ALTITUDE GROUP PLC

Annual Report 2020/21

WE ARE AIMING HIGHER, FURTHER, SMARTER

Altitude owns and operates the leading global marketplace within the c.$26 billion promotional products industry. We deliver to in-industry SME's around the globe with best-in-class services, technology and marketing tools, as well as connect them to our trusted Preferred Partners. We drive growth for our network and accelerate business success at every level.

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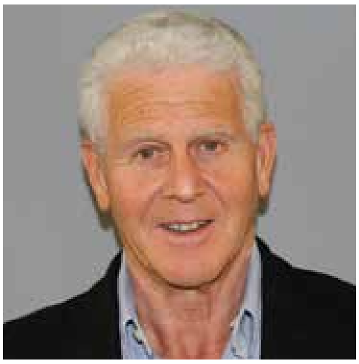
01

DIRECTORS



Keith Edelman

(Non-executive Chairman) [1,2]

Keith joined the Board on 5 December 2018 and brings extensive commercial experience and a background in consumer facing businesses. Keith is currently Chairman of Revolution Bars Group plc and Pennpetro Energy plc, and a non-executive director of Headlam Group plc and the London Legacy Development Corporation.

In his executive career Keith was a director of consumer companies including Ladbroke Group plc, Carlton Communications plc and Storehouse plc. His last executive appointment, which ended in 2008, was Managing Director of Arsenal Holdings plc where he was responsible for the move from Highbury to Emirates Stadium. Since 2009 Mr Edelman has held several non-executive roles including Safestore plc, Superdry plc, J E Beale plc and Thorntons plc.

Peter Hallett

(Non-executive Director) [1,2]

Peter joined the board in April 2015, is an experienced public company director, and was until early 2014 Group Chief Financial Officer of Castleton Technology plc (formerly Redstone PLC), the AIM-quoted infrastructure and network managed services provider. In addition, Peter was previously finance director of Texas Homecare and First Quench.

Martin Varley

(Non-executive Director) [2]

Martin was responsible for the formation of Altitude in 2005 when he completed the MBI of Dowlis Corporate Solutions and served as Chief Executive from 2005 to 2017. Martin was a non-executive director from June 2018 to April 2020. Martin re-joined the Board in February 2021. Prior to forming Altitude, Martin was the European Managing Director of 4imprint Group plc where he led the creation of the market leader in the promotional product space, with EU revenues in excess of $100 million and offices in London, Manchester, Hagen, Paris and Hong Kong. With over 25 years' experience in the promotional merchandise industry, Martin has extensive knowledge of the supply and distribution sectors of the market.

1 - Member of the Audit Committee

2 - Member of the Remuneration Committee

Nichole Stella

(Chief Executive)

Nichole joined the Board on 25 September 2017 and was a leading force with the Promo Marketing Media Group, a division of Napco Media (North American Publishing Company), for the last 12 years and served as President and Chief Revenue Officer of the group since 2013. Promo Marketing Media Group is a leading source of services and information to the promotional product and print distributor industries in the USA.

Graeme Couturier

(Chief Financial Officer)

Graeme joined the Board on 13 April 2018 and has over 15 years of senior leadership experience at successful, growing technology enterprises, most recently as Chief Financial Officer of Sorted, a private equity backed start up in the delivery technology space. Graeme qualified as a chartered accountant with PwC and has previously held Board level finance positions at 'Payzone' and 'We Buy Any Car'.

Deborah Wilkinson

(Chief Operating Officer)

Deborah joined the Board on 9 October 2018. Deborah has over 14 years of experience in the promotional merchandise industry having been Head of Technology at Customer Focus Software Ltd and 11 years with Altitude Group. Deborah is responsible for launching our leading SaaS order management systems and online design applications.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02
ADVISORS

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Halesowen
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Solicitors

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Nominated Adviser and Stockbrokers

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M2 4WQ

Registered office

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Sheffield
S1 4QZ


AIM Smarter serves over 3000 customers worldwide – and we're growing by the day.
Canada
United Kingdom
Europe
United States
Our SME Distributor Network
We know that every distributor business is unique.
Our Supplier Partners
We have forged long standing relationships

2020/21 KEY HIGHLIGHTS

£7.7m

Revenues increased by £1.1 million or 16.7% to £7.7 million on a pro-rated basis

£1m

U.S. adjusted operating profit* increased 82.9% on a pro-rated basis

£0.6m

Adjusted operating profit* increased by 21.7% to £0.6 million

** operating profit before share-based payment charges, depreciation of tangible assets, amortisation of intangible assets, and exceptional charges*

2K+

AIM membership remains stable with a total of 2,079 members

100%

Retained 100% participation levels in the Preferred Partner Program

Outlook

"This financial year tested the resolve and challenged many businesses and I am extremely proud of the resilience and effort of both our staff and management team. We have successfully navigated through these uncertain and unchartered waters and continue to be a profitable and growth-oriented organisation.

The Board remains confident in the future success of the business and the Group's ability to evolve and respond to these challenging times."

Nichole Stella
7 September 2021

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CHAIRMAN'S STATEMENT

Little did we know when I wrote the Chairman's statement last year that COVID-19 would have such a significant impact on the world's business environment. I am pleased the management team reacted swiftly to both protect and grow the business and delivered growth in profitability in the financial year under extremely difficult trading conditions. Whilst COVID-19 had an impact on our business throughout 2020/21, trading has recovered during the 1st quarter of the new financial year. As COVID-19 continues to have an impact on manufacturing supply chains and businesses within the promotional products sector, it remains difficult to predict the impact it will have across the current financial year. However, the management team remains nimble and quick to respond to both protect and grow the business.

The management team reacted quickly to all opportunities and in the first half of the year the Group profited from sourcing and supplying PPE and also by participating in the US Federal Paycheck Protection Programme, receiving a grant of $0.5 million. In addition, management took clear action to reduce costs to protect the profitability of the business.

Despite the challenges presented by COVID-19, through supportive services the Group further enhanced relationships with both our distributor members and Preferred Partners as evidenced by the number of partners we enjoy special relationships staying steady and membership numbers remaining strong.

We also spent significant time launching and promoting our AIM Capital Solutions ("ACS") programme, which we believe will become a significant element of our future revenue and profitability.

Through our successful launch of the "Group Buys" programme, which was comprised of direct product sales to AIM members, we have worked on new initiatives to scale this programme through adjacent channels to market not accessible to our industry and are trialling partnerships with national providers.

Finally, we continue to invest in and significantly improve and automate our software applications which will underpin membership and preferred partner services.

Keith G Edelman Non-Executive Chairman

Despite all the challenges of COVID-19 the business delivered growth in profitability, with an adjusted operating profit (before share-based payments, depreciation, amortisation and exceptional charges) of £561k as compared with £460k for the previous 15-month period. We ended the financial year with a cash balance of £2.1 million demonstrating strong cash management throughout the COVID-19 crisis.

Board Changes

The Board was delighted with Martin Varley's return to the Board bringing both his enthusiasm and experience.

As we recently announced Graeme Couturier intends to stand down from the Board in December. Graeme has made a significant contribution and our wishes go with him in his future role. We hope to announce the appointment of a new CFO in the near future.

Outlook

The management have performed superbly in what has probably been the worst business environment ever experienced. They have not only successfully produced and grew adjusted operating profit and protected the cash balances but have also made some important strides in building a strategically stronger business. Despite all the vagaries of the last 12 months the Board remains confident that with the normalisation and continued recovery from the impact of COVID-19 that the Group will continue its trajectory in becoming a highly profitable company. We of course must remain cautious until we have "seen off" COVID-19 but the Board remain excited about the future.

I would like to thank all our shareholders, Preferred Partners, members, and most importantly our management and colleagues who have worked so hard during a very difficult year.

Keith G Edelman
Non-Executive Chairman

7 September 2021

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CHIEF EXECUTIVE'S STATEMENT

"This financial year tested the resolve and challenged many businesses. I am extremely proud of the resilience and effort of both our staff and management team. We have successfully navigated through these uncertain and unchartered waters and continue to be a profitable and growth--oriented organization.

We remain optimistic as the markets recover, prudent in cash conservation and attentive to the continuing impact of COVID-19 on the markets we serve. We have strengthened the relationships and reinforced the support of our Preferred Partners, members and affiliates, many of whom have expressed gratitude for the assistance and support AIM has provided to them during the crisis.

The Board remains confident in the future success of the business and the Group's ability to evolve and respond to these challenging times."

Nichole Stella Chief Executive

Our new financial year began April 1, 2020, a year fully dominated by the global COVID-19 pandemic. In common with all businesses, the Group experienced material uncertainty and challenges in the wake of global supply chain disruptions, lockdowns, and business closures. However, in the face of global adversity, the Group was focused, decisive, entrepreneurial, and successful in navigating the most difficult business environment in modern history.

During the period, the AIM business mobilised quickly utilising its existing technology, services, government programs and strong relationships throughout the supply chain to provide products and services most relevant to our members during the COVID-19 pandemic period. Through these efforts AIM membership numbers remained steady at 2,079 with average distributor revenue increasing to c.$1.25 million pa and aggregate member revenue rising to c.$2.6 billion per self-certification (both pre-COVID-19). We maintain 100% of our Preferred Partners through the pandemic, remaining unchanged at 175 from our last update.

AIM also played a vital role providing members access to high-demand PPE products from safe and trusted supplier sources and launched our digital AIM "Group Buys" platform, whereby the Group sold products directly to members. In the 2nd and 3rd quarters of 2020 the Company generated $2.6 million in revenue from these Group Buy activities. This program also showcased the Group's ability to act as a direct sales conduit to the AIM network for high-demand products. With the knowledge gained, the Group continues to develop programs and services that will continue to accelerate the growth of this revenue channel.

This immediate action to protect the business and shift to relevant services resulted in a £1.1 million revenue increase on a like for like pro-rated 12 month basis, resulting in revenue of £7.7 million vs £6.6 million on a pro-rated 12 month basis for 2019/20. As a result the US business delivered an adjusted operating profit* of £1.0 million (2019/20 pro-rated 12 months £0.6 million) an increase of 82.9%. The business also ended the year with a strong cash position of £2.1 million.

The Group has remained debt-free, with the exception of leases held under IFRS 16 and continues to be cautious in its approach to all discretionary spend and is carefully managing cash whilst adapting programs and services to meet the changing needs of the industry.

**Operating profit before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges*

AIM Smarter Progress and Trading

The financial year 2020 / 2021 marked a full year of AIM's premium enhanced member service marketed as AIM Capital Solutions ("ACS"). ACS requires mandatory use of the full AIM Tech suite and offers technology driven back-office support procurement and supply chain finance, on which the Group charges a service fee based on the gross transaction value.

The addition of this premium enhanced member service provides the business with significant potential, particularly as the economic recovery from the COVID-19 pandemic continues. Commencing with a small trial member test group in August 2019 and launched January 2020. We have now developed a service offer that we know is competitive in the marketplace. We have cautiously expanded this business despite the pandemic and continue to closely monitor the associated consumption of working capital. AIM retains total discretion on the acceptability of proposed transactions and in addition we are actively engaged with potential external funding partners to accelerate future growth.

Additionally, based on updated contractual terms with ACS Affiliates, ("Affiliates") and under the guidance set out in IFRS15, ACS is recognized as "Principal" in the underlying transaction. Accordingly, commencing 1 April 2021, we will recognise the revenue and gross margin of the full transaction, including the commission paid to affiliates as a cost of sale. As a result, in future financial reporting our accounting policy for revenue recognition will be appropriately clarified. This will have a material impact on the quantum of revenue and cost of sales recognised in future financial statements. There will be no change in the quantum of reported gross profit per transaction, though the gross margin percentage will be diluted by the adoption of this correct accounting treatment.

Throughout 2020 / 2021 our focus was on both protecting the business from the impact of the COVID-19 pandemic and equally on continuing to promote our major routes to revenue growth through technology service fees, marketing service fees, subscription fees, and product fees via:

- retention and continued growth in the AIM membership of high-quality promotional product distributors;
- delivering added value services, leveraging existing applications, technology resources, and expertise, to help selected Preferred Partners grow their share of the total AIM purchase pipeline;
- developing and selling additional added value services, leveraging existing applications, technology resources and expertise, to help AIM distributor members grow their business to end-user clients and driving the end-users to purchase through preferred vendors and programs, all of which drives revenue and profits to AIM and benefits the Group as whole;
- continuing to increase member utilisation of the AIM Tech Suite; and
- promoting and growing ACS, which completes the Groups current portfolio of services to its AIM members.

Today, AIM continues to drive awareness and grow sales for both our Preferred Partners to our AIM members and for our AIM members to their clients. Through our marketing and technology services to our members and Preferred Partners, we are creating a interconnected growth oriented marketplace that benefits all participants and delivers growth for the Group.

In the financial year 2020 / 2021, despite the COVID-19 pandemic, we have retained 100% of our 175 Preferred Partners throughout the year and have continued to strengthen our relationships in this difficult business environment. To further strengthen and more aggressively drive sales through our preferred network, drive our technology adoption, increase tracking order data and increase efficiency in orders, we launched our VIP Incentive Program, which gives cash back to members when purchasing "in network." This program has proven to be beneficial and purchasing across our VIP network has increased to 15.1% in the current fiscal YTD.

Technology

In the financial year, the Group utilised its existing technology to introduce an agile development environment, which prioritises team collaboration and delivery speed. The implementation of this methodology has proven advantageous with the launch of important integrations and features that further automate product search, data management and ordering status.

Member adoption and usage of our technology solutions continues to grow with 359 distributors adopting the AIM Tech Suite for search and order creation and 2,875 unique websites live to date.

Our People & Our Commitment

Our people are our strength and the lifeblood of the business. We continue to focus on employee development and the creation of a culture that is welcoming, engaging and recognises the successes and contributions across all employees in every of the business.

Diversity, Equity & Inclusion

We embrace and are committed to a culture of diversity, equity and inclusion ("DEI"). This guiding principle is instrumental in how we build our teams, cultivate our leaders and create collaborative, innovative and inclusive environments throughout the AIM network and industry. Our inclusive culture supports diverse perspectives, drives courageous conversations and empowers every individual in the AIM community. Throughout 2020 / 21 AIM supported efforts to reflect this commitment, through the development of its DEI Advisory Board and educational programs for distributors and suppliers.

Financial Results

Group revenues for the year were £7.7 million (2019/20: £8.3 million), a decrease of 7% compared to the 15 month revenues reported in 2019/20. However, pro-rated 12 month revenues increased by £1.1 million or 16.7% (2019/20 pro-rated 12-month revenues £6.6 million).

Similarly whilst reported gross profit decreased by £1.9 million, or 25%, to £5.6 million (2019/20: £7.5 million), pro-rated 12 months gross profit held steady (2019/20 pro-rated 12 month gross profit: £6.0 million).

Gross margin decreased to 72.3% (2019/20: 89.8%) reflecting lower margins on AIM Smarter Group PPE Buy activities offsetting higher margin revenue lost to COVID-19. Gross margin excluding PPE was 91.1%.

Administrative expenses before share-based payments, amortisation of intangible assets, depreciation of tangible assets and exceptional charges decreased by £2.0 million, or 28% to £5.0 million (2019/20: £7.0 million), driven by the 12 month trading period compared to the 15 month period in 2019/20 and the receipt of £0.4 million of US Paycheck Protection funding, which has been offset against payroll expenditure. On a 12-month pro-rated basis, FY19/20 administration expenses were £5.6 million.

Adjusted operating profit* was £0.6 million (2019/20: £0.5 million), an increase of £0.1 million and the loss before taxation was £1.3 million (2019/20: £2.7 million loss).

The segmented adjusted operating loss for the UK of £474k (2019/20 loss £246k) bears the full annual plc central costs of £718k (2019/20 £992k).

The Company has now established itself in a steady state and exceptional charges fell to £39k for the year compared to £444k for the previous financial period.

The group capitalised £0.7 million of software development (2019/20: £0.8 million).

The loss from discontinued operations of £0.1 million (2019/20: £3.3 million) arises from final costs incurred from the disposal of Ad Products in the previous financial period.

Basic and diluted loss per share from continuing operations were (1.56p) (2019/20 loss 3.91p)

Adjusted basic and diluted earnings per share** from continuing operations was 1.03p (2019/20 0.92p) and 1.01p (2019/20 0.90p) respectively; representing an increase of 12.0% and 12.2% respectively.

Operating cash inflow before changes in working capital was £0.1 million (2019/20: £0.7 million outflow).

The company generated a net cashflow from operations of £0.1 million (2019/20 outflow £2.2 million), following the neutral cashflow impact of working capital in the year.

Net cash outflow from investing activities was £0.3 million (2019/20: £4.0 million), comprising purchase of intangible assets (software development) of £0.7 million (2019/20: £0.8 million), offset by £0.3 million (2019/20: £0.4 million) of proceeds from the disposal of Ad Products.

Financing activities included the issue of shares for cash (net of expenses) of £0.1 million (2019/20: £8.6 million) following the exercise of options during the period and IFRS 16 lease payments of £0.1 million (2019/20: £0.3 million), repayment of finance agreements and interest of £0.0 million (2019/20: £0.1 million).

Total net cash outflow was £0.3 million (2019/20: £1.9 million inflow).

The year-end cash balance was £2.1 million (2019/20: £2.4 million).

** Operating profit before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges*

*** Basic adjusted earnings per share from continuing operations is calculated using profit after tax but before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges and the weighted average number of equity voting shares in issue and in respect of diluted earnings per share includes the effect of share options that could potentially dilute basic earnings per share*

Outlook

This financial year tested the resolve and challenged many businesses and I am extremely proud of the resilience and effort of both our staff and management team. We have successfully navigated through these uncertain and unchartered waters and continue to be a profitable and growth-oriented organisation.

We remain optimistic as the markets recover, prudent in cash conservation and attentive to the continuing impact of COVID-19 on the markets we serve. We have strengthened the relationships and reinforced the support of our Preferred Partners, members and affiliates many of whom have expressed gratitude for the assistance and support AIM has provided to them during the crisis.

The Board remains confident in the future success of the business and the Group's ability to evolve and respond to these challenging times.

Nichole Stella
Chief Executive

7 September 2021


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05

STRATEGIC REPORT

Principal activities and business model

The market for promotional products in the US alone is estimated to be worth in excess of $26 billion. It is a large market, but an inefficient one, with approximately 80% of transactions still carried out offline. Additionally, it is very fragmented with approximately 4,000 suppliers and 22,000 distributors serving a very broad customer base, spanning individual consumers to very large corporates and non-profit organisations.

Altitude has developed various design tools, applications, and web site pop-up stores specifically for promotional product distributors and suppliers. It has also developed an e-commerce enabled, scalable, trading platform that enables both offline and online promotional product transactions to be executed, allowing Altitude the ability to generate revenue based on the transactional throughput across the platform.

Altitude's ultimate success depends on its ability to influence and direct the promotional product purchases of a large numbers of distributors towards a significant number of preferred suppliers, by effectively creating and growing market activity between distributors and suppliers.

Altitude derives revenues from providing a range of services to distributors including access to negotiated group discounts, software and technology services, events and exhibitions, catalogues, artwork services, marketing, and business administration services.

In addition, Altitude derives revenue from preferred suppliers and other vendors and service providers (Preferred Partners) in return for providing marketing services and promotion of those suppliers to distributors. Revenues from this source reflect the value of the resulting purchase orders placed with preferred suppliers by distributors.

AIM provides a direct relationship with AIM's circa 2,079 members, whose pre-COVID-19 aggregate revenues are estimated to exceed $2.6 billion per annum, by increasing our influence on the sourcing of member purchasing and selection of preferred suppliers and providing the opportunity to upsell AIM members to enhanced service packages comprising Altitude's technology applications.

The Groups ability to monitor the level of purchase activity across all members is directly correlated to the adoption and usage of the AIMPro Tech suite in its entirety. Currently that usage level is low and increasing the adoption of the AIMPro Tech Suite amongst the members is a key strategic priority. The usage of the AIMPro Tech Suite is mandatory for all members utilizing the services of AIM Capital Solutions.

In the UK, the group's remaining activities essentially mirror those of the US, though comprise approximately 15% of Group revenue from continuing operations. In 2020 the Group launched the AIM membership model to UK based distributor and supplier customers. The Group also markets and sells its own cloud-based Enterprise Reporting System called Promoserve. The Group's systems development and technology support team is based in the UK.

Ad Products, the UK based promotional products supply business, was contracted to be sold in March 2020 and the sale was completed on 7 April 2020 following shareholder approval.

Business review

FY 2020/21 included the most intense period of disruption in the US and around the globe caused by the COVID-19 pandemic. This has proven to be the most challenging time in history for many promotional products businesses and their customers to navigate, significantly slowing economies and completely halting robust and major market sectors like the events, education, hospitality, sports, entertainment and retail industries, sectors most directly correlated with the success of the AIM Smarter ("AIM") marketplace and the suppliers and distributors who trade within it.

Regardless of the depth of the immediate downturn in March 2020, the acquisition of AIM in 2019 and the rapid efforts made in developing the foundation and strategy of the acquired business prior to the COVID-19 lockdowns allowed the Group to respond to the crisis quickly and effectively.

Decisive action to protect the business was taken alongside continuous improvement measures and timely pivots to ensure the Group was able to successfully emerge from the pandemic and look to the future with confidence.

During the initial COVID-19 disruption it became clear AIM's role would be to support and guide our member and supplier community through the crisis. AIM quickly pivoted to provide a broad range of educational information, SME guidance on government programs, supplier business operations updates and virtual events. Through these efforts, membership numbers have remained steady, with 2,065 AIM Members as of March 2021.

In addition, AIM played a vital role providing members access to high-demand PPE products from safe and trusted supplier sources and launched our digital AIM "Group Buys" platform. This program also showcased our ability to act as a direct sales conduit to members on high-demand products.

The Group took quick action to secure and benefit from US government support programs, receiving $0.5m in funding under the US Federal Paycheck Protection Program. We also took necessary steps to reduce costs, decreasing employee headcount and implementing a temporary salary decrease of 20% across the Management team and Executives, as well as a reduction in working hours across all other employees, following the cessation of the period covered by the Paycheck Protection Program from June through October. During the period US headcount was 45 and UK headcount was 33, mainly comprising the systems development team.

Despite the challenges imposed by COVID-19 during the year, the Group achieved revenues of £7.7m (2019/20: £8.3m) and adjusted operating profit* of £0.6m (2019/20: £0.5m) from continuing operations in the year.

Financial review

Group revenues for the year were £7.7 million (2019/20: £8.3 million), a decrease of 7% compared to the 15 month revenues reported in 2019/20. However, like for like revenues increased by £1.1 million or 16.7% (2019/20 pro-rated 12-month revenues £6.6 million).

Similarly whilst reported gross profit decreased by £1.9 million, or 25%, to £5.6 million (2019/20: £7.5 million), like for like gross profit held steady (2019/20 pro-rated 12 month gross profit: £6.0 million).

Gross margin decreased to 72.3% (2019/20: 89.8%) reflecting lower margins on AIM Smarter Group PPE Buy activities offsetting higher margin revenue lost to COVID-19. Gross margin excluding PPE was 91.1%

Administrative expenses before share-based payments, amortisation of intangible assets, depreciation of tangible assets and exceptional charges decreased by £2.0m, or 28% to £5.0 million (2019/20: £7.0 million), driven by the 12 month trading period compared to the 15 month period in 2019/20 and the receipt of £0.4 million of US Paycheck Protection funding, which has been offset against payroll expenditure. On a 12-month pro-rated basis, FY19/20 administration expenses were £5.6 million.

Adjusted operating profit* was £0.6 million (2019/20: £0.5 million), an increase of £0.1m and the loss before taxation was £1.3 million (2019/20: £2.7 million loss).

The segmented adjusted operating loss for the UK of £474k (2019/20 loss £246k) bears the full annual plc central costs of £718k (2019/20 £992k).

The Company has now established itself in a steady state and exceptional charges fell to £39k for the year compared to £444k for last year.

The group capitalised £0.7 million of software development (2019/20: £0.8 million).

The loss from discontinued operations of £0.1 million (2019/20: £3.3 million) arises from final costs incurred from the disposal of Ad Products in the previous financial period.

Basic and diluted loss per share from continuing operations were (1.56p) (2019/20 loss 3.91p)

Adjusted basic and diluted earnings per share** from continuing operations was 1.03p (2019/20 0.92p) and 1.01p (2019/20 0.90p) respectively; representing an increase of 12.0% and 12.2% respectively.

Operating cash inflow before changes in working capital was £0.1 million (2019/20: £0.7 million outflow).

The company generated a net cashflow from operations of £0.1 million (2019/20 outflow £2.2 million), following the neutral cashflow impact of working capital in the year.

Net cash outflow from investing activities was £0.3 million (2019/20: £4.0 million), comprising purchase of intangible assets (software development) for £0.7 million (2019/20: £0.8 million), offset by £0.3 million (2019/20: £0.4 million) of proceeds from the disposal of Ad Products.

Financing activities included the issue of shares for cash (net of expenses) of £0.1 million (2019/20: £8.6 million) following the exercise of options during the period and IFRS 16 lease payments of £0.1 million (2019/20: £0.3m), repayment of finance agreements and interest of £0.0m (2019/20: £0.1m).

Total net cash outflow was £0.3m (2019/20: £1.9m inflow).

The year-end cash balance was £2.1 million (2019/20: £2.4 million).

** Operating profit before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges*

*** Basic adjusted earnings per share from continuing operations is calculated using profit after tax but before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges and the weighted average number of equity voting shares in issue and in respect of diluted earnings per share includes the effect of share options that could potentially dilute basic earnings per share*

Taxation

The Group is carrying a deferred taxation asset of £0.4m in respect of tax losses carried forward. Based on future forecasts the Directors believe the Group's profits will be sufficient to fully utilize the deferred tax asset within the next four years.

Earnings per share

The basic and fully diluted loss per share in respect of continuing operations was 1.56p (2019/20: 3.51p). The basic and fully diluted loss per share in respect of discontinued operations was 0.19p (2019/20: 4.90p).

Cash flow

Operating cash inflow before changes in working capital was £0.1m (2019/20: £0.7m outflow). Continuing operations contributed an inflow of £0.1m (2019/20: £0.7m inflow), a decrease of £0.6m and discontinued operations contributed an outflow of £0.0m (2019/20: £0.8m outflow).

Net cash outflow from investing activities was £0.3m (2019/20: £4.0m), comprising purchase of intangible assets (software development) for £0.7m (2019/20: £0.8m), offset by £0.3m (2019/20: £0.4m) of proceeds from the disposal of Ad Products. 2019/20 investing cash outflow also included £3.4m for the purchase of AIM and tangible asset purchases of £0.2m.

Financing activities included the issue of shares for cash (net of expenses) of £0.1m (2019/20: £8.6m) following the exercise of options during the period and lease payments (under IFRS 16) of £0.1m (2019/20: £0.3m), repayment of finance agreements and interest of £0.0m (2019/20: £0.1m).

Total net cash outflow was £0.3m (2019/20: £1.9m inflow).

Treasury

The Group continues to manage the cash position in a manner designed to meet the operational needs of the businesses. Cash balances held in foreign currencies reflect the geographies in which the Group operates. There is no policy to hedge the Group's currency exposures arising from the profit translation or the effect of exchange rate movements on the Group's overseas net assets.

Share capital

On 15 July 2020 800,000 ordinary shares of 0.4p each were issued for consideration of 9.5p per share. On 2 March 2021 371,089 shares were issues for consideration of 0p per share. All of the shares issued in the period were in respect of options exercised by employees.

The share issues above increased the issued share capital from 69,296,179 to 70,467,268 ordinary shares of 0.4 pence each. The proceeds from these issues were £76,000 net of expenses.

As set out in note 5 the Company issued options to senior management as part the management incentive scheme. Nil (2019/20: 326,095) EMI options in ordinary shares have been granted during the period, nil (2019/20: 288,095) EMI options have been forfeited, 800,000 (2019/20: nil) EMI options were exercised, and nil were cancelled.

In addition, 3,400,000 (2019/20: 1,001,905) unapproved options in ordinary shares have been granted during the period, 60,000 (2019/20: nil) unapproved options have been forfeited, 371,089 (2019/20: 537,596) unapproved options were exercised and nil unapproved options were cancelled (2019/20: nil).

All of the 3,400,000 unapproved share options issued vest subject to the following conditions and expire on the fifth anniversary of the date of grant:

- 25% of the Options for each individual will vest on the market price of the Ordinary Shares reaching 50p
- The remaining 75% of the Options will vest on a linear basis for each 1p increase in the market price of the Ordinary Shares between 50p and 75p
- No options will be exercisable prior to the third anniversary of the date of grant

No incentive warrants were issued in the period (2019/20: 450,000) and 222,222 (2019/20: nil) incentive warrants were forfeited.

Post balance sheet events

On 25 June 2021 G Couturier served six month notice of resignation from his role of Chief Financial Officer.

Key performance indicators

The Group's key performance indicators as discussed above are:

	2020/21 £000	2019/20 £000
Revenue	7,707	8,308
Gross Margin	72.3%	89.8%
Operating Profit/(Loss) before share-based payment charges, depreciation amortisation and exceptional charges	561	461
Loss before taxation	(1,323)	(2,666)

Significant judgements and estimates

In preparing the financial statements the Directors have made judgements and estimates in applying accounting policies. Details of the most significant areas where judgements and estimates have been made are set out in note 1 to the group financial statements.

Principal risks and uncertainties

The Group's financial and operational performance is subject to a number of risks. The Board seeks to ensure that appropriate processes are put in place to manage, monitor and mitigate these risks. The Board considers the principal risks faced by the Group to be as follows at 31 March 2021:

- a continued and prolonged slump in market demand due to COVID-19 related restrictions
- a significant deterioration in economic conditions, particularly in USA affecting SME's, the principal target customers for the Group's technology products
- significant delays and or cost overruns in developing and delivering products to meet customer requirements in the targeted market sectors
- predatory pricing or other actions by established competitors in our market sectors.
- a significant, adverse movement in the short-term in the US $ exchange rate compared with GBP
- the propensity of AIM distributor members to migrate orders to AIM preferred suppliers
- the propensity of AIM distributor members to upgrade membership to include enhanced marketing and sales support services
- deteriorating retention of the membership base of the acquired AIM business
- the risk of bad debts arising from AIM Capital Solutions
- a risk of under-reported revenue through incomplete visibility of member transactions

In all cases the Group seeks to mitigate these risks wherever possible by continuous marketing initiatives and promotions to stimulate market demand and continuous development of enhanced member services including "Group Buy" opportunities and the promotion of AIM Capital Solutions to high quality distributors with careful attention to credit risk. In addition, we maintain close relationships with all customers with service contracts based on transactional volume, and monitor progress using data sampling and quarterly confirmation. We also manage development projects closely and ensure that we continue to offer services that meet our customer needs.

Historically operations in the USA have been funded from the UK, exposing the group to adverse short-term exchange rate movements. US operations are now self-funding, mitigating the risk from short term exchange rate fluctuations.

AIM is the largest distributor member organisation in the USA, with circa 8% market share in a very fragmented market. We assess the risk of predatory pricing from other established competitors to be low as they do not possess the scale or geographic coverage necessary influence the market as a whole.

AIM members are incentivised to order from AIM preferred suppliers through the provision of significant discounts. Since the acquisition of growth has continued in line with historic trends, and since the inception of COVID-19 we have held the number of members steady at around 2,100.

Liquidity

The Group remains debt-free, with the exception of leases held under IFRS 16. As we grow ACS, we are also engaged in establishing a finance facility for the AIM Capital Solution business. However, notwithstanding the availability of potential funding from these sources the Board remains confident that subject to continued steady recovery in the promotional product market through to 31 March 22, we have sufficient liquidity to trade through to more normalized levels of trading.

Clearly the COVID-19 pandemic has disrupted our industry significantly and could still possibly result in revenue and resulting cash inflows that are less and later than modelled, potentially creating a need to secure additional funding.

Notwithstanding that these factors, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

The Group has recourse to substantial mitigating factors not currently included in the forecast model which supports the adoption of a going concern basis of preparation.

Outlook

The management have performed superbly in what has probably been the worst business environment ever experienced. They have not only successfully produced and grew adjusted operating profit and protected the cash balances but have also made some important strides in building a strategically stronger business. Despite all the vagaries of the last 12 months the Board remains confident that with the normalisation and continued recovery from the impact of COVID-19 that the Group will continue its trajectory in becoming a highly profitable company. We of course must remain cautious until we have "seen off" COVID-19 but the Board remain excited about the future.

I would like to thank all our shareholders, Preferred Partners, members, and most importantly our management and colleagues who have worked so hard during a very difficult year.

Approved by the board of directors and signed on its behalf by

Keith Edelman

Keith G Edelman
Non-Executive Chairman
7 September 2021


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06

DIRECTOR'S REPORT

The Directors present their report and the audited financial statements for the period ended 31 March 2021.

Dividend policy

The payment of dividends will be subject to availability of distributable reserves and having regard to the importance of retaining funds to finance the development of the Group's activities. In the short term it is the Directors' intention to re-invest funds into the Group rather than fund the payment of dividends. Accordingly, and given the lack of distributable reserves, the Directors do not recommend the payment of a dividend.

Directors

Details of the Directors who have held office from 1 April 2020 to the date of this report, unless indicated otherwise, are listed below:

- Martin Varley (resigned 7 April 2020, reappointed 18 February 2021)
- Peter Hallett
- Nichole Stella
- Graeme Couturier (served six month notice of resignation 25 June 2021)
- Deborah Wilkinson
- Keith Edelman

The members of the Board Committees are set out on pages 4 and 5. Nichole Stella and Graeme Couturier will retire at the Annual General Meeting in accordance with the Articles of Association of the Company and, being eligible, will seek re-election.

Directors' remuneration and interests

The remuneration of each of the Directors of the Company for the period ended 31 March 2021 and their interests in shares and share options is set out in notes 4 and 5.

The policy of the Remuneration Committee is to provide competitive, market- based packages which encourage and reward performance in a manner consistent with the long-term interests of the Company and shareholders.

Remuneration packages may comprise a basic salary together with benefits-in-kind (such as car allowance and medical insurance), a non-pensionable annual performance bonus, pension benefits based solely on basic salary and, where appropriate, participation in a share incentive plan.

Peter Hallett, Nichole Stella, Graeme Couturier and Deborah Wilkinson each have service agreements dated 28 April 2015, 13 September 2017, 13 April 2018, and 9 October 2018 respectively, each of which is subject to a six-month rolling notice period.

Keith Edelman is appointed for a three-year term from 26th November 2018, subject to a one-month notice period.

Substantial shareholders

The Company is informed that at as of 8 June 2021 shareholders holding more than 3% of the Company's issued share capital were as follows:

	Number of issued shares	% of issued shares
Mr Martin Varley	11,112,777	15.73%
Mr Simon P Taylor	7,165,000	10.14%
Mr Keith T Willis	6,726,273	9.52%
Mr & Mrs Murphy	4,200,000	5.94%
Chelverton Asset Management	4,000,000	5.66%
Hargreaves Lansdown, stockbrokers (EO)	3,906,951	5.53%
Stonehage Fleming	3,393,585	4.80%
Interactive Investor (EO)	2,853,421	4.04%
AJ Bell, stockbrokers (EO)	2,185,771	3.09%
Killik, stockbrokers	2,121,147	3.00%

The middle market price of the Company's ordinary shares on 31 March 2021 was 40.00p and the range from 1 April 2020 to 31 March 2021 was 11.25p to 41.00p with an average price of 22.75p..

Corporate Governance

In accordance with AIM rule 26 the Group has adopted the Quoted Companies Alliance's Corporate Governance Code. The statement of compliance with the Quoted Companies Alliance's Corporate Governance Code can be found on our website. The Board is committed to high standards of corporate governance as appropriate to the Company's size and activities and set out below the key governance areas.

The Board, which is headed by the Chairman comprised three executive members and three non-executive members at 31 March 2021 and three executive members and three non-executive members at the date of this report.

The Board met regularly throughout the period with ad hoc meetings also being held. In the furtherance of their duties on behalf of the Company, the Directors have access to independent professional advice at the expense of the Company.

The Board has established the following committees:

Audit Committee

The Audit Committee comprises Peter Hallett and Keith Edelman and is chaired by Peter Hallett. It has specific terms of reference and meets with the auditors twice each year as a minimum. The Committee reviews the financial statements prior to their recommendation to the Board for approval and assists the Board in ensuring that appropriate accounting policies are adopted, and internal financial controls and compliance procedures are in place.

Remuneration Committee

The Remuneration Committee comprises Peter Hallett , Martin Varley, and Keith Edelman and is chaired by Keith Edelman. The committee is responsible for determining the remuneration arrangements of the Executive Directors, for advising the Board on the remuneration policy for senior executives and invites participation in the Company's long-term incentive shares schemes.

Stakeholder Engagement

The Board is aware of and understands its duties under Section 172 of the Companies Act 2006 and that engaging with our diverse stakeholder base is key to successfully managing the Group.

Below we share the groups identified as our key stakeholders and how we engage with each.

Team members

People are a key driver of our competitive advantage. We can only deliver an exceptional customer experience if we have exceptional team members who subscribe to our principles and values. We engage with our team members to ensure that we are fostering an environment that they are happy to work in and a culture that they identify with.

- Executive Directors regularly have day-to-day interaction with team members
- Competitive base compensation, excellent benefits and opportunities for results-based bonus
- Wide range of training and development opportunities available for team members
- Regular employee feedback surveys

Customers

Our goal has always been to provide the best technology, products and services, enabling our customers to maximise the potential of their business. Our membership models ensure our interests are aligned with those of our customers.

- Regular customer forums to understand how the marketplace is evolving and what our customers need to succeed
- Exclusive customer networking events to share learning experiences and build relationships
- Development of new products and services to enable our customers to grow their businesses
- Regular online and in person forums to facilitate knowledge sharing and review best practice

Preferred Partners

Strong partnerships with our Preferred Partners are key to providing the highest levels of quality and service to our customers. Our success is closely aligned with that of our Preferred Partners.

- Collaboration with Preferred Partners to market their products effectively
- Exclusive Preferred Partners networking events to share learning experiences and build relationships
- Formal written contracts, negotiated in an open and transparent manner
- Regular meetings, information sharing, and feedback

Shareholders

We aim to attract Shareholders whose requirements are aligned with our strategic objectives, and who are interested in a long-term holding in our Company. This involves a good understanding of our strategic objectives, our business model, and our culture.

- Meetings with key shareholders following publication of preliminary and interim results
- Review and act on feedback from institutional shareholders
- Meetings or calls as requested by existing and potential shareholders

Control environment

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors have established an organisational structure with clear lines of responsibility and delegated authority. The systems include:

- the appropriate delegation of authority to operational management;
- the control of key financial risks through appropriate authorisation levels and segregation of accounting duties;
- financial reporting, within an established financial planning and accounting framework, including the approval by the Board of the annual budget and regular review by the Board of actual results compared with budgets and forecasts;
- reporting on any non-compliance with internal financial controls and procedures; and
- reviewing reports issued by the external auditors.

The Company does not have an Internal Audit function as the Board presently considers that the size and nature of the business does not warrant it. The Audit Committee on behalf of the Board reviews reports from the external auditors together with management's actions in response.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the directors to prepare such financial statements for each financial period. Under that law the directors are required to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the profit or loss of the Group for that period.

OUR PEOPLE & OUR COMMITMENT

OUR PEOPLE ARE OUR STRENGTH AND THE LIFEBLOOD OF THE BUSINESS. WE CONTINUE TO FOCUS ON EMPLOYEE DEVELOPMENT AND THE CREATION OF A CULTURE THAT IS WELCOMING, ENGAGING AND RECOGNISES THE SUCCESSES AND CONTRIBUTIONS ACROSS ALL EMPLOYEES IN EVERY OF THE BUSINESS.

In preparing the financial statements, the directors are required to:

- follow applicable UK accounting standards
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the consolidated financial statements, state whether state whether applicable IFRS's have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included 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.

Disclosure of information to auditor

The Directors confirm that, so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they might reasonably have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The financial statements have been prepared on a going concern basis.

The current economic conditions caused by the COVID-19 pandemic have created uncertainty over the level of demand for the company's products and services and over the availability of finance which the directors are mindful of.

The Board is confident that the Group has sufficient liquidity to trade through to more normalized trading conditions. The financial statements have therefore been prepared on a going concern basis. The directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate. The key conditions are summarized below:

- The Directors have prepared cash flow forecasts extending to March 22 and further to March 2023. The cash flow forecasts include a base scenario and a sensitized revenue scenario.
- The base scenario assumes reductions in revenue of 22% and 15% in the current financial year to March 2022 and the year to 31 March 2023 respectively, compared to a pre-COVID annualized 2019/20 comparative. The sensitized scenario assumes reductions in revenue of 30% and 15% respectively, each compared to a pre-COVID annualized 2019/20 comparative.
- The forecasts assume continued elongation of credit terms with customers. Collection of receivables during the pandemic has been understandably problematical and in the current climate we are unable to predict with accuracy the timing of future cash receipts and therefore rely on current and past experience to make such judgements. The forecasts assume cash collections in line with what we have experienced since the acquisition of AIM and more recently in the COVID-19 period.

- The base and sensitized cash flow forecasts do not include any mitigating factors available to management in terms of:
  - discontinuing the development of AIM Capital Services to release working capital
  - reactionary cost reduction programmes in respect of headcount and organisation
  - securing new working capital facilities in respect of the AIM Capital Solutions business
- The Group maintains the distributor membership and preferred suppliers throughout the forecast period.
- The Group continues to develop the product offerings to meet the demands of the market and customers.
- The Directors have considered the position of the individual trading companies in the Group to ensure that these companies are also able to continue to meet their obligations as they fall due.
- There are not believed to be any contingent liabilities which could result in a significant impact on the business if they were to crystallise.

Based on the above indications and assumptions, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Research and development

The Group expended £744,000 during the period (2019/20: £900,000) on research and development of which £659,000 was capitalised (2019/20: £801,000).

Employee involvement

It is Group policy that there shall be no discrimination in respect of gender, colour, race, religion or nationality and that equal opportunity shall be given to all employees.

The Company's policy is to give full and fair consideration to applications for employment from disabled persons and to provide training and advancement to disabled employees whenever appropriate. Where existing employees become disabled, suitable continuing employment would, if possible, be found.

Every effort is made to ensure good communication and for managers and supervisors to ensure that employees are made aware of developments within the Group and to encourage employees to present their views and suggestions.

Financial instruments

An indication of the financial risk management objectives and policies and the exposure of the group to credit risk, interest rate risk and currency risk is provided in note 16 to the Consolidated Financial Statements.

Directors' indemnities

Qualifying third party indemnity provisions (as defined in section 234(2) of the Companies Act 2006) are in force for the benefit of the Directors.

Supplier payment policy and practice

The Group's operating companies determine terms and conditions of payment for the supply of goods and services. Payment is then made in accordance with these terms, subject to the terms and conditions being met by suppliers.

The ratio, expressed in days, between the amount invoiced to the Group by its trade suppliers during the period to 31 March 2021 and the amount owed to its trade creditors at 31 March 2021 was 61 days excluding inventory in transit at the period-end (2019/20: 48 days).

Environment and Health and Safety

The Group has clear policies in respect of environmental care and the health and safety of its employees. The environmental policy seeks to minimise the amount of waste produced and encourages recycling wherever practicable. The health and safety policy seeks to ensure the Group provides a safe working environment for all staff and visitors to our sites and to ensure compliance with statutory requirements.

Appointment of auditor

Crowe U.K. LLP have expressed their willingness to continue in office and will be reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006.

Future developments and post balance sheet events

The directors have described the future developments within the Chairman's Statement. Post balance sheet events have been disclosed in the Strategic Report.

Annual General Meeting

The Annual General Meeting will be held at 2 p.m. on 30 September 2021 at the offices of Elstree Aviation Centre, Hogg Lane, Borehamwood, WD6 3AN and your attention is drawn to the notice of meeting set out on page 97.

By Order of the Board

Keith Edelman

Keith G Edelman
Non-Executive Chairman
7 September 2021


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07

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTITUDE GROUP PLC

Opinion

We have audited the financial statements of Altitude Group plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 March 2021, which comprise:

- the Group statement of comprehensive income for the year ended 31 March 2021;
- the Group and parent company statement of changes in equity for the year then ended;
- the Group and parent company balance sheet as at 31 March 2021;
- the Group statement of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 March 2021 and of the Group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the Group 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 entity's ability to continue to adopt the going concern basis of accounting included the following procedures:

The going concern assessment period used by the Directors was at least 12 months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment.

Further details of the Directors' assessment of going concern is provided in Note 1.

We evaluated the Directors' assessment of the Group and Parent Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment. Additionally, we reviewed and challenged the results of management's stress testing, to assess the reasonableness of economic assumptions in light of the impact of Covid-19 on the Group and Parent Company's solvency and liquidity position.

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 entity'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 of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £96,000. This is based on 0.75% of the Group's turnover as reported in the pre-year end management accounts, which, post year end adjustments equates to 1.25% of reported revenue. Although materiality was set by reference to turnover, the final materiality equated to 7% of the loss before tax.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Our level of performance materiality ranged from £53,000 to £68,000.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £3,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Altitude Group plc is located in the United Kingdom. Our audit was conducted remotely due to Covid restrictions in place in the UK. The operations of its subsidiaries, AIM Smarter Limited, Customer Focus Exhibitions Limited and Customer Focus Interactive Imaging Limited are located in the UK. The operations of its subsidiaries, Altitude Group Inc, AIM Smarter LLC and AIM Capital LLC are in the United States. We conducted specific audit procedures in relation to these entities. Analytical reviews over the remaining subsidiaries, Boxcam Limited, Promoserve Business Systems Limited, The Advertising Products Group Limited and Trade Only Technology Services were performed.

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. These matters included 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.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue Recognition Revenue is recognized in accordance with the accounting policy set out in the financial statements. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the group's profitability, which as a consequent impact on its share price performance.	Our work focused on assessing that revenue accounting policies were compliant with IFRS and validating that revenue is recognised in accordance with the accounting policies and that cut off was correctly applied through testing. We validated a sample of revenue items to confirm revenue was being recognised in line with IFRS ensuring the performance obligations were satisfied within the period. We also assessed the adequacy of the Group's disclosures related to revenue.

Carrying value of goodwill and other intangible assets	
Carrying value of goodwill and other intangible assets The carrying value of goodwill and other intangible assets at 31 March 2021 was £5.3 million. The Group's intangible assets comprise of goodwill arising on acquisition of subsidiaries, customer relationships and software developments. When assessing the carrying value of goodwill and intangible assets, management makes judgements regarding the appropriate cash generating unit, strategy, future trading and profitability and the assumptions underlying these. We considered the risk that goodwill and/or other intangible assets were impaired. The key judgements are in relation to growth and profitability. Changes in these factors could result in an impairment to the carrying value of the goodwill and intangible assets.	We evaluated, in comparison to the requirements set out in IAS 36, management's assessment (using discounted cash flow models) as to whether goodwill and/or other intangible assets were impaired. We challenged, reviewed and considered by reference to post year end trading evidence, management's impairment and fair value models as appropriate and their key estimates, including the discount rate. We reviewed the appropriateness and consistency of the process for making such estimates. We obtained management's discounted cash flow models supporting the intangible asset valuation. We challenged the key assumptions into the model, including the forecast revenue and gross margin, discount rates and growth rates. We compared cash flow forecasts used in the impairment review to historical performance and forecasts used in the assessment of going concern, and challenged where forecasts indicated performance that deviated significantly from historical performance, in the absence of significant changes in the business or market environment. Discount rates and growth rates were benchmarked to our knowledge of sector performance, to evaluate the reasonableness of these assumptions. Sensitivity analysis was performed on the key assumptions such as growth, margin and discount rates to identify those assumptions to which the goodwill or intangible asset valuation was highly sensitive.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. 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 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 23 and 24, 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 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.

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 within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation in the countries in which the group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

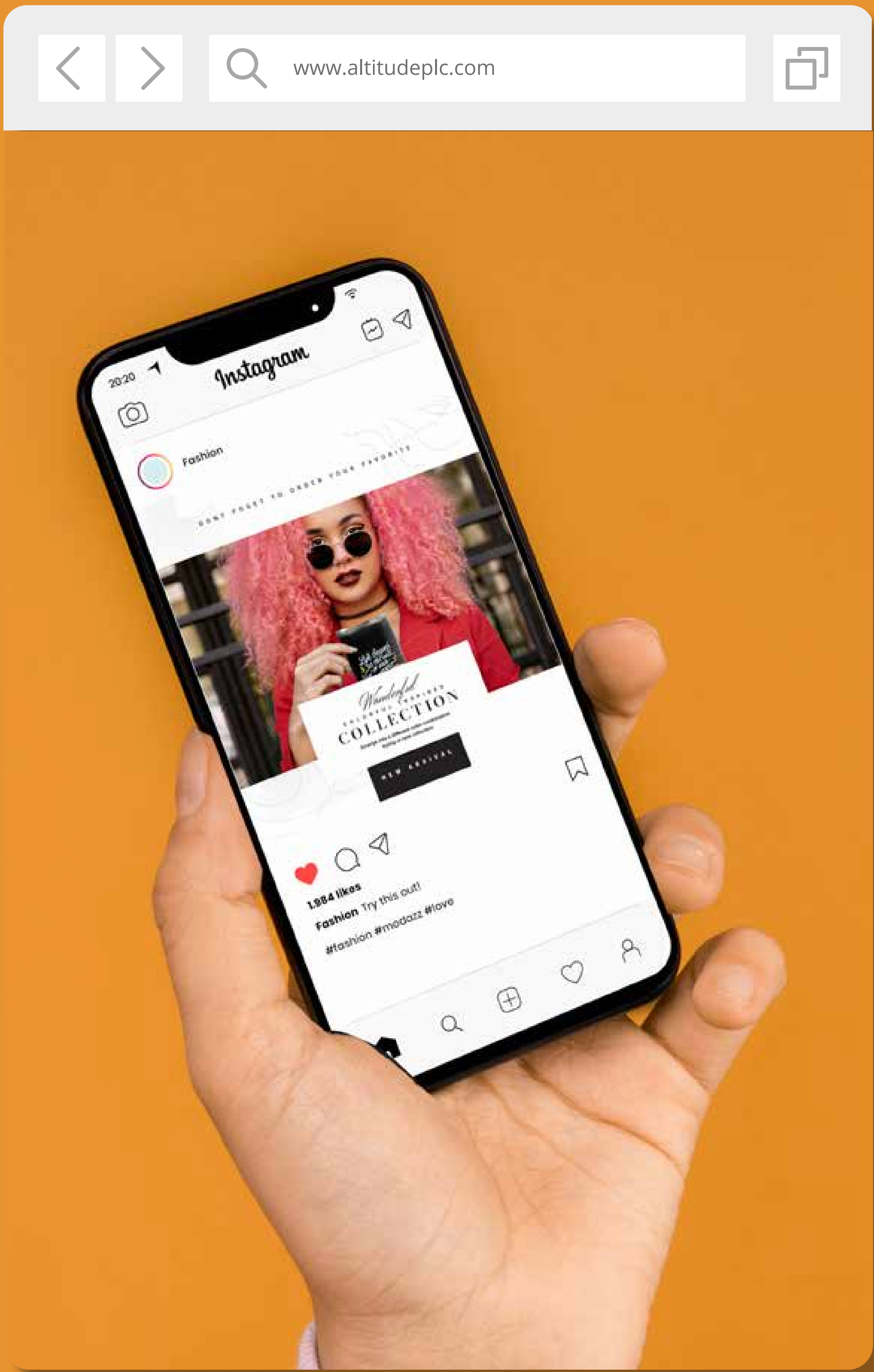
These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Leo Malkin
Senior Statutory Auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
7 September 2021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08 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2021

	Note	2020/21 12 months £000	2019/20 15 months £000
Revenue			
- continuing		7,707	8,308
Cost of Sales		(2,131)	(851)
Gross Profit		**5,576**	**7,457**
Administrative expenses before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges		(5,015)	(6,996)
Operating Profit before share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges		**561**	**461**
Share-based payment charges	5	(544)	(1,401)
Depreciation and Amortisation	9, 10	(1,228)	(1,170)
Exceptional charges	3	(39)	(444)
Total administrative expenses		**(6,826)**	**(10,011)**
Operating loss	6	**(1,250)**	**(2,554)**
Finance charges		(73)	(112)
Loss before taxation		**(1,323)**	**(2,666)**
Taxation	7	230	275
Loss attributable to continuing operations		**(1,093)**	**(2,391)**
Loss on discontinued operation	21	(133)	(3,336)
Loss attributable to the equity shareholders of the Company		**(1,226)**	**(5,727)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
• Foreign exchange differences		(691)	64
Total comprehensive loss for the period		**(1,918)**	**(5,663)**
Earnings per ordinary share attributable to the equity shareholders of the Company:			
- Basic and diluted (pence) - Continuing operations	8	(1.56p)	(3.51p)
- Basic and diluted (pence) - Discontinued operations	8	(0.19p)	(4.90p)

09 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

	Share Capital	Share Premium	Retained Losses	Foreign Exchange Translation Reserve	Total
	£000	£000	£000	£000	£000
At 1 January 2019	**219**	**11,000**	**(6,897)**	**(85)**	**4,237**
Adjustment on adoption of IFRS 16	-	-	(27)	-	**(27)**
Loss for the period	-	-	(5,727)	-	(5,727)
Foreign exchange differences	-	-	-	64	64
Total comprehensive loss	**-**	**-**	**(5,727)**	**64**	**(5,663)**
Transactions with owners recorded directly in equity					
Share-based payment charges	-	-	1,401	-	1,401
Shares issued for cash	58	9,080	-	-	9,138
Total transactions with owners	**58**	**9,080**	**1,401**	**-**	**10,539**
At 31 March 2020	**277**	**20,080**	**(11,250)**	**(21)**	**9,086**
Loss for the period	-	-	(1,226)	-	(1,226)
Foreign exchange differences	-	-	-	(691)	(691)
Total comprehensive loss	**-**	**-**	**(1,226)**	**(691)**	**(1,917)**
Transactions with owners recorded directly in equity					
Share-based payment charges	-	-	544	-	544
Shares issued for cash	5	71	-	-	76
Total transactions with owners	**5**	**71**	**544**	**-**	**620**
At 31 March 2020	**282**	**20,151**	**(11,932)**	**(712)**	**7,789**

10 CONSOLIDATED BALANCE SHEET

Consolidated balance sheet

at 31 March 2021

	Note	2020/21 £000	Restated 2019/20 £000
Non-current assets			
Property, plant & equipment	9	115	189
Right of use assets	9	736	957
Intangible assets	10	2,462	2,814
Goodwill	10	2,668	3,108
Deferred tax assets	14	419	456
Total non-current assets		**6,399**	**7,524**
Current assets			
Assets classified as held for sale	21	-	650
Trade and other receivables	11	2,378	2,738
Corporation Tax Receivable		220	35
Cash and cash equivalents	12	2,095	2,350
Total current assets		**4,693**	**5,773**
Total assets		**11,092**	**13,297**
Non-current liabilities			
Deferred tax liabilities	14	(382)	(463)
Lease liabilities	23	(665)	(863)
Current liabilities			
Trade and other payables	13	(2,256)	(2,885)
Total liabilities		**(3,303)**	**(4,211)**
Net assets		**7,789**	**9,086**
Equity attributable to equity holders of the Company			
Called up share capital	15	282	277
Share premium account		20,151	20,080
Retained losses		(12,644)	(11,271)
Total equity		**7,789**	**9,086**

The consolidated financial statements on pages 43 to 95 were approved by the Board of Directors on 7 September 2021 and signed on its behalf by:

Keith Edelman

Keith G Edelman
Non-Executive Chairman
Registered number: 05193579

11 CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	2020/21 12 months £000	2019/20 15 months £000
Cash flows from operating activities		
Loss for the period before tax - Continuing operations	(1,093)	(2,391)
Loss for the period before tax - Discontinued operations	(133)	(3,336)
Amortisation of intangible assets	1,032	995
Depreciation	196	523
Share-based payment charges	544	1,401
Impairment of assets held for sale	-	2,207
Taxation	(230)	(275)
Interest paid	73	112
Exchange differences	(313)	82
Operating cash inflow/(outflow) before changes in working capital	**76**	**(682)**
Movement in inventory	-	(285)
Movement in trade and other receivables	710	(2,166)
Movement in trade and other payables	(707)	299
Changes in working capital	**3**	**(2,152)**
Tax received	11	646
Net cash inflow/(outflow) from operating activities	**90**	**(2,188)**
Cash flows from investing activities		
Purchase of tangible assets	21	(166)
Purchase of intangible assets	(659)	(803)
Proceeds on disposal of trade and assets	300	350
Net cash outflow from acquisition of trade and assets	-	(3,357)
Net cash outflow from investing activities	**(338)**	**(3,976)**
Financing activities		
Repayment of borrowings	(73)	(402)
Interest paid	(10)	(57)
Issue of shares for cash (net of expenses)	76	8,553
Net cash (outflow)/inflow from financing activities	**(7)**	**8,094**
Net cash (decrease)/increase in cash and cash equivalents	**(255)**	**1,930**
Cash and cash equivalents at the beginning of the period	**2,350**	**420**
Net cash (decrease)/increase in cash and cash equivalents	(255)	1,930
Cash and cash equivalents at the end of the period	**2,095**	**2,350**

12 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

Significant accounting policies

Altitude Group plc (the 'Company') is a company incorporated in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

The following paragraphs summarise the significant accounting policies of the Group, which have been applied consistently in dealing with items which are considered material in relation to the Group's consolidated financial statements and to all the periods presented, unless otherwise stated.

Basis of preparation

Both financial statements have been prepared on the historical cost basis, with the exception of certain items which are measured at fair value as disclosed in the principal accounting policies set out below. The financial information is presented in Sterling and has been rounded to the nearest thousand (£000).

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the Companies Act 2006.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other source. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

New standards impacting the Group that have not been adopted in the annual financial statements for the year ended 31 March 2021 are:

- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform (IBOR 'phase 2' amendments to IFRS 9, IAS 39 and IFRS 7);
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, will be reviewed for their impact on the financial statements prior to their initial application.

Going concern

The financial statements have been prepared on a going concern basis.

The current economic conditions caused by the COVID-19 pandemic have created uncertainty over the level of demand for the company's products and services and over the availability of finance which the directors are mindful of.

The Board is confident that the Group has sufficient liquidity to trade through to more normalized trading conditions. The financial statements have therefore been prepared on a going concern basis. The directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate. The key conditions are summarized below:

- The Directors have prepared cash flow forecasts extending to March 22 and further to March 2023. The cash flow forecasts include a base scenario and a sensitized revenue scenario.
- The base scenario assumes reductions in revenue of 22% and 15% in the current financial year to March 2022 and the year to 31 March 2023 respectively, compared to a pre-COVID annualized 2019/20 comparative. The sensitized scenario assumes reductions in revenue of 30% and 15% respectively, each compared to a pre-COVID annualized 2019/20 comparative.
- The forecasts assume continued elongation of credit terms with customers. Collection of receivables during the pandemic has been understandably problematical and in the current climate we are unable to predict with accuracy the timing of future cash receipts and therefore rely on current and past experience to make such judgements. The forecasts assume cash collections in line with what we have experienced since the acquisition of AIM and more recently in the COVID-19 period.
- The base and sensitized cash flow forecasts do not include any mitigating factors available to management in terms of:
    - discontinuing the development of AIM Capital Services to release working capital
    - reactionary cost reduction programmes in respect of headcount and organisation
    - securing new working capital facilities in respect of the AIM Capital Solutions business
- The Group maintains the distributor membership and preferred suppliers throughout the forecast period.
- The Group continues to develop the product offerings to meet the demands of the market and customers.
- The Directors have considered the position of the individual trading companies in the Group to ensure that these companies are also able to continue to meet their obligations as they fall due.
- There are not believed to be any contingent liabilities which could result in a significant impact on the business if they were to crystallise.

Based on the above indications and assumptions, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) made up to 31 March each period. Control is achieved when the Company:

- has the power over the investee
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. 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 net assets of the subsidiary acquired, the difference is recognised directly in the Consolidated Statement of Comprehensive Income.

All intra-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated fully on consolidation

Foreign currencies

The Group's consolidated financial statements are presented in Sterling, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the Consolidated Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

ii) Group companies

On consolidation the assets and liabilities of foreign operations are translated into Sterling at the rate of exchange prevailing at the reporting date and their income statements are translated at the average exchange rates prevailing during the period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

Leases

A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date of a lease a right-of-use asset and a lease liability are recognised in the financial statements.

The lease liability is initially measured at the present value of expected future lease payments discounted at the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. Subsequently the lease liability decreases by the lease payments made, offset by interest on the liability, and may be remeasured to reflect any reassessment of expected payments or to reflect any lease modifications.

The right-of-use asset is initially measured at cost. This comprises the amount of the initial lease liability plus: any lease payments made on or before the commencement date less incentives received; any incremental costs of obtaining the lease; and, if any, the costs of decommissioning the asset and any restoration work to return the asset to the condition required under the terms of the lease. Subsequently the right-of-use asset is measured using the cost model. The asset is amortised on a straight-line basis over the expected term of the lease, adjusted for any remeasurement of the lease liability, and is shown net of the accumulated depreciation and any impairment provisions.

The Group has elected to use the recognition exemptions for low value assets and short-term leases are expensed to operating profit on a straight-line basis over the term of the lease.

Property, plant and equipment

Property, plant and equipment are held at cost less accumulated depreciation and impairment charges.

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value, which is based on up to date prices, of property, plant and equipment over their estimated useful lives as follows:

- Fixtures and fittings 3 to 10 years
- Leasehold property straight line over the term of the lease

Intangible assets — Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses..

Acquired intangible assets — Business combinations

Intangible assets that are acquired as a result of a business combination and that can be separately measured at fair value on a reliable basis are separately recognised on acquisition at their fair value. Amortisation is charged on a straight-line basis to the Consolidated Statement of Comprehensive Income over their expected useful economic lives as follows:

- Intellectual property up to 5 years
- Customer relationships 3 to 15 years

Assets that are subject to amortisation are tested for impairment when events or a change in circumstances indicate that the carrying amount may not be recoverable.

Customer relationship intangible assets comprise only the intangible assets recognised upon the acquisition of the trade and assets of AI Mastermind LLC in January 2019. These are being amortised over 13 years as per the Purchase Price Allocation report prepared by Mazars LLP.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

On 23 March 2020 the Ad Products business was classified as assets held for sale following Board approval of the disposal of Ad Products to Product Services Group ("PSG").

As required by IFRS 5, the Group re-measured Ad Products at the lower of the carrying amount and fair value less costs to sell. The transaction completed on 7 April 2020 following approval by the shareholders in general meeting. The business was not sold at 31 March 2020 and was therefore classified as held for sale at this date. In accordance with IFRS 5, assets and liabilities classified as held for sale are shown as a separate line on the balance sheet. IFRS 5 also requires that the profit or loss from a discontinued operation is shown as a single amount on the face of the income statement and the comparatives and related notes have been restated accordingly. This represents total post-tax loss of the disposal group for the whole of the financial period, including any post-tax gain or loss on the measurement of fair value, as well as the post-tax loss on sale of the disposal group completed on 7 April 2020. Ad Products is presented as a discontinued operation for the year ended 31 March 2021 and the fifteen-month period ended 31 March 2020.

Further details can be found in note 21.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation.

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, the Group can demonstrate at the time of expenditure all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits.

Among other things, the Group can demonstrate:

- the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets are amortised over their useful economic life which is 3 to 5 years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment

The carrying amount of the Group's non-financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are identifiable cash flows. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which estimates of future cash flows have not been adjusted.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash- generating units (group of units) and then, to reduce the carrying amount of the other assets of the unit (group of units) on a pro-rata basis.

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less allowance for any uncollectible amounts. Where receivables are considered to be irrecoverable an impairment charge is included in the Consolidated Statement of Comprehensive Income.

Classification of financial instruments issued by the Group

The financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as distributions and are recorded directly in equity.

Financial assets

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented the Group does not have any financial assets categorised as FVTPL or FVOCI.

After initial recognition, financial assets are measured at amortised cost using the effective interest rate method. Discounting is omitted where the effect if immaterial. All of the Group's financial assets fall into this category.

Impairment of financial assets

The group accounts for impairment of financial assets using the expected credit loss ("ECL") model as required by IFRS 9. The group considers a broad range of information when assessing credit risk and measuring expected losses, including past events, current conditions, reasonable and supportable forecasts that effect the expected collectability of the future cash flows of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits together with other short-term highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Cash Flow Statement.

Revenue recognition

Revenue represents the amounts receivable, excluding sales related taxes, for goods and services supplied during the period to external customers shown net of sales taxes, returns, rebates and discounts.

When assessing revenue recognition against IFRS15, the Group assess the contract against the five steps of IFRS15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

This process includes the assessment of the performance obligations within the contract and the allocation of contract revenue across these performance obligations once identified. Revenue is recognised either at a point in time or over time, when, or as, the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The difference between the amount of income recognised and the amount invoiced on a particular contract is included in the statement of financial position as deferred income. Amounts included in deferred income due within one year are expected to be recognised within one year and are included within current liabilities.

The Group has a number of different revenue streams which are described below.

Software and technology services revenues

Revenues in respect of software product licences and associated maintenance and support services are recognised evenly over the period to which they relate.

An element of technology services revenue is dependent on the value of orders processed via the Group's technology platforms. Revenue is accrued based on the value of underlying transactions and the relevant contractual arrangements with the customer. Revenue is constrained to the extent that is that it is highly probable that it will not reverse.

Member subscription revenues

AIM distributor members pay a monthly subscription fee for basic membership which confers immediate access to a range of commercial benefits at no additional cost to the member. Members may elect to upgrade their membership to access a range of enhanced services provided by AIM in exchange for an increased monthly subscription fee. Subscription revenues are recognised on a monthly basis over the membership period.

Other discretionary services

Certain other services are made available to AIM members on a discretionary usage basis such as artwork processing services, catalogues and merchandise boxes. These revenues are recognised upon performance of the service or delivery of the product. For example, catalogue and merchandise box revenues are recognised on dispatch of the products to members.

AIM Capital revenues

AIM Capital Solutions ("ACS") is a premium enhanced membership package which requires mandatory use of the AIM technology platform and offers technology driven back-office support, procurement services, and supply chain finance in return for a service fee. Service fee revenues are variable and are calculated as a percentage of the value of the end customer invoices processed by ACS.

In accordance with ACS contractual arrangements, under IFRS 15 only the service fee is recognised as revenue, as opposed to than the end customer invoice value. Revenue is recognised at the point of delivery of the products to the end customer.

Preferred Partner revenues

AIM provides marketing services to suppliers of promotional products whereby preferred supplier partners are actively promoted to AIM members via a variety of methods including utilising the AIM technology platform, webinars, email communications and quarterly publications.

Revenues are variable and depend on the value of purchases made by the AIM members from preferred supplier partners. Revenue is recognised over time by reference to the value of transactions in the period. Payment for AIM's marketing services is made by preferred supplier customers on a calendar quarter or annual basis.

An element of supplier service revenue is treated as variable consideration under IFRS 15 due to uncertainty over timing and value. Revenue is recognised to the extent that it is highly probable that it will not reverse

Group buy revenues

Through its network of preferred supplier partners, AIM is able to secure inventory of high demand products, which it sells to AIM members and other 3rd parties, where such sales do not conflict with the interest of either suppliers or the AIM membership. Customer payments are received in advance of the products being shipped and are classified as deferred revenue until the products ship. Upon shipping AIM recognises the revenue from the sale of the products and the associated cost of the products in cost of sales.

Events and exhibitions revenues

AIM promotes and arranges events for AIM members and groups of supplier customers to meet and build relationships. Revenue from these events is recognised once the performance obligations have been satisfied, typically on completion of an event or exhibition.

Operating segments

The Group is currently organised as two operating segments:

- North America
- United Kingdom

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

An operating segment's operating results are reviewed regularly by the Board of directors, who are regarded as the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The directors have concluded that there are two operating segments on the basis of the information presented to the CODM. The activities undertaken in each segment are substantially similar.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Exceptional items

Income or costs which are both material and non-recurring, whose significance is sufficient to warrant separate disclosure in the financial statements, are referred to as exceptional items. The Directors consider that the separate disclosure of these items assists in understanding the Group's financial performance.

Non-recurring items

Non-recurring items are material items of profit or loss incurred before a material restructuring of the business. These comprise employment, property and other costs that were charged to profit or loss up to the date of the restructuring and are not expected to recur.

Post-retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Share based payments including warrants

The fair value of awards to employees that take the form of shares or rights to shares is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

Performance conditions that are market conditions are taken onto account when measuring fair value. The fair value is not adjusted if these performance conditions are not met.

The fair value excludes the effect of non-market based vesting conditions. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items in other comprehensive income in which case it is recognised in other comprehensive income and items recognised directly in equity, in which case it is recognized in equity.

Current tax is the tax currently payable based on taxable profit for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred income taxes are calculated using the balance sheet method. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss except to the extent that it relates to items in other comprehensive income in which case it is recognized in other comprehensive income and items recognized directly in equity, in which case it is recognized in equity.

Significant estimates and judgements

Key estimates

In the preparation of the Group financial statements, the Directors, in applying the accounting policies of the Group, make some judgements and estimates that affect the reported amounts in the financial statements. The Directors consider the following are the areas requiring the use of judgement and estimates that may significantly impact the financial statements

Preferred Partner revenues

AIM provides marketing services to promotional product supplier customers, whereby such suppliers are actively promoted to AIM members via a variety of methods including utilising the AIM technology platform ("AIM Tech Suite"), webinars, email communications and quarterly publications. These supplier customers sign annual service agreements with AIM.

Revenues reflect the transactional value of purchases made by the AIM members from the supplier customers. These revenues are recognised over time by reference to the value of transactions in the period. Payment for such services is made by customers on a calendar quarter or annual basis.

The Groups ability to monitor the level of purchase activity across all members is directly correlated to the adoption and usage of the AIMPro Tech suite in its entirety. Currently that usage level is low hence this element of the Group's revenue is treated as variable consideration under IFRS 15 due to uncertainty over timing and value. Revenue is only recognised to the extent that it is highly probable that it will not reverse.

Payment for these services are made by customers on a calendar quarter or annual basis. Revenue in respect of agreements settled on a quarterly basis has been constrained such that revenue is only recognised as cash is received.

Revenue in respect of agreements settled on an annual basis has been constrained to customers where confirmation has been received of the amounts owed at 31 March 2021 and, having considered the financial standing of the customer, management believe it is highly likely cash will be received in the future.

Share based payments

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions, for example profitability and sales growth targets and performance conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

Leases

Lease liabilities are initially measured at the present value of expected future lease payments discounted at the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate.

The interest rates inherent in the leases could not be ascertained, therefore, estimates have been used which approximate the likely incremental costs of borrowing for a similar term and asset.

Based upon discussions with the Group's bankers, we ascertained the likely incremental costs of borrowing for a similar term and similar commercial property asset to be between 5% and 9%. An interest rate of 7% has been used in the IFRS 16 calculations.

Had a 1.0% higher interest rate been used, the profit before tax would have been £3,000 lower and net assets £4,000 lower.

Intangible assets

In order that Altitude comply with the requirements of IFRS 3 Business Combinations ("IFRS 3") in relation to the acquisition of the trade and assets of AI Mastermind LLC by Altitude's US subsidiary, AIM Smarter LLC in January 2019, Mazars LLP were engaged to prepare a Purchase Price Allocation report.

IFRS 3 requires that an acquirer of a business recognises each of the assets acquired and liabilities assumed at its acquisition-date fair value, measured in accordance with IFRS 13 Fair Value Measurement ("IFRS 13").

Mazars report considers the fair value of the identifiable intangible assets of AI Mastermind LLC acquired by AIM Smarter LLC which meet the criteria of IFRS 3 for separate recognition from goodwill.

Future financial forecasts for AI Mastermind LLC were not available at the date of acquisition hence Mazars LLP prepared financial forecasts for AI Mastermind LLC for the purposes of the report based on available historical information. These financial forecasts were discussed and agreed with Altitude management.

To value the acquired intangible assets Mazars LLP were required to make numerous estimates and judgements. These included, but are not limited to, estimates of:

- Future revenues of the business attributable to customer's existing at the acquisition date
- The weighted average cost of capital of Altitude Group Plc
- The internal rate of return applicable to the transaction
- Customer attrition and expected remaining life of the customer relationship intangible asset

The fair values calculated for goodwill, the acquired customer relationship intangible asset and deferred tax are all sensitive to changes in these assumptions.

Management have considered the judgements and results of the work performed by Mazars LLP and consider them reasonable.

A 1% increase in the discount rate would result in a £68,000 reduction in the fair value of the acquired customer relationship intangible asset, an £18,000 reduction in the fair value of the deferred tax asset and a £50,000 increase in the fair value of the goodwill recognised.

The Group continues to develop its software products. Where specific expenditure on a product can be identified, where it can be demonstrated to have improved the product and where the future income streams are expected to be increased as a result of the expenditure, the expenditure is capitalised and carried as an intangible asset in the period in which it is incurred.

These intellectual property assets are estimated to have a useful life of at least five years. As such, intellectual property intangibles are recognised in the periods that the costs are incurred and are being amortised over a five year period from the date of acquisition.

Key judgements

Impairment of assets

All property, plant and equipment and intangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' if there is an indication that the carrying value of the asset may have been impaired.

As part of the impairment review, the carrying value of the assets is measured against their value in use based on future estimated cash flows, discounted by the appropriate cost of capital, resulting from the use of those assets.

Assets are grouped at the lowest level for which there is a separately identifiable cash flow (a cash generating unit). An impairment loss is recognised for the amount at 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.

Deferred taxation assets

Deferred taxation assets arise from the losses incurred, in certain businesses, in the group. The Directors review the forecasts of each business to assess the recoverability of these assets and the tax rates that are expected to apply in the period when the asset is realised. In the event that the recoverability of these assets is not probable the asset is not recognized.

The period of review to utilise these losses and realise the assets has been constrained to four years. The directors have taken into account the assumptions in the forecasts, including the growth assumptions of the US business and associated sensitivity analysis, when determining the level of deferred tax asset to be recognised.

Group has unrecognised tax losses significantly in excess of those which comprise the deferred tax asset recognised in previous periods. The Group fully intends to utilise these losses against future profits as US operations continue to grow.

Whilst the Group's forecasts show it is likely these losses will be utilised in the future, there is significant uncertainty around future global economic performance due to COVID-19. For this reason, the Directors have chosen to constrain the deferred tax asset to the value recognised in previous periods until disruption related to the COVID-19 pandemic has eased and trading conditions are more settled.

2. Segmental information

The chief operating decision maker has been identified as the Board of Directors and the segmental analysis is presented based on the Group's internal reporting to the Board. At 31 March 2021, the Group has two operating segments, North America, and the United Kingdom.

	2020/21	2019/20
	£000	£000
Turnover		
North America	6,523	5,856
United Kingdom and Europe	1,184	2,452
Total	**7,707**	**8,308**
Operating Profit/(Loss) before share-based payment charges, depreciation, amortisation, and exceptional charges		
North America	1,035	707
United Kingdom and Europe	(474)	(246)
Total	**561**	**461**
Operating Profit / (loss)		
North America	690	(154)
United Kingdom and Europe	(1,940)	(2,400)
Total	**(1,250)**	**(2,554)**
Depreciation		
North America	(139)	(115)
United Kingdom and Europe	(57)	(60)
Total	**(196)**	**(175)**
Amortisation		
North America	(167)	(224)
United Kingdom and Europe	(865)	(771)
Total	**(1,032)**	**(995)**

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables and cash and cash equivalents. Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

Assets and liabilities at 31 March 2021 and capital expenditure for the period then ended are as follows. Liabilities and capital expenditure have not been disclosed by reporting segment as the information by segment is not regularly reported to the chief operating decision maker.

	2020/21	2019/20
	£000	£000
Assets	11,092	13,297
Liabilities	3,304	4,211
Operating Profit / (loss)	(1,250)	(2,554)
Capital expenditure	638	6,160

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
North America	6,523	5,856	4,748	5,124
United Kingdom	1,184	2,452	1,651	2,400
Total	**7,707**	**8,308**	**6,399**	**7,524**

The Group derives revenue from the transfer of goods and services over time and at a point in time as detailed in the table below.

Timing of Revenue Recognition	At a point in time	Over time	Total
North America	2,755	3,768	6,523
United Kingdom and Europe	154	1,031	1,184
Total	**2,908**	**4,799**	**7,707**

Revenues from the sale of goods are in respect of Group Buy activities in the USA. Revenue is recognised on dispatch of goods to the customer. Technology and information revenues are primarily derived from the provision of online services and applications. Revenues are recognised evenly over life of a contract as customers receive/consume the benefits of the software services/applications provided on an ongoing basis. Revenues recognised at a point in time are comprised of variable, throughput related revenues, catalogue advertising revenues, artwork services, and enhanced AIM Member services.

3. Exceptional charges

	2020/21	2019/20
	£000	£000
Employment termination costs	-	27
Legal, acquisition and consultancy costs	39	392
Other costs	-	25
	39	**444**

The exceptional charges comprise legal costs incurred to defend an unfair dismissal claim in the USA.

4. Employees

	2020/21	2019/20
	£000	£000
Staff costs:		
- Wages and salaries	3,601	4,041
- Social security costs	309	354
- Other pension costs	89	91
	3,999	**4,486**
Average number of employees (including directors) during the year:	78	121

Employee costs are stated net of £0.4m of Paycheck Protection funding, which has been offset against payroll expenditure in accordance with IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

Directors' remuneration and interests

The emoluments of the Directors for the period, who are the key management personnel, excluding share options, were:

		Basic salary	Benefits in kind	2020/21	2019/20
		£000	£000	£000	£000
Keith Edelman	Non-executive Chairman	60	-	60	34
Peter Hallett	Non-executive	43	6	49	106
Nichole Stella	Executive	242	-	242	332
Graeme Couturier	Executive	111	-	111	123
Deborah Wilkinson	Executive	107	-	107	136
Martin Varley	Non-executive	1	13	14	53
Gellan Watt	Non-executive	-	-	-	14
Total		**563**	**19**	**582**	**798**

The beneficial interests of Directors in the ordinary shares of 0.4p each as at 31 March 2021 and 31 March 2020 were as follows:

	2020/21	2019/20
	Number	Number
Keith Edelman	372,108	312,987
Peter Hallett	1,243,196	443,196
Nichole Stella	805,441	492,904
Graeme Couturier	202,708	144,156
Deborah Wilkinson	532,200	532,300
Martin Varley	11,112,777	10,329,618

None of the Directors had any interest in the share capital of any subsidiary undertaking of the Company at any time during the period.

Directors' interests in contracts

Other than the sale of the Ad Product business to Product Source Group, in which Martin Varley has an interest, there are no contracts between the Company and its subsidiary undertakings and any of the Directors. Further details on the sale of Ad Products can be found in note 21.

The Directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Directors' share options

	Type	Number of share options 2020	Granted in period	Exercised in period	Number of share options 2021
1 July 2015					
Peter Hallett	EMI	800,000	-	(800,000)	-
25 September 2019					
Nichole Stella	Unapproved	437,609	-	-	437,609
6 June 2018					
Nichole Stella	Unapproved	541,596	-	(312,537)	229,059
Graeme Couturier	EMI	400,000	-	-	400,000
Graeme Couturier	Unapproved	197,448	-	(58,552)	138,896
26 June 2019					
Keith Edelman	Unapproved	500,000	-	-	500,000
Deborah Wilkinson	EMI	238,095	-	-	238,095
Deborah Wilkinson	Unapproved	321,905	-	-	321,905
11 March 2021					
Nichole Stella	Unapproved	-	1,000,000	-	1,000000
Graeme Couturier	Unapproved	-	500,000	-	500,000
Deborah Wilkinson	Unapproved	-	250,000	-	250,000

The aggregate of realised gains on exercise of share options in the period was £147,000. The current directors have not sold any such shares in the period from exercise to the date of the financial statements being approved.

Directors' pension contributions

The pension contributions received by the directors during the period were:

	2020/21 £000	2019/20 £000
Keith Edelman	-	-
Peter Hallett	3	6
Nichole Stella	26	30
Graeme Couturier	7	8
Deborah Wilkinson	7	8
Martin Varley	-	2
Gellan Watt	-	1
Total	**42**	**55**

5. Share based payments

The Group operates an HMRC approved enterprise management incentives (EMI scheme) and unapproved share option scheme. The scheme awards share options to Directors, senior executives and employees with a vesting period of three years and are subject to performance conditions.

The options granted under the EMI & Unapproved scheme are set out below.

Grant Date	Type	Employees entitled	Number of options	Exercise price (p)	Expiry date
11 March 2021 [1]	Unapproved	12	3,400,000	0.00	11 March 2026

[1] *These unapproved share options relate to performance only. 25% of the Options for each individual will vest on the market price of the Ordinary Shares reaching 50p. The remaining 75% of the Options will vest on a linear basis for each 1p increase in the market price of the Ordinary Shares between 50p and 75p. No options will be exercisable prior to the third anniversary of the date of grant.*

The number and weighted average exercise price of share options are as follows:

	Weighted average exercise price 2020/21 (p)	Number of options 2020/21 No	Weighted average exercise price 2019/20 (p)	Number of options 2019/20 No
Outstanding at start of period	**50.30**	**4,229,653**	**28.37**	**3,700,704**
Granted during the period	nil	3,400,000	98.47	1,328,000
Exercised	6.49	(1,171,089)	-	(510,956)
Forfeited during the period	0.46	(60,000)	0.80	(288,095)
Outstanding at end of the period	**0.32**	**6,398,564**	**0.50**	**4,229,653**
Exercisable at end of the period	53.29	1,459,163	31.09	1,827,281

Fair value assumptions of share based payments

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted.

The estimate of fair value was determined by an independent actuarial firm using a Monte Carlo model.

Details of the fair value of share options granted during the period and the assumptions used in determining the fair value are summarised below (based on the weighted average of grants in the period).

	March 2021 Unapproved Options
Fair value of the option at measurement date (pence)	34.20
Share price at grant date (pence)	39.75
Exercise price (pence)	0.00
Expected volatility (%)	70.0%
Average option life (year)	5
Expected dividend (%)	0%
Risk free interest rate (%)	0.1%

The expected volatility is based on the historic volatility of the company's share price.

Share Warrants

The Group did not issue any warrants during the period.

The number and weighted average exercise price of warrants are as follows:

	Weighted average exercise price 2020/21 (p)	**Number of options 2020/21 No**	**Weighted average exercise price 2019/20 (p)**	**Number of options 2019/20 No**
Outstanding at start of period	**0.91**	**2,480,000**	**0.90**	**2,030,000**
Granted during the period	-	-	0.97	450,000
Forfeited during the period	0.90	(222,222)	-	-
Outstanding at end of the period	**0.91**	**2,257,778**	**0.91**	**2,480,000**
Exercisable at end of the period	-	nil	-	nil

Charge to the Consolidated Statement of Comprehensive Income

The charge to the consolidated statement of comprehensive income comprises:

	2020/21	2019/20
	£000	**£000**
On issue of share options	458	592
On issue of warrants	85	809
Total charge	**544**	**1,401**

6. Operating loss

	2020/21	2019/20
	£000	**£000**
Operating loss is stated after charging :		
Depreciation of owned property, plant and equipment	150	175
Amortisation of intangible assets	1,050	995
Research and development expenditure expensed as incurred	92	99
Loss/(profit) on currency translation	(150)	(2)
Auditors' remuneration:		
Audit of the Company's annual financial statements	50	50
Amounts receivable by auditors and their associates in respect of:		
- Audit of financial statements of subsidiaries pursuant to legislation	35	45
- Other services relating to taxation	26	18
- All other assurance services	4	3

7. Taxation

	2020/21	2019/20
	£000	£000
Corporation tax	193	227
Deferred tax origination and reversal of timing differences	37	48
Total tax in consolidated statement of income	**230**	**275**

Reconciliation of effective tax rate

	2020/21	2019/20
	£000	£000
Profit/(loss) before tax for the period	(1,456)	(6,002)
Tax using the UK corporation tax rate of 19% (2019/20: 19%)	(277)	(1,140)
Non-deductible expenses	9	6
Utilisation of unprovided deferred tax asset	-	-
Deferred taxation asset arising but not reflected	267	1,134
Research and development tax credit	193	227
Deferred tax origination and reversal of timing differences	37	48
Total tax credit	**230**	**275**

8. Basic and diluted earnings per ordinary share

The calculation of earnings per ordinary share is based on the profit for the period after taxation and the weighted average number of equity voting shares in issue as follows:

Loss attributable to the equity shareholders of the Company:

	2020/21	2019/20
Continuing operations (£000)	(1,093)	(2,391)
Discontinued operations (£000)	(133)	(3,336)
Weighted average number of shares (number '000)	69,897	68,125

Basic loss per ordinary share (pence)

Continuing operations	**(1.56p)**	**(3.51p)**
Discontinued operations	**(0.19p)**	**(4.90p)**

Diluted loss per ordinary share (pence)

Continuing operations	**(1.56p)**	**(3.51p)**
Discontinued operations	**(0.19p)**	**(4.90p)**

Disclosure of the number of shares in issue including the effects of share options that could potentially dilute basic loss per share in the future were not included in the table above as the calculation of diluted earnings per share is anti-dilutive for the current period and the previous year.9. Tangible non-current assets

9. Property, plant, and equipment

	£000
Cost	
At 1 January 2019	**1,088**
Additions	716
Disposals	(869)
At 31 March 2020	**935**
Additions	(21)
Exchange rate difference	(30)
At 31 March 2021	**884**
Depreciation	
At 1 January 2019	**769**
Charge for the period	240
Disposals	(263)
At 31 March 2020	**746**
Charge for the period	38
Exchange rate difference	(15)
At 31 March 2021	**769**
Net book value	
At 1 January 2019	319
At 31 March 2020	189
At 31 March 2021	**115**

9. Right of use assets

The Group's right of use assets comprises leased office space in Sheffield and Philadelphia. During 2019/20 the Group also leased office space and production/warehousing facilities in Manchester.

	£000
Cost	
At 1 January 2019 after adjustment	**276**
Additions	1,059
Disposals	(231)
Exchange difference	(14)
At 31 March 2020	**1,090**
Disposals	(45)
Exchange difference	(78)
At 31 March 2021	**967**
Depreciation	
At 1 January 2019 after adjustment	**-**
Charge for the period	283
Disposals	(155)
Exchange difference	4
At 31 March 2020	**132**
Charge for the period	157
Disposals	(45)
Exchange difference	(13)
At 31 March 2021	**231**
Net Book Value	
At 31 March 2020	958
At 31 March 2021	**736**

There were no additions in FY20/21. The disposals in FY20/21 relate to leased office space in Manchester and Sheffield which was vacated on expiry of the leases.

The additions in FY19/20 relate to new leasehold premises in Sheffield and Philadelphia. The disposals in FY19/20 relate to premises in Philadelphia which were vacated upon moving into new premises.

10. Intangible assets

	Customer related intangibles	Intellectual property - internally generated	Total
	£000	£000	£000
Cost			
At 1 January 2019	**813**	**3,124**	**3,937**
Additions	1,898	803	2,701
At 31 March 2020	**2,711**	**3,927**	**6,638**
Additions	-	659	659
At 31 March 2021	**2,711**	**4,586**	**7,297**
Amortisation			
At 1 January 2019	**813**	**2,016**	**2,829**
Amortisation for the period	183	812	995
At 31 March 2020	**996**	**2,828**	**3,824**
Amortisation for the period	146	712	858
Exchange rate difference	153	-	153
At 31 March 2021	**1,295**	**3,540**	**4,835**
Carrying amounts			
At 1 January 2019	-	1,108	1,108
At 31 March 2020	1,715	1,099	2,814
At 31 March 2021	**1,416**	**1,046**	2,462

Amortisation charges are included within administrative costs.

	Goodwill £000
Cost	
At 1 January 2019	**918**
Additions	2,544
At 31 March 2020	**3,462**
At 31 March 2021	**3,462**
Impairment	
At 1 January 2019	**354**
At 31 March 2020	**354**
Impairment for the period	192
Exchange rate difference	248
At 31 March 2021	**794**
Carrying amounts	
At 1 January 2019	564
At 31 March 2020	3,108
At 31 March 2021	**2,668**

Impairment charges are included within administrative costs.

Amortisation charges are included within administrative costs. Goodwill is allocated to cash generating units as follows:

	2020/21	2019/20
	£000	**£000**
Goodwill		
Envoy Catalogue	-	192
Promoserve Business Systems	79	79
Trade Only/Technologo	293	293
AIM Smarter	2,296	2,544
Carrying values	**2,668**	**3,108**

The carrying values of goodwill for the cash generating units given above were determined based on value in use calculations derived from discounted cash flow projections based on budgets and strategic plans covering a four-year period.

The discount rate applied was 18.5% (2019/20: 18.5%), which the Directors deem to be a market adjusted pre-tax weighted average cost of capital.

These calculations are not sensitive to what the Directors would consider to be reasonably foreseeable changes in the underlying assumptions. The value in use calculations did not identify any impairment compared to the carrying value, however if the forecast revenues are not achieved then this could result in impairment in future years. Forecast revenues reflect the Director's best estimates of the economic impact of the COVID-19 pandemic.

During the period the Group's Envoy and Spectrum catalogues businesses were merged and rebranded as AIM Smarter in the UK. In keeping with US operations, under the new business model a greater proportion of future revenues will be earned on a throughput basis from the Suppliers who receive orders from AIM Smarter members in the UK. The remaining goodwill associated with the acquisition of the Envoy catalogue business has been impaired to nil.

The cumulative impairment charge recognised to date is £546,000 (2019/20: £354,000)

A list of investments in subsidiaries, including name, country of incorporation and proportion of ownership interest is given in note 29 to the Company's separate financial statements. All of these subsidiaries are included in the consolidated results.

11. Trade and other receivables

	2020/21	2019/20
	£000	£000
Trade receivables net of impairment of £95,000 (2019/20: £74,000)	496	755
Accrued income	1,655	1,430
Prepayments and other debtors	227	553
Total	**2,378**	**2,738**

Trade and other receivables denominated in currencies other than sterling comprise £541,000 (2019/20: £348,000) of trade receivables denominated in US dollars. The fair values of trade and other receivables are the same as their book values.

Accrued income is primarily comprised of Suppler Service fees due for the calendar quarter ended 31 March and an AIM Capital revenue accrual in respect of payments made to suppliers for promotional products where the customer has not yet been invoiced as customers are only invoiced on dispatch of the promotional products by the supplier.

The Group estimates the amount of credit loss associated with its trade receivables based on forward looking estimates that take into account current and forecast credit conditions. In adopting IFRS 9 the Group has applied the Simplified Approach applying a provision matrix based on number of days past due to measure lifetime expected credit losses.

The summarised ageing analysis of trade receivables which are not impaired is as follows:

	2020/21	2019/20
	£000	£000
Not Overdue	91	321
Under 30 days overdue	190	240
Over 30 days but under 60 days overdue	58	129
Over 60 days overdue	157	65
Total	**496**	**755**

Reconciliation of movement in loss allowance:

31 March 2021	Expected Credit Loss Rate	Gross Carrying Amount	Lifetime Expected Credit Loss
		£000	£000
Not overdue	14.6%	108	16
Under 30 days overdue	20.5%	239	49
Over 30 days but under 60 days overdue	22.4%	74	17
Over 60 days overdue	7.7%	170	13
Lifetime expected credit loss		**591**	**95**

31 March 2020	Expected Credit Loss Rate	Gross Carrying Amount	Lifetime Expected Credit Loss
		£000	£000
Not overdue	12.0%	365	44
Under 30 days overdue	3.1%	245	8
Over 30 days but under 60 days overdue	6.0%	137	8
Over 60 days overdue	17.1%	82	14
Lifetime expected credit loss		**829**	**74**

The other classes within trade and other receivables do not contain impaired assets.

12. Cash and cash equivalents

	2020/21	2019/20
	£000	£000
Cash and cash equivalents	**2,095**	**2,350**

Cash and cash equivalents denominated in foreign currencies other than sterling comprise £1,749,000 (2019/20: £1,347,000) which was denominated in US dollars.

13. Trade and other payables

	2020/21	2019/20
	£000	£000
Current		
Trade payables	529	1,263
Other taxes and social security	789	302
Accruals	730	347
Deferred income	208	973
Total	**2,256**	**2,885**

Trade payables denominated in currencies other than sterling is comprised £284,000 (2019/20: £378,000) of trade payables denominated in US dollars.14. Deferred tax

Deferred tax balances are attributable to the following and are disclosed as non-current assets and non-current liabilities in the balance sheet.

14. Deferred tax assets

	2020/21	2019/20
	£000	**£000**
Accelerated capital allowances	30	30
Exchange rate difference	(37)	30
Losses	426	396
Total	**419**	**456**

Movement in the deferred tax asset for the period ended 31 March 2021:

	As at 1 April 2020	Income Statement	As at 31 March 2021
	£000	**£000**	**£000**
Accelerated capital allowances	30	-	30
Exchange rate difference	-	(37)	(37)
Losses	426	-	426
Total	**456**	**(37)**	**419**

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

A deferred tax asset of £419,000 (2019/20: £456,000) has been recognised in relation to companies where it is considered there is a high probability of utilisation, based on the forecast future revenues and profits of the Group, in the next four years.

Due to the insufficient evidence of the availability of suitable taxable profits in the near future there are potential deferred tax assets of more than £3m in the UK and more than $5m in the USA that have not been recognised. These losses have at least 10 years before they expire.

Deferred tax liabilities

A deferred tax liability of £0.5m was recognised in the period upon recognition of a customer relationship intangible asset of £1.9m following the acquisition of the trade and assets of AI Mastermind LLC by AIM Smarter LLC.

	2020/21	2019/20
	£000	**£000**
Deferred tax liability	**(382)**	**(463)**

15. Share capital and reserves

	2020/21	2019/20
	£000	**£000**
Allotted, called up and fully paid		
70,467,268 (2019/20: 69,296,179) ordinary shares of 0.4p each	**282**	**277**

On 15 July 2020, 800,000 ordinary shares of 0.4p each were issued for consideration of 9.5p per share in respect of share options exercised by P Hallett. On 2 March 2021, 312,537 ordinary shares of 0.4p each were issued for nil consideration per share in respect of share options exercised by N Stella. On 2 March 2021, 58,552 ordinary shares of 0.4p each were issued for nil consideration per share in respect of share options exercised by G Couturier.

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The capital structure of the Group consists of equity comprising issued capital, reserves and retained earnings as set out below. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. During the period, the Group's strategy, which was unchanged from 2019/20, was to keep debt to a minimum. Net cash at 31 March 2021 was £2,095,000 (31 March 2020: net cash £2,350,000).

The Group operates an HMRC approved incentive plan (EMI scheme) and an unapproved incentive plan, details of which are set out in note 5.

Reserves

Share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. Retained earnings includes all current and prior period retained profits and losses less dividends paid.

16. Financial instruments disclosures

Financial instruments policy

Treasury and financial risk policies are set by the Board and have remained unchanged from the previous period. All instruments utilised by the Group are for financing purposes. The day-to-day financial management and treasury function is controlled centrally for all operations. During the period the Group had no derivative transactions, except in relation to share options and warrants.

Financial assets and liabilities

The Group's financial instruments comprise cash and liquid resources, and various items such as trade receivables and trade payables that arise directly from its operations. In the view of the Directors the fair value of financial assets and financial liabilities is not materially different to their carrying amounts.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The Group assesses credit risk from its cash and cash equivalents on a regular basis. The Group considers such risk to be minimal as cash is held by banks with high credit ratings in the UK and USA.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Interest rate risk

The Group continues to manage the cash position in a manner designed to maximise interest income, while at the same time minimizing any risk to these funds. Surplus cash funds are deposited with commercial banks that meet credit criteria approved by the Board, for periods between one and six months where economic to do so.

Currency risk

The Group is exposed to fluctuations in exchange rates as the majority of its revenues are denominated in US dollars. The risk is primarily a currency translation and remittance to parent risk as the Group's US entities operate as US dollar entities and the majority of their expenditure is denominated in US dollars.

The Group seeks to remove currency risk by invoicing in local currency, primarily Sterling or US dollars, where possible. Where this is not possible, the Group utilises US dollars held within its cash balances

Interest rate and currency profile

Financial assets

	2020/21 £000	2019/20 £000
Loans and receivables:		
Trade receivables	590	829
Cash at bank	2,095	2,350
Total	**2,684**	**3,179**

The Group's banking facilities allow for the offset of bank overdrafts against cash at bank.

Financial liabilities

	2020/21 £000	2019/20 £000
Other financial liabilities:		
Trade payables	395	1,092
Lease liabilities	799	1,034
Other short-term liabilities	730	346
Total	**1,924**	**2,472**

The loans, receivables and other financial liabilities are measured at amortised cost.

The majority of the Group's financial assets and liabilities are denominated in US dollars. Cash and cash equivalents denominated in foreign currencies other than sterling comprise £1,749,000 (2019/20: £1,347,000) which was denominated in US dollars.

Trade receivables of £590,000 (2019/20: £348,000) are denominated in US dollars; and other short-term liabilities of £527,000 (2019/20: £129,000) are denominated in US dollars.

Liquidity risk

The responsibility for liquidity risk management rests with the board of directors. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Group has no external debt facilities.

Maturity profile of financial liabilities:

	2020/21 £000	2019/20 £000
Due within one year or on demand	1,259	1,666

Fair value of financial instruments

At 31 March 2021 the book value of the Group's financial assets and liabilities approximates to the fair value.

Sensitivity analysis

The Group is not materially exposed to changes in interest rates 31 March 2021 as it has no borrowings. The Group is not materially exposed to changes in exchange rates as at 31 March 2021 as US operations are expected to generate sufficient cash in US dollars to meet liabilities as they fall due.

Borrowing facilities

At 31 March 2021 the Group had £nil (2019/20: £nil) undrawn committed borrowing facilities.

17. Commitments

Capital commitments

The Group had placed contracts for future capital expenditure of £nil at 31 March 2021 (2019/20: nil).

18. Pensions

The Group operates a defined contribution pension scheme for its employees. The pension cost charge for the period represents contributions payable by the Group to the scheme and other personal pension plans and amounted to £130,000 (2019/20: £147,000).

19. Contingent liabilities

The Group does not have an overdraft facility. The Group are able to offset overdrawn bank accounts with bank accounts that are in credit.

20. Related party transactions

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

During the period the Group sold promotional products and logistical and fulfilment services on an arms-length basis to Product Source Group Limited ("PSG"), a company substantially owned and controlled by Mrs Joanne Varley, wife of Martin Varley.

In 2020/21, sales of £104,000 (2019/20: £19,000) were made to PSG and trade receivables at 31 March 2021 includes £3,000 (2019/20: £19,000) due from PSG.

The Group procured contract IT development services via PSG totalling £6,000 (2019/20: £33,000) during the period and trade payables at 31 March 2021 include £nil (2019/20: £2,000) due to PSG.

Debtors at 31 March 2021 includes £50,000 due from PSG, being consideration due in respect of the sale of Ad Products. The disposal of Ad Products to Product Source Group is detailed in note 21.

During the period the Group sold personal protective equipment on an arms-length basis to Marywood University, whose Board of Trustees Chairperson is a related party of Nichole Stella, CEO of Altitude Group Plc.

In 2020/21, sales of £65,000 (2019/20: nil) were made to Marywood University and trade receivables at 31 March 2021 includes nil (2019/20: nil) due from Marywood University.

During the period the Group sold promotional products on an arms-length basis to Graphic Revolutions LLC, a company substantially owned and controlled by Mr Jamie Coggeshall, President of AIM Smarter LLC.

In 2020/21, sales of £3,000 (2019/20: nil) were made to Graphic Revolutions LLC and trade receivables at 31 March 2021 includes nil (2019/20: nil) due from Graphic Revolutions LLC.

21. Ad Products disposal

On 18 March 2020 the Company's wholly owned subsidiary, Customer Focus Interactive Imaging Limited ("CFIIL"), entered into a conditional agreement with Product Source Group Limited ("PSG") for the disposal of the trade and certain assets of Ad Products ("ADP"), the trading name of CFIIL and a UK based trade supplier and printer of promotional products (the "Disposal").

The Company engaged Sentio Partners, a third-party corporate finance consultancy to manage and oversee the engagement of all interested parties, including PSG, a company controlled by Mrs Joanne Varley, the wife of Martin Varley.

The Independent Directors (being all those save for Martin Varley) carefully considered all the offers made for the business together with the advice provided by Sentio Partners and are of the view that the offer is the best offer available and that the value potential and market opportunity available to the Company via the AIM Smarter platform in the US, means that it is in the best interests of the Company to focus all possible resources on AIM Smarter.

PSG is owned and controlled by Joanne Varley, the wife of Martin Varley, a Non-Executive Director of and 14.8 per cent. shareholder in Altitude, and therefore the Disposal constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies and as a substantial property transaction under the Companies Act.

For the purposes of the AIM Rules, the Independent Directors, having consulted with the Company's Nominated Adviser, finnCap Ltd, consider the terms of the Related Party Transaction to be fair and reasonable insofar as the Company's Shareholders are concerned.

On 3 April 2020 the transaction was approved by shareholders at a General Meeting and the disposal was duly completed on 7 April 2020.

Total maximum consideration of £0.8 million is comprised as follows:

- £0.35 million in cash on completion;
- £0.3 million receivable in 4 tranches over the 12-month period following completion, subject to a personal guarantee of Martin Varley; and
- £0.15 million conditional deferred consideration with performance criteria based on ADP revenue generation in the 12-month period following completion.

£0.60m was received in FY20/21, comprising the £0.35m due on completion and the £0.25m of deferred consideration. The remaining £0.05m of deferred consideration was received in April 2021.

The additional consideration of £0.15m is payable subject to the achievement of a revenue target by the disposed business in the year to 31 March 2021.

The revenue target was not achieved due to the impact of COVID-19 on the Ad Products business and the fair value of the conditional deferred consideration is £nil.

As required by IFRS 5, the Group re-measured Ad Products assets at the lower of the carrying amount and fair value less costs to sell, as set out below.

The transaction completed on 7 April 2020 following approval by the shareholders in general meeting. The business was not sold at 31 March 2020 and was therefore classified as held for sale at this date.

In accordance with IFRS 5, assets and liabilities classified as held for sale are shown as a separate line on the balance sheet. IFRS 5 also requires that the profit or loss from a discontinued operation is shown as a single amount on the face of the income statement and the comparatives and related notes have been restated accordingly.

The loss for the period represents total post-tax loss of the disposal group for the whole of the financial period, including any post-tax gain or loss on the measurement of fair value, as well as the post-tax loss on sale of the disposal group, which completed on 7 April 2020. Ad Products is presented as a discontinued operation for the periods ended 31 March 2020 and 31 March 2021.

Financial Performance

The financial performance and cash flow information presented are for the year ended 31 March 2021 and the fifteen months ended 31 March 2020.

	2020/21	2019/20
	£000	**£000**
Revenue	**(33)**	**4,460**
Cost of Sales	3	(2,647)
Gross Profit	**(30)**	**1,813**
Administrative expenses before amortisation of intangible assets, depreciation of tangible assets and exceptional charges	(13)	(2,171)
Operating loss before amortisation of intangible assets. depreciation of tangible assets and exceptional charges	**(43)**	**(358)**
Depreciation and Amortisation	-	(332)
Exceptional charges	-	(439)
Operating loss	**(43)**	**(1,129)**
Finance charges	(90)	-
Loss before taxation	**(133)**	**(1,129)**
Taxation	-	-
Loss for the period	**(133)**	**(1,129)**
Loss on measurement of assets held for sale	-	(2,207)
Loss for period	**(133)**	**(3,336)**

Cash flow from the discontinued operation is as follows:

	2020/21	2019/20
	£000	**£000**
Operating cash outflow before changes in working capital	(43)	(751)
Net cash inflow from operating activities	178	185
Net cash inflow/(outflow) from investing activities	250	(28)
Net cash outflow from financing activities	(601)	(306)
Net cash outflow from discontinued operation	**(174)**	**(149)**

Details of the sale of the Ad Products business

The loss on measurement and disposal of assets held for sale is calculated as follows:

	2019/20	2019/20
	£000	**£000**
Disposal proceeds		
Cash on completion*		350
Unconditional deferred consideration**		300
Conditional deferred consideration***		-
Total consideration		**650**
Carrying value of assets as at date of sale:		
Fixed assets	692	
Inventory	1,819	
Trade and other debtors	346	**(2,857)**
Loss on measurement of assets held for sale		**(2,207)**

**The cash due on completion of disposal on 7th April 2020 was prepaid by the purchaser prior to the period end and was included in the financial statements as deferred income within other creditors.*

***The unconditional deferred consideration was subject to the personal guarantee of Martin Varley and was receivable under the following schedule:*

- *£50,000 on 3 August 2020*
- *£50,000 on 3 October 2020*
- *£100,000 on 3 December 2020 and*
- *£100,000 on 2 April 2021*

The Group has received the unconditional deferred consideration in full.

**** The conditional deferred consideration of £150k was payable subject to the achievement of a revenue target by the disposed business in the year to 31 March 2021. The target revenue was not achieved due to the impact of COVID-19 on the Ad Products business and the fair value of the conditional deferred consideration is £nil.*

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 March 2021 and 31 March 2020:

	2019/20	2019/20
	£000	**£000**
Assets classified as held for sale		
Property, plant, machinery and equipment	-	-
Promotional products	-	294
Trade debtors	-	356
Total assets of disposal group held for sale	**-**	**650**

22. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings £000	Lease liabilities £000	Total £000
1 April 2020	**61**	**1,034**	**1,095**
Cash flows			
- Repayment	(61)	(298)	(359)
Non-cash			
- Additions and disposals of right-of-use asset in exchange for increased/decreased lease liabilities	-	63	63
31 March 2021	**-**	**799**	**799**

	Long-term borrowings £000	Lease liabilities £000	Total £000
1 January 2019	**89**	**407**	**496**
Adoption of IFRS 16	-	(103)	(103)
Revised 1 January 2019	**89**	**304**	**393**
Cash flows			
- Repayment	(28)	(337)	(365)
Non-cash			
- Additions and disposals of right-of-use asset in exchange or increased/decreased lease liabilities	-	1,067	1,067
31 March 2020	**61**	**1,034**	**1,095**

23. Leases

The Group leases space in buildings in Manchester, Sheffield and Philadelphia and has a car on a short-term lease. The Group has applied the IFRS 16 exemptions for short-term and low value leases. No leases contain variable payment terms.

	2020/21
	£000
Expiring within one year	134
Expiring within two to five years	629
Expiring in more than five years	36

The movement in lease liabilities in the period are shown below:

	2020/21
	£000
At 1 April 2020	**1,034**
Additions	-
Disposals	-
Interest charge	63
Lease payments	(187)
Exchange difference	(110)
At 31 March 2021	**799**

The amounts recognised in the income statement are as follows:

	2020/21
	£000
Depreciation of right-of-use assets	157
Interest expense on lease liabilities	63
Short-term leases	-

The Group currently leases office space in Sheffield and Philadelphia.

The interest rates inherent in the leases could not be ascertained, therefore, estimates have been used which approximate the likely incremental costs of borrowing for a similar term and asset.

Details of right-of-use assets are shown in note 9.

24. Prior period adjustment

The prior period has been restated due to a classification error identified during the financial period relating to FY2019/20.

Lease liabilities falling due after more than one year were erroneously included in current liabilities. The error had no impact on the result for the period or reported net assets.

The impact of the restatement is shown below.

	As previously stated 2020	Increase/ (Decrease)	Restated 2020
	£000	£000	£000
Consolidated Balance Sheet (extract)			
Non-current liabilities			
Lease liabilities	-	863	863
Current liabilities			
Trade and other payables	3,748	(863)	2,885

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COMPANY BALANCE SHEET

Company Balance Sheet

at 31 March 2021

	Note	2020/21	2019/20
		£000	£000
Investments	29	510	510
		510	**510**
Current Assets			
Debtors	30	4,122	7,989
Cash and cash equivalents		213	-
Creditors: amounts falling due within one year	31	(371)	(2,788)
Net current assets/(liabilities)		3,964	5,201
Net assets		**4,475**	**5,711**
Capital and reserves			
Called up share capital	32	282	277
Share premium account		20,151	20,080
Profit and loss account		(15,958)	(14,646)
Shareholder's funds		**4,475**	**5,711**

The Company reported a loss for the period ended 31 March 2021 of £1,856,000 (2019/20: £7,925,000).

The balance sheet was approved by the Board of Directors on 7 September 2021 and signed on its behalf by:

Keith Edelman

Keith G Edelman
Director
Registered number: 05193579

14 COMPANY STATEMENT OF CHANGES IN EQUITY

Company Statement of Changes in Equity

for the period ended 31 March 2021

	Share Capital	Share Premium	Retained Losses	Total
	£000	£000	£000	£000
At 1 January 2019	**219**	**11,000**	**(7,988)**	**3,231**
Loss for the period	-	-	(7,925)	(7,925)
Transactions with owners recorded directly in equity				
Share-based payment charges	-	-	1,267	1,267
Shares issued for cash	58	9,080	-	9,138
Total transactions with owners	**58**	**9,080**	**1,267**	**10,405**
At 31 March 2020	**277**	**20,080**	**(14,646)**	**5,711**
Loss for the period	-	-	(1,856)	(1,856)
Transactions with owners recorded directly in equity				
Share-based payment charges	-	-	544	544
Shares issued for cash	5	71	-	76
Total transactions with owners	**5**	**71**	**544**	**620**
At 31 March 2021	**282**	**20,151**	**(15,959)**	**4,475**

15 NOTES TO THE COMPANY BALANCE SHEET

25. Company accounting policies

The separate financial statements of the company are presented as required by the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS101).

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions.

Where required equivalent disclosures are given in the consolidated financial statements.

The Accounts have been prepared under the historical cost convention. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

Investments in subsidiary undertakings

Investments in subsidiaries are stated at cost less accumulated impairment. Impairment reviews are carried out if there is an indication that the carrying value of the investments may have been impaired. The Directors exercise their judgement in determining whether any such indicators exist. Where, in the opinion of the Directors, an impairment of the investment has arisen, provisions are made in accordance with IAS 36 'Impairment of Assets'.

Receivables due from subsidiary undertakings

Amounts owed by subsidiary undertakings are assessed for expected credit losses on a general basis under IFRS 9 'Financial Instruments'. Where required, the Company recognises a provision on this basis reflecting either the lifetime or 12-month expected credit loss dependent on the change in credit risk since initial recognition of the financial asset. The amount of the provision is recognised in the income statement.

Key estimates and judgements

In the preparation of the Company financial statements, the Directors, in applying the accounting policies of the Company, make some judgements and estimates that affect the reported amounts in the financial statements. The Directors consider the following are the areas requiring the use of judgement and estimates that may significantly impact the financial statements.

Investments in subsidiary undertakings

The Directors performed their assessment of the carrying value of the investments in subsidiaries and concluded that no investments were identified as being impaired.

Receivables due from subsidiary undertakings

The Directors performed their assessment of the carrying value of the receivables due from subsidiary undertakings and concluded that the subsidiary undertakings would be unable to repay in full the outstanding amounts at the reporting date.

The recoverable amounts have been assessed with reference to value in use and the likely proceeds of a sale of part of the Group. An impairment provision of £594,000 has been recognised in the period.

26. Company profit and loss account

The company has taken advantage of the section 408 Companies Act 2006 exemption to present its own profit and loss account. The loss for the period was £1,856,000 (2019/20: £7,925,000)

27. Operating costs

The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements.

28. Employees

The only employees of the Company were the Directors.

Details of the Directors' remuneration, share options and pension entitlements are disclosed in note 4 to the consolidated financial statements.

29. Investments

	Shares in subsidiary undertakings
	£000
Cost	
At 1 January 2019, 31 March 2020, and 31 March 2021	**907**
Impairment	
At 1 January 2019	**(318)**
Impairment charge in period	(79)
At 31 March 2020	**(397)**
Impairment charge in period	-
At 31 March 2021	**(397)**
Net book value	
At 31 March 2020 and 31 March 2021	**510**

The companies in which Altitude Group plc's interest is more than 20% at the period-end are as follows:

Subsidiary undertakings	**Country of incorporation**	**Principal activity**	**Class of shares held**	**Holding**
Customer Focus Software Limited 1	England and Wales	Sale of software and marketing services	Ordinary	100%
Customer Focus Exhibitions Limited 1	England and Wales	Sale of software and marketing services	Ordinary	100%
Altitude Group Incorporated	United States	Sale of software and marketing services	Ordinary	100%
AIM Smarter LLC 1	United States	Sale of software and marketing services	Ordinary	100%
AIM Capital Solutions LLC 1	United States	Business support services	Ordinary	100%
Boxcam Limited	England and Wales	Dormant	Ordinary	100%
Promoserve Business Systems Limited 1	England and Wales	Dormant	Ordinary	100%
Customer Focus Interactive Imaging Limited 1	England and Wales	Printing of Promotional Products	Ordinary	100%
The Advertising Products Group Limited 1	England and Wales	Dormant	Ordinary	100%
Ad Products USA LLC 1	United States	Dormant	Ordinary	100%
Trade Only Technology Services Limited	Canada	Dormant	Ordinary	100%

1 – Held by a subsidiary undertaking

30. Debtors

	2020/21	2019/20
	£000	£000
Amounts falling due within one year		
Other debtors	46	47
Amounts owed by subsidiary undertakings	4,076	7,942
Total	**4,122**	**7,989**

All amounts owed by subsidiary undertakings are interest free and repayable on demand.

31. Creditors: Amounts falling due within one year

	2020/21	2019/20
	£000	£000
Bank overdraft	-	2,549
Trade and other creditors	336	136
Accruals and deferred income	35	103
Total	**371**	**2,788**

Bank overdrafts are denominated in sterling and are repayable on demand. The Group are able to offset overdrawn accounts with accounts that are in credit. The average effective interest rate on bank overdrafts are nil (2019/20: nil) as these borrowings are secured by cash balances held within the group and balances are offset for interest purposes.

32. Share capital

	2020/21 £000	2019/20 £000
Allotted, called up and fully paid		
70,467,268 (2019/20: 69,296,179) ordinary shares of 0.4p each	**282**	**277**

On 15 July 2020, 800,000 ordinary shares of 0.4p each were issued for consideration of 9.5p per share in respect of share options exercised by P Hallett. On 2 March 2021, 312,537 ordinary shares of 0.4p each were issued for nil consideration per share in respect of share options exercised by N Stella. On 2 March 2021, 58,552 ordinary shares of 0.4p each were issued for nil consideration per share in respect of share options exercised by G Couturier.

Reserves

Share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. Retained earnings includes all current and prior period retained profits and losses less dividends paid.

33. Commitments

The Company had no capital commitments or operating lease commitments existing at 31 March 2021 or 31 March 2020.

34. Related parties

The related party transactions with key personnel are set out in note 20 to the consolidated financial statements.

35. Post balance sheet events

On 25 June 2021 G Couturier served six month notice of resignation from his role of Chief Financial Officer.


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NOTICE OF ANNUAL GENERAL MEETING

Notwithstanding the lifting of the COVID-19 restrictions on 19 July 2021 , the Company's board of directors (the "Board") strongly recommends that, due to the ongoing COVID-19 pandemic, continued uncertainty and risk of infection, shareholders do not attend the 2021 Annual General Meeting (the "AGM") but instead appoint the chairman of the meeting to exercise their right to vote.

This approach is being taken to protect the health and well-being of the Company's shareholders, directors, advisers and other team members. The minimum number of directors or employees of the Company will attend to ensure that the AGM is quorate.

To the extent that you wish to attend in person and are able to do so safely, in accordance with any Government guidance and restrictions in place on the date of the meeting, the Board kindly requests that you pre-register your intentions to attend by emailing ir@altitudeplc.com no later than 5:00 p.m. on 15 September 2021. We may have to limit numbers in order to maintain social distancing and if you do attend in person you may be requested to wear a mask.

The Company is closely monitoring developments relating to COVID-19, if it becomes necessary to alter the arrangements of the AGM shareholders will be notified via our website and, where appropriate, announced via a Regulatory Information Service.

Please do not attend the AGM in person if you have symptoms that may be caused by COVID-19, or if you are waiting for a test, if you have received a positive COVID-19 test result, or live with someone with COVID-19 symptoms, or with someone who has tested positive for COVID-19.

If you would like to vote on the resolutions, you can appoint a proxy to exercise your right to vote at the AGM. As such, you are strongly encouraged to appoint the chairman of the AGM to act as your proxy as any other named person is also strongly recommended not to attend in person.

You are requested to register your proxy votes as soon as possible but in any event by no later than 2.00 p.m on 28 September 2021.

At the AGM itself, voting on all resolutions will be conducted by way of a poll. Further details on voting are set out in the notes to the Notice of Annual General Meeting.

Notice is hereby given that the annual general meeting of Altitude Group Plc (the "Company") will be held at the offices of Elstree Aviation Centre, Hogg Lane, Borehamwood, WD6 3AN on 30 September 2021 at 2 p.m. for the purpose of considering and if thought fit, passing the following resolutions.

Resolutions number 1 to 5 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions.

Ordinary business

1. To receive the Company's annual accounts for the financial year ended 31 March 2021 together with the last Directors' Report, the last Directors' Remuneration Report and the Auditors' Report on those accounts.

2. To re-elect Nichole Stella who retires in accordance with the articles of association of the Company, as a director of the Company.

3. To re-elect Graeme Couturier who retires in accordance with the articles of association of the Company, as a director of the Company.

4. To re-appoint Crowe U.K. LLP as auditor of the Company and to authorise the directors to fix their remuneration.

Special business

5. Authority to allot shares

THAT, in substitution for all existing and unexercised authorities and powers granted to the directors prior to the passing of this resolution, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 Companies Act 2006 (the "Act"):

a. to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as "Relevant Securities") up to an aggregate nominal value of £94,242 representing approximately one third of the Company's issued share capital to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company); and further

b. to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal value of £94,242 representing approximately one third of the Company's issued share capital in connection with an offer of such securities by way of a rights issue ("rights issue"),

provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the earlier of the conclusion of the next annual general meeting and 31 December 2022, save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

"Rights issue" means an offer of equity securities to holders of ordinary shares in the capital of the Company on the register on a record date fixed by the directors in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or any other matter.

6. Disapplication of pre-emption rights

THAT, subject to and conditional upon the passing of the resolution 5, the directors be and are hereby empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by resolution 5 above as if section 561(1) of the Act did not apply to any such allotment provided that this authority and power shall be limited to the allotment of equity securities:

a. in connection with a rights issue (as defined in resolution 5(b) above);

b. otherwise than pursuant to sub-paragraph 6(a) above up to an aggregate nominal amount of £28,273 representing approximately 10 per cent. of the Company's issued ordinary share capital, and shall, unless previously renewed, varied or revoked by the Company in a general meeting, expire at the earlier of the conclusion of the next annual general meeting and 31 December 2022, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

7. Purchase of the Company's own shares

THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 639(4) of the Act) of ordinary shares of 0.4 pence each in the capital of the Company ("Ordinary Shares") on such terms as the directors think fit up to an aggregate nominal amount of £28,273 at a price per share (exclusive of expenses) of not less than 0.4 pence and not more than 105 per cent. of the average of the middle market quotations for an Ordinary Share, as derived from the London Stock Exchange plc, for the five business days immediately preceding the day on which the Ordinary Share is purchased, provided that this authority shall expire at the earlier of the conclusion of the next annual general meeting and 31 December 2022 unless previously revoked, varied or renewed, save that the Company may purchase equity securities pursuant to this authority at any later date where such purchase is made pursuant to a contract concluded by the Company before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

By Order of the Board

Graeme Couturier

Graeme Couturier
Company Secretary
7 September 2021

Registered office
Altitude Group Plc
7th Floor
32 Eyre St
Sheffield
S1 4QZ

17 EXPLANATORY NOTES

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at 6.00 p.m. on 28 September 2021 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to vote at the meeting in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

COVID-19

2. Notwithstanding the lifting of the COVID-19 restrictions on 19 July 2021, the Board strongly recommends that, due to the ongoing COVID-19 pandemic, continued uncertainty and risk of infection, shareholders do not attend the meeting but instead appoint the chairman of the meeting to exercise their right to vote. At the meeting itself, voting on all resolutions will be conducted by way of a poll. Further details on the arrangements for the meeting can be found at the beginning of this Notice of Annual General Meeting.

Appointment of proxies

3. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them however please see notes 2 and 5.

5. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. While a proxy need not be a member of the Company, members are strongly encouraged to appoint the chairman of the meeting to act as their proxy as any other named person is also recommended not to attend the meeting in person.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD; and
- received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD 2.00 p.m. on 28 September 2021.

7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

11. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD.

12. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointment

13. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD.

14. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

15. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

16. The revocation notice must be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD no later than 2.00 p.m. on 28 September 2021.

17. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

18. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Submission of proxy electronically

19. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST 64 Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representative

20. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Documents on display

21. The following documents will be available for inspection at the registered office of the Company on any weekday (excluding public holidays) during normal office hours from the date of this notice until the time of the meeting and for at least 15 minutes prior to the meeting and during the meeting:

- copies of the service contracts of the executive directors of the Company; and
- copies of the letters of appointment of the non-executive directors of the Company.


www.altitudeplc.com
95 5K 1K
STIFEL

Registered office
Altitude Group Plc
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