GOVERNANCE

Directors and Advisors

Rob Woodward

Board Chair

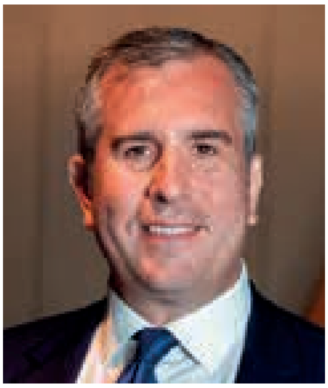
Chair of Nominations Committee

Rob joined the Board in June 2013 and became Chair in March 2017. He has significant experience in the technology, media and telecommunications ("TMT") industry, having spent 11 years as Chief Executive of STV Group plc. He has also been Commercial Director of Channel 4 Television, a Managing Director with UBS Corporate Finance and the lead partner for Deloitte's TMT industry Group in Europe. Rob is also Chair of Ebiquity plc and the UK's Met Office.

Matt Jones

Chief Executive Officer

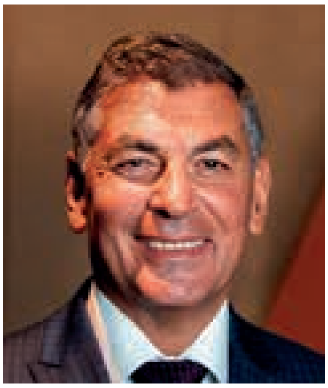
Matt joined the Board as CEO in March 2018. He has broad experience with both private equity backed and public companies. Specialising in the technology sector, Matt is a recognised leader with a successful track record of developing and overseeing the execution of growth strategies for companies in security, storage and communications. Matt was previously CEO of E8 Security, a pioneer in behavioural intelligence and cybersecurity based in the USA (acquired by VMWare). Before this he held senior positions at InterAct, a leading cloud-based software provider for public safety, CloudShield Technologies, a provider of cybersecurity (acquired by SAIC) and Allocity, a software company concentrating on storage management (acquired by EMC). Matt also has senior level experience at Excite@ Home, Sprint and AT&T.



Adam Moloney

Chief Financial Officer

Adam joined the Board as CFO in July 2018. Adam was CFO of AIM quoted Eckoh plc ("Eckoh"), a leading provider of customer service and secure payment technology solutions for contact centres until 2017. He had been with Eckoh since 2003 and was appointed CFO in 2005. During Adam's time there, he managed the negotiation and integration of various significant acquisitions in the UK and US as well as the opening of a US subsidiary. Prior to Eckoh, Adam held senior positions in the finance functions of a number of privately owned companies.

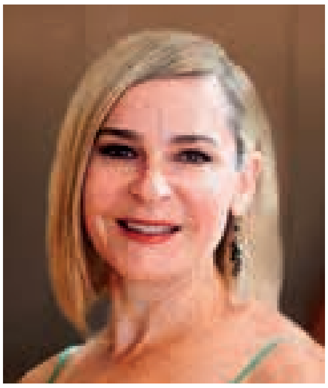


Frank Blin

Independent Non-executive Director

Chair of Audit Committee

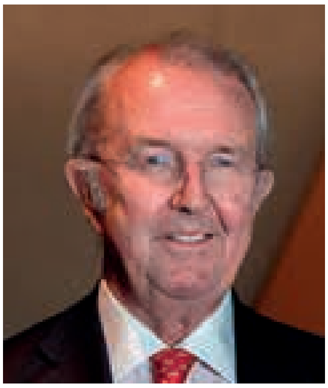
Frank joined the Board in December 2014. He was a senior partner with PwC (Head of UK Regions and a UK Management Board member) until 2012. He is a non-executive director of London and Scottish Investments Limited, Lorena Investments Limited and a number of property companies. He was awarded a CBE in 2002 for services to the financial services sector.



Catherine Michel

Independent Non-executive Director

Catherine joined the Board in January 2020. She is currently Chief Technology Officer ("CTO") for life-saving technology company Halma plc ("Halma"), where she has global responsibility for the group's data and IT strategy. She is also a member of Halma's Executive Management Board. Previously, Catherine was CTO for Sigma Systems following its acquisition of Tribold Limited in 2013, a business she founded and, as CTO, was principal architect of the company's products and solutions portfolio. She also serves on the UK5G Advisory board and was formerly on the TM Forum Executive Committee. She has won a number of industry accolades including "CTO of the Year" at Digital Transformation World, the leading "Woman in Telecoms" at the World Communications Awards and twice named one of the "Top Most Powerful People in the Telecoms Industry" by Global Telecoms Business.



Philip Rogerson

Senior Independent Director

Chair of Remuneration Committee

Philip joined the Board in March 2017. He was formerly chairman of Bunzl plc, De La Rue plc and a number of other companies. Philip was also an executive director of BG plc (formerly British Gas plc), latterly as deputy chairman.

Tom Skelton

Independent Non-executive Director

Tom joined the Board in October 2015. He is currently Chief Executive Officer of Surescripts LLC, a leading healthcare information technology business. Before joining Surescripts he served as Chief Executive Officer for the Foundation Radiology Group and as a founding member of Confluence Medical Systems, a healthcare and technology consulting partnership. Previously he served at Misys Healthcare Systems from January 2002 until March 2007 and as a director of Misys plc. Prior to that, he was Chief Executive Officer of Medic Computer Systems, a US-based software company focused on the healthcare information technology market.

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COMPANY NUMBER

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FINANCIAL ADVISOR

Rothschild & Co
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Directors' Report

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2020.

Strategic report

In accordance with sections 414A-D of the Companies Act 2006 a Strategic Report is set out on pages 4 to 41 which incorporates the Chair's Statement, the Chief Executive's Report, the Chief Financial Officer's Report and Business Model. The Strategic Report includes details of expected future developments in the business of the Group, principal risks and uncertainties and the key performance indicators used by management.

The Group is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations as amended in 2013 which enhanced reporting requirements for the Directors' Remuneration Report. However, the Remuneration Report on pages 59 to 62 does set out the remuneration policy and shareholders are invited to vote on this report at the Annual General Meeting ("AGM").

The Strategic Report has been prepared to provide the Company's shareholders with a fair review of the Company's business and a description of the principal risks and uncertainties facing it. It should not be relied upon by anyone, including the Company's shareholders, for any other purpose.

Results and dividends

The audited financial statements for the Group for the year ended 30 June 2020 are set out from page 72. The Group profit for the year after taxation was £1.1 million (2019: £0.9 million). The future plans for the business are such that the Board anticipates continued investment into the business that will require cash resources to be deployed into opportunities for future growth. As such, the Board has decided that it is not appropriate to pay a dividend for the time being.

Directors

Biographical details of the Directors are set out on pages 44 to 45.

The Directors of the Company who served during the year and up to the date of signing of the report and accounts were as follows:

F Blin
M C Jones
C E Michel (appointed 1 January 2020)
A P Moloney
P G Rogerson
T K Skelton
R S L Woodward

Catherine Michel will stand for election and Philip Rogerson will stand for re-election by shareholders at the AGM.

The interests of the Directors in the shares of the Company are set out on page 62.

Directors' liability insurance

The Company maintains liability insurance for the Directors and Officers of all Group companies.

Related party transactions

The details of transactions with Directors and other related parties are set out in note 31 to the financial statements.

Share capital

The issued share capital of the Company at 1 July 2019 was £1,303,952.78 comprised of 65,197,639 ordinary shares of 2 pence each ("ordinary shares"). On 15 July 2019, 9,311,264 ordinary shares were issued. Of these, 8,000,000 ordinary shares were issued at a price of 125p per share following a placing and the remaining 1,311,264 ordinary shares were issued as part of the consideration for the acquisition of Inhance Technology.

On 17 December 2019, a further 854,939 ordinary shares were issued. 813,253 of these were issued at a price of 132.8p per share as consideration for the acquisition of 29% of the issued share capital in Blancco Japan Inc and the remaining 41,686 ordinary shares were issued at a price of 155.0p per share as part of the consideration for the acquisition of 30% of Blancco APAC Pte Limited.

The issued share capital of the Company at 30 June 2020 was therefore £1,507,276.84, comprised of 75,363,842 ordinary shares.

Substantial shareholdings

As at 28 September 2020, the following shareholders owned more than 3% of the issued share capital of the Company:

	% of issued share capital	Number of shares
Soros Fund Management	21.00	15,829,669
Canaccord Genuity Group Inc	10.35	7,800,357
Inclusive Capital Partners LP	7.54	5,684,000
Schroder Investment Management	7.14	5,379,562
Janus Henderson Investors	5.72	4,311,303
M&G plc	4.64	3,500,000
Tellworth Investments	3.92	2,957,663
Merian Global Investors	3.86	2,912,616
Forager Funds Management Pty Ltd	3.82	2,878,711
BGF Investment Management Ltd	3.14	2,366,402
The Blancco Employee Benefit Trust	3.02	2,275,442

Going concern

The Group meets its day-to-day working capital through its cash reserves and overdraft facility. The Group has a Revolving Credit facility which expires in October 2020; however, the Group's forecasts and projections indicate current cash reserves are sufficient to meet the Group's day-to-day operating activities. The Group also assessed reasonably possible downside scenarios representing severe but plausible scenarios, especially in respect of the COVID-19 pandemic, and these indicated the Group reasonably expects to operate within its cash reserves. The relationship with HSBC is good and the Group reasonably expects it should be able to enter into a new facility upon expiry should it continue to require a level of debt to execute its strategic objectives.

Further information on the Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chief Executive's Report on pages 18 to 21. Further information on the financial position of the Group, its cash flow and liquidity position are described in the Chief Financial Officer's Report on pages 22 to 23. In addition, note 27 to the financial statements details the Group's objectives, policies and processes for managing its capital and its exposures to credit risk and liquidity risk.

The Board therefore has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Post year end events

There have been no events requiring disclosure since the year end.

Annual General Meeting

The Company's 2020 AGM will be held at 5.30 pm on Tuesday 15 December 2020. The notice of meeting with an explanation of the business to be transacted can be found on pages 122 to 128.

Financial instruments

Information on the Group's financial risk management objectives and policies and its exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk can be found in note 27.

Independent Auditor

A resolution to reappoint PricewaterhouseCoopers LLP as auditor will be proposed at the AGM.

Disclosure of information to the auditor

As required by Section 418 of the Companies Act 2006, each Director serving at the date of approval of the financial statements confirms that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Words and phrases used in this confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006.

By order of the Board

Lorraine Young Company Secretaries Limited

Company Secretary

28 September 2020

Corporate Governance Report

Rob Woodward | Chair

Corporate Governance Statement from the Chair

The Board has adopted the Quoted Companies Alliance Corporate Governance Code (2018) ("the QCA Code"), and this is our second year of reporting against this code. Information about how the Company has applied the ten principles from the QCA Code follows this statement. The Board considers that the Company complies with the QCA Code.

In my role as Chair, I lead the Board's deliberations on governance matters and work with the rest of the Board and the company secretary to promote good governance across the Group. I am also responsible for the effective running of the Board, including ensuring that the Board has open debate on appropriate matters, in which all Directors are encouraged to participate. This debate should be based on clear, timely and good quality information.

Where we agree to make changes to our governance arrangements, I take responsibility to make sure the agreed actions are completed. More information about my role is given under principle 9 below.

Each year the Company reviews its governance arrangements and this year has been no exception. Although we decided to defer our Board effectiveness review due to the COVID-19 pandemic, the changes we were forced to make to our Board meeting practices as we switched to virtual meetings have given us a useful opportunity to review and improve the way we do things.

Following last year's board effectiveness review and skills audit we decided to seek a new NED who could supplement the knowledge and expertise of the existing Board members and, if possible, address the need for us to increase the diversity of the Board. We were therefore delighted to welcome Catherine Michel to the Board on 1 January 2020. Catherine has a wealth of experience in the technology sector which brings additional valuable industry insights as we continue to execute our growth strategy. We planned a tailored induction for Catherine and have sought her feedback on this to ensure she has access to all of the information and people that she needs to be effective in her role. Catherine has made an excellent contribution to our Board discussions and in addition has assisted Blancco by effecting introductions to individuals in her business network.

The Board continues to consider all aspects of governance. Examples of this are that we arranged a separate discussion session for the Board to consider Diversity and Inclusion (D&I) across the whole of Blancco. This was attended by the HR Director as well as the Board. This format worked well and allowed the Board sufficient time to explore the topic in more detail than might have been achieved if the discussion had been part of a regular Board meeting. We plan to use this format in future for other topics which would benefit from it.

Adam Moloney (the CFO) has led an initiative working with Buchanan, our PR advisors, to consider Blancco's Environmental, Social and Governance ("ESG") credentials (including our stakeholder engagement) and the output from this, including future ESG reporting, is described on pages 30 to 41 with more information available on our website.

Following the launch of the Company's vision, mission and values, the HR Director has introduced a number of initiatives to encourage employees to adopt these. Further details are given below.

Our engagement with our shareholders has continued. There have been a number of changes in our major shareholders over the last year and I shall be writing to all of them as usual, to invite them to discuss our governance arrangements and to feed back their views. We also communicate with our major investors about any changes to Executive Director remuneration. Our CEO and CFO continue to meet investors (albeit virtually since the outbreak of COVID-19) at the time of the full and half year results announcements. The analysts' briefing this year will be held virtually and we also plan to trial the "Investor Meet" platform to allow retail investors access to presentations by the Executive team.

This year, we anticipate that our AGM will be a hybrid one and that it will probably not be possible for investors to attend in person, due to the restrictions in place for the COVID-19 pandemic. However, all shareholders will be able to appoint the Chair of the AGM as their proxy and to direct how they wish their votes to be cast. We will also be offering shareholders the opportunity to ask questions. Further details can be found with the Notice of AGM on pages 122 to 128.

During the year, in addition to the above, we reviewed our governance framework and documentation. The list of matters reserved to the Board for decision and the terms of reference for each of the Board committees were reviewed and updated. No major changes were necessary. The Board also reviewed and made minor changes to its policies on inside information and share dealing for Directors and senior managers, which are in place to ensure the Company complies with its obligations under the Market Abuse Regulation.

In conclusion, all of the Directors take seriously their obligations to act in good faith to promote the success of the Company for the longer term and we strive to provide the right support and challenge for the Executive team to deliver outstanding performance at an exciting stage in the Company's growth and development. This is done while maintaining appropriate checks and balances to ensure risk is properly managed and that there is no compromise in adhering to our corporate culture and supporting our values.

Rob Woodward

Chair

28 September 2020

Corporate Governance Report
continued

The following statement describes how Blancco has applied the ten principles in the QCA Code during the past year.

The full version of this statement can be found under the investor section of the Company's website (www.blancco.com). The QCA Code recommends that certain disclosures appear in the Annual Report and others appear on the website. Where more information is provided on the website, this is indicated in the statement.

Deliver growth

PRINCIPLE 1: DELIVER A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

The Company's strategy and business model, the challenges faced by the business in executing them and how those challenges are being addressed are described in the Strategic Report. The Board has a discussion on strategy in May each year with the senior management team, following deliberations by the Executive. This is normally part of a two day Board offsite meeting; however, in 2020 discussions were held virtually as it was not possible for the Board to meet in person with the COVID-19 restrictions in place. The outcome of the discussions was that the strategy launched in 2018 remains in place and the Board agreed to continue to make tactical changes as the components of the three priority market sectors evolve.

The Board receives regular updates from members of the senior management team about progress in delivering the strategy and will, from time to time, invite individuals to present to the Board so that Directors can understand and discuss various aspects of the business model, providing support and challenge from their skills and experience.

Since the start of the COVID-19 pandemic, the Board and Executive team have regularly discussed the impacts of the pandemic on the Group's business – both positive and negative, how risks can be mitigated and opportunities exploited. There has been detailed consideration of the potential financial impacts of the pandemic on the business as disclosed in the Strategic Report.

PRINCIPLE 2: SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Company seeks to engage with shareholders in a number of ways. These are described in the full version of the governance statement which is on the Company's website.

PRINCIPLE 3: TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

As the Executive team reviews the Group's strategy from time to time, they consider the key resources and relationships which are essential to the ongoing success and growth of the business in light of the evolution of the technology, products and services offered, the markets in which the business operates and the competitor landscape among other things. Their conclusions are shared with the Board. Further information on the Company's stakeholders and how the Board takes their views into account is given on the Company's website.

PRINCIPLE 4: EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

During the year, the Executive team has continued to assess the opportunities and risks facing the Group and produced an updated risk analysis and matrix, which lists the key risks faced by the Group, their likelihood and impact and what is being done to mitigate them. Since the start of 2020, this risk assessment and mitigation has included the anticipated and actual impact of COVID-19.

The Board considers this high level analysis as an agenda item at least twice each year and on other occasions if something significant has changed which requires reconsideration of the risks the business faces. The Executive team also reviews the risk analysis quarterly.

The audit committee reviews the risk management and internal control framework at least annually and reports to the Board on its effectiveness, with any recommendations for improvements.

A list of the key risks facing the Group, with the actions taken to mitigate them, can be found in the Strategic Report.

Maintain a dynamic management framework

PRINCIPLE 5: MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board considers that each of the Non-Executive Directors is independent. The Executive Directors are both employed by the Company on a full time basis. All of the Non-Executive Directors demonstrate the commitment to their roles which is expected of them and give sufficient time to carry out their duties properly.

Information on the roles and duties of the Chair, CEO, Non-Executive Directors and the company secretary is given under principle 9 below. The time commitment for the Chair is approximately one day per week. The time commitment for the other Non-Executive Directors is approximately 30 days per year.

Corporate Governance Report
continued

The table below shows the number of Board and committee meetings held during the financial year to 30 June 2020 and the attendance record of each Director.

	Board		Audit Committee		Remuneration Committee		Nominations Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Rob Woodward	9	9	3	3	2	2	3	3
Matt Jones	9	9	–	3*	–	2*	–	3*
Adam Moloney	9	9	–	3*	–	2*	–	3*
Frank Blin	9	9	3	3	2	2	3	3
Catherine Michel	5	5	2	2	1	1	2	2
Philip Rogerson	9	9	3	3	2	2	3	3
Tom Skelton	9	8	3	3	2	2	3	3

* Attended by invitation.

Catherine Michel was appointed to the Board on 1 January 2020.

If Directors are unable to attend Board or committee meetings, they review the relevant papers and provide comments to the Board or committee Chair.

PRINCIPLE 6: ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The names of the Directors who served during the year are given in the Directors' report on page 46. Brief biographical details of each Director are set out on pages 44 and 45. The Directors come from diverse professional backgrounds and have a wide range of experience. Three of them have served as CEOs in public companies and all have experience of running businesses and/or advising business owners and leaders, some of which was carried out with international organisations. In their other roles, they have contributed to the development of strategy and handled M&A and other corporate finance transactions. Several have dealt successfully with turnaround situations as well as business growth. Four of the Directors have relevant experience in the technology (including cybersecurity) and related sectors. Three are accountants and several have served on listed company boards (including as Chair) for many years, bringing a good breadth of corporate governance knowledge.

Each year the Board receives an update on the AIM rules from the Company's nomad. As part of the strategy review sessions and at other times during the year, the Board is given presentations by members of the leadership team on various aspects of the business. The company secretary provides a regular update to the Board on relevant legal and governance matters and the external auditor provides information about changes to accounting standards and developments in financial reporting.

The Remuneration Committee has appointed Deloitte to advise it on market practice and investor relations in respect of remuneration matters.

Details of the Company's other retained professional advisors are given on page 45.

The company secretary provides advice to the Board and committees as well as to individual Directors as required. She supports the Chair on matters of corporate governance and the running of the board and Nominations Committee. A full role description for the company secretary can be found on the Company's website.

Philip Rogerson is the Senior Independent Director (SID) and a role description for this position is on the Company's website. He is also available to engage with investors if they prefer this route to the normal channels of communication. Any engagement with shareholders is reported to the Board either immediately or at the next following Board meeting, as appropriate.

PRINCIPLE 7: EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Board carries out a regular (usually annual) effectiveness review using questionnaires. The questions are updated each year. This year, due to the COVID-19 pandemic, the review was deferred to allow the Executive team and the Board the necessary time to focus on the business. It is anticipated that the next review will be undertaken towards the end of the calendar year, or early in 2021. Details of the most recent review are given on the Company's website.

In addition to the above exercise, the Chair held meetings with each of the Directors and the company secretary to discuss individual performance and succession planning. The Senior Independent Director led an evaluation of the Chair. No issues of concern were raised in this review.

PRINCIPLE 8: PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

A description of how the Board has applied this principle is given in the Chair's corporate governance statement above and more information is on the Company's website.

PRINCIPLE 9: MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Board is made up of seven Directors, two of whom are Executive and five of whom are Non-Executive. All of the Non-Executive Directors are independent. The Board has an Audit Committee, chaired by Dr Frank Blin, a Remuneration Committee chaired by Philip Rogerson and a Nominations Committee chaired by Rob Woodward. All of the Non-Executive Directors are members of these committees. The Executive Directors and others may be invited to attend the committee meetings from time to time.

The Chair is responsible for the leadership of the Board and ensuring its effectiveness. He is also responsible for creating the right Board dynamic and for promoting a culture of openness and debate, in addition to ensuring constructive and productive relations between Executive and Non-Executive Directors. The Chair acts as an ambassador for the Company to its stakeholders and, in particular, works to ensure there is sufficient and effective communication with shareholders and to understand their issues and concerns.

The CEO, with the senior management team, is responsible for running the business, developing Group strategy having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders. He is also responsible for delivery of the successful achievement of objectives and execution of strategy following presentation to, and approval by, the Board, optimising the use of the Group's resources.

The Non-Executive Directors are responsible for exercising independent and objective judgement in respect of Board decisions, developing corporate strategy with senior management, and for scrutinising and constructively challenging the actions of senior management.

Philip Rogerson is the Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders if they are unable to resolve them through existing routes for investor communications or where such channels are inappropriate.

The company secretary is responsible for advising the Board on corporate governance matters, supporting the Board and committee chairs in the running of the Board and committees and liaising with shareholders on governance matters, among other things.

Further information, including links to role descriptions for the Board, the list of matters reserved to the Board and the terms of reference for the Board committees, can be found on the Company's website.

The Board considers that the current governance framework is fit for purpose for the Company at its present stage of development and there are no current plans to change it.

Build trust

PRINCIPLE 10: COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The work of the Audit and Remuneration Committees during the year is given in their respective reports. The report of the Audit Committee is on pages 54 to 58 and the report of the Remuneration Committee is on pages 59 to 62.

The skills audit conducted last year showed that the Directors do have between them a wide range of relevant skills and experience which is sufficient for the needs of the Company at the current time. The appointment of Catherine Michel to the board has added in particular to the technology expertise on the board. The balance of knowledge, skills and experience on the board will be kept under review as the business grows.

Information about the disclosure of AGM voting and publication of the Annual Report can be found on the Company's website

Audit Committee Report

Key areas of focus during the year

During the 2020 annual cycle, the Audit Committee met three times. It has an annual work plan, developed from its terms of reference, with standing items that the Committee considers at each meeting in addition to any specific matters which the Committee chooses to focus on.

The Audit Committee primarily focuses on challenging the assumptions and agreeing the accounting proposed by the executive management team in judgemental areas and to ensure sufficient controls are in place to mitigate against misstatement. This includes assessing Group-wide internal financial controls.

Additionally, the Committee reviews the Group's Risk Management framework at each meeting. The Chief Financial Officer presents the risks as documented by the Group's Risk and Opportunities Committee, which are presented against an assessment of likelihood and severity, and the associated mitigations of those risks. The key risks faced by the Group are presented in the Strategic Report.

The Committee reviews the work of the external auditor. This includes approving the audit scope and approach, the fees for both audit and non-audit services and reviewing the outcome of audit work. Any non-audit work provided by the incumbent auditor, for which the fee would be above £20,000, must be approved by the Board.

Auditor's Independence

The Group's auditor is PricewaterhouseCoopers LLP (PwC). PwC was appointed auditor at the 2017 annual general meeting. Assignments of non-audit work have been, and continue to be, subject to controls by management that have been agreed by the Audit Committee, so that auditor independence is not compromised. The Group has not instructed any non-audit work by PwC during the 2020 financial year.

The Audit Committee and the Board place great emphasis on the objectivity of the external auditor in its reporting to shareholders. The audit partner and senior manager attend Audit Committee meetings as required to ensure full communication of matters relating to the audit. The overall performance of the auditor is reviewed annually by the Audit Committee, taking into account the views of management, and feedback is provided when necessary to senior members of the audit firm unrelated to the audit. The Audit Committee also has discussions with the auditor, without management being present, on the adequacy of controls and on any judgemental areas. These discussions have proved satisfactory.

Accounting and financial reporting matters considered by the Audit Committee

After discussion with both management and the external auditor, the Audit Committee determined that the key risks of misstatement of the Group's financial statements related to revenue recognition, management override of controls, recoverability of goodwill, capitalisation of development costs, the acquisition of Blancco Ireland, and, for the parent company, amounts due from subsidiaries.

These issues were discussed with management during the year and with the external auditor at the time the Committee reviewed and agreed the external auditor's audit plan, and also at the conclusion of the audit of the annual financial statements in September 2020.

With respect to changes in accounting standards which are material for the Group, the Audit Committee has reviewed the impact of changes to accounting standards which have materially impacted on the financial statements, specifically IFRS 16, Leases (replacing IAS 17, Leases).

A prior year adjustment has been presented which quantifies the impact of the change in the standard, as presented in note 1.2. The Committee has considered the implementation of the new standard and held discussions with the auditor to ensure this is accurately reflected in the financial statements and associated disclosures. Further details on the transition to IFRS 16 are presented in the notes to the financial statements and the Audit Committee does not assess this to contain a significant risk of judgement or misstatement.

Following the acquisition of Blancco Ireland (previously Inhance Technology) at the start of the financial year, the acquisition accounting was increased to a significant risk, given the size of the transaction and the inherent uncertainty in measuring acquired assets and liabilities. The Committee reviewed the initial accounting in the prior year, as presented in the June 2019 financial statements. During this financial year, and in consultation with the auditor, the Committee challenged management's assumptions and judgements over the accounting, specifically with reference to any contingent liabilities which should be recognised. This assessment was performed with reference to (1) the due diligence work performed pre acquisition and the potential liabilities identified and (2) previous acquisitions the Group has made and the extent to which liabilities have crystallised in the post acquisition period. The Committee concluded that the recognised liabilities were reasonably supported and sufficient disclosures made in the notes to the financial statements to support the accounting.

During this financial year, the Committee engaged Grant Thornton to perform a detailed review over the Group's revenue controls, with the intention that it would give additional assurance over and above the normal audit routines performed by PwC. The Board reviewed the findings of this report which commended the control environment in place and identified no significant issues. A small number of minor improvements to the processes were recommended which have been implemented or are in the process of being implemented.

Internal Audit

On a periodic basis, the Committee discusses the requirement for the Group to have an internal audit function. The Committee believes that the existing control framework, reporting from management, and work performed by the external auditor is sufficient for the size and complexity of the business, and there are therefore no current plans to appoint an internal auditor.

Revenue recognition

The Group enters into contracts where revenue recognition can be complex. There is potential risk of misstatement of revenues associated with software licence contracts where:

- The contract delivers multiple separable elements.
- Timing/proof of delivery of licences and associated services can vary across contracts.
- Delivery of contracts takes place through several channels, both direct to customers and via a third party, and in the form of virtual delivery via the cloud.

Judgement is required in establishing the transfer of control under IFRS 15. This is particularly pertinent for multiple element contracts where certain deliverables could be inherently tied to others and where this judgement could vary on a contract by contract basis. There are further judgements made in relation to the point at which delivery has occurred where licences are held on a cloud account managed by Blancco, and in relation to the allocation of the transaction price to separable performance obligations of a revenue contract.

Judgement is required to determine whether the conditions for recognising revenue for any particular contract under the Group's accounting policies have been met.

The accounting policies of the Group are outlined in note 1.10 to the financial statements.

With respect to revenue recognition on specific contracts, management highlighted to the Committee how it arrived at the key assumptions. This included:

- A summary of the main contract terms.
- The point of revenue recognition under contracts.
- Comparison of the payment profile with the revenue profile of key contracts.
- Analyses of separable elements of the revenue streams where multiple service components are delivered to the customers.
- The controls in place to ensure contracts are appropriately recorded in the financial statements.

Management also highlighted the controls in place around inception of a sales contract, completeness of invoicing, processing of revenue recognition and debt management

The Committee instructed Grant Thornton to review the control environment with regard to revenue recognition and particularly the controls and processes within the CRM system, Salesforce. The report highlighted some low priority recommendations, and management have outlined the steps they have taken to address these findings.

The Committee's deliberations involved considering and understanding the outcome of management's review of material contracts on an individual basis, to ensure there was sufficient evidence for both meeting the revenue recognition criteria under IFRS 15 and gaining sufficient comfort that the monies for revenues booked would be collected on a timely basis.

It also involved assessment of the findings of the external auditor across individual contracts tested.

The Committee was satisfied that there was a reasonable basis for the revenue recognition assessments, there was an expectation that the revenue recognised would be collected in full and that the accounting treatment adopted was reasonable.

Audit Committee Report

continued

The Committee concluded that:

- In respect of management's judgements in applying the requirements of IFRS 15, these judgements were reasonable.
- In respect of the software and services element arrangements, the basis used was based on contract terms and the treatment adopted by management was reasonable
- In respect of nature and timing of delivery of software, the point of transfer of control was reasonably recorded.
- The controls in place for approvals for material and non-standard contracts were appropriate.
- The controls in place for review of contracts and ensuring checking of revenue recognition were appropriate.
- The recommendations of the Grant Thornton revenue controls review had been appropriately resolved or there were sufficient mitigating controls in place.
- In respect of the cash collected, there was a strong correlation between revenues recognised and cash collected at and subsequent to the year end.

The Committee was satisfied with the disclosures in the financial statements.

Management override of controls

The Board recognises that the risk of override of controls cannot be fully eliminated in any business and that there are clearly defined policies and controls in place. The Board is in constant communication with management and requests updates on the state of the control environment, to be comfortable that risks are mitigated as far as practicable, with a particular focus on revenue recognition.

The Board has further reviewed the controls over access to cash and cash management to ensure that the risk of misappropriation of cash is at a low level.

The Committee concluded that:

- The Board has performed appropriate procedures to minimise the risk of any possible management override of controls as they relate to the financial statements;
- The scope of work of the auditor has been sufficient to test for material weaknesses in the control environment, and that the prevalence of weakness is at a reasonable level;
- The Group's control environment, including the controls over revenue management, provides an appropriate level of coverage and review over revenue contracts;
- Management's oversight of its operating locations covering accounting, banking and operational matters is reasonable; and
- The Group's systems are appropriate for the business.

Carrying value of goodwill and, for the Company, recoverability of amounts due from subsidiaries

The Group has been particularly active in acquisitions in the past and this has led to the creation of significant acquired goodwill. There is potential risk of non-recoverability of this goodwill. Similarly for the parent company, the recoverability of amounts due from subsidiaries is considered to be a potential risk should the future profitability of the Group be insufficient to substantiate the carrying value of assets.

Uncertainty arises due to the difficulties in forecasting and discounting future cash flows that support the recoverability of the goodwill and cash generation in the future. The sensitivity of forecast assumptions is increased in light of current global economic conditions which provides greater risk over reliability of management's forecasting, greater volatility in the Group's potential future profitability and higher risk of downside scenarios crystallising.

Furthermore, estimation uncertainty exists in assessing the appropriate level of loss provision on amounts due from subsidiaries for the parent company, considering the lack of historical evidence available within the Group.

With respect to the carrying value of goodwill, the Committee has acknowledged that in recent years the headroom of future cash flows has been sensitive to assumptions used in the modelling by management.

The relevant accounting policies of the Group are outlined in notes 1.6, 2.1 and 2.2 to the financial statements.

Management highlighted to the Committee how it arrived at the key assumptions to estimate the future cash flows. This included:

- A robust budget process including the input of functional managers across the business for the financial year ending June 2021.
- Other underlying assumptions, by benchmarking these against prior performance and also market and sector trends.
- Assessment of the potential impact of COVID-19 on future profitability and cash flow.
- Quality and integrity of the Group's forecast P&L and cash flow models.
- Sensitivity analysis performed.
- Annual testing procedure together with review of year to date actuals.
- Assessment of the discount rates used.

The Committee evaluated management's assumptions through the planning process and in its assessment of the net present value of future cash flows into the medium term, and was satisfied that the value in use as represented by the net present value of future cash flows was sufficient to justify the carrying value of goodwill. The Committee reviewed the sensitivity analysis performed and was satisfied that this sufficiently addressed the increased downside risk of the COVID-19 pandemic.

The Committee further evaluated the carrying value of goodwill in comparison to the market capitalisation of the Group and concluded that sufficient headroom existed.

The Committee reviewed the basis of calculation of loss provision for amounts due from subsidiaries for the Company as required under IFRS 9 and concluded this was appropriate.

The Committee concluded it was satisfied with the disclosures in the financial statements and:

- In respect of the recovery of goodwill, impairment testing and sensitivity analysis indicated continuing satisfactory levels of headroom on goodwill;
- The headroom was sufficient in downside scenarios and the risk of impairment remains low;
- The pertinent sensitivities had been sufficiently documented in the Annual Report; and
- In respect of the recoverability of amounts due from subsidiaries, the loss allowance applied was appropriate based on management's benchmarking, and impairment testing and sensitivity analysis thereon indicated evidence of recoverability was otherwise sufficient.

Capitalisation of development costs

The Group undertakes development of its products. A large proportion of this cost capitalisation is for internal staff costs working on these projects. During the year, the Group has made two significant investments:

- The acquisition of Blancco Ireland and the internal R&D team, whose costs are required to be capitalised.
- Acquisition of further intellectual property from a third party, which is in the process of being integrated with the Group's existing technology.

The accounting policies of the Group are outlined in note 1.6 to the financial statements.

There is a potential risk of misstatement because of:

- Inappropriate judgements on whether a project or asset meets the criteria for capitalisation;
- Inappropriate allocation of staff time between research and administration, which does not qualify for capitalisation, and development work;
- Impairment of capitalised assets which depends on future cash flows; and
- Development of new technology or acquired assets may render previously capitalised assets obsolete.

In addition, uncertainty arises specifically in the assessment of future cash flows which are inherently difficult to predict.

Management highlighted to the Committee how they arrived at the key assumptions. This included:

- A summary of the processes used in determining what costs to capitalise, including assessment of projects completed in the year.
- Consideration of the future economic benefit of current development work and acquired IP, including scrutiny of planning and assessment of contracted future revenues and the pipeline of new business.
- Review of estimates of future cash flows.
- Review of the assumed useful economic life used.
- Review of past development projects which have generated economic benefit for the Group.

The Committee interrogated management's key assumptions to understand their impact. The Committee was satisfied that the assumptions used were appropriately scrutinised, challenged and sufficiently robust.

The Committee concluded that:

- In respect of the capitalisation of costs, the amounts allocated to the development phase of the intangible assets were appropriately capitalised and supported by project data.
- In respect of the acquisition of IP from a third party, there was sufficient evidence to substantiate the potential value of the IP to future sales growth and profitability.
- In respect of the presentation of the acquired IP as an asset in the course of construction, this assessment was reasonable.
- In respect of potential impairment, future cash flows sufficiently supported the asset value.
- In respect of the potential impairment of development intangibles, the value of future cash flows was expected to be in excess of the carrying value of the intangible.

Audit Committee Report
continued

Acquisition of Blancco Ireland

In July 2019, the Group acquired Blancco Ireland (previously Inhance Technology). The accounting for the acquisition required a significant degree of judgement around the value of the acquired intangible assets on acquisition and the extent to which contingent or undisclosed liabilities exist. The valuation of intangibles is particularly pertinent as the acquired IP is not as mature as the rest of the Blancco product portfolio.

The accounting policies of the Group are outlined in note 1.6 to the financial statements. The estimation uncertainty involved in measuring the acquired assets and liabilities is outlined in note 2.2 to the financial statements.

The risk of misstatement arises from:

- Intangible assets incorrectly valued, based on future forecasts of profitability which are inherently judgemental.
- Valuation of liabilities acquired in the business which may be undisclosed or unknown at the point of acquisition, or those liabilities which have been identified but may require judgement around the size or extent to which they might crystallise.

The Committee reviewed management's modelling for the future present value calculation of intangible assets. The Committee also reviewed the supporting analysis for the extent to which potential liabilities have been recognised and disclosed, with reference to third-party due diligence reports commissioned during the acquisition process. It also considered the extent to which liabilities have crystallised (1) in the post-acquisition period and (2) in the years following the Group's prior acquisitions, and to the extent these liabilities may have been over or under provided for.

The Committee concluded that:

- In respect of intangible assets, the measurement basis was appropriate.
- In respect of the value attributed to the acquired IP, this has been calculated on the basis of reasonable assumptions.
- In respect of the book assets and liabilities acquired, these were reasonably measured.
- In respect of the fair value assets and liabilities acquired, there was reasonable basis for the recognition of these, and the assumptions applied in measuring these were appropriate.
- In respect of the disclosures concerning the estimation uncertainty around acquired liabilities, this was considered sufficient.

Conclusion in respect of the Annual Report and Financial Statements

The production and the audit of the Company's Annual Report and Accounts is a comprehensive process requiring input from a number of different contributors. One of the key requirements of the Company's Annual Report and Accounts is that they are fair, balanced and understandable. The Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Accounts fulfil these requirements.

As a result of the work performed, the Committee has concluded that the Annual Report and Accounts for the year ended 30 June 2020, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 63.

Frank Blin

Chair of the Audit Committee

28 September 2020

Remuneration Committee Report

The Remuneration Committee determines on behalf of the Board the Company's policy on the remuneration and terms of engagement of the Executive Directors and senior executives. Executive Directors attend Remuneration Committee meetings by invitation only when appropriate and are not present at any discussion of their own remuneration.

The members of the Remuneration Committee are disclosed in the Corporate Governance report on page 53.

Remuneration policy

The Group continues to operate in a highly competitive global environment. For the Group to continue to compete successfully, it is essential that the level of remuneration and benefits offered is reflective of the market in each location in order to attract, retain and motivate individuals of a high calibre at all levels across the Group, while ensuring that arrangements are aligned with business strategy and shareholders' interests.

The Group therefore sets out to provide competitive remuneration to all its employees, appropriate to the business environment in the markets in which it operates. To achieve this, each individual's remuneration package is based upon the following principles:

- Total rewards are set to provide a fair and attractive remuneration package without paying more than is necessary.
- Appropriate elements of the remuneration package are designed to create alignment with business strategy, to reinforce the link between performance and reward and to reflect the shareholder experience.

As we move forward, the Committee remains committed to keeping our remuneration structure under review to ensure it remains best positioned to support the delivery of our strategy, while meeting the need to retain and reward executives and supporting the creation of long-term value for our shareholders as well as reflecting, as appropriate, market practice and shareholders' expectations in the UK where we are listed.

A large part of our business and management team, including the CEO, are based in the US where the market for pay is very different and the quantum offered is often higher than in the UK. Remuneration arrangements are therefore considered in this context.

Remuneration of Executive Directors

The Executive Directors' remuneration is made up of:

- Fixed elements, comprising base salary, benefits and pensions.
- Performance related elements, comprising a bonus and awards under the Performance Share Plan.

These are designed to incentivise the Directors to deliver performance, and to align their interests with shareholders.

BASE SALARY

Base salaries are set by the Remuneration Committee each year, after taking into consideration the performance of the individuals, their levels of responsibility and salary levels for similar positions in comparator companies and locations.

Following a review in June 2020 of the current executive remuneration arrangements, the Committee agreed, taking into account the economic environment, that there would be no increase in base salary for the CEO and CFO; their salaries therefore remain unchanged for the year ahead at US$393,750 per annum for the CEO and £236,900 per annum for the CFO.

BENEFITS IN KIND

These principally comprise car benefits, life assurance, permanent health insurance and membership of the Group's healthcare insurance scheme or payment in lieu of benefits. Benefits do not form part of pensionable earnings.

PENSIONS

The Group makes defined contributions into individual pension plans. The CEO receives a pension contribution of 4% of base salary up to the annual pension cap of $25,500 for 2019 and $26,000 for 2020. The CFO receives a pension contribution of 4% of base salary. For the year ending June 2021, the CFO has elected to reduce the pension contribution he receives to 1.68% of base salary due to recent changes in tax rules. Following this reduction in pension contribution, the balance will be paid to the CFO as a cash allowance. The amounts payable in the financial year are set out in the Directors' emoluments table on page 62.

ANNUAL BONUSES

Annual bonuses for the Executive Directors are typically determined by reference to performance targets based on the Group's financial results and individual personal objectives set at the beginning of the financial year.

Remuneration Committee Report
continued

Operation for the year ended 30 June 2020

For the year ended 30 June 2020 the core bonus potential for the CEO and CFO was 100% of salary (maximum of 125% of salary including the “kicker”). The operation of the “kicker”, which was introduced last year in order to drive exceptional levels of performance, enables participants to earn up to 125% of their core annual bonus opportunity for the achievement of superior performance above that which is required for the core award.

The annual bonus was based on 2/3 revenue targets and 1/3 personal objectives, subject to a minimum level of attainment on adjusted operating profit. The minimum level of attainment on the adjusted operating profit was achieved. For much of the year the revenue targets were tracking to be met until the impact of the COVID-19 pandemic inevitably started to take effect and delay orders from March 2020. Although the revenue target was not achieved, when determining the annual bonus for the year, the Committee took into account the growth of the business over FY19 (revenue increased by 9%, AOP rose by 14%), and the share price rose by more than 50% compared with a fall of 4% in the FTSE AIM All Share Index. The personal performance of both the CEO and CFO was strong during the year, and in particular during the early stages of the pandemic. On this basis, the Committee agreed to award both the CEO and CFO a bonus of 50% of the maximum opportunity, in line with the average bonus awarded across the workforce, in recognition of their personal achievement and the revenue performance up until the effect of the pandemic.

Operation for the year ending 30 June 2021

For the year ending 30 June 2021 the annual bonus will continue to be based on 2/3 revenue targets and 1/3 personal objectives, subject to a minimum level of attainment on adjusted operating profit. Personal objectives for the CEO relate to driving the long-term strategy, building a strong employee culture, product initiatives and decision making in response to change and for the CFO relate to leading the group ESG strategy, driving the long-term financial strategy, financial planning and reviewing the office space requirements.

The core bonus for the CEO and CFO will remain unchanged at 100% of base salary per annum (maximum of 125% of salary including the “kicker”).

BLANCCO PERFORMANCE SHARE PLAN

The Company has in place a long-term incentive plan – the Blancco Performance Share Plan – (the Plan) to incentivise Executive Directors and senior management and drive long-term sustainable growth for shareholders.

It is intended to grant annual awards under the plan to Executive Directors and senior management. The award for Executive Directors will be reflective of market conditions in their location and will have a maximum opportunity of 150% of base salary.

The awards to Executive Directors will be subject to stretching performance conditions over a three-year period which will be selected annually by the Remuneration Committee prior to the grant of awards and will closely align to the Company’s key business objectives.

Vesting of grants made in the year ended 30 June 2018

On 28 March 2018 Matt Jones was granted an award of 524,928 ordinary shares of 2p each in the Company in the form of conditional shares under the Plan. This award was equivalent to 130% of base salary.

This award was based 50% on Invoiced Revenue and 50% on adjusted operating cash flow, as set out in the table below. Performance was assessed based on the outcomes for the year ended 30 June 2020 against the two targets.

Measure	Weighting	Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)	Performance outcome for year ended 30 June 2020	Percentage vesting
Invoiced Revenue	50%	£42.4m	£44.4m	£46.4m	£32.3m	Nil
Adjusted operating cash flow	50%	£5.0m	£5.3m	£5.6m	£7.3m	100%
					Total vesting	50% of maximum

Overall, the PSP will vest at 50% of the granted award upon completion of the audit of the financial statements for the year.

Operation for grants made in the year ended 30 June 2020

On 2 October 2019 Matt Jones was granted an award over 325,191 ordinary shares of 2p each in the Company in the form of conditional shares under the Plan. This corresponded to 130% of salary. On the same date, Adam Moloney was granted an award over 111,482 ordinary shares of 2p each in the Company in the form of conditional Shares under the Plan. This corresponded to 60% of salary.

These awards will vest based 33% on Revenue, 33% adjusted operating cash flow and 33% adjusted operating profit. These measures were selected to support the delivery of long-term success of the business and increasing value for shareholders. Performance will be assessed based on outcomes for the year ended 30 June 2022 against the following targets and will vest upon completion of the audit of the financial statements for that year.

Measure	Weighting	Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)
Revenue	33% weighting	£43.2m	£45.6m	48.0m
Adjusted operating cash flow	33% weighting	£8.5m	£9.0m	£9.5m
Adjusted operating profit	33% weighting	£5.5m	£5.9m	£6.4m

The targets are measured in terms of constant currency to allow for the participants to neither benefit from, nor be disadvantaged by, currency movements.

When assessing the level of vesting in respect of the revenue portion the Committee will also consider the profitability of such revenue to ensure that growth in revenue reflects value creation for shareholders.

Operation for grants made in the year ending 30 June 2021

Maximum opportunity levels remain unchanged. An award of 130% of base salary will be made to the CEO and 60% to the CFO during the year ending 30 June 2021. The Committee considers that this level of award is appropriate to reflect the Group's recent performance both from a growth and profitability perspective but also to ensure we continue to remain competitive in key geographies from which we source talent, particularly the US. It is intended that these awards will be based one-third on Revenue, one-third on adjusted operating profit and one-third on adjusted operating cash flow. In light of the COVID-19 pandemic, the Committee has delayed the setting of targets until there is more clarity around the expectations for the business over the next three years.

Other key points of the Plan are as follows:

- Awards will be entitled to dividend equivalents, to reflect the value of any dividends paid during the vesting period.
- The Plan limits shareholder dilution to 10% of the issued share capital over a ten-year period.
- There are malus and clawback provisions for all awards under the Plan, which allow the Remuneration Committee to reduce or claw back awards made, in the event of a material misstatement of the accounts; error in assessing the performance condition; material failure of risk management; serious reputational damage; or gross misconduct on the part of the participant. The malus and clawback provisions will apply, unless the Remuneration Committee determines otherwise, for a period of five years from the date of grant.
- Where an individual leaves the Group they would normally lose their awards, unless the Remuneration Committee determines that they should be treated as a "good leaver"' in which case they would be allowed to keep their awards. A participant is classified a "good leaver" in the case of ill health, injury, disability, the individual's employing company or business being sold out of the Group or any other reason at the discretion of the Remuneration Committee. Awards for good leavers would normally be retained post leaving and vest on the normal vesting date and would normally be prorated for time and performance (where applicable).
- Awards would normally vest on a change of control. In these circumstances awards would normally be prorated for time and would vest taking into account performance achieved.

As of 30 June 2020, the total number of shares for which awards had been granted represented 5.45% of the Company's issued share capital.

SERVICE CONTRACTS

The CEO and CFO have both entered into service agreements with the Company. The agreement with the CEO provides for 12 months' notice from the Company and six months' notice from the executive. The agreement with the CFO provides for six months' notice from both the Company and the executive. Under the service agreements a payment in lieu of notice may be made in respect of salary and benefits only.

Remuneration Committee Report

continued

PAYMENTS TO PAST DIRECTORS

No payments were made to past Directors during the year.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive Directors are appointed for a specified term, being an initial three year period subject to their re-election by shareholders at the first AGM after their appointment. The initial three year period may be extended for a further three year term, at the discretion of the Board and subject to the ongoing requirement for re-election by shareholders under the Company's articles. On termination, no compensation is payable other than outstanding fees.

The Non-executive Directors receive fees which are set by the Board as a whole. The current fee is £45,000 per annum with an additional amount of £3,000 per annum for the Chairs of the Audit and Remuneration Committees. No incentives, pensions or other benefits are available to the Non-executive Directors.

The Board Chair receives an annual fee of £95,000 per annum which reflects the additional responsibilities of and time commitment required for this role.

The Board may request Non-executive Directors to perform specific additional work at an agreed day rate. It would be the intention of the Board that the Directors' independence is not prejudiced by the nature of any such additional work and none was undertaken during the year to 30 June 2020.

Audited details of the Directors' emoluments are given below.

	Salary and fees 2020 £'000	Benefits 2020 £'000	Annual bonus 2020 £'000	Pension contributions 2020 £'000	Total 2020 £'000	Total 2019 £'000
Current Executive Directors						
Matt Jones[1]	**312**	**11**	**156**	**8**	**487**	590
Adam Moloney	**235**	**2**	**118**	**9**	**364**	365
Former Executive Directors						
Simon Herrick[2]	**–**	**–**	**–**	**–**	**–**	24
	547	**13**	**274**	**17**	**851**	979
Non-executive Directors						
Frank Blin	**48**	**–**	**–**	**–**	**48**	48
Catherine Michel	**23**	**–**	**–**	**–**	**23**	–
Philip Rogerson	**48**	**–**	**–**	**–**	**48**	48
Tom Skelton[3]	**52**	**–**	**–**	**–**	**52**	51
Rob Woodward	**95**	**–**	**–**	**–**	**95**	95
	266	**–**	**–**	**–**	**266**	242
Total	**813**	**13**	**274**	**17**	**1,117**	1,221

1. Matt Jones' remuneration is paid in US Dollars and is therefore subject to exchange rate fluctuations when translated into Sterling.
2. Simon Herrick's fees were paid to Eton Bridge Limited and included costs for his services as Interim Chief Financial Officer.
3. Tom Skelton's remuneration is paid in US Dollars and is therefore subject to exchange rate fluctuations when translated into Sterling.

Directors' beneficial interests in shares

The interests of the Directors who held office at 30 June 2020 and their connected parties in the ordinary share capital of the Company are as shown in the table below.

	As at 30 June 2020 Number	As at 30 June 2019 Number
Executive Directors		
Matt Jones	**28,000**	18,000
Adam Moloney	**28,000**	18,000
Non-executive Directors		
Frank Blin	**37,893**	37,893
Catherine Michel	**–**	N/A
Philip Rogerson	**17,500**	17,500
Tom Skelton	**27,500**	27,500
Rob Woodward	**42,134**	42,134

Signed on behalf of the Remuneration Committee

Philip Rogerson

Chair of the Remuneration Committee

28 September 2020

Statement of Directors' Responsibilities

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 as adopted by the European Union 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

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 auditor is 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 auditor is aware of that information.

On Behalf of the Board

Adam Moloney

Chief Financial Officer