Board priority to ensure that it brings 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.
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.

Principal risk description and potential impact	Mitigation and controls
Reliance on key software 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. There is a risk that these partners may have application software issues that impact 1Spatial's ability to deliver projects on time and to budget.	The Group's management team works to maintain good relationships with its partners in each country, including regular meetings throughout the year. Escalation routes are established to ensure any issues can be mutually resolved quickly. 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.
Managing inflationary cost pressures	
As the risk of increasing inflation (and indeed, potential stagflation) affects our costs, primarily salary costs of our workforce, there is a risk that the Group's profitability will suffer.	In order to minimise inflationary risks to profitability, we have reviewed all our charge out rates for consultants, country by country, as well as product and solution prices and applied increases accordingly. Where applicable, we have amended sales contract terms to ensure inclusion of appropriate RPI increases. We have undertaken salary benchmark reviews in order to ensure that we continue to pay competitively. Where we have core software solutions that we use to support the business, we have sought to lock in prices on a longer term contract basis where commercially it makes sense to do so.
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.

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 FY23 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 professional advisers and 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 region to assess employees wellbeing given the particularly difficult circumstances this year. Matters covered included health and safety, working at home, ensuring that employees felt supported during the pandemic and views and opinions around returning to the work place. During this year we continued to operate lots of wellbeing activities, which focus on promoting mental and physical health.

During the COVID-19 pandemic, we have taken advice from local governments in the countries that we operate in to safeguard our employees and subcontractors, the majority of which have been 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 ensure the Group preserves and maintains its long-established reputation for high standards of business conduct, and also to ensure the business remains sustainable, maximising any competitive advantage this provides over the longer term and building 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 refreshed our brand values during the 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 meet their needs effectively. 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 road shows 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 road shows, 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 2022

Material decisions taken during the year included the decision to increase spending of free cash flow on sales and delivery capacity in order to aim to secure higher value contracts, as well as increasing spending on R&D and innovation in cloud technology, as part of the three-year growth plan.

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
26 April 2022

Board of Directors

Our Board of Directors possess a diverse range of skills and experience and take overall responsibility for the organisation's strategic direction and governance. They are the driving force behind our response to our (ESG) environmental, social and governance initiatives.

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 are at the heat of 1Spatial. 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 data investment - whether that is to address issues such as sustainability or to improve customer efficiencies.

Claire has spent a significant number of years in the technology sector – from both her time working at 1Spatial as CFO (from 2010 to 2017, prior to being appointed to CEO), and through her experience at PWC, 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' successful acquisition by Confluence Technologies Inc. in 2019. During his time at StatPro, Andrew experienced the transformation of the organisation's offering from an on-premise solution to a Cloud platform, overseeing the expansion of the business, both organically and through acquisitions 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 the role of 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. Prior to this, he 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 privacy-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 EY (Ernst & Young) from 1979 to 2015 where he held key positions, including firstly 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 EY, 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, Arcelor Mittal, Rexam, TPG and UBS. Francis is Chairman of British Business Investments, a Government-backed investment company that helps provide finance to UK SME businesses, and he is Non-Executive Chairman of Quixant plc, an AIM-listed technology company. He also chairs the Board of Governors at Kingston University.

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, Utilities and Transport, which he has developed through a 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. (UK/ 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 provides 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 2022, 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 core brand values updated this year are: "We Respect, We Innovate, We Collaborate, We Trust and We Care". We expect everyone throughout the Group to adhere to these values. Our s172 Statement gives more details of how we continue to ensure the wellbeing and best interests of all our employees around the Group.

The Board has 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 42 and 43. 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 10 formal scheduled Board meetings during the financial year and in addition held a number of unscheduled ad-hoc meetings, e.g. to approve signing of major contracts, to review and assess financial budgets and short-term strategy solutions. Most Board meetings in the financial year were held remotely due to Covid restrictions, although we are moving back to in-person Board meetings. 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;
- Approval of high value sales contracts:
- 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:

	Formal Scheduled Board Meetings during the year ended 31 January 2022	
Director	Maximum Possible Attendance	Meetings Attended
A Roberts (Chairman)	10	9
C Milverton	10	10
A Fabian	10	10
F Small	10	10
P Massey	10	10

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 2022. 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 on-going board training and succession, development of the Group's "purpose" and messaging to improve presentations to shareholders, and evolution of the Group's ESG strategy.

Board development

All new Directors appointed to the Board receive a comprehensive induction. In the year ended 31 January 2022 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 2022 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. The Board has 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 2022, 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 48.

Audit Committee Report

"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."

Audit Committee

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

Francis Small

CHAIRMAN OF THE AUDIT COMMITTEE

Following the recommendation of the Audit Committee and passing of the shareholder resolution at the Annual General Meeting in 2021, BDO LLP (BDO) were re-appointed as external auditors for the Group for the financial year ended 31 January 2022.

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 theCFO relating to risk control and management's response to the findings.

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

- 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 2022. 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 54 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 cash flow model for the period to July 2023 was prepared, focussing on the impacts of a macro-economic shock (e.g. from the escalation of the war in Ukraine or further pandemic restrictions) and the actions the Board can take to mitigate those impacts. Sensitivity analysis was performed on the macro-economic shock stress-tested budget model, requiring a decline in the Group's revenues of more than 16% (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
26 April 2022

Remuneration Report

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

The Remuneration Committee

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

Whilst a formal Directors' Remuneration Report is not required by the Companies Act 2006, 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 Directors' 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 2022.

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.

Peter Massey

CHAIRMAN OF THE REMUNERATION 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
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 are shown on page 50. During the financial year to 31 January 2022, there were no new awards made to the Executive Directors and other key management and employees under the Plan.

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 2022, the Directors held the following share options (refer to note 6(c) of the consolidated financial statements for more detail):

	1 February 2021	Granted	Lapsed	31 January 2022	EMI share option	Executive unapproved share option	Exercise price
	Number	Number	Number	Number	Number	Number	Pence
C Milverton	1,309,368	–	(82,421)	**1,226,947**	537,632	689,315	0p
C Milverton	769,793	–	–	**769,793**	–	769,793	46.5p
C Milverton	25,000	–	–	**25,000**	–	25,000	26.5p
A Fabian	330,000	–	–	**330,000**	–	330,000	0p
A Fabian	25,000	–	–	**25,000**	–	25,000	26.5p
	2,459,161	**–**	**(82,421)**	**2,376,740**	**537,632**	**1,839,108**	

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 2022 £'000	Emoluments £'000	Pension contributions £'000	Total 2021 £'000
C Milverton	261	22	**283**	253	22	275
A Fabian (appointed 16/06/20)	188	–	**188**	119	–	119
N Payne (resigned 16/06/20)	–	–	**–**	102	3	105
	449	**22**	**471**	**474**	**25**	**499**

Discretionary bonuses of £37.5k (2021: £30k) for C Milverton and £15k (2021: £12k) for A Fabian are included in Directors' emoluments above for the year ended 31 January 2022.

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

	2022 £'000	2021 £'000
A Roberts	76	79
F Small	41	41
P Massey	41	41
	158	**161**

Directors' share interests (audited)

The beneficial interests of the Directors in shares of the Company as at 31 January 2022 are shown below:

	Ordinary shares
A Roberts	586,190
C Milverton	506,301
A Fabian	250,000
F Small	13,294
P Massey	91,301

Approved and signed on behalf of the Board

Peter Massey
REMUNERATION COMMITTEE CHAIR
26 April 2022

Directors' Report

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 auditor's report for the year ended 31 January 2022 in accordance with UK adopted international accounting standards and 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 12 to 41.

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 2021: £nil).

Business review and future developments

The requirements of the business review have been considered within the Chairman's report on pages 16 to 17 and the strategic report on pages 12 to 41.

Principal risks and uncertainties

For further details on principal risks and uncertainties, refer to pages 37 to 39.

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 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 2022 consists of cash and cash equivalents of £5.6m (2021: £7.3m), bank borrowings of £2.4m (2021: £3.0m), and equity attributable to shareholders of 1Spatial plc of £15.1m (2021: £14.7m).

Research and development

The Group performs research and development activities as described within the strategic report on pages 12 to 41. 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, £2.4m was capitalised (2021: £2.1m), £1.7m (2021: £1.9m) was expensed and there were no impairments (2021: nil).

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 in 2020 as part of the three-year plan. 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 20 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
A Roberts	69	Non-Executive Chairman	19 September 2016
C Milverton	48	Chief Executive Officer	9 October 2017
A Fabian	60	Chief Financial Officer	16 June 2020
F Small	63	Non-Executive Director	1 August 2017
P Massey	59	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 6 April 2022:

Name	Number of shares	Percentage of issued share capital
Columbia Threadneedle Investments	22,097,231	20.00%
Canaccord Genuity Wealth Management	18,901,163	17.11%
Azini Capital Partners	13,709,535	12.41%
J O Hambro Capital Management	9,000,000	8.15%
BGF Investment Management	6,145,100	5.56%
Octopus Investment Nominees	4,156,943	3.76%
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 2022 (FY 2021: nil).

Independent auditors

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 2022 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 UK adopted international accounting standards and 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
26 April 2022

Registered Office:

Tennyson House
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

Annual reporting figures

The total consumption and emissions figures for energy supplies reportable by 1Spatial plc.

Consumption (kWh) and Greenhouse Gas emissions (tCO_2e) totals

The following figures make up the baseline reporting for 1Spatial plc, as 2021/22 is the first year that 1Spatial plc have collated this information for reporting purposes.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For 1Spatial plc, this is related to grey fleet (business travel undertaken in employee-owned vehicles) only.

Totals

The total consumption (kWh) figures for energy supplies reportable by 1Spatial plc are as follows:

Utility and Scope	2021/22 UK Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	172,378
Gaseous and other fuels (Scope 1)	3,870
Transportation (Scope 1 and 3)	18,102
Total	**194,350**

The total emission (tCO_2e) figures for energy supplies reportable by 1Spatial plc are as follows. Conversion factors utilised in these calculations are detailed in the appendix:

Utility and Scope	2021/22 UK Consumption (tCO_2e)
Grid-Supplied Electricity (Scope 2)	36.60
Gaseous and other fuels (Scope 1)	0.71
Transportation (Scope 1 and 3)	4.22
Total	**41.53**

Intensity metric

An intensity metric of tCO_2e per FTE has been applied for the annual total consumption of 1Spatial plc. The methodology of the intensity metric calculations are detailed in the appendix, and results of this analysis is as follows:

Intensity Metric	2021/22 UK Intensity Metric
tCO_2e / FTE	0.40

Energy efficiency initiatives

1Spatial plc is committed to year-on-year improvements in its operational energy efficiency.

Efficiency measures ongoing and undertaken through 2021/22:

1Spatial plc undertake a significant number of ESG initiatives within the UK and across other countries. Specific energy 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 recycling initiatives across our offices including recycling our computer equipment. We actively source and choose recycled stationary and other office supplies wherever possible.
- 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.

Reporting methodology

Scope 1 and 2 consumption and CO_2e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and $kgCO_2e$ emissions factors relevant for reporting year 01/02/2021 to 31/01/2022:

Database 2021, Version 1.0.
All consumption data for 1Spatial plc was complete for the reporting year, and as such no estimations were required.

Intensity metrics have been calculated utilising the 2021/2022 reportable figures for the following metric, and tCO_2e for both individual sources and total emissions were then divided by this figure to determine the tCO_2e per metric:

- Full time equivalents (FTE) **103**

Independent Auditor's Report

to the members of 1Spatial plc

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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- 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 2022 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements 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 UK adopted international accounting standards. 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. 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 included:

- Obtained an understanding of the Directors' process for producing cash forecasting models, including the inputs and assumptions used in those models.
- Understanding and challenging the forecasts for the Group including underlining assumptions in the forecasts. This included comparing forecast revenue and costs with historical trends and historic forecasts with actual results to consider the accuracy of the Directors' forecasting. We also assessed the forecast revenue against the Group's revenue pipeline.
- Performing analysis of changes in key assumptions including a reasonably 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 repayment profile 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 the Parent Company's ability to continue as a going concern for a period of at least twelve months from when 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	55% (2021: 73%) of Group profit before tax 85% (2021: 80%) of Group revenue 80% (2021: 85%) of Group total assets		
Key audit matters		**31 January 2022**	**31 January 2021**
	Revenue recognition	✓	✓
	Capitalisation of development costs	✓	✓
	Impairment of goodwill and other intangible assets	✓	✓
	Going concern*		✓
	* Based on the Group's current and forecast performance and our risk assessment, going concern was no longer considered to be a key audit matter for the year ended 31 January 2022		
Materiality	Group financial statements as a whole £270,000 (2021: £246,000) based on 1% of revenue (2021: 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 the 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 (Parent Company), the significant components in the UK.
- Specified audit procedures were performed over the revenue, deferred revenue, trade receivables and accrued revenue for 1Spatial Inc, a non-significant component.
- The financial information of the remaining non-significant components was 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 risks identified for the component and related audit procedures to be performed for the financial statement areas together with the allocated component materiality threshold.
- We conducted numerous video and conference calls throughout the audit period to ensure we obtain a full understanding of the operational activities of the component.
- We also attended the audit planning, update and clearance meetings with the component auditor and local management.
- We reviewed the work undertaken by the component auditor by reviewing their working papers as well as reviewing the summary of work done and conclusions prepared.

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.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue Recognition Refer to note 2 and note 5	The Group derives revenue from the sale of products and rendering of services to customers. These products and services are sold either individually or 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. Further the Group also sells third party licences and software that requires an assessment of whether the Group is an agent or a principal for revenue recognition purposes. 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 and the risk that revenue could be recorded in the incorrect period. Risk related to allocation of the transaction price to individual performance obligations in a software and service bundle is subject to assessment of the fair value of the standalone selling price and this increases the risk in respect of the value of revenue to be recognised. Revenue recognition was therefore considered to be a key matter as a result of: • The complexities and judgement involved in revenue recognition as described above; • The materiality of revenue and it being a key performance indicator, for users of the financial statements; and • The presumed risk of fraud in revenue recognition in relation to pressure management may feel to achieve the forecast results.	Our audit procedures included the following: We assessed whether the Group's revenue recognition policy is in accordance with the applicable accounting standards. For a sample of contracts we gained an understanding of the key terms of the contracts, assessed the appropriateness of allocation of pricing to each performance obligation and evaluated the recognition of revenue recognised in accordance with the accounting policy. For a sample of revenue recognised throughout the year, we confirmed the existence by agreeing to source documentation including contracts, invoices, timesheets and bank payments. We also verified that the performance obligation had been satisfied by agreeing to support for delivery of licence keys and time cards for the performance of services. We performed analytical procedures by developing an expectation of revenue based on movements in revenue related balances and cash receipts from the customers and comparing to that recorded. We tested the completeness of revenue by agreeing a sample of cash receipts from customers to the supporting documentation and revenue recognised. We assessed the appropriateness of agent versus principal revenue recognition for third party licences sold with reference to contracts with customers and suppliers and the requirements of applicable accounting standards. We recalculated a sample of deferred revenue balances as at the year end to confirm accuracy of the revenue recognition. A further sample of revenue recognised around the year end was tested in order to identify potential cut-off issues and the completeness of the deferred revenue balance by verifying back to supporting documentation including underlying contract terms and period of services rendered, to check that revenue had been recognised in the correct period and deferred appropriately. For licences software and services sold as a bundle, on a sample basis we tested the allocation of the transaction price of individual performance obligations to underlying support for the standalone selling price. We assessed the basis upon which performance obligations were distinct and the revenue recognised for each material product sold and compared this to accounting standards, industry practice, and the Group's specific circumstances and, where necessary, on a sample basis we obtained corroborating information to support delivery either over time or at a point in time. **Key observations:** Based on the work performed we consider that revenue has been recognised appropriately and in accordance with the Group's revenue recognition accounting policy.

Key audit matter		How the scope of our audit addressed the key audit matter
Capitalisation of development costs Refer to note 2 and note 10	The Group capitalises costs in relation to development of the software it sells to customers. Such costs must satisfy certain capitalisation 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. Due to the above estimates involved in relation to the capitalisation of development costs, we considered this to be a key audit matter.	Our audit procedures included the following: • 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 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 to check the accuracy of the allocation of payroll costs capitalised. • We considered, on a sample basis, whether the development costs capitalised met the criteria for capitalisation under the applicable accounting standards. • We assessed whether for amounts previously capitalised any indicators of impairment existed taking account of discussions with technology team, knowledge of product sales and any changes in usability. • We evaluated management's assessment of the ability of the asset to generate future economic benefits for the Group for each project through discussions with project directors and technology officers and also checking revenue is being generated from specific projects for which costs are capitalised. **Key observations:** Based on the procedures performed, we consider the assumptions and judgements made in the capitalisation of development costs, to be appropriate.

Independent Auditor's Report

continued

to the members of 1Spatial plc

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of goodwill and other intangible assets Refer to note 2 for accounting policies and note 4 for accounting estimates and judgements, and note 10 for disclosures.	In order to support the carrying value of goodwill and intangible assets, Management performed an impairment review as at 31 January 2022 using a discounted cash flow model to calculate value in use. The impairment review involves judgement in determining the cash generating units ("CGU") and future results and cash flows, 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 audit procedures included the following: We checked the mechanical accuracy of the model used. We challenged Directors' impairment assessment, based on our knowledge of the Group's business and performance to date and assessed whether it was performed in accordance with the requirements of the applicable accounting standards. We assessed the appropriateness of using one CGU for the impairment analysis, based our understanding of the business and the Group strategy. We considered whether the discounted cash flow model applied to value the recoverable amount of the intangibles appropriately supports the asset value. This included a review and challenge of the assumptions underpinning the forecasts and the other inputs into the value in use model such as the future revenue growth rate, the forecast cost base, working capital and the WACC used. This included a recalculation of the discount rate applied. Our testing included comparing forecast revenue and costs with historical trends and comparison historic forecasts with actual results. We checked that the forecast figures included within the model had been approved by the Board and these were consistent with information obtained in other audit procedures and the forecasts used in the going concern assessment. We reviewed the sensitivity analysis scenarios prepared by Management and ran our own sensitivities to evaluate the appropriateness of management's assessment of the recoverability of intangibles (including goodwill). **Key observations:** Based on the audit procedures performed we found the impairment assessment was supported by reasonable assumptions.

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 2022	31 January 2021	31 January 2022	31 January 2021
Materiality	270,000	246,000	175,000	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.		1% of total assets capped at 65% of Group materiality given the assessment of the components' aggregation risk.	
Performance materiality	202,000	172,200	131,000	111,930
Basis for determining performance materiality	31 January 2022: 75% (31 January 2021 : 70%) of materiality. This is based upon a number of factors including historic adjustments identified, our understanding of the Group and its control environment and Management's attitude towards historic adjustments identified.			

Component materiality

We set materiality for each component of the Group based on a percentage of between 65% and 68% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £175,000 to £184,000. In the audit of each component, we further applied performance materiality levels of 75% 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 £8,000 (2021: £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 laws and regulations which are directly relevant to specific assertions in the financial statements are those that relate to the accounting frameworks, Companies Act 2006 and rules of the London Stock Exchange for companies trading securities on AIM, data privacy and the relevant tax compliance regulations.
- We understood how the Group is complying with those frameworks by making enquiries of Management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee.
- We also reviewed the Group's tax computations and returns and financial statements disclosures against the requirements of the relevant tax legislation and applicable accounting frameworks respectively.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with Management to understand where they considered there was a susceptibility to fraud.
- Our audit planning identified fraud risks in relation to management override of control and risk of fraud in revenue recognition which has been assessed as a Key Audit Matter above.
- We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors the processes and controls.
- We 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.
- In response to the risk of management override of control, our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business which where agreed to supporting documentation where applicable; and enquiries with Group Management and those charged with governance regarding an instances of known or suspected fraud during the year.

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 2022

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 2022

	Note	2022 £'000	2021 £'000
Revenue	**5**	**27,027**	**24,600**
Cost of sales		(13,078)	(11,451)
Gross profit		**13,949**	**13,149**
Administrative expenses		(13,534)	(14,395)
		415	**(1,246)**
Adjusted EBITDA*		**4,182**	**3,632**
Less: depreciation	11	(198)	(202)
Less: depreciation on right of use asset	16	(989)	(1,106)
Less: amortisation and impairment of intangible assets	10	(2,254)	(2,806)
Less: share-based payment charge	22	(326)	(272)
Less: strategic, integration and other non-recurring items	7	–	(492)
Operating profit/(loss)	6(a)	**415**	**(1,246)**
Finance income	8	14	39
Finance costs	8	(209)	(226)
Net finance cost	8	(195)	(187)
Profit/(loss) before tax		**220**	**(1,433)**
Income tax (charge)/credit	9	(43)	308
Profit/(loss) for the year		**177**	**(1,125)**
Profit/(loss) for the year attributable to:			
Equity shareholders of the Parent		**177**	**(1,125)**
		177	**(1,125)**
Other comprehensive (expense)/income			
Items that may subsequently be reclassified to profit or loss:			
Actuarial gains/(losses) arising on defined benefit pension, net of tax	18	113	(15)
Exchange differences arising on translation of net assets of foreign operations		(246)	148
Other comprehensive (loss)/income for the year, net of tax		(133)	133
Total comprehensive gain/(loss) for the year		**44**	**(992)**
Total comprehensive gain/(loss) attributable to the equity shareholders of the Parent		**44**	**(992)**
Profit/(loss) per ordinary share attributable to the owners of the Parent during the year (expressed in pence per ordinary share):			
Basic earnings/(loss) per share	23	**0.2**	**(1.0)**
Diluted earnings/(loss) per share	23	**0.2**	**(1.0)**

* Adjusted EBITDA is a company-specific measure which is calculated as operating profit/(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 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Intangible assets including goodwill	10	15,003	15,187
Property, plant and equipment	11	350	392
Right of use assets	16	1,747	2,694
Total non-current assets		**17,100**	**18,273**
Current assets			
Trade and other receivables	12	12,271	10,890
Current income tax receivable		124	164
Cash and cash equivalents	13	5,623	7,278
Total current assets		**18,018**	**18,332**
Total assets		**35,118**	**36,605**
Liabilities			
Current liabilities			
Bank borrowings	14	(531)	(470)
Trade and other payables	15	(13,284)	(13,418)
Lease liabilities	16	(748)	(925)
Deferred consideration	17	(340)	–
Total current liabilities		**(14,903)**	**(14,813)**
Non-current liabilities			
Bank borrowings	14	(1,861)	(2,542)
Lease liabilities	16	(976)	(1,743)
Deferred consideration	17	(27)	(390)
Defined benefit pension obligation	18	(1,276)	(1,606)
Deferred tax	19	(970)	(776)
Total non-current liabilities		**(5,110)**	**(7,057)**
Total liabilities		**(20,013)**	**(21,870)**
Net assets		**15,105**	**14,735**
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	3,930	3,604
Merger reserve	21	16,465	16,465
Reverse acquisition reserve	21	(11,584)	(11,584)
Currency translation reserve	21	86	332
Accumulated losses		(43,641)	(43,931)
Purchase of non-controlling interest reserve	21	(477)	(477)
Total equity		**15,105**	**14,735**

The financial statements on pages 66 to 103 were approved and authorised for issue by the Board on 26 April 2022 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 2022

£'000	Share capital	Share premium account	Own shares held	Equity-settled employee benefits reserve	Merger reserve	Reverse acquisition reserve	Currency translation reserve	Purchase of non-controlling interest reserve	Accumulated losses	Total equity
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**
Comprehensive profit/(loss)										
Profit for the year	–	–	–	–	–	–	–	–	177	177
Other comprehensive income/(loss)										
Actuarial gains arising on defined benefit pension	–	–	–	–	–	–	–	–	113	113
Exchange differences on translating foreign operations	–	–	–	–	–	–	(246)	–	–	(246)
Total other comprehensive (loss)/income	–	–	–	–	–	–	(246)	–	113	(133)
Total comprehensive (loss)/income	**–**	**–**	**–**	**–**	**–**	**–**	**(246)**	**–**	**290**	**44**
Transactions with owners										
Recognition of share-based payment expense	–	–	–	326	–	–	–	–	–	326
	–	–	–	326	–	–	–	–	–	326
Balance at 31 January 2022	**20,150**	**30,479**	**(303)**	**3,930**	**16,465**	**(11,584)**	**86**	**(477)**	**(43,641)**	**15,105**

Consolidated Statement of Cash Flows

For the year ended 31 January 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	13 (a)	2,497	3,983
Interest received		12	39
Interest paid		(146)	(218)
Tax paid		(24)	–
Tax received		200	484
Net cash generated from operating activities		**2,539**	**4,288**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(164)	(192)
Expenditure on development costs and other intangibles	10	(2,449)	(2,120)
Net cash used in investing activities		**(2,613)**	**(2,312)**
Cash flows from financing activities			
New borrowings		–	1,800
Repayment of borrowings		(423)	(146)
Repayment of lease obligations	16	(1,088)	(1,069)
Payment of deferred consideration on acquisition	17	–	(585)
Net cash used in financing activities		**(1,511)**	–
Net (decrease)/increase in cash and cash equivalents		**(1,585)**	**1,976**
Cash and cash equivalents at start of year		7,278	5,108
Effects of foreign exchange on cash and cash equivalents		(70)	194
Cash and cash equivalents at end of year	13 (b)	**5,623**	**7,278**

1. General information

The consolidated financial statements for the year ended 31 January 2022 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 52.

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 FY23 year, rolled out to 31 July 2023 using part of its forecast for FY 2024, so that a full 12-month period from the date of signing the FY22 Annual Report and Accounts is considered. Due to the uncertainty from potential macro-economic impacts, 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 pandemic lockdowns, or global knock-on impacts from the war in Ukraine, the finances of the Group are in a robust position.

The year ended 31 January 2022 saw a record year for new business, including signing the two highest value contracts in the Group's history, and there was a strong performance in all regions. In addition, FY 2022 was a year of increased revenue, double-digit growth in recurring revenue, and increased adjusted EBITDA*, with an operating cash conversion of around 60%. Furthermore, ARR increased to £13.4m and committed service revenue increased to £12.5m. Whilst a small proportion of this revenue will fall into FY 2024 and future years, the majority is expected to result in revenue in FY 2023. We have therefore 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 in all regions. This provides a solid financial foundation for the achievement of the current year's revenue target.

The operating cash flow was positive but was impacted by working capital requirements on larger projects and the decision to invest in growing the business for the longer term. The Group started the current financial year on 1 February 2022 with cash of £5.6m and debt of £2.4m, giving net funds (before lease liabilities) of £3.2m.

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 further profitable growth. 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 2022. 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 2022. 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 2022. 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 2022.

Members' Voluntary Liquidation

Subsidiaries Storage Fusion Limited and Sitemap Ltd were placed into members' voluntary liquidation on 16 December 2020 and were subsequently dissolved on 14 December 2021. Both businesses have been dormant in the year and the 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 2021.

(i) New standards, amendments and interpretations affecting amounts reported in the financial statements
There were 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 2022, or later periods, and therefore none have been adopted early.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 February 2022 and not adopted early
Certain new accounting standards and interpretations have been published that are not mandatory for financial years ended 31 January 2023 and have not been early adopted by the Group. These are:

- IAS 37 (Amendment Onerous Contracts – Cost of Fulfilling a Contract)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

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.

2. Summary of significant accounting policies continued

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.

(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 2022 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 licences

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. The nature of some contracts in our European operations means the licence and implementation services are effectively part of a bundled transaction and in those cases the revenue for the licence is recognised on a pro-rata basis to the service revenue recognition, given that the customer is able to assume the benefits of the licences as the services are rendered.

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.

The Group acts as principal when we control the specified good or service prior to transfer, with on-going obligations to deliver the services, the revenue would be recognised over time. Where the Group acts as principal, the Group has determined the recognition of revenue for perpetual licences is point in time whilst for support and maintenance it is recognised over time due to the on-going obligations to deliver the support and maintenance.

2. Summary of significant accounting policies continued

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.

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 profit before 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.

As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

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 profit/(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.

R&D tax credits
Companies within the Group may be entitled to claim special tax allowances in relation to qualifying research and development expenditure, e.g. R&D tax credits. The Group accounts for such allowances as tax credits which means they are recognised when it is probable that the benefit will flow to the Group and that the benefit can be reliably measured. R&D tax credits reduce current tax expense and, to the extent the amounts are due in respect of them and not settled by the statement of financial position date, reduce current tax payable.

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

2. Summary of significant accounting policies continued

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.

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 exist 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.

2. Summary of significant accounting policies continued

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.

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 2022 £'000	At 31 January 2021 £'000
Financial assets held at amortised cost		
Trade and other receivables *	11,188	9,393
Cash and cash equivalents	5,623	7,278
	16,811	**16,671**
Financial liabilities (amortised cost)		
Bank borrowings	2,392	3,012
Trade and other payables **	4,686	3,773
	7,078	**6,785**

* 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 2022 £'000	At 31 January 2021 £'000	At 31 January 2022 CU'000	At 31 January 2021 CU'000
Euros	1,420	2,441	1,704	2,754
Australian dollars	294	373	561	668
US dollars	1,204	1,056	1,617	1,447
Canadian dollars	8	4	15	7
Moroccan dirham	128	158	1,554	1,925
Tunisian dinar	224	141	869	523
	3,278	**4,173**		

Notes to the Financial Statements

continued

For the year ended 31 January 2022

3. Financial instruments continued

Financial risk factors continued

(a) Foreign currency risk continued

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.

	Australian dollar currency impact		Euro currency impact		US dollar currency impact	
	At 31 January 2022 £'000	At 31 January 2021 £'000	At 31 January 2022 £'000	At 31 January 2021 £'000	At 31 January 2022 £'000	At 31 January 2021 £'000
Gain/(loss)	36	31	8	(45)	169	32
Net assets/(liabilities)	(46)	(85)	672	570	484	414

(b) Cash flow and interest rate risk

The Group's exposure to interest rate risk relates primarily to its bank loans in 1Spatial France totalling £2.4m at the year-end (2021: £3.0m). 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 2022 (2021: 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 2022 £'000	At 31 January 2021 £'000
Financial assets		
Cash and cash equivalents	5,623	7,278
Financial liabilities		
Bank borrowings	(2,392)	(3,012)

	At 31 January 2022 £'000	At 31 January 2021 £'000	At 31 January 2022 CU'000	At 31 January 2021 CU'000
Cash and cash equivalents				
Sterling	2,709	3,329	2,709	3,329
Euros	1,573	2,918	1,888	3,293
Australian dollars	406	399	774	715
US dollars	621	469	834	642
Tunisian dinar	268	141	1,044	523
Moroccan dirham	46	22	557	271
	5,623	**7,278**		
Bank borrowings				
Sterling	–	–	–	–
Euros	2,392	3,012	2,870	3,399
US dollars	–	–	–	–
	2,392	**3,012**		

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.

	2022 £'000	2021 £'000
Current	3,650	3,537
Up to 3 months overdue	849	1,385
3 to 6 months overdue	237	145
6 to 12 months overdue	34	258
> 12 months overdue	100	202
	4,870	**5,527**

(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 2022	Less than one year £'000	Between one and two years £'000	Between two and five years £'000
Bank borrowings	531	624	1,237
Trade and other payables*	4,870	–	–
Lease liabilities	748	506	470
	6,149	**1,130**	**1,707**

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**

* 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.

(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 2022, 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 considers that it has only one cash generating unit as the 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

	2022 £'000	2021 £'000
Term licences	2,940	1,100
Support and maintenance – own	7,350	7,800
Support and maintenance – third party	1,890	1,700
Recurring revenue	**12,180**	**10,600**
Services	12,357	11,100
Perpetual licences – own	800	1,400
Perpetual licences – third party	1,690	1,500
Total revenue	**27,027**	**24,600**

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

	2022 £'000	2021 £'000
UK	8,903	7,160
Europe	11,583	11,460
US	3,721	2,908
Rest of World	2,820	3,072
Total revenue	**27,027**	**24,600**

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). As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

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.

	2022 £'000	2021 £'000
UK/Ireland	**9,926**	**8,443**
At a point in time	2,257	1,081
Over time	7,669	7,362
Europe	**10,875**	**11,150**
At a point in time	1,796	1,687
Over time	9,079	9,463
United States	**3,721**	**2,908**
At a point in time	1,286	987
Over time	2,435	1,921
Australia	**2,505**	**2,099**
At a point in time	1,040	742
Over time	1,465	1,357
	27,027	**24,600**

As at 31 January 2022, costs to obtain and fulfil a contract of £169,000 were included in other receivables (2021: £197,000). Amortisation of costs to obtain and fulfil a contract for the year ended 31 January 2022 were £54,000 (2021: £109,000). The Group has no significant concentration risk with no major customers representing more than 10% of Group revenue (2021: nil).

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

	2022 £'000	2021 £'000
UK/Ireland	6,800	6,772
Europe	7,645	8,741
United States	2,650	2,755
Rest of World	5	5
Total	**17,100**	**18,273**

6. (a) Operating profit/(loss)

	2022 £'000	2021 £'000
Operating profit/(loss) is stated after charging:		
Wages and salaries	12,838	12,177
Social security costs	2,209	2,207
Other pension costs	1,128	941
Share-based payment charge	326	272
Staff costs including Executive Directors	**16,501**	**15,597**
Depreciation of property, plant and equipment – owned assets	198	202
Lease depreciation	989	1,106
Amortisation and impairment of intangible assets	2,254	2,806
Net foreign exchange losses/(gains)	197	(184)
Short-term lease payments	43	61
Research costs	1,049	2,164
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	176	169
Fees payable to the Company's auditors and its associates for other services:		
• The audit of the Company's subsidiaries	15	15
• Other Services	12	16

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)

	2022 Number	2021 Number
Software developers	118	121
Consulting	91	76
Sales and marketing	41	40
Administration	29	32
Support	15	15
Directors	2	2
	296	**286**

6. (c) Directors' emoluments

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

	Emoluments £'000	Pension contributions £'000	Total 2022 £'000	Employer's social security costs £'000	Total 2022 £'000	Emoluments £'000	Pension contributions £'000	Total 2021 £'000	Employer's social security costs £'000	Total 2021 £'000
C Milverton	261	22	**283**	**34**	**317**	253	22	**275**	**28**	**303**
A Fabian (appointed 16/06/20)	188	–	**188**	**24**	**212**	119	–	**119**	**14**	**133**
N Payne (resigned 16/06/20)	–	–	**–**	**–**	**–**	102	3	**105**	**12**	**117**
	449	22	**471**	**58**	**529**	474	25	**499**	**54**	**553**

Discretionary bonuses for business performance of £37,500 (2021: £30,000) for C Milverton and £15,000 (2021: £12,000) for A Fabian are included in Directors' emoluments above for the year ended 31 January 2022. 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 (2021: C Milverton).

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

	1 February 2021	Granted	Lapsed	31 January 2022	EMI share option	Executive unapproved share option	Exercise price
	Number	Number	Number	Number	Number	Number	pence
C Milverton	1,309,368	–	(82,421)	1,226,947	537,632	689,315	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
	2,459,161	**–**	**(82,421)**	**2,376,740**	**537,632**	**1,839,108**	

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 £42,000 (2021: £38,000). No directors exercised any options during the year.

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

	2022 £'000	2021 £'000
A Roberts	76	79
F Small	41	41
P Massey	41	41
	158	**161**

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 2022 totalled £671,000 (2021: £698,000) comprising £607,000 (2021: £635,000) for short-term employee benefits; £22,000 (2021: £25,000) for employer pension contributions and £42,000 (2021: £38,000) for share-based payments.

7. Strategic, integration and other non-recurring items

There were no charges for strategic, integration and other non-recurring items, in the year. The following charges were included in this category for the prior year:

	2022 £'000	2021 £'000
Costs associated with the acquisition and integration of Geomap-Imagis	–	555
Net credits associated with the disposal of Enables IT	–	(63)
Total	**–**	**492**

There was a cash impact in FY 2022 of £294,000 (2021: £173,000) relating to the provision made in the prior year.

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 left the business and the parties amended 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 originally 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 entered into an Amendment Agreement with 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.

The balance of consideration €31,839 is to be issued in shares on 30 March 2023.

8. Finance income and costs

	2022 £'000	2021 £'000
Finance income		
Bank interest receivable	14	39
	14	**39**
Finance costs		
Interest expense		
– Bank borrowings	(76)	(48)
– Bank charges	(42)	(56)
– Interest cost on defined benefit pension obligation	(6)	(7)
Lease interest	(85)	(114)
Foreign exchange losses on intercompany funding	–	(1)
	(209)	**(226)**
Net finance cost	**(195)**	**(187)**

9. Income tax charge/(credit)

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on income for year	(172)	(187)
Foreign tax	40	73
Adjustments in respect of prior years	(19)	(268)
Total current tax credit	**(151)**	**(382)**
Deferred tax (note 19)		
Origination and reversal in temporary differences	123	(111)
Effect of tax rate change on opening balance	71	11
Adjustments in respect of prior years	–	174
Total deferred tax charge	**194**	**74**
Total tax charge/(credit)	**43**	**(308)**

Factors affecting the tax charge/(credit) for the year:

The differences between the standard rate of corporation tax in the UK and the actual tax charge/(credit) are explained below:

	2022 £'000	2021 £'000
Profit/(loss) on ordinary activities before tax	**220**	**(1,433)**
Profit/(loss) on ordinary activities before tax multiplied by the effective rate of corporation tax in the UK of 19% (2021: 19%)	42	(272)
Effect of:		
Expenses not deductible for tax purposes	55	22
Adjustment in respect of R&D tax credits	(238)	(191)
Effect of movement in deferred tax rate	71	27
Utilisation of losses not previously recognised for tax purposes	(348)	(170)
Deferred tax not recognised on losses carried forward	418	440
Adjustments in respect of prior years	(19)	(94)
Differences in tax rates applicable to overseas subsidiaries	37	(70)
Other differences	25	–
Total tax charge/(credit) for year	**43**	**(308)**

The relevant deferred tax balances have been measured at 25% for the current year-end, being the tax rate enacted by the reporting date (2021: 19%).

A change to the UK corporation tax rate was substantively enacted as part of the Finance No. 2 Bill 2021 (on 24 May 2021) to increase the main rate of UK corporation tax to 25% with effect from 1 April 2023. As such, the relevant deferred tax balances for UK group companies have been measured at 25% for the current year-end, being the tax rate enacted by the reporting date (2021: 19%) for temporary differences expected to reverse after 1 April 2023.

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10. Intangible assets including goodwill

	Goodwill £'000	Brands £'000	Customers and related contracts £'000	Software £'000	Development costs £'000	Intellectual property £'000	Total £'000
Cost							
At 1 February 2021	17,447	464	4,764	6,757	19,285	72	48,789
Additions	–	–	–	26	2,423	–	2,449
Effect of foreign exchange	(253)	(14)	(217)	(209)	(480)	–	(1,173)
At 31 January 2022	**17,194**	**450**	**4,547**	**6,574**	**21,228**	**72**	**50,065**
Accumulated impairment and amortisation							
At 1 February 2021	11,548	252	3,641	4,696	13,454	11	33,602
Amortisation	–	42	153	360	1,693	6	2,254
Effect of foreign exchange	(218)	(3)	(154)	(98)	(321)	–	(794)
At 31 January 2022	**11,330**	**291**	**3,640**	**4,958**	**14,826**	**17**	**35,062**
Net book amount at 31 January 2022	**5,864**	**159**	**907**	**1,616**	**6,402**	**55**	**15,003**
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 £6,402,000 (2021: £5,831,000) internally generated capitalised software development costs that meet the definition of an intangible asset. The amortisation charge of £2,254,000 (2021: £2,806,000) is included in the administrative expenses in the statement of comprehensive income.

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 2027 are forecast to increase by 9% 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 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**

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 moved from two CGUs to one in FY 2021 as the Group manages its operations under one global strategy and the European acquisition in 2019 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	2022 Total £'000	2021 Total £'000
Opening carrying value	5,899	5,928
Effect of foreign exchange	(35)	(29)
Closing carrying value	**5,864**	**5,899**

Basis for calculation of recoverable amount

The Group has prepared, and formally approved, a five-year plan for its CGU (based on a formal 2-year plan extended for three 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 9% and 7% per annum respectively and the EBITDA to cash conversion is assumed to be 60% or greater.

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 2023 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 reflects 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 18% on average for the five year-period ending 31 January 2027 for the headroom to be removed.

11. Property, plant and equipment

	Leasehold property improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 February 2021	398	1,104	1,502
Additions	9	155	164
Disposal	(59)	(130)	(189)
Exchange adjustment	(25)	14	(11)
At 31 January 2022	**323**	**1,143**	**1,466**
Accumulated depreciation			
At 1 February 2021	273	837	1,110
Charge for the year	46	152	198
Disposal	(59)	(130)	(189)
Exchange adjustment	(30)	27	(3)
At 31 January 2022	**230**	**886**	**1,116**
Net book amount at 31 January 2022	**93**	**257**	**350**

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For the year ended 31 January 2022

11. Property, plant and equipment

	Leasehold property improvements £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
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**

Depreciation expense of £198,000 (2021: £202,000) has been charged in administrative expenses.

12. Trade and other receivables

Current	2022 £'000	2021 £'000
Trade receivables	4,895	5,607
Less: provision for impairment of trade receivables	(25)	(80)
	4,870	**5,527**
Other receivables	1,413	1,497
Prepayments and accrued income	5,988	3,866
	12,271	**10,890**

Below is a reconciliation of the movement in accrued income:

	2022 £'000	2021 £'000
At 1 February 2021	2,950	2,613
Accrued revenue invoiced in the year	(2,950)	(2,613)
Revenue accrued in the year	5,188	2,847
Foreign exchange difference	(113)	103
At 31 January 2022	**5,075**	**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 2022, trade receivables of £3,650,000 (2021: £3,541,000) 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 2022, trade receivables of £1,220,000 (2021: £1,986,000) 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:

	2022 £'000	Weighted average loss rate	Impairment loss allowance £'000
Current	3,653	0.1%	3
Up to 3 months overdue	853	0.5%	4
3 to 6 months overdue	242	2.0%	5
6 to 12 months overdue	36	5.0%	2
> 12 months overdue	111	10.0%	11
	4,895		**25**

	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	253	20.0%	51
	5,607		**80**

As of 31 January 2022, trade receivables of £25,000 were impaired (2021: £80,000) 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:

	2022 £'000	2021 £'000
At 1 February	80	68
(Decrease)/increase in provision	(55)	12
At 31 January	**25**	**80**

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

	2022 £'000	2021 £'000
Cash at bank and in hand	5,623	7,278
	5,623	**7,278**

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	2022 £'000	2021 £'000
Profit/(loss) before tax		220	(1,433)
Adjustments for:			
Finance income		(14)	(39)
Finance cost		209	226
Depreciation		1,187	1,308
Amortisation of acquired intangibles		561	917
Amortisation and impairment of development costs		1,693	1,889
Share-based payment charge	22	326	272
Net foreign exchange movement		1	(34)
Increase in trade and other receivables		(1,784)	(655)
Increase in trade and other payables		206	1,446
(Decrease)/increase in defined benefit pension obligation		(108)	86
Cash generated from operations		**2,497**	**3,983**

	2022 £'000	2021 £'000
Cash generated from operations before strategic, integration and other non-recurring items	2,791	4,156
Cash flow on strategic, integration and other non-recurring items (note 7)	(294)	(173)
Cash generated from operations	**2,497**	**3,983**

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

	2022 £'000	2021 £'000
(Decrease)/increase in cash in the year	(1,585)	1,976
Changes resulting from cash flows	**(1,585)**	**1,976**
Net cash inflow in respect of new borrowings	–	(1,800)
Net cash outflow in respect of borrowings repaid	423	146
Effect of foreign exchange	127	57
Change in net funds	**(1,035)**	**379**
Net funds at beginning of year	4,266	3,887
Net funds at end of year	**3,231**	**4,266**
Analysis of net funds		
Cash and cash equivalents classified as:		
Current assets	5,623	7,278
Bank loans	(2,392)	(3,012)
Net funds at end of year	**3,231**	**4,266**

Net funds is defined as cash and cash equivalents net of bank loans (and excluding lease liabilities).

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 1 February 2021	**1,395**	**4,285**	**5,680**
Borrowings at 1 February 2021	470	2,542	3,012
Repayment of borrowings	(423)	–	(423)
Foreign exchange difference	(47)	(150)	(197)
Borrowings before transfer	**–**	**2,392**	**2,392**
Transfer from due after 1 year to due within 1 year	531	(531)	–
Borrowings as at 31 January 2022	**531**	**1,861**	**2,392**
Lease liability at 1 February 2021	**925**	**1,743**	**2,668**
Cash movements:			
Lease payments	(1,088)	–	(1,088)
Non-cash movements:			
Additions in the year	109	–	109
Interest cost	85	–	85
Foreign exchange difference	(31)	(19)	(50)
Lease liability before transfer	**–**	**1,724**	**1,724**
Transfer from due after one year to due within one year	748	(748)	–
Lease liability as at 31 January 2022	**748**	**976**	**1,724**
Total debt (including lease liabilities) as at 31 January 2022	**1,279**	**2,837**	**4,116**

14. Bank borrowings

	2022 £'000	2021 £'000
Current bank borrowings	531	470
Non-current bank borrowings	1,861	2,542
	2,392	**3,012**

Bank borrowings relate to bank loans in 1Spatial France totalling €2.87m (2021: €3.40m). 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 the period to FY 2028, with a broadly even repayment pattern with approximately €0.6m (£0.5m) due for repayment in FY 2023. New borrowings in the year amounted to nil (2021: £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	2022 £'000	2021 £'000
Trade payables	2,227	1,736
Other taxation and social security	2,924	3,496
Other payables	534	852
Accrued liabilities	1,987	1,464
Deferred income	5,612	5,870
	13,284	**13,418**

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.

15. Trade and other payables continued

Below is a reconciliation of the movement in deferred income:

	2022 £'000	2021 £'000
At 1 February 2021	5,870	4,918
Revenue recognised in the year	(5,870)	(4,918)
Revenue deferred at year end	5,636	5,719
Foreign exchange difference	(24)	151
At 31 January 2022	**5,612**	**5,870**

16. Leases

Right of use assets	Total £'000
At 1 February 2021	2,694
Additions	109
Depreciation	(989)
Foreign exchange difference	(67)
At 31 January 2022	**1,747**

	2022 £'000	2021 £'000
Buildings	1,522	2,428
Cars	185	216
Others	40	50
	1,747	**2,694**

Lease liabilities	Total £'000
At 1 February 2021	2,668
Additions	109
Interest cost	85
Cash paid	(1,088)
Foreign exchange difference	(50)
At 31 January 2022	**1,724**

	2022 £'000	2021 £'000
Current	748	925
Non-current	976	1,743
	1,724	**2,668**

Amounts recognised in profit or loss:

Depreciation charge of right of use assets	2022 £'000	2021 £'000
Buildings	866	970
Cars	96	104
Others	27	32
	989	**1,106**

17. Business combinations

On 7 May 2019, the Company entered into share purchase agreements to acquire the entire issued share capital of Geomap-Imagis Participations ("Geomap-Imagis") 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. As disclosed in note 7, there were some minor changes to the terms of the Share Purchase agreement. As at 31 January 2022, a balance of €440,540 (£367,000) Consideration Shares remained outstanding €0.4m to be satisfied mainly in cash (£340,000) in September 2022, with the balance to be issued in a number of shares on 30 March 2023 to a market value of €31,839 (£27,000).

18. Pension obligations

Defined benefit pension

1Spatial France SAS operates 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 2021). 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 2022 and 31 January 2021 by independent consulting actuaries. The valuations at those dates are based on the following assumptions:

	2022	2021
Expected rate of salary increases	2.00%	2.00%
Discount rate	1.15%	0.4%
Rate of inflation	1.90%	1.70%
Retirement age – management	65	65
Retirement age – others	63	63

18. Pension obligations continued

Defined benefit pension continued

Annual staff turnover rates are as follows:

	2022	2021
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 3.95 (2021: 3.60) resignations over the next 12 months.

Reconciliation of scheme liabilities:

	2022 £'000	2021 £'000
At 1 February	(1,606)	(1,417)
Current service credit/(cost)	42	(86)
Interest expense	(6)	(7)
Benefit payments	66	-
Re-measurement gains/(losses)	113	(20)
Exchange difference	115	(76)
At 31 January	**(1,276)**	**(1,606)**

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

	Impact on defined benefit obligation		
2022	**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		
2021	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.25%	Decrease of 2.9%	Increase of 2.9%

Total cost recognised as an expense:

	2022 £'000	2021 £'000
Current service (credit)/cost– within administrative expenses	(42)	86
Interest cost – within finance costs	6	7
	(36)	**93**

The amount recognised in other comprehensive income is:

	2022 £'000	2021 £'000
Re-measurement gains/(losses)	138	(20)
Deferred tax on re-measurements	(25)	5
	113	**(15)**

Based on the demographic data and assumptions at 31 January 2022, a valuation was performed of the benefit expense for the financial year ending 31 January 2023 and the projections were as follows:

	£'000
Current service cost	(72)
Total service cost	**(72)**
Interest cost	(15)
Total net interest on defined benefit (liability)/asset	**(15)**
Total defined benefit cost for the year ending 31 January 2023	**(87)**

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

	£'000
FY23	–
FY24	50
FY25	19
FY26	102
FY27	44
FY28–FY32	680

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 £1,128,000 (2021: £941,000).

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 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 tax charge/(credit) for year in profit or loss	17	–	188	(11)	**194**
DT charge/(credit) OCI	–	–	–	(25)	**(25)**
Foreign exchange difference	–	–	–	25	**25**
At 31 January 2022	**(545)**	**–**	**1,543**	**(28)**	**970**

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 £4,432,000 (2021: £4,018,000) in respect of losses amounting to £17,930,000 (2021: £18,029,000) 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	–	301	301
Recoverable after 12 months	–	1,242	1,242
Settled within 12 months	(98)	–	(98)
Settled after 12 months	(475)	–	(475)
	(573)	**1,543**	**970**

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

Allotted and fully paid	2022 Number	2021 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.

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 7

	Number of shares	Allotted, called up and fully paid shares £'000	Share premium account £'000	Own shares held £'000
At 31 January 2021 and at 31 January 2022	**337,505,673**	**20,150**	**30,479**	**(303)**

There was no movement in share capital in the year.

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 £0.3m.

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.

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 £326,000 (2021: £272,000).

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.

There were no new LTIP or share option awards made in the year.

Awards vesting/lapsing

2018 LTIP Awards subject to EBITDA target
During the year, 75% of the element of the 2018 LTIP awards subject to the EBITDA performance condition vested as the financial target achieved was of EBITDA of £3.6m in FY 2021(i.e. above the 75% award level but below the 100% allocation level as shown in the table below).

% vesting	Target
50%	£3m
75%	£3.5m
100%	£4m

As a result, 471,225 options therefore vested on **4 September 2021** (subject to a holding period of one year until **4 September 2022**), whilst 157,074 lapsed as a result.

The reconciliation of options over the year to 31 January 2022 is shown below:

	2022		2021	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding brought forward	9,941,496	26.4p	5,821,011	35.5p
LTIPs granted during the year	–	–	1,980,000	–
Share options granted during the year	–	–	2,442,000	26.5p
Lapsed during the year	(604,368)	18.8p	(301,515)	27.4p
Outstanding carried forward	**9,337,128**	**26.9p**	**9,941,496**	**26.4p**
Exercisable as at 31 January	2,043,948	46.5p	1,065,724	46.5p

The weighted average remaining contractual life of share options outstanding at the end of the year was 7.6 years (2021: 8.6 years). The exercise prices of the outstanding options range between 0p and 46.5p.

23. Earnings/(loss) per ordinary share

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

	2022 £'000	2021 £'000
Profit/(loss) attributable to equity shareholders of the Parent	177	(1,125)

	2022 Number 000s	2021 Number 000s
Ordinary shares with voting rights	110,486	110,486
Deferred consideration payable in shares	58	1,394
Basic weighted average number of ordinary shares	110,544	111,880
Impact of share options/LTIPS	4,008	–
Diluted weighted average number of ordinary shares	114,552	111,880

	2022 Pence	2021 Pence
Basic earnings/(loss) per share	0.2	(1.0)
Diluted earnings/(loss) per share	0.2	(1.0)

There is no material difference between basic earnings per share and diluted earnings per share.

For the year ended 31 January 2021, 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	2022 £'000	2021 £'000
No later than one year	9	26
Later than one year but no later than five years	–	–
Later than five years	–	–
	9	**26**

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.

25. Contingent liabilities

The Group has given performance guarantees on contracts as follows:

	2022 £'000	2021 £'000
Euro	465	246
US dollar	1	1
Moroccan dirham	39	40
Tunisian dinar	2	3
Total	**507**	**290**

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 2022

	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
SARL Imagis–Tunisie	–	Ordinary 100%	Tunisia		Immeuble Lloyd, Bureau 2A–B, Centre Urbain Nord, 1003 Tunis, Tunisie
DMR Production	–	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

Company Statement of Financial Position

As at 31 January 2022

Registered company number (England): 5429800

	Note	2022 £'000	2021 £'000
Assets			
Fixed assets			
Investments	3	19,838	19,610
Total fixed assets		**19,838**	**19,610**
Current assets			
Debtors	4	10,323	9,620
Cash and cash equivalents	5	531	2,133
Total current assets		**10,854**	**11,753**
Creditors: amounts falling due within one year			
Creditors	6	(3,151)	(3,453)
Deferred consideration	7	(340)	–
Total creditors due within less than one year		**(3,491)**	**(3,453)**
Creditors: amounts falling due after more than one year			
Deferred consideration	7	(27)	(390)
Creditors: amounts falling due after more than one year		**(27)**	**(390)**
Total creditors		**(3,518)**	**(3,843)**
Net assets		**27,174**	**27,520**
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		4,569	4,243
Merger reserve		16,466	16,466
Currency translation reserve		(125)	(125)
Accumulated losses (of which loss for the year was £672,000 (2021: £452,000))		(44,062)	(43,390)
Total equity		**27,174**	**27,520**

The financial statements on pages 104 to 112 were approved and authorised for issue by the Board on 26 April 2022 and signed on its behalf by

Andrew Fabian
DIRECTOR

Registered company number (England): 5429800

Company Statement of Changes in Equity

For the year ended 31 January 2022

£'000	Share capital	Share premium account	Own shares held	Share-based payments reserve	Merger reserve	Currency translation reserve	Accumulated losses	Total equity
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**
Comprehensive loss								
Loss for the year	–	–	–	–	–	–	(672)	(672)
Total comprehensive loss	**–**	**–**	**–**	**–**	**–**	**–**	**(672)**	**(672)**
Transactions with owners								
Recognition of share-based payments	–	–	–	326	–	–	–	326
	–	**–**	**–**	**326**	**–**	**–**	**–**	**326**
Balance at 31 January 2022	**20,150**	**30,479**	**(303)**	**4,569**	**16,466**	**(125)**	**(44,062)**	**27,174**

Notes to the Company Financial Statements

For the year ended 31 January 2022

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 3 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 Cash Flows'
- 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 2022 is £672,000 (2021: £452,000).

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 3 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 £19,838,000. The key assumptions concerning the carrying value of the investment in subsidiaries have been set out in note 3.

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 3, 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 2022 and 31 January 2021, there was no significant foreign exchange currency exposure to the Company.

Borrowing facilities

The Company has no overdraft facility (2021: £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 2021	41,886
Capital contribution to subsidiaries	228
At 31 January 2022	**42,114**
Accumulated amounts provided	
At 1 February 2021	22,276
At 31 January 2022	**22,276**
Net book amount	
At 31 January 2022	**19,838**
At 31 January 2021	19,610

	Total £'000
Shares in group undertakings	
Cost	
At 1 February 2020	41,654
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

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 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.

4. Debtors

	2022 £'000	2021 £'000
Amounts owed by group undertakings	10,127	9,354
Taxation and social security	19	83
Other receivables	33	60
Prepayments and accrued income	144	123
	10,323	**9,620**

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

	2022 £'000	2021 £'000
Cash at bank and in hand	531	2,133

6. Creditors due in less than one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	2,218	2,830
Trade payables	102	156
Taxation and social security	26	25
Other payables	2	10
Accrued liabilities	803	432
	3,151	**3,453**

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 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	2022 Number	2021 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 31 January 2021 and at 31 January 2022	337,505,673	20,150	30,479	(303)

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 £0.3m.

10. Subsidiaries and associates of the Company as at 31 January 2022

	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
SARL Imagis–Tunisie	–	Ordinary 100%	Tunisia		Immeuble Lloyd, Bureau 2A-B, Centre Urbain Nord, 1003 Tunis, Tunisie
DMR Production	–	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

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 2022. 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 2022. 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 £48,000 (2021: £92,000).

Company Information

Directors

C Milverton	Chief Executive Officer
A Fabian	Chief Financial Officer
A Roberts	Non-Executive Chairman
F Small	Non-Executive Director
P Massey	Non-Executive Director

Telephone

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Company secretary

Ms Susan Margaret Wallace
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Company number

5429800

Registered address

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Independent auditors

BDO LLP
Chartered Accountants and Statutory Auditors
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London
W1U 7EU

Bankers

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Buckinghamshire
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Nominated adviser and Broker

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Registrars

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Financial PR adviser

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