Modernise. Accelerate. Drive. Enable.

Made Tech

Annual Report 2023

About Made Tech

Made Tech is a provider of digital, data and technology services dedicated to serving the UK public sector.

The Company has four key strategic missions: modernise legacy technology and working practices; accelerate digital service and technology delivery; drive better decisions through data and automation; and enable technology and delivery skills to build better systems.

Made Tech is listed on the London Stock Exchange (symbol MTEC.L).

Highlights and KPIs

Operational highlights

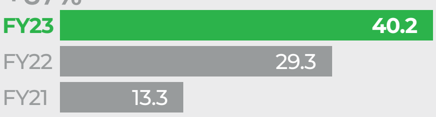
- Strong organic revenue growth of 37% and CAGR of 83% over the last five years
- Record contracted backlog of £67.9m (FY22: £38.2m) and sales bookings of £69.9m (FY22: £51.1m)
- Average contract size of £4m (FY22: £2m) demonstrating the Group's strengthened position in the marketplace
- Gross margin of 36% (FY22: 38%) reflecting reduced utilisation as a result of shifts in the political environment
- Continued investment in strategic initiatives with three new SaaS products developed and a number of new local authority clients secured (revenue expected to be recognised in FY24)
- Strong balance sheet with net cash of £8.5m as at 31 May 2023 following investment in own IP (FY22: £12.3m)
- Strong sales pipeline from new and existing clients and record sales bookings underpin confidence for FY24 and beyond

Financial highlights

Revenue (£m)

£40.2m

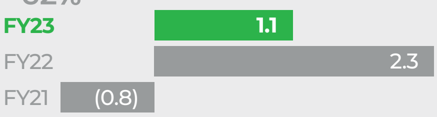
+37%



Adjusted PBT (£m)

£1.1m

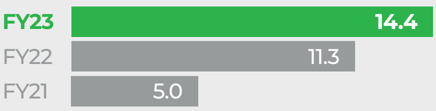
-52%



Gross profit (£m)

£14.4m

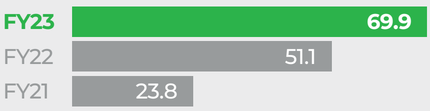
+28%



Sales bookings (£m)

£69.9m

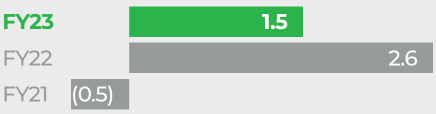
+37%



Adjusted EBITDA[1] (£m)

£1.5m

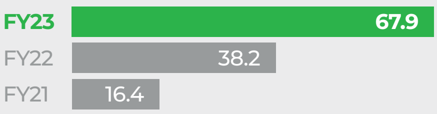
-43%



Contracted backlog (£m)

£67.9m

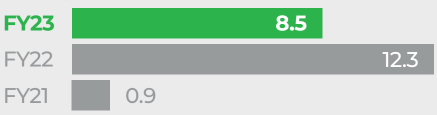
+78%



Cash (£m)

£8.5m

-31%



Notes

1. Adjusted EBITDA is a non-IFRS measure that the Group uses to measure its performance and is defined as earnings before interest, taxation and amortisation and after add-back of one-off exceptional costs and share-based payment charge. See page 64.

Contents

Experienced, motivated and ambitious

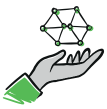
Our purpose

Our purpose is to use technology to improve **society** – for **everyone**. We judge the value of our work by the extent to which it **improves** people's lives.

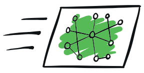
Our vision

We want all public services **secure**, user-centric, **data-driven** and free from legacy technology.

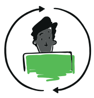
Our missions



Be the **first-choice technology** services provider to the public sector through our commitment to quality and value.



Set a **new standard** for user-centred, continually-improving software products that consign legacy products to history.



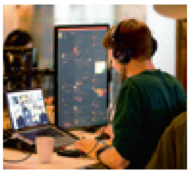
Create **positive change** in society by approaching each project with a relentless focus on the needs of our clients and the people in society they serve.

Our people and locations

430

headcount at 31 May
(including contractors)

Our services

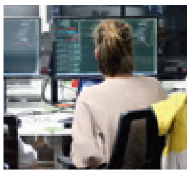


Digital service delivery
We support our clients at every point in the delivery lifecycle, right from defining the problem right through to the live services that solve them.

Data
We enable our clients to unlock the potential of their data to build smarter, faster services, achieve better outcomes for their users, and enable truly predictive government.

Managed Services
Lack of modernisation? Our managed services take away the stress of maintaining and supporting live digital and data services, applications and cloud infrastructure.

Embedded capabilities
We support our clients and their teams, enabling them to become self-sufficient for a changing skills landscape.



Legacy application transformation
We support our clients in transforming their legacy technology and applications so they can provide systems and services that meet their users' needs.

Our clients

Government Digital Service
Department for Education
Ministry of Justice
Department for Levelling Up, Housing & Communities
Driver & Vehicle Licensing Agency
Department for Business & Trade
Maritime and Coastguard Agency
Department for Digital, Culture, Media & Sport
Home Office
HM Revenue & Customs
Cabinet Office
CPS
Met Office
NHS England
skillsforcare
Camden
University of Sheffield
ofgem
ofqual

A solid platform for expansion

Holding a strong position in a growing market, supported by an experienced and committed team.

Rapid revenue growth

Organic growth delivered consistently, achieving 83% CAGR over the last five years from £1.9m in 2018 to £40.2m in 2023.

83% CAGR

over the last 5 years

Long-term revenue visibility

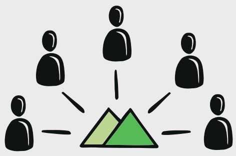
Sticky, repeatable revenues with significant client value which grows over contract life.

until 2026

Focused mission to digitise Public Services

Differentiated by pure public sector focus and strong relationships.

- **Continued expansion of data and AI propositions.**
- **Incubation of our managed services offering.**
- **Growth of our transformation advisory services.**
- **Launched our product strategy, gaining good early adoption.**



Fast expanding client base

Six out of the top ten highest spending government organisations are clients.

Driver & Vehicle Licensing Agency

HM Revenue & Customs

NHS England

Favourable market dynamics

Growth in government spend continuing and favouring smaller agile providers.

£17.2bn

estimated public sector IT services spend by 2025*

* TechMarketView – market update February 2023.

Progress against our strategic aims

"I am pleased to present Made Tech's audited annual results for the year ended 31 May 2023, another year of substantial revenue growth for the business, which have been delivered despite the continuing challenging wider economic circumstances."

Joanne Lake
Non-Executive Chair

I am pleased to present Made Tech's audited annual results for the year ended 31 May 2023, another year of substantial revenue growth for the business, which have been delivered despite the continuing challenging wider economic circumstances.

With the post-Covid economic recovery being compromised by inflationary pressures, including wage inflation, the continuing delivery of strong revenue growth and increasing numbers of clients are achievements which are testament to the talented teams we have throughout the business. I must also acknowledge our disappointment when, in the final few weeks of the financial year, unforeseen rephasing of the required work packages by certain of our clients and the consequent lower level of associated revenues negatively impacted our performance in FY23.

Summary of the year
With revenue for the year nevertheless increasing by a substantial 37% to £40.2m (FY22 £29.3m), this continues an exceptionally strong track record of growth, delivering an 83% CAGR over the last five years. Our gross profit also increased significantly by 28% to £14.4m (FY22 11.3m). Due to the impact of the deferral of work by certain clients as noted above, our adjusted EBITDA for FY23 decreased by 43% to £1.5m (FY22 £2.6m). Although this has reduced our profitability in the short term, we remain confident in our ability to build our business for the future and deliver long-term returns and value for all our stakeholders.

Strategic delivery
FY23 is the first full year of results since Made Tech's admission to AIM in September 2021. At IPO, we set out our strategy to achieve sustained revenue, profit and cashflow growth by expanding the Group's capabilities, building out regional hubs and growing the Group's market share within the health, local government and central government sectors.

In FY23, we continued to make progress against the majority of these strategic objectives. We have been successful in winning a greater proportion of larger contracts, which reflects our growing reputation in the market. Our revenues in the health sector increased by 27% to £5m on the back of the major contract win in FY22 with NHS Digital, which, although the phasing of work has been later than originally anticipated and therefore didn't add to our FY23 revenues, is now contributing to our revenues and presence in the health sector in the current year. We were delighted to be awarded our first contracts with the Met Office and Crown Commercial Services, which together with renewals, helped to grow our services to central government by over 60% to £29m. Our local government services revenues contracted by 16% to £6m due to budgetary pressures experienced in the year. To better service local government clients we moved our focus to developing our first bespoke Software as a Service ("SaaS") recurring revenue products, investing £1.5m in FY23 in developing three new SaaS products, specifically designed for the local government market. These products will deliver value for money for budget-constrained local authorities and generate recurring revenues at higher margins for Made Tech, presenting a substantial opportunity. Our first two products help local government teams to manage their housing stocks, streamlining repairs and managing voids and the third enables local government to easily request and validate service users' information quickly and accurately. The first of these products has launched with a number of clients actively using these services. Investment in our own intellectual property is a key part of our longer-term strategy to provide a comprehensive, end-to-end offering to our clients which spans software and services. We believe this will both benefit our clients and reduce Made Tech's exposure to variations in the timing of demand for our services and ultimately add to the resilience of our business.

Our people are fundamental to the success and sustainability of Made Tech. We rely on their skills, talent, motivation and commitment to deliver services and solutions to our clients. We have recently been delighted to recruit an experienced Chief People Officer strengthening our senior leadership team, leading our people strategy, and ensuring we create opportunities for our people to develop and grow with Made Tech over the long term. We continue to recruit talented individuals across the UK to ensure we have the right mix of capabilities to meet our client demand. We have paused our progress on regional hubs as we develop our hybrid working strategy, taking account of the needs of our people at the same time as optimising the quality of service we are able to provide to our clients.

We continue to invest in our core services, expanding and strengthening our range of capabilities. Our design capability now has a team of almost 80 skilled professionals and, during the year, we recruited an experienced leader to deliver further growth in this area. Our data practice capability now has a team of around 20 data experts specialising in data science, artificial intelligence and machine learning and we continue to add to these data offerings. We are also investing in our transformation services team, as we seek to engage earlier at a senior level with our clients and to become a strategic partner as they plan the long-term digital transformation of their organisations. In addition, we are in the early stages of building our managed services offering. This strategic progress has helped us to deliver substantial growth in revenues but we acknowledge that investments made in the year, to deliver future growth, impacted our profits and cashflows in the year under review.

As we worked to deliver progress against our strategic commitments during the year, adjustment of our headcount was required to manage the impact of clients' changing demands and tailor the mix of our talent pool to deliver the required range of services. Our people have shown great commitment during and adaptability to the changes needed over the past year and their dedication towards both the business and our clients is a credit to them.

The Board believes in the value of having alignment in the interests of our people with those of our shareholders and remains committed to offering our employees the opportunity to own shares in the Company. At the FY23 year end, 36% of our people held shares in our business and to promote the alignment of the interests of our new recruits with those of our shareholders we have recently awarded equity incentives to key new members of our executive team.

Our financial position remains strong. Unlike many technology businesses, Made Tech is debt free and our cash balance is robust at £8.5m at the end of FY23, providing more than sufficient funds to deliver our plans for future organic growth. This financial strength gives us the flexibility to both invest for future growth and take advantage of opportunities as they arise.

> "We are well placed to continue Made Tech's progress as an increasingly important provider of technology services and products to the UK public sector and we look forward to delivering long-term returns and value for all our stakeholders."
>
> **Joanne Lake**
> Non-Executive Chair

A responsible business

Following our IPO, we established an ESG Committee to guide and oversee our progress against environmental, social and governance targets. This is a key priority for us and the committee is chaired by our CEO and has members who are enthusiastic volunteers from all across our group, as well as myself and Helen Gilder from our NED team. We are committed to continuing to develop our environmental, social and governance priorities embedded within our overall strategy and as a fundamental part of what it means to be Made Tech. We are committed to sourcing, designing and offering services and products which support social responsibility and environmental sustainability. During FY23, we are pleased to have reduced our overall carbon emissions and our carbon emissions per employee, achieved carbon neutral status and have set ourselves the target of being carbon net zero by 2030. Our mission in transforming public services is to create a fairer and more equitable society, and we recognise the importance and benefits of diversity in our business. While our gender diversity remains better than the industry average for the technology sector we recognise our ongoing imperative to drive improvement in this space.

We recognise the value of good corporate governance in every part of the business and consider that compliance with the QCA Code serves the interests of all our key stakeholders and will support the maintenance and creation of long-term value in the Company. In FY23, the Board performed an internal formal evaluation of its performance in its first full year as a listed company. The review comprised the completion of a comprehensive questionnaire by all Board members covering the effectiveness of the Board's performance as a unit, as well as that of its committees and the individual Directors. As this is the first time of undertaking this review, these results will be used as a benchmark for the Board and will be assessed again on a yearly basis.

Current trading and outlook

We are aware that the ongoing economic headwinds and the forthcoming general election will put some pressure on our clients. However, given the UK government's long term commitment to use technology to improve both its operations and its interaction with the public, we expect to be able play our part in delivering this digital transformation for many years to come and look forward to FY24 with cautious optimism.

To support our future growth, we have made strategic investments in both our service capabilities and our SaaS products and we have the resources and intent to continue investment in these areas, as we see them as important elements in the long-term success of our business. We have also invested in our executive management and have strengthened our senior leadership team with the addition of a Chief People Officer to lead our people strategy.

The Group has traded profitability in the first three months of the new financial year, driven by right sizing of the cost base – improved billable utilisation, reduced contractor numbers and partner work, improved management information; and a reduction in spend on capability investments. Our contracted backlog of £67.9m is at record levels, providing good revenue cover to FY26 and we have a promising pipeline of further new business opportunities. In summary, we feel we are well placed to continue Made Tech's progress as an increasingly important provider of technology services and products to the UK public sector and we look forward to delivering long-term returns and value for all our stakeholders.

JC Lake

Joanne Lake
Non-Executive Chair
12 September 2023

Chief Executive's review

Delivering on our mission to improve public services

"We achieved a record level of sales bookings at £69.9 million, a significant milestone for the Group."

Rory MacDonald
Chief Executive Officer

I am delighted to present the Made Tech Group results for 2023. I want to start by extending my deepest gratitude to our shareholders, clients and dedicated team. Your unwavering support and commitment have been instrumental in navigating the past 12 months, and for that, I am truly thankful.

This year marked our first full year on the public markets, a significant milestone in our corporate journey. However, it has not been without its challenges. The macroeconomic landscape has been turbulent, with various factors causing instability in the wider economic environment. This instability has particularly affected the core government market within which we operate.

Despite these challenges, I am proud to report that we have made significant strategic progress. Our resilience has allowed us to navigate these uncertain times, and our achievements are a testament to the strength of our business and the dedication of our team.

We have delivered another year of exceptionally strong organic revenue growth, up 37% yearly. This continues our impressive track record of organic growth, with a compound annual growth rate ("CAGR") of c.80% over the last five years, a market-leading figure within our sector.

The digital transformation market in which we operate remains buoyant. We expect long-term demand from existing and new clients as they seek to drive productivity enhancements and capitalise on emerging opportunities, such as artificial intelligence. Many of these clients lack the necessary in-house skills, presenting a significant opportunity for our business.

Our brand and market positioning continue to be very strong. We have built a reputation for excellent digital delivery, and this positions us well to capitalise on the structural growth opportunities ahead. We remain committed to delivering value for our shareholders, clients and people, and I am confident that we are well placed to continue our growth trajectory.

Continuing to grow at a pace

We achieved a record level of sales bookings at £69.9m, a significant milestone for the Group. This achievement was driven by a substantial number of contract renewals and expanding our remit with key clients. This is a testament to the strength of our client relationships and the quality of our services.

This year, we undertook our first independent customer satisfaction review, showing an impressive 77% of our clients expressed their strong satisfaction with the Company. The feedback received highlighted our exceptional performance in fostering robust client relationships, providing excellent client service and promoting effective collaboration. We are thrilled with these results and are committed to maintaining and improving this high level of customer satisfaction and will continue to conduct these reviews on an ongoing basis, reporting the results to our investors.

We have also seen a trend of increased contract sizes, winning two contracts over £10m, seven over £5m and ten over £2m during FY23. This trend reflects our growing stature in the market, and we expect to see this continue as we expand our business.

Regarding our sector-specific performance, our revenue in the central government sector was up 61% to £29m. This was a strong performance, driven by renewals and winning new mandates with the Met Office and Crown Commercial Service.

In the health sector, revenue increased by 27% to £5m, and we secured a new mandate at the Health Security Agency, despite significant changes within NHS England and NHS Digital seen during the year.

In the local government sector, our revenue decreased by 16% to £6m. We saw increased budget pressure within the market, which led us to adapt and refocus our go-to-market strategy for this industry to focus purely on our new Software as a Service ("SaaS") products.

Expanding the services we offer clients

Our goal has always been to provide an integrated digital transformation offering to our clients, and I am pleased to highlight significant strides towards this objective.

Our design capability, which we launched in 2021, has developed impressively. We now have nearly 80 talented individuals, contributing significantly to the business and improving the quality of outcomes we deliver to our clients. Given the scale of this team, we have appointed an experienced and specialised design leader to drive this area forward.

In 2022, we launched our data practice, which now has a team of approximately 20 data experts specialising in data science, AI and machine learning. We have continued to invest in developing our data offerings in 2023, further strengthening our capabilities in an area which we expect to be critical moving forwards.

We are also in the early stages of building our managed services offering. Although in its infancy, this new service line has already enabled us to target new opportunities previously out of reach. We expect contracts and revenues from this service to be longer term, providing more visible and committed revenue streams for the future.

We have made significant investments in our transformation service. This is a key area of focus for us, as we look to position the business as a more strategic partner, engaging at more senior levels and providing more transformational impact for our client organisations.

In total, we have invested £0.9m in FY23 to build our core services. These investments are not just about expanding our capabilities but also about driving new areas of growth and revenue streams in the years ahead. They build on our already strong reputation in the market, enabling us to deliver additional value to clients.

Progressing our product strategy

In addition to expanding our service lines, we have continued investing in intellectual property ("IP") solutions. This financial year, we spent £1.5m on developing three new SaaS products, specifically designed for the local government market.

Our first two products support local authorities in managing their housing stock. Our Housing Repairs product streamlines the repair process for residents and is more cost effective for local authorities. Our Voids product reduces the relet times and housing waiting lists.

Our third product, Evidence, is a software solution enabling local authorities to verify individual identities and the evidence required to establish eligibility to access a service. In an increasingly digital world, verifying identities and eligibility quickly and accurately is crucial, and our Evidence software provides a reliable solution to this challenge.

We are excited about the opportunities these new products present. We already have a number of local government clients signed up and using these products, and we anticipate that this number will grow in the coming years.

Our investment in IP solutions is a key part of our longer-term strategy to provide a comprehensive, end-to-end transformation offering which spans software and services. We are excited about the potential of these new products and look forward to seeing them contribute to our growth in 2024 and the years ahead.

Nurturing our most important assets

Over the past year, we have slowed the pace of our regional expansion, as we take the time to understand new hybrid working patterns and develop our estate strategy. This decision reflects our commitment to ensuring that our growth is sustainable and that we are creating the best possible working environment for our team.

We have strengthened our senior leadership team with the appointments of Tim Bardell as Chief Delivery and Transformation Officer and Wayne Searle as Chief People Officer, as part of our preparations for the next wave of growth. These changes are designed to ensure we have the right people in the right roles to drive our business forward. There will be further positive changes in the coming year, as we continue to strengthen our leadership structure.

Being a responsible business

Environmental, social and governance ("ESG") considerations are increasingly vital to our stakeholders and are central to our operations. As a key supplier to the UK government, ESG is crucial to our ability to secure work and long-term frameworks. Our ESG strategy is deeply integrated into our business, and we have made significant progress on various fronts in FY23.

Adopting best practice guidelines, like the QCA Code, and taking feedback from our teams, clients and investors, we have developed our ESG initiatives in a way that reflects our unique voice. You can find more details in the ESG section of this FY23 Annual Report.

A positive outlook

Although the economic uncertainty and the forthcoming general election will continue to put short-term pressure on our clients, we know there is a commitment to use technology to modernise and improve the way our clients' organisations operate, and we fully expect to benefit from the digital transformation opportunity for many years to come.

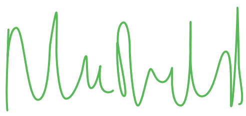
Our strategic investments in data, managed services, design, transformation and products set us up for future growth, and we intend to continue investing for growth in the coming years, confident in the long-term opportunity ahead for our business.

> "Our strategic investments in data, managed services, design, transformation and products have set us up for further growth, and we intend to continue investing for growth in the coming years, confident in the long-term opportunity ahead for our business."
>
> **Rory MacDonald**
> Chief Executive Officer

Our financial position remains strong, as we stay debt free and had a cash balance of £8.5m at the end of FY23. This financial strength gives us the flexibility to invest in growth and seize opportunities as they arise. Our contracted backlog is the strongest it has ever been, providing good revenue cover to FY26, and we have a promising pipeline of new business opportunities.

In conclusion, while the political and macro environment provides near-term challenges, we are confident in our ability to navigate them and continue our growth trajectory. We have a strong team, a clear strategy and a robust financial position, and we are excited about the opportunities ahead.

I want to end by saying a big thank you to our shareholders, employees, partners and clients for their ongoing support and we look forward to continuing to deliver value for you in the years ahead.



Rory MacDonald
Chief Executive Officer
12 September 2023

Our growth strategy

The aim of the Group's strategy is to achieve continuous growth in revenue, adjusted pre-tax profit and cash flow. To accomplish this, we employ the following initiatives:

Focus on government and public services

We do this by:

- **Growing and maintaining the Group's reputation:** We prioritise the cultivation of a strong and positive reputation in our chosen market. We are public sector specialists, and we help our clients deliver exceptional value by using modern ways of working. We use these ways of working to deliver new services to provide strongly differentiated services from large established legacy providers.
- **Building strong, long-term client relationships:** We place great importance on nurturing and building strong, enduring relationships with our clients. By understanding their unique requirements and consistently delivering value, we aim to become their trusted and preferred partner for their ongoing needs.

UK regional coverage in line with government's levelling-up agenda

We do this by:

- **Recruiting high calibre entry-level and experienced staff across the UK:** We actively seek out top talent at both entry and experienced levels. By attracting individuals with exceptional skills, knowledge and expertise, we enhance our capabilities and strengthen our ability to deliver innovative solutions to our clients.
- **Nurturing our experienced and highly skilled employee pool:** We recognise that our employees are a crucial asset in driving our success. We foster an environment that encourages professional growth, continuous learning and skill development. By nurturing our highly skilled workforce, we ensure that we can deliver exceptional results to our clients.

Grow market share within the health, local government and central government sectors

We do this by:

- **Capitalising on established market position and growth opportunities**: We leverage our established position in the market to identify and seize significant growth opportunities. This includes expanding into new sectors such as defence, police and law enforcement, entering emerging markets, or diversifying our service offerings to meet evolving client needs.

Extend capability coverage

We do this by:

- **Exploiting favourable market dynamics and drivers:** We closely monitor market dynamics and trends to identify advantageous opportunities for growth. By aligning our strategies with these market drivers, we can capitalise on emerging trends and gain a competitive edge.
- **Accelerating growth through the development of intellectual property ("IP"), introducing new services and focusing on product development**: We are committed to expanding our offerings by building a comprehensive suite of Software as a Service ("SaaS") products. By investing in research and development, we aim to create innovative and cutting-edge solutions that not only cater to current market demands but also anticipate future needs. This strategy allows us to leverage our expertise, drive value for our clients and position ourselves as industry leaders in the rapidly evolving technology landscape. Through our relentless pursuit of IP, new services and product development, we are confident in our ability to fuel growth and stay ahead of the competition.

Through the implementation of these strategies, we aim to achieve sustained growth in revenue, adjusted pre-tax profit and cash flow, positioning the Group for long-term success and a competitive advantage in the market.

Our strategy has been split into three key pillars as follows:

Key

* Non-financial KPI   £ Financial KPI

	What we did in FY23
1 People Our people are fundamental to the success and sustainability of Made Tech. We rely on their skills, talent, motivation, energy, expertise and commitment to deliver services and solutions to our clients.	* Strengthen our Executive Team, appointing an experienced Chief People Officer. * Headcount reduced from 478 in May 2022 to 430 in May 2023 as we streamlined the workforce, with a focus on optimising skills and maximising utilisation, delivering operational efficiencies. * Taken steps to become an accredited apprenticeship provider to enable us to continue to grow our academy programme.
2 Clients Our clients trust us to deliver high quality work that improves their services and in turn positively impacts society. We have built strong relationships with our clients, working alongside them for better collaboration, communication and teamwork. By consistently delivering to our clients, we will build long-lasting, mutually beneficial relationships that will see us thrive as a business.	£ Revenue has grown by 37% in the year with 12 new clients added. We grew our market share with our key clients, and overall spending from existing clients grew year on year, with average contract sizes increasing. * Undertook our first client satisfaction survey with high satisfaction ratings. £ Average billable rates were increased. £ Record contract wins, high client retention rates and largest ever contracted backlog moving into FY24.
3 Markets It is our preference to grow organically, whilst ensuring that we have a well-balanced and diversified business. We are exclusively focused on the public sector, transforming public services and driving a forward-thinking agenda which delivers better outcomes for everyone. The UK public software and IT services market is forecast to be worth £17.2bn by 2025*. We are confident that our strong reputation and growing presence in the UK marketplace, combined with a track record for successful delivering, will ensure that Made Tech is well positioned to maintain a central role in this transformation drive. * TechMarketView, February 2023.	£ The Group has expanded the number and range of procurement frameworks. £ The Group saw strong growth in central government and in the health sector. £ Developed three products for the local government market, secured first client, and an encouraging pipeline moving into FY24.

Our priorities for FY24

- Improve our employee engagement scores as measured independently and establish an employee voice forum.
- Continue to invest in developing our employees' skills and strive to be an employer of choice.
- Invest in internal communications.

- Win significant new client contracts and grow our client base.
- Continue the organic growth trajectory and expand the services provided to our existing clients.
- Retain our existing clients by continuing to engage their stakeholders and maintain high levels of customer satisfaction.
- Continue to build reputation and references in the sector to maintain our organic growth.

- Continue to grow within the public sector and be engaged in ambitious transformation projects across the UK government.
- Continue to ensure that we have a well-balanced portfolio across multiple sectors.
- Continue to invest in our new capabilities to expand our client offering.
- Diversify revenue through the development of own products.

Strategy in action

Modernising a critical application to safeguard the public with the Ministry of Justice

Supporting police forces across England and Wales by modernising the Bichard 7 application, with no disruption to the public

Our mission is to use technology to improve society – for everyone. We measure value in our work by delivering real things that improve people's lives. Over the last year we've been working with the Ministry of Justice to do just that.

The Bichard 7 application receives court hearing outcomes and adds them to the Police National Computer, processing 7,000 to 10,000 cases a day. Its users include all 47 police forces across England and Wales and HM Revenue & Customs ("HMRC"). Without Bichard 7, arrest warrants and bail denials would need to be manually tracked by police forces – putting the public at risk of significant harm.

Made Tech came on board to help modernise the application, migrate it onto AWS and provide 24/7 support.

As an AWS Advanced Partner, we created a transition plan for the migration. Contributing user research and an understanding of the service needs and process requirements, we were able to migrate the service with no impact on police teams, HMRC or the public. Changes also included improved security and removing the need for manual input from police teams.

Impact continues to grow with updates that improve user experience and respond to changes in government policy. User researchers work with 30 team members from English and Welsh police forces on implementing feedback and changes. By introducing automated testing and software releases, there's now 100% uptime during deployments. This means no users are affected during any update.

Feedback from Ministry of Justice Service Owner Dom Tomkins is positive: "With the great support and guidance from the managed services team at Made Tech, I'm delighted to say this project has been a huge success. A great level of dedicated work has gone into helping us modernise Bichard 7, migrate it to AWS and roll out ongoing improvements to meet the needs of our users."

By helping improve an application so central to public safety with ongoing changes that meet user needs, this is a great example of Made Tech working towards our purpose of making sure all public services are secure, user centric, data driven and freed from legacy technology.

Building strong partnerships

Section 172 statement

The Directors are aware of the need to have had regard to the matters set out in section 172(1)(a)–(f) of the Companies Act 2006 when performing their duty under section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole.

The table below indicates where the relevant information is in this Annual Report and Accounts that demonstrates how we act in accordance with the requirements of section 172.

S172 reference	More information
a) The likely consequences of any decision in the long term	Chief Executive's Review **p.9** Strategy **p.12**
b) The interests of the Company's employees	Our people **p.17**
c) The need to foster the Company's business relationships with suppliers, customers and others	Our customers **p.17**
d) The impact of the Company's operations on the community and the environment	Our communities **p.24** Environment **p.24**
e) The desirability of the Company maintaining a reputation for high standards of business conduct	Our culture **p.18** Modern slavery **[madetech.com]**
f) The need to act fairly as between members of the Company	Governance **p.42**

Our people

Our people are fundamental to the success and sustainability of Made Tech. We rely on their skills, talent, motivation and commitment to deliver services and solutions to our clients.

People underpin the growth of the business so recruiting and retaining the best talent is a key focus for management. We work hard to ensure our people are engaged, motivated, rewarded and supported to succeed.

We aim to provide an environment that puts employee well-being at its centre. We are building a culture based on transparency, integrity, respect and inclusion.

Clients and partners

Our clients are public sector leaders which play a critical role in society. They trust us to deliver high quality work that improves their services and in turn positively impacts society. Every client is different, but all focus on the quality and flexibility of our services. We are dedicated to being part of the solution. We have built strong relationships with our clients, working alongside them for better collaboration, communication and teamwork.

Our partners are important; they enable us to provide a high quality service to our clients. We work with a number of organisations and individuals to support and supplement our in-house resources.

Shareholders

The Group values the support of its shareholders, and aims to work responsibly and fairly with all its stakeholders so they may benefit from our continued growth and success.

The Board meets on a monthly basis, and the CEO and CFO hold meetings with analysts and institutional shareholders throughout the year to provide detailed updates, giving them greater details around our operations, financial performance and progress against our growth strategy.

Financial and other information is available through the RNS service and the Annual Report and on our website (www.madetech.com), which is updated regularly.

The environment

There is increasing interest from all stakeholder groups on the environmental impact of businesses and we understand the increasing importance that sustainable business practices will play in our ability to grow successfully and maintain profitability over the long term.

While our activities are largely office based and do not involve any energy-intensive processes or generate significant waste, the business can take, and is taking, actions to reduce its environmental impact. Our second energy and carbon report appears on page 24, along with the actions we intend to take to reduce the Group's carbon footprint.

Our people

Why we engage

- The sustainable success of our business depends upon our engagement with our people
- We engage to promote the Group's corporate culture and cascade our ethical values, behaviours and expectations
- We aim to create a positive and inclusive culture, sensitive to the issues that affect our people, so they can thrive and grow
- We engage to ensure that we continue to develop and invest in our highly talented and dedicated people in the right way

How we engage

- Encourage feedback, including via team surveys, employee forums and one-to-one discussions
- Enhancing training opportunities via Learning Fund and 12 learning days per annum
- Regular business performance and strategy updates directly from our CEO, CFO and senior team
- Access to anonymous whistleblowing service

Key topics of engagement

- Company vision: one and seven year strategic plans (to the year 2030) including opportunities for departmental growth and advancement
- Need for a flexible working environment with support for team health and well-being
- Opportunities for growth and development and support in reaching full personal potential
- Embracing diversity and inclusion
- Environmental impact of our organisation: our work on ESG and commitments to sustainability

Impact of engagement

- Teams are informed and therefore engaged
- Increased and improved flexibility in working patterns
- Improved decision making on team structure and recruitment
- Improved focus on talent pipeline and development of succession planning
- Promotion of leaders from within our businesses, alongside new talent sourced externally
- Implementation of ESG initiatives

Our clients and partners

Why we engage

- Effective engagement is key to attracting, and retaining, a quality client and partner base from which we can nurture strong and long-term relationships, trust and credibility, and ethics (including anti-corruption and bribery, human rights and modern slavery)
- Our clients' and partners' success is driven by the quality of our products and services. We ensure continued investment in the right technology, services and teams to enhance our relationships and create long-term value on both sides

How we engage

- Via regular one-to-one feedback discussions across multiple client touch points
- In-person and virtual meetings/events to provide opportunities for shared learning
- Hosting regular in-person small group events

Key topics of engagement

- Ongoing development and improvement of our technology, services and client support
- Training to enhance the benefits of using our technology with a focus on ensuring engagement

Impact of engagement

- Client retention: clients and partners have shown they value long-term relationships

Investors and shareholders

Why we engage

- We strive to develop our investors' understanding of our business model, strategic objectives and culture
- Through open and transparent engagement with the investor community, we aim to ensure the Group's operations and financial performance are clear and understood, and to provide the necessary information to ensure investors can make informed judgements about the Group
- Investors and analysts require our engagement on ESG to guide their investment stewardship activities

How we engage

- Publication of Annual Report and Accounts and annual ESG Report
- Regular and detailed trading updates to the market
- Availability of CEO and CFO to answer questions around trading updates throughout the year
- One-to-one and open online investor meetings or calls with the CEO/CFO at the full year and interim results
- Detailed "Investor" section on the Company's website
- Annual General Meetings and availability of Chair of the Group Board and Chair of each Board Committee to answer questions
- Ad hoc meetings or written responses as requested by existing and potential shareholders and analysts

Key topics of engagement

- Group approach to ESG and corporate governance
- Group approach to diversity, equity and inclusion
- Financial performance

Impact of engagement

- Improved investor knowledge and understanding of the Group, its operations and activities
- Investor relations activity and feedback discussed regularly at Board meetings and factored into decision making by the Group Board
- Improved transparency of Group information with open access investor relations content available on the Company's website

Building on a foundation of integrity, transparency and fairness

At Made Tech, we are very conscious of our ongoing responsibility to stakeholders and understand the increasing importance that sustainable business practices will play in our ability to grow successfully and maintain profitability over the long term.

Key achievements

- Reduction of total carbon emissions from 463.52 tCO_2e to 386.45 tCO_2e
- Reduction of carbon per employee from 2.5 tCO_2e to 0.9 tCO_2e
- We obtained carbon neutral status and are committed to being carbon net zero by 2030
- Our ethnic diversity increased to 20%, and our gender balance of 33% of the workforce being women (FY22: 38%) is higher than the industry average of 19% (BCS diversity report 2022: women in IT). We remain committed to further improvement
- Gender pay gap improved by 7%. We are committed to decreasing pay gaps
- We obtained our social value quality (level two) accreditation

Our culture

Every single colleague contributes to the success of our business and is committed to making a difference. We all do our jobs to the highest standard. We are committed to conducting our business with honesty and integrity. Our culture is one of openness and transparency. We are focused on creating an inclusive culture that ensures that everyone has an equal opportunity to be rewarded and recognised for their contribution.

Our values

Our values shape our culture and define who we are, what we do and how we act.

Within Made Tech, we will strive to create an environment which encourages collaboration, teamwork, diversity, inclusion, openness, learning, personal development and feedback. We look for specific values and behaviours:

Client focus

We can only succeed in our mission if we are a trustworthy partner to the public sector. We build strong and lasting relationships with our clients through empathy, flexibility and pragmatism. We believe that together we can achieve and deliver more and amplify our impact.

Drive to deliver

We have a strong drive to deliver successful outcomes for our clients and their users, working hard to keep to our commitments and rapidly delivering software that improves the lives of citizens. We are ambitious in our commitment to achieving positive results with sustainable impact.

Learning and mentoring

We are passionate about learning and growth; whether it's improving ourselves, the team or the organisation, we believe in the power of continuous improvement. We are bold, challenging ourselves to be better as we acknowledge that there is always progress to be made.

One team, diverse and united

We are one team using our diverse skills and experience to support each other's successes and challenges, respecting our differences. We work collaboratively with colleagues, clients and communities to create an environment which is inclusive and integrated, and where everyone is supporting the delivery of the mission. We value differences not just in gender, ethnicity and class but in personality, talent and perspective. It takes all types of attributes to make a great team.

Communication and engagement
We deem communication and engagement across all levels throughout the business as essential to achieving our strategic and operational goals.

We ensure that communications are honest and timely, driving involvement and improved knowledge, and fostering ownership and belonging. Regular communications include a quarterly town hall hosted by the Executive Team to update on business progress, strategic objectives and people news, and to celebrate successes.

We pride ourselves on promoting a feedback culture across the business. We want to ensure that all colleagues can have their say, and are engaged and able to contribute their experiences, expertise and ideas to support improvements at work. We hold regular team meetings where we encourage open dialogue and create a safe and inclusive environment for everyone to participate. We conduct periodic anonymous surveys to gather feedback from employees on various aspects of the work environment and Company policies and processes. We hold town hall meetings with Company leaders to address any concerns, provide updates and allow employees to ask questions directly. We also encourage managers to have regular feedback sessions and one-on-one meetings with their team members to provide an opportunity for employees to share their experiences, ideas and concerns directly.

Performance and development
Our aim is to create a high performance culture of continuous improvement based on individual and collaborative performances linked to business objectives. During the year, we have focused on performance management, and we will be developing these programmes in FY24 to formalise our commitment to providing colleagues with the skills required to be the best managers and leaders they can be. By prioritising employee development and growth, we empower our employees to reach their full potential, fostering a culture of excellence within our organisation. We firmly believe that investing in our colleagues' professional growth not only benefits them individually but also drives overall business success.

Reward
At Made Tech, we are deeply committed to acknowledging and appreciating outstanding contributions from our employees. We firmly believe in creating a work environment where excellence is recognised and rewarded. To achieve this, we ensure that our reward structures are competitive including annual pay reviews, allowing us to attract and retain top talent in the industry.

We understand the importance of valuing and incentivising our employees' hard work and dedication. By offering competitive compensation packages, benefits and recognition programmes, we aim to motivate and inspire our team members to consistently perform at their best.

Our commitment to rewarding and recognising excellent contributions extends beyond monetary compensation. We also foster a culture of appreciation and celebration, highlighting and acknowledging the achievements and milestones of our employees. Whether it's through promotions or special recognition programmes, we strive to create a supportive and engaging work environment that values and rewards exceptional performance.

Diversity, equity and inclusion ("DE&I")

> Creating a diverse workforce and an inclusive culture enables us to attract and retain the best talent and empower colleagues to achieve their full potential, irrespective of individual differences.

For Made Tech to deliver its mission of transforming public services to create a fairer and more equitable society, a diverse team is required to deliver this change. This is welcomed by our clients. It is not only our moral imperative to create an inclusive place to work with equitable access to career progression, but is also essential to delivering in the public sector.

We believe that building a diverse and inclusive culture will lead to a better business and a better place to work for our entire team and, ultimately, will make the Group more valuable and effective overall. We therefore value diversity and are committed to taking steps to enhance DE&I throughout our Group with the aim of expanding, celebrating and embracing individuality and diversity in our teams.

Our Group DE&I policy sets our approach to DE&I and how we aim to embed and enhance our commitment to diversity further into our businesses. We see ourselves on a journey to continuously improve on these matters. Our DE&I policy covers diversity in ethnicity, gender, age, disability, education and socio-economic background, sexual orientation, and the representation of minority groups. We also see diversity of personal attributes having equal importance and our aim is to build a team that consists of individuals who have a range of skills and attributes, and we are therefore also focused on diversity in experience and personal strengths. We have driven diversity through our academy which brings new entrants into the sector, including career changers and those from underrepresented backgrounds.

Made Tech has always valued transparency, publishing both gender and racial pay reports ahead of reaching the threshold for mandatory publication. By doing so, the Group has been able to proactively work towards reducing pay gaps, ensuring fairness for all team members. Over the last 12 months, we have, for most categories, successfully improved diversity and inclusivity throughout the business, as evidenced by the following statistics:

20%
of our team comes from diverse ethnic backgrounds, which is **7%** higher than the UK population

21%
of our team are neurodivergent, up from **15%** last year

12%
of our team are LGBTQ+, which is well ahead of the **3%** of the UK population

6%
mean gender pay gap, reduced from **13%**

2%
of our team are transgender

30%
of our highest paid team members are women

37%
of our team are parents and **11%** are caregivers

33%
of our leaders are female, down from **38%**

Employee engagement, well-being and satisfaction

> At Made Tech, our employees embody a genuine care and concern for one another, our clients, our communities and the environment. We are deeply committed to sustainability, which lies at the core of every aspect of our operations and decision-making processes.

Our people are fundamental to the growth ambitions of Made Tech, and we prioritise their well-being through a culture grounded in transparency, integrity, respect and inclusion, with a central focus on overall well-being. We are deeply committed to promoting a positive work-life balance and supporting the health and well-being of all our employees.

Made Tech actively supports the well-being of its colleagues, including physical, emotional, financial, cultural, social and occupational well-being. We provide all team personnel with free access to assistance programmes that address a wide range of life and work issues, available 24 hours a day. This encompasses areas such as financial guidance, legal support and assistance with family concerns. Recognising the significance of accessible mental health support, particularly during times of economic, security, environmental and political uncertainty, we have trained mental health first aiders embedded throughout the business. Additionally, our team members have access to free counselling sessions through their medical benefits package, which also extends to other well-being services like physiotherapy and remote GP appointments.

By nurturing the well-being of our workforce and consistently seeking their feedback, we create an environment where employees feel valued, supported and motivated to thrive both personally and professionally.

In order to consistently surpass expectations and pinpoint areas for enhancement, Made Tech actively gathers feedback from our entire team. Our people team administers a quarterly "happiness survey" to gauge employee satisfaction and address any areas of concern. The most recent survey conducted in March 2023 revealed a favourable response regarding our people-centric culture, knowledge sharing initiatives and opportunities for personal growth and development. This feedback reinforces our commitment to maintaining a positive and fulfilling work environment for our team members.

Made Tech also carries out a regular employer Net Promoter Score ("eNPS") exercise. The most recent survey (completed in March 2023), in which more than half of all employees participated, delivered an overall eNPS of -67% (FY22: +44%).

This year has brought significant changes for our employees, driven by our commitment to recognising the scale of our business and ensuring good corporate governance. We have implemented new policies regarding holiday allowances and introduced innovative work models, including hybrid working, to adapt to the evolving needs of our workforce. We know it will take some time for teams to feel comfortable with these changes, but it does highlight the importance of employee engagement.

To improve our employee engagement scores moving forward, we have launched the following initiatives:

- People voice forum – This will be a critical forum for guiding our decision-making process and ensuring that we prioritise the well-being of our employees while making sound choices that align with the best interests of both our people and the Company.
- Career pathways – Our focus on career pathways involves creating transparent guidance, enabling employees to understand the specific skills needed to advance in their professional journeys. Through clear signposting, we aim to provide our workforce with the necessary direction to navigate their career growth effectively.
- Job evaluation and benchmarking – We aim to discover more effective methods of acknowledging capability, behaviour and advancement. By establishing clarity around compensation and benefits, we aim to ensure fair recognition of skills, growth and contributions within our organisation.
- Behaviours and values – We have successfully introduced our behaviours and values proposition, and we remain dedicated to integrating these principles into our fundamental processes, including recruitment, promotions and performance management. By embedding these principles, we aim to foster a culture that aligns with our core values and drives excellence throughout our organisation.
- Benefits package review – To ensure we're investing in what is right for our team members we are assessing additions to our benefits package such as electric car leasing and payroll giving. Benefits are being brought in to align to both the wants and needs of our team members, and the mission of Made Tech to be a positive force for change.

Social events

At Made Tech, we invest in social events to cultivate a positive team culture, boost morale, build trust, improve communications and strengthen the bonds that contribute to a motivated and cohesive team.

We take pride in fostering a social and inclusive Company culture that values meaningful relationships and supports our people. To ensure a vibrant social atmosphere, we have dedicated Social Committees led by enthusiastic volunteers at each of our locations. These Committees work tirelessly to organise a variety of engaging events tailored to the interests and preferences of our local teams. While some events may be unique to specific offices (who's up for axe throwing?), we also have recurring themes such as our annual bake-off and regular board game nights. Made Tech is committed to building a community in each of our locations, as well as across the wider business by bringing the whole Company together. In December, we celebrate with a staff party, spreading the joy of the holiday season. During the summer, we come together for a summer extravaganza, and we organise ad hoc special lunches or drinks. We vary between in hours and out of hours social events, allowing everyone regardless of schedules or commitments to attend. It's important to us that Made Tech covers all expenses associated with these events, ensuring that our employees can enjoy themselves without any financial burden. Through our commitment to fostering a vibrant social environment, we aim to create a sense of belonging, boost team spirit, and promote a supportive and inclusive workplace for all.

"The skills I have gained are priceless."

"It was fun and interactive. I got an insight into the tech industry."

"This proved to me that the tech sector is open to all people."

Professional development and sector training

At Made Tech, we hold a deep respect for individual differences, and we actively celebrate and harness the unique strengths and perspectives that each person brings to our team. While we value the power of collaboration, we also recognise the importance of personal growth. We foster an environment that encourages everyone to develop their skills and abilities, providing the necessary support to unlock both individual and team potential.

We hold learning and mentoring as core values, fostering a culture where all colleagues are encouraged to engage in continuous learning and development activities. We believe in the power of knowledge sharing and mentoring as default practices within our organisation. To support this, every team member is provided with the opportunity to dedicate up to 12 days per year for personal learning time, complemented by an annual learning budget that offers flexibility in utilising the resources.

Made Tech is committed to providing comprehensive training programmes that cater to new starters, refreshers and role-specific requirements. These training initiatives ensure that all colleagues are well informed about Made Tech as an organisation and their specific roles within it. The training covers important aspects related to regulatory compliance, legislative requirements and contractual obligations, as well as communicating the Company's stance on environmental responsibility, social value, diversity and inclusivity.

We foster professional communities of practice, where team members actively engage with one another to share learnings, offer advice, exchange experiences and hear from external guest speakers. This collaborative environment enables continuous development for everyone at Made Tech while allowing our clients to benefit from the collective expertise and experiences of our entire organisation, extending beyond project-specific teams.

In addition to nurturing growth within current roles, Made Tech is a strong advocate for significant career path changes and values the richness that comes from experiential diversity. We actively support internal mobility, offering opportunities for individuals to explore new career paths within the Company. We have established a growing academy that provides full salaries to individuals joining the technology industry from various backgrounds. This initiative enables career transitions from industries such as construction, healthcare and other fields, as well as facilitating the re-entry of professionals who have taken career breaks. In FY23, we welcomed academy members from diverse backgrounds, including school and university leavers, bringing a wealth of fresh perspectives to our organisation.

Our communities

At Made Tech, we recognise the immense talent within each individual, but we firmly believe that our true strength lies in our ability to work together as a cohesive team. Open and transparent communication is at the heart of our interactions, fostering an environment of mutual respect and appreciation. We actively listen to one another, valuing diverse perspectives and approaching new ideas with a collaborative attitude and an open mind.

Despite being located in multiple locations, we are united as one team, driven by a shared purpose. We understand that our collective efforts and synergy enable us to deliver exceptional results and make a positive impact. Our commitment to teamwork allows us to leverage the unique skills and expertise of each team member, unlocking our full potential and driving success collectively.

Made Tech is driven by a mission to enhance public services and make a positive difference in the lives of people beyond our own teams. With a diverse range of clients spread across various locations, we have a unique opportunity to have a meaningful impact on the broader community. One way we achieve this is by supporting academies and apprenticeships, enabling individuals to gain valuable skills and knowledge. Additionally, we actively engage in social value initiatives, constantly seeking new ways to contribute to society. This year we collaborated with the EY foundation to provide work experience and mentoring for college students with an interest in technology. In the upcoming year, we will further expand our efforts by participating in charitable engagements and implementing mentoring programmes for those from underserved and underrepresented communities. We recognise that during times of uncertainty, communities are at risk of being left behind, and we are committed to ensuring their success and well-being. By transforming the way businesses operate, we aim to equip individuals with the necessary skills to thrive in the future workplace. Through our community investment work, we focus on empowering vulnerable communities through technology and providing opportunities for diverse talent to access meaningful employment. By leveraging our expertise and resources, we strive to create a more inclusive and prosperous future for all.

Environmental

> We are committed to sourcing, designing and offering products and services which support social responsibility and environmental sustainability.

As an important partner of our UK public sector customers, Made Tech understands the importance of not only working efficiently and collaboratively, but also in a manner which reduces our impact on the environment. With the UK being the first major global economy to commit to carbon net zero by 2050, Made Tech is also committed to being carbon net zero by that date. In FY23, Made Tech became a carbon neutral company, and is on target to reach net zero by 2030. In compliance with Procurement Policy Note ("PPN") 06/21, Made Tech is required to publish its annual total carbon footprint for Scope 1, 2 and 3 carbon emissions, which demonstrates how carbon reduction initiatives are improving each year.

We will continue to expand the scope of our energy and carbon monitoring across the Group and target further savings against our baseline to reduce our carbon footprint. We are focused on the energy we use and aim to switch to sourcing our energy from renewable sources where possible. As a Group we are committed to transparency and in addition to publishing our energy use and carbon footprint, we will expand our data collection and reporting.

As a provider to the UK public sector, business travel (where required) is within the UK and strongly favours public transport such as rail travel (air travel, as a significant producer of carbon emissions, is negligible within Made Tech). All colleagues are encouraged to carpool/car share where travel is necessary and public transport is not practical, and this year we saw a 300% increase in the number of personnel participating in cycle to work schemes. All of our offices provide secure bike storage, ensuring team members can travel sustainably with no security concerns.

Alongside quality and information security requirements for its suppliers, Made Tech places significant emphasis on the environmental activities of each, to understand how they can also assist Made Tech in reducing its own carbon footprint. Within each of Made Tech's regional offices, significant emphasis is placed on selecting energy suppliers which can evidence their commitment to renewable energy supply, which is further supported by low energy and motion sensing lighting systems and waste recycling activities.

This activity tracks progress towards our carbon net zero goal. Made Tech's most recent assessment of its GHG emissions is as follows:

Emissions (tCO2e)		01/01/2022 to 31/12/2022	01/01/2021 to 31/12/2021	Variance	01/01/2020 to 31/12/2020
Scope 1	Gas-based central heating in our premises	0 tCO_2e	0 tCO_2e	0	0 tCO_2e
Scope 2	Emissions from electricity purchased	5.09 tCO_2e	20.89 tCO_2e	(15.8)	15.2 tCO_2e
Scope 3	Indirect emissions	381.36 tCO_2e	442.63 tCO_2e	(61.27)	119.9 tCO_2e
Total emissions		386.45 tCO_2e	463.52 tCO_2e	(77.07)	135.1 tCO_2e
Carbon per employee	Intensity metric which accounts for organisational growth	0.9 tCO_2e	2.5 tCO_2e	(1.6)	1.45 tCO_2e

Understanding that carbon originated from outsourced IT services is a significant component of Made Tech's business activities, careful consideration is given to the selection of suppliers and their respective environmental credentials. Of the many specialised cloud service providers used by Made Tech, there are three significant organisations:

- Made Tech uses Google Workspace extensively for its internal operational activities. Google is a world-leading organisation which has been carbon neutral since 2007 and is on target for carbon net zero by 2030. Useful tools allow Google's customers to select cleaner regions for the hosting of their cloud services.
- In line with the cloud hosting requirements specified by many of its public sector customers, Made Tech uses cloud services provided by AWS. AWS is on target for using 100% renewable energy sources for all of its data centres, with a carbon net zero target date of 2040.
- In line with the cloud hosting requirements of many of its public sector customers, Made Tech uses Azure cloud services provided by Microsoft. Microsoft is aiming for 100% renewable energy sources for all of its data centres by 2025 and aims to be a carbon negative organisation by 2030.

Made Tech acknowledges that energy will still be consumed and carbon produced by cloud service providers, regardless of their environmental credentials or ambitions. To reduce this impact even further, Made Tech chooses serverless technologies wherever possible and evangelises the use of these when designing solutions for clients. This contributes to a more energy-efficient service with a lower carbon footprint. Over the next year, carbon intelligent engineering practices are being rolled out across internal learning plans, to further reduce the impact our work has on the environment.

Within the current financial year, Made Tech is progressing to achieve validated carbon neutral company status, as assessed by independent experts against ISO 14064 and the GHG Protocol Emissions Standard. This important activity, which progressively moves Made Tech closer to its carbon net zero ambition, is delivered in three stages:

- **Calculate**: understanding all aspects of Made Tech's carbon emissions, including from its premises, IT and operating activities, waste production, business travel and commuting. These are combined into a Carbon Emissions Report, which accurately details emissions in tonnes of carbon dioxide equivalent ("tCO_2e").
- **Offset:** having reduced identified carbon emissions as much as possible, any remaining carbon footprint is offset through regulated, verified and audited carbon offsetting schemes in developing countries, allowing investment in renewable energy, clean technologies and sustainable farming initiatives.
- **Certify:** once the offsetting process has been completed and confirmed, Made Tech will proudly become a carbon neutral company. We won't stop here though: ongoing carbon reduction activities will continue, and each year an updated Carbon Emissions Report will be produced to confirm continuous carbon reduction success.

Finally, we have pledged to establish and disclose a sustainability policy in FY24, incorporating actionable measures that align with our ESG commitments.

Governance, compliance and risk management

> We promote an ethical culture through our documented Code of Business Ethics with a zero-tolerance approach towards any form of discrimination or unethical behaviour relating to bribery, corruption or business conduct.

Made Tech's Code of Business Ethics outlines the policies and practices that define who we are and what we stand for as a Group. It was created with our people in mind, providing clear direction and practical information that enable every Made Tech colleague to cultivate a sense of shared responsibility and accountability, embodying excellence in our ethics. Made Tech is committed to ensuring that all of our people feel safe and protected when reporting issues. The Group prohibits retaliation against anyone who reports in good faith and integrity a concern or possible violation of laws, regulations, policies or the Code of Business Ethics, no matter who the report involves. The Company's employment policies, such as those applying to whistleblowing and anti-bribery, also assist in embedding a culture of ethical behaviour for all employees and the Company's commitment to upholding human rights of all individuals is clearly documented in its Anti-Slavery and Human Trafficking Policy.

All Made Tech personnel are provided with awareness training on these three subjects as an integral part of their formal induction training, and during periodic refresher training provided throughout the course of their careers with Made Tech.

> We are committed to effective corporate governance as the basis for delivering long-term value growth and for meeting our shareholder expectations for proper leadership and oversight.

As a responsible supplier of digital services to the UK public sector, Made Tech recognises the importance of delivering high quality and secure outcomes for its customers. The Group maintains a portfolio of independently validated certifications to demonstrate these values, including:

- **ISO 9001**, the international standard for quality management;
- **ISO 27001**, the international standard for information security management; and
- **Cyber Essentials** and **Cyber Essentials Plus**.

Made Tech remains fully aware of its responsibilities to receive, process, store, share and delete personal data assets in accordance with the UK Data Protection Act 2018, for which Made Tech is registered with the Information Commissioner's Office ("ICO"). Further details of our approach to data protection can be found within our Privacy Policy.

Responsible supply chain

> We are committed to protecting the interests of our stakeholders by adhering to responsible business practices and embedding robust processes, procedures and safeguards which are effectively managed in our organisation, reducing or mitigating the risks that the business faces.

The governance and ethical management of Made Tech's supply chain are undertaken in accordance with the requirements specified in the ISO 9001 and ISO 27001 standards. Each supplier is carefully evaluated using a Supplier Assessment Questionnaire, which provides an insight into the key considerations of price, value for money, quality, reliability, flexibility and responsiveness. Evidence of independent certifications is sought, as is each supplier's position on environmental management, social values and diversity and financial standing. Each supplier has a nominated Made Tech representative who undertakes regular reviews, helps in the resolution of any issues and encourages improvement opportunities.

Social Value Quality Mark

During the year, we successfully obtained our social value quality mark (level two). Obtaining the Social Value Quality Mark is an esteemed achievement that holds immense significance for our organisation. It represents our commitment to creating positive social impact and contributing to the betterment of society. This quality mark serves as an external validation of our efforts and showcases our dedication to delivering social value beyond financial gains.

By obtaining this prestigious mark, we have demonstrated our adherence to rigorous standards and practices that promote social responsibility and sustainability. It signifies that our activities align with the highest ethical and social standards, ensuring that our business operations have a positive influence on communities, stakeholders and the environment.

This quality mark not only enhances our reputation as a socially conscious organisation but also opens doors to new opportunities. It strengthens our position in the market, making us an attractive partner for like-minded entities, socially responsible investors and clients which prioritise organisations with a strong commitment to social value.

Furthermore, the Social Value Quality Mark serves as a benchmark for continuous improvement and includes a number of key value indicators (“KVIs”) that Made Tech has committed to, to increase our social value impact in FY24. It encourages us to strive for excellence in our social impact initiatives, continuously raising the bar to achieve even greater positive outcomes. It provides a framework for measuring, monitoring and reporting our social value efforts, allowing us to transparently demonstrate the tangible benefits we bring to society.

Ultimately, obtaining the Social Value Quality Mark reflects our unwavering dedication to making a difference and contributes to building a more inclusive, sustainable and prosperous future for all.

Another year of revenue growth

"I am pleased to report the Group's results for the year ended 31 May 2023, our first full year as a listed company, which demonstrate another year of strong revenue growth."

Deborah Lovegrove
Chief Financial Officer

Adjusted performance measures
The Group uses adjusted measures as key performance indicators, in addition to those reported under IFRS, as they are more representative of the underlying performance of the business and enable comparability between periods. These adjusted measures exclude certain non-operational and exceptional items and have been consistently applied in all years presented.

Revenue
Revenue for FY23 was £40.2m (FY22: £29.3m), growth of 37%. The organic growth arose from a combination of strong growth from existing key clients and winning contracts with new clients.

Gross profit
During the year, there was a decrease in gross profit as a percentage of turnover, declining by 2.7% from 38.4% to 35.8%. This decrease can primarily be attributed to a reduction in utilisation, which dropped from 81% to 70%. The decline in margin was influenced by shifts in the political landscape, resulting in client project delays and the postponement of awarding new contracts. In addition, the business faced a period of rising expenses due to inflationary factors, increases in salaries, and travel costs associated with transitioning back to on-site work after the pandemic.

Key statistics	FY23 £'000	FY22 £'000	Variance £'000
Revenue	**40,195**	29,289	10,906
Gross profit	**14,393**	11,257	3,136
Gross profit margin	**35.81%**	38.43%	(2.6pp)
Adjusted EBITDA	**1,521**	2,649	(1,128)
Adjusted EBITDA margin	**3.79%**	9.04%	(5.25pp)
Depreciation and amortisation	**(417)**	(308)	(109)
Share-based payment charge	**(2,068)**	(2,376)	308
Exceptional items	**(574)**	(224)	(350)
Operating loss	**(1,538)**	(259)	(1,279)
Net finance income/(costs)	**11**	(29)	40
Tax	**(72)**	(20)	(52)
Loss for the year	**(1,599)**	(308)	(1,291)
Weighted average number of shares ('000)	**148,885**	135,729	13,156
Adjusted earnings per share (pence)	**0.34p**	1.29p	(0.95)p

In order to enhance margins in FY24 and beyond, we have realigned our headcount with current forecasts and will continue to do so on an ongoing basis. Over the past year, we have reduced our headcount from 478 at 31 May 2022 to 430 at 31 May 2023. Additionally, we have implemented significant changes to our capacity management and reporting processes, with the goal of optimising utilisation moving forward. These improvements will enable us to maximise productivity and better capitalise on available resources, ultimately strengthening our margins.

Adjusted EBITDA
Adjusted EBITDA for FY23 was £1.5m (FY22: £2.6m). Adjusted EBITDA margin was 3.8% (FY22: 9.0%). During the year, the Company continued to invest in new capabilities, clients and bids, to support future revenue growth. We expect our pace of expansion to moderate in the coming year due to the upcoming general election and an increase in public sector competition driven by a slowdown in public sector spending. Despite this, we have our largest ever contracted backlog moving into FY24 at £67.9m, giving us good revenue cover to FY26.

Operating loss
The £1.5m operating loss for the year (FY22: £0.3m operating loss) includes a £2.1m share-based payment charge (FY22: £2.4m) and exceptional items of £0.6m (FY22: £0.2m).

Total operating expenses were £15.9m (FY22: £11.5m). Operating expenses excluding share-based payment charges and exceptional items increased by 50% to £13.4m (FY22: £8.9m) to support future revenue growth.

Share-based payment charge
The total charge for the period under IFRS 2 Share-based Payment was £2.1m (FY22: £2.4m). This charge related to the FY21, FY22 and FY23 awards made under the Long Term Incentive Plan and the Group Restricted Share Plan ("RSP") launched on 30 September 2021.

Exceptional items
Exceptional costs in the year were £574,000 (FY22: £224,000). Costs in FY23 comprised £493k related to severance payments and £80k related to reorganisation and restructuring costs, as changes were made to align headcount with anticipated revenue following the delays and postponements of client contracts and revenue (FY22: £180,000 related to the Group's admission to AIM in September 2021 and £45,000 related to severance payments).

Taxation

The total taxation charge was a charge of £72,000 (FY22: £19,760), giving rise to an effective tax credit/(charge) of 5% (FY22: (7%)). The charge is lower than the UK standard rate of taxation due to the use of tax losses brought forward. In future years, we would expect the Group's effective rate of tax to move closer to the UK corporation tax rate.

Basic earnings per share

The earnings per share analysis above covers both adjusted earnings per share (profit after tax before amortisation of intangibles, share-based payment charge and exceptional items divided by the weighted average number of shares in issue during the year), and statutory earnings per share (profit attributable to equity holders divided by the weighted average number of shares in issue during the year). Adjusted profit after tax was £1.0m (FY22: £2.3m), a decrease in adjusted earnings per share of 0.95 pence. Basic earnings per share was negative in both years due to the loss position.

Cash flow

Cash at year end was £8.5m (FY22: £12.3m). The Group's current cash reserves provide sufficient capital to fund current planned product development and working capital as the business continues to grow. Cash flow for the year is set out below.

The combined underlying trade debtor and other receivables totalled £6.2m (FY22: £6.1m). The increase of 8% is in line with expectations, given revenue growth.

Cash flow	FY23 £'000	FY22 £'000	Variance £'000
Adjusted EBITDA	**1,521**	2,649	(1,128)
Movement in working capital	**(1,477)**	(750)	(727)
Capital expenditure investment	**(3,144)**	(2,336)	(808)
Adjusted operating cash flow	**(3,100)**	(437)	(2,663)
Taxation	**—**	—	—
Net finance cash flows	**(194)**	12,072	(12,266)
Exceptional items	**(574)**	(224)	(350)
Others	**9**	—	9
Net cash flow	**(3,859)**	11,411	(15,270)
Adjusted EBITDA to adjusted operating cash flow conversion	**(203.81%)**	(16.49%)	(187.32%)

Adjusted operating cash flow

Operating cash flow before tax payments, net finance costs and payments in respect of exceptional items reduced by £2.7m. This includes £3.2m of capital expenditure investment, of which £3.1m related to ongoing investment in IP to support future growth.

Balance sheet and shareholders' funds

Net assets increased in the year by £424k. Non-current assets include £5m of investment in capitalised product development and IP solution costs (see below). The balance sheet is summarised below:

Net assets	FY23 £'000	FY22 £'000	Variance £'000
Non-current assets	**5,512**	2,783	2,729
Working capital	**1,365**	(9)	1,374
Cash	**8,474**	12,333	(3,859)
Lease liability	**(140)**	(320)	180
Other net assets	**—**	—	—
Net assets	**15,211**	14,787	424

Capitalised product development and IP solutions costs

The Group continues to invest in product development and IP solutions. Our IP solutions act as business accelerators for the clients we serve. These include business solutions encompassing commercial software embedded within our end-to-end service, and digital enablers such as methodologies and frameworks to drive change across business and IT processes. Where these investments are expected to result in future revenue, costs incurred that meet the definition of product development and IP solutions in accordance with IAS 38 Intangible Assets are capitalised in the statement of financial position. During the year, the Group capitalised £3.1m in respect of product development (FY22: £1.9m).

Dividend policy

On admission to AIM in September 2021, the Group's stated intention was to make dividend payments, and this policy remains in place. However, as we believe that the opportunities ahead are significant, we have taken the decision to retain cash in the business and not pay a dividend in respect of FY23. The Board will review the decision to pay a dividend in FY24, and will provide an update in the Company's half year results, scheduled for announcement in February 2024.

Alternative performance measures ("APMs")

Throughout the Annual Report and Accounts the Group has used a number of APMs. These are used to provide additional clarity to the Group's financial performance and are used internally by management to monitor business performance, in its budgeting and forecasting and also for determination of Directors' and senior management's remuneration. These APMs are not defined under IFRS and, therefore, may not be directly comparable with adjusted measures presented by other companies. The non-GAAP measures are not intended to be a substitute for or superior to any IFRS measures of performance. However, they are considered by management to be important measures used in the business for assessing performance.

The following are key non-GAAP measures identified by the Group and used in the Strategic Report and financial statements:

- **adjusted EBITDA:** operating profit before depreciation, amortisation, share-based payments charge and exceptional items;
- **adjusted operating profit:** operating profit before amortisation of intangible assets, share-based payments charge and exceptional items;
- **adjusted profit before tax:** profit before tax, amortisation of intangible assets, share-based payments charge and exceptional items;
- **adjusted earnings:** profit after tax before amortisation of intangible assets, share-based payments charge and exceptional items less net finance costs and taxation;
- **adjusted earnings per share:** adjusted earnings divided by a weighted average number of shares in issue; and
- **adjusted operating cash flow:** adjusted EBITDA less movements in working capital, capital expenditure and lease payments.

The adjusted profit measures can be reconciled to the reported statutory numbers as follows:

Adjusted EBITDA:

	FY23 £'000	FY22 £'000	Variance £'000
Loss after tax	**(1,599)**	(308)	(1,291)
Interest (receivable)/payable	**(11)**	29	(40)
Taxation	**72**	20	52
Loss before interest and taxation	**(1,538)**	(259)	(1,279)
Depreciation	**417**	308	109
Share-based payment charge	**2,068**	2,376	(308)
Exceptional items	**574**	224	370
Adjusted EBITDA	**1,521**	2,649	(1,128)

Alternative performance measures ("APMs") continued

Adjusted profit/(loss) before tax:

	FY23 £'000	FY22 £'000	Variance £'000
Statutory loss before tax	**(1,527)**	(288)	(1,239)
Share-based payment expense and related costs	**2,068**	2,376	(308)
Exceptional items	**574**	224	370
Adjusted profit/(loss) before tax	**1,115**	2,312	(1,197)

Adjusted profit/(loss) after tax:

	FY23 £'000	FY22 £'000	Variance £'000
Statutory loss after tax	**(1,599)**	(308)	(1,291)
Share-based payment expense and related costs	**2,068**	2,376	(308)
Exceptional items	**574**	224	350
Adjusted profit/(loss) after tax	**1,043**	2,292	(1,249)

Deborah Lovegrove
Chief Financial Officer
12 September 2023

Risks and uncertainties

Managing risk effectively

The Group Board is ultimately responsible for setting and approving the organisation's risk appetite and ensuring that the Group maintains a sound risk management and comprehensive internal control framework.

Risk management and internal control framework
Risk identification and monitoring is an ongoing iterative process which facilitates the early identification, assessment and escalation of risks. The Group has established governance and communication structures which ensure that such risks are actively managed and mitigated.

A risk register is updated and formally reviewed regularly by the Board. To ensure effective and accountable management of individual risks, each risk identified on the Group's risk register is assigned to a named risk owner at a Heads of Department level. The risk owner has responsibility for the ongoing monitoring, review and mitigation of individual risks, with the aim of reducing these to acceptable levels.

Key risks
There are a number of risks and uncertainties which could have an impact on the Group's long-term performance and cause actual results to differ materially from expected and historical results. The Board seeks early identification of material risks and has put in place policies, procedures and resources to manage and mitigate any exposure.

The risk assessment matrix below sets out and categorises key risks and outlines the controls that are in place. The Board recognises that the nature and scope of risks can change and there may be other risks to which the Group is exposed and so this list is not intended to be exhaustive. The following principal risks and controls to mitigate them have been identified:

Operational risks

Inability to attract, recruit, and retain high quality candidates and employees ↑

Description	Potential impact	Mitigation
We may be unable to recruit employees with suitable skills at all required levels.	This could impact our ability to provide contracted solutions and services, negatively impacting revenue, profit and cash flow in the short term and causing damage to our reputation, customer relationships and staff morale. Inflationary pressures on salaries across the UK, combined with a shortage of skilled personnel in the labour market, mean higher wage expectations amongst existing and future personnel.	The Group puts culture and purpose at the forefront of what we do and strives to become an employer of choice. We have implemented a team, processes and infrastructure dedicated to recruiting the most appropriate candidates in a streamlined hiring process. Our goal is to have a diverse workforce that replicates the diversity of where we operate. We actively set our KPIs to focus on the diversity of our workforce and manage the KPIs with the same prominence as our financial KPIs. We value our people highly, invest across our Group in their professional and personal development and support them in achieving their potential. We offer competitive compensation packages that are reviewed regularly, and we routinely survey our employees to monitor employee engagement levels and identify opportunities for further improvement. Attrition rates are monitored monthly to enable mitigating actions to be taken quickly if necessary.

Change to risk key

↑ Increased ↔ No change ↓ Decreased

Operational risks continued

Loss of key management

Description	Potential impact	Mitigation
The Group places substantial reliance upon key senior management personnel who have extensive experience and knowledge of the Group, its clients, its target markets and its business generally. The successful implementation of the Group's strategy depends on the continuing availability of senior management and the Group's ability to continue to attract, motivate and retain other highly qualified employees.	Loss of key employees, along with their institutional knowledge and/or the relationships they have with customers and partners, could negatively impact business efficiency and relationships. This could reduce revenue, profit and cash flow in the short term, and damage customer relationships and credibility in the market.	The Directors believe the Group operates a progressive and competitive Remuneration Policy including the issue of share options which will play an important part in retaining and attracting key management personnel. The Group has made a number of additional senior hires to the Board following IPO. The Board keeps the Group's operational and management capacity and structure under regular review and expects to employ additional senior personnel as the Group continues to grow and expand.

Employee action

Description	Potential impact	Mitigation
Fraud, theft or other disruptive actions by employees.	Employee action could negatively impact Made Tech's operations, expose Made Tech to liability and fines, negatively impact profit and cash flow in the short term, cause reputational damage and damage customer relationships and credibility in the market.	New staff are subject to background checks and security clearances, and provided with induction training on Made Tech's policies and processes. All staff are required to complete regular training programmes, including on information security and data protection. Systems, processes and technical controls are in place to protect against data loss or compromise. Incidents are managed in accordance with an established incident management process.

Compliance with information security standards, data protection and privacy legislation and related requirements

Description	Potential impact	Mitigation
We need to comply with legal, regulatory and contractual information security and data privacy requirements.	Non-compliance could expose us to liability and fines (for example under GDPR), reduce profit and cash flow in the short term, cause reputational damage and damage customer relationships and credibility in the market.	We review the impact of new and updated information security, data protection and privacy regulations and legislation in advance, to understand how these will affect both us and our clients. The output of these reviews will influence the delivery of our internal controls and processes and the design of products, solutions and working practices. We make staff aware of the potential impact of changing regulations and provide targeted training within business divisions, and through the delivery of focused training initiatives.

Change to risk key

Increased   No change   Decreased

Operational risks continued

Breach of IT security, privacy or cybersecurity risk

No change

Description	Potential impact	Mitigation
We maintain the confidentiality, integrity and availability of data, and ensure the secure operation of our IT systems, both internally and as part of our service offerings to customers. Cybersecurity events are occurring more frequently, and are more complex. The move to remote working as part of dealing with the coronavirus pandemic has brought a fresh aspect to this risk.	IT security breaches, computer malware and other cyber-attacks causing loss of customer data could result in a loss of business to the Group, limit our operations, expose us to fines (for example under GDPR) and/or contractual liability, reduce short-term profit and cash flow, cause reputational damage, and damage customer relationships and credibility in the market. Generally, reported incidents of cyber-attacks targeted at businesses are becoming more frequent and of greater scale and sophistication.	We regularly review and improve our systems and processes in order to mitigate the risk of an IT security breach and cybersecurity event. The Group implements a robust testing process on systems and software that includes external penetration testing by software consultants. Disaster recovery plans have been developed to respond to such incidents to ensure the business is able to recover with limited interruption should an incident arise. The Group has crisis management procedures in place to help us to promptly deal with any security incident efficiently. We have an established compliance and risk function, with an experienced individual managing this function.

Undetected defects in software provided by the Group

No change

Description	Potential impact	Mitigation
The success of the Group is largely dependent on its technical capabilities and it relies to a significant degree on the efficient and uninterrupted operation of its software, computer and communications systems and those of its third-party suppliers, including the security of internet services.	Any malfunctioning of the Group's technology and systems or those of key third-party suppliers could result in a lack of confidence in the Group's products, with a consequential adverse effect on the Group's business and financial results.	The Group's private network provides greater performance reliability, security and capability benefits compared to public internet. The Group's technology infrastructure is built with resilience and redundancy as key components and is hosted in multiple data centre locations operated by internationally recognised data centre providers. The Group monitors its software and systems on a 24/7 basis to ensure that in the event of any interruption (irrespective of the cause) it is able to respond quickly to issues that affect the performance of its products. The Group is ISO 9001 and ISO 27001 certified and operates rigorous change control and software development processes to ensure that any work undertaken on its software and technology infrastructure minimises the impact on its clients.

Change to risk key

Increased No change Decreased

Operational risks continued		
Solution or software product errors or lack of service availability		
Description Software bugs or lack of availability or support for hosted or supported services could affect our customer service.	**Potential impact** This could expose us to liability and negatively impact profit and cash flow in the short term, cause reputational damage and harm our client relationships and credibility in the market.	**Mitigation** We design our systems, client solutions and infrastructure to provide both resilience and service availability. We maintain awareness of vendor/supplier product roadmaps and support capabilities. Our software development life cycle includes following coding practices, quality assurance and testing and is periodically audited as part of our ISO 9001 and ISO 27001 certifications. Critical incident and problem management processes are in place and are audited as part of our ISO 9001 certification. Professional indemnity insurance is in place.

Strategic risks		
Dependence on certain key clients		
Description The relationship of the Group with its key clients could be materially adversely affected by a number of factors, including a decision by a key client to diversify or change how, or from whom, they source the services currently provided by the Group, an inability to agree on mutually acceptable pricing terms with any one of its key clients or a significant dispute with or between the Group and one of its key clients.	**Potential impact** If the Group's commercial relationship with any of its key clients terminates for any reason, or if one of its key clients significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other clients on a timely basis, or at all, the Group's business, its results of operations and/or its financial condition could be materially adversely affected.	**Mitigation** Our leadership team maintains regular contact with key clients to maintain and build relationships with key clients. An Executive Sponsor is assigned to every key client, account teams and plans are regularly updated, and service reviews are undertaken to ensure ongoing client requirements are met. The delivery structure of our long-term contracts allows us to identify and address any potential issue with clients promptly during the course of the contract, reducing the risk of a breakdown in relationships. The Group's strategy is to expand its client base within the territories it currently operates, and this continued growth of the client base is mitigating, and will continue to mitigate, this risk over time.

Change to risk key

Increased No change Decreased

Strategic risks continued

Competitor activity

Description
Some of the Group's competitors include significantly larger enterprises with greater financial and marketing resources than the Group. There may also be new entrants to the market which could become competitors to the Group.

Potential impact
Competitors to the market may impact our ability to win and retain clients, and could result in a reduction in our rate card, negatively impacting our profit and cash flow.

Mitigation
The Directors believe that significant barriers to entry exist in the markets in which the Group operates, including, for example, placement on government frameworks, maintaining appropriate certifications, and the technical skills and expertise required to develop its services.

The Group's continued success in winning new clients and renewing existing contracts demonstrates the robustness of the Group's service offering, and the Group is focused on delivering first class services to deliver successful projects in a timely manner.

The Directors are nevertheless aware of the need to ensure that the Group's services are at the leading edge of technology offerings to its clients and it invests in new capabilities to ensure that a service offering meets its clients' requirements.

We continue to monitor the bid-to-win ratios to identify potential risks.

Investment decisions

Description
Our investment decisions may not be satisfactory.

Potential impact
Failure to manage investment decisions could negatively impact profit and cash flow in the short term and cause reputational damage.

Mitigation
We undertake regular strategic reviews using customer and market intelligence to inform and support our decision-making processes.

Intellectual property infringement and/or litigation

Description
Our intellectual property ("IP") is centred around the software and services we develop for customers. We have to manage the risk of infringing a third party's IP rights in its development of software and services.

Potential impact
If we infringe a third party's IP rights it could expose us to liability, negatively impact profit and cash flow in the short term and cause reputational damage.

If a third party infringes our IP rights, it could expose us to competitive disadvantage, loss of revenues or increased security risks.

Mitigation
We enter into non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of our business to provide a degree of protection.

All staff are made aware of client confidentiality requirements. Where practical, focused patent searches are undertaken to identify areas in which new products or services under development may conflict with third-party IP. We constantly monitor the use of third-party software in our product offerings.

The choice of third-party components is subject to technical review and assessment at design stage. Our employment and consultancy contracts have clauses to protect IP. Background checks and security clearances are performed on employees.

Change to risk key

Increased No change Decreased

Financial risk

Impact of inflation

Description	Potential impact	Mitigation
The Group may be impacted by the increasing cost of the workforce (employees and contractors) and rising operational costs in the event of inflation.	Inflationary pressures on salaries and operating costs across the UK could negatively impact profit and cash flow.	We regularly update our forecasts to understand the reasons for decreases in margin. Our leadership team is incentivised to deliver our key financial targets.

Macroeconomic risk

Events occurring that are outside of our control

Description	Potential impact	Mitigation
We may be affected by: • instability of the financial system, market disruptions or suspensions; • a material downturn in the financial markets or an economic recession; or • unprecedented economic disruption caused by a global pandemic.	If these events occur, they could harm our revenue, profit, growth and cash flow over a sustained period, and result in higher costs and disruption to our business, damage to our reputation or financial loss if clients do not renew their contracts.	Our service line structure together with our stakeholder engagement plans, regular dialogue with clients, research and marketing activities and regular strategic reviews of the overall business assist in maintaining a sustainable business. Our compliance and operations teams actively manage our business continuity plans and disaster recovery activities to ensure that Made Tech remains prepared for a wide variety of unplanned business disruptions.

Legal and compliance risk

Non-compliance with laws and regulations

Description	Potential impact	Mitigation
We have to comply with laws and regulations applicable to us and design our products and services to meet laws and regulations applicable to our customers.	Non-compliance could expose us to liability and/or fines, negatively impact profit and cash flow in the short term, cause reputational damage and damage client relationships.	Our finance, compliance and legal teams review draft and current regulatory and legislative requirements, including, for example, GDPR (UK Data Protection Act 2018), and provide an impact assessment for the products and services that we deliver to customers. Made Tech's internal processes and systems are monitored and regularly reviewed with a view to ensuring compliance with all applicable laws and regulations. We have processes in place designed to ensure awareness of regulatory requirements and that the relevant information is appropriately disseminated. There are well-established training and awareness activities. In relation to bribery and corruption, we have an established Anti-Bribery and Corruption ("ABC") Policy.

Change to risk key

Increased No change Decreased

Climate risks

Sustainability

Description
With the increasing global focus on sustainability and climate risk, Made Tech is prioritising the implementation of its ESG strategy.

Potential impact
Given the increased international focus on sustainability and corporate responses to it, our failure to appropriately respond to climate risk and sustainability would run contrary to our values and could result in fines for non-compliance with any regulations and reputational damage.

It could also deter:

- prospective employees from joining us;
- clients from appointing us to projects; and
- investors from owning our shares.

Mitigation
Our ESG initiatives are set out below:

- an established Made Tech ESG Committee with executive sponsorship at Board level and cross-business input;
- our CEO, Rory MacDonald, as the Executive Board-level sponsor, oversees and informs the Group's ESG response;
- established progressive Made Tech sustainability goals and published them internally; and
- developed plans to record and reduce our current environmental impact and associated CO_2 emissions in line with our commitment to become carbon net zero by 2030, and reporting within an annual monitoring framework.

For more information on this area refer to the Environmental section (page 24).

Political risk

Government and policies

Description
There may be a change in government and/or change in government policy.

Potential impact
The Group heavily relies on revenue from contracts with the UK government. Changes to government policy or spending may have a material impact on future contracts it awards and consequently on the performance, financial condition or business prospects of the Group.
If government procurement policy moves away from its current policy favouring SMEs such as Made Tech, or if any current or future government reduces its stated commitment to digital technology, the Group's performance, financial condition or business prospects may be adversely impacted.

Mitigation
The Group is expanding into new capabilities, and diversifying its client base into other areas of the public sector to mitigate risk.

The Group has identified opportunities in new geographies outside the UK, and will look to expand internationally to mitigate risk of over-reliance on the UK public sector.

The Strategic Report, which includes the Chair's Report, the Chief Executive's Review, the business model and strategy, the Group Financial Review and the principal risks and uncertainties, was approved by the Group Board and signed on its behalf by:

Rory MacDonald
Chief Executive Officer
12 September 2023

Our Board of Directors is collectively responsible for the long-term sustainable success of the Company

Gender composition

- Male (3)
- Female (3)

Length of tenure

- 0–1 years (0)
- 1–3 years (4)
- 3–5 years (0)
- 5+ years (2)

Group Board meetings attended in FY23

Executive Directors:	
Chris Blackburn	12/12
Deborah Lovegrove	12/12
Rory MacDonald	12/12
Non-Executive Directors:	
Helen Gilder	12/12
Joanne Lake	12/12
Phil Pavitt	12/12

Joanne Lake

Non-Executive Chair

Committees
Audit Committee
ESG Committee
Remuneration Committee
Nomination Committee (Chair)

Joanne has over 30 years' experience in accountancy and investment banking, including with Panmure Gordon, Evolution Securities, Williams de Broe and Price Waterhouse. She is a Chartered Accountant and a Fellow of the Chartered Institute for Securities & Investment, and of the ICAEW, and is a member of the ICAEW's Corporate Finance Faculty.

Current directorships/partnerships
Henry Boot PLC
Gateley (Holdings) Plc
Pollen Street plc (formerly known as Honeycomb Investment Trust PLC)
Braemar Plc (formerly known as Braemar Shipping Services PLC)

Rory MacDonald

Founder and Chief Executive Officer

Committees
ESG Committee (Chair)

Rory is the Founder and Chief Executive at Made Tech Group. He has successfully built Made Tech Group into a highly regarded technology business known for its high quality services to clients. Rory is responsible for setting the strategic direction for the Group and for overseeing profitable growth.

Current directorships/partnerships
Made Tech Limited
RMSC Property Limited
Rory MacDonald Holdings Limited
RMD Investment Management Limited
August PC02 Limited (appointed 12 July 2023)

Deborah Lovegrove

Chief Financial Officer

Committees
N/A

Deborah joined Made Tech in September 2021 and brings over 25 years' experience in finance. Previous roles include Chief Financial Officer and Finance Director roles for organisations including Wavemaker (WPP), Carat (Dentsu Aegis) and ITV. Deborah has a strong track record of building and managing finance, IT and HR functions, and problem solving within challenging business environments.

Current directorships/partnerships
Made Tech Limited
11 Gloucester Crescent London NW1 Limited

Chris Blackburn

Chief Operating Officer

Committees
N/A

Chris has over 20 years' experience in digital and technology consulting roles spanning public and private sector clients including Royal Bank of Scotland, Philips, Government Digital Service and the Ministry of Justice. Prior to Made Tech Chris was Technology Director at Dentsu Aegis agency Isobar, leading technology delivery in the UK. Chris has been with the Company since 2012.

Current directorships/partnerships
Made Tech Limited

Helen Gilder

Independent
Non-Executive Director

Committees
Audit Committee (Chair)
Remuneration Committee (Chair)
Nomination Committee
ESG Committee

Helen has a strong track record in leading fast-growth digital technology companies. She was formerly CFO of AIM quoted ZOO Digital Group plc, is a member of the Yorkshire Regional Advisory Group of the London Stock Exchange and advises a number of growth businesses. Helen is a qualified Chartered Accountant with the ICAEW.

Current directorships/partnerships
Slingshot Simulations Limited
Helen Gilder Limited
D4t4 Solutions plc (appointed 24 April 2023)
Rubicon Bridge Limited (appointed 2 May 2023)

Phil Pavitt

Independent
Non-Executive Director

Committees
Audit Committee
Remuneration Committee
Nomination Committee

Phil has over 30 years' experience in technology and transformation, including with HM Revenue & Customs, Transport for London and Essex County Council. He has won a number of awards and has consistently been rated as one of the UK's top 25 CIOs.

Current directorships/partnerships
Belron International Limited

Corporate governance and responsibilities

I am pleased to present the Corporate Governance Statement as Chair of the Board of Directors of Made Tech Group Plc. As Chair, it is my responsibility to ensure that Made Tech has both sound corporate governance and an effective Board. Since the Company listed on AIM in September 2021, it has chosen to adopt the Quoted Companies Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code"), to the extent it is appropriate having regard to the Company's size, Board structure, stage of development and resources.

The Directors of Made Tech recognise the value of good corporate governance in every part of the business. The Board considers that compliance with the QCA Code will enable it to serve the interests of all key stakeholders, including shareholders, and will promote the maintenance and creation of long-term value in the Company. The Code consists of ten general principles. These are broadly split into the categories of: delivering growth; maintaining a dynamic management framework; and building trust. This report sets out our approach to governance, including information on relevant policies and practices and the operation of the Board and its Committees. Additional detail on how the Company has applied the QCA Code is also provided in the Corporate Governance section of our website: www.madetech.com. The Board has assessed the Group's compliance with the Code, and has determined that throughout the year since the adoption of the Code on admission to AIM the Group has complied with the Code's requirements.

Compliance with the QCA Code

Principle 1

Establish a strategy and business model which promote long-term value for shareholders

Made Tech is a provider of digital, data and technology services to the UK public sector. Founded in 2008 and with a headcount at 31 May 2023 of 430 across four UK locations (London, Manchester, Bristol and Swansea), Made Tech provides services that enable central government, healthcare and local government organisations to digitally transform.

The Directors believe that organisations should not just focus on the bottom line but in addition aim to be a broader force for good within society. The Group considers itself to be an organisation that is genuinely purpose driven and has undertaken strategic planning to identify, agree and communicate the Group's purpose: "positively impact the future of society by improving public sector technology".

The Directors believe that they can achieve the Group's purpose by executing against four strategic missions:

- modernise legacy technology and working practices;
- accelerate digital service and technology delivery;
- drive better decisions through data and automation; and
- enable technology and delivery skills to build better systems.

To guide the Group in scaling its culture, the Directors have adopted the following core values:

- client focused – being a trustworthy partner to the public sector to build strong and lasting relationships with the Group's clients;
- drive to deliver – delivering successful outcomes for the Group's clients, users and citizens; and
- learning and mentoring – continuous improvement of all employees and the client team members with whom the Group works.

Further details of our growth strategy can be found on page 12.

Principle 2

Seek to understand and meet shareholder needs and expectations

The Board is committed to open and ongoing engagement with the Company's shareholders to understand their needs and expectations and to ensure that the Company's business model, strategy and performance are understood.

Regular communication with shareholders centres around the Annual and Interim Reports, the full and half year results announcements and trading updates (where required or appropriate) as well as the Company's website, which provides access to financial reports, announcements and notifications made via a Regulatory Information Service.

Our Chief Executive Officer is the primary point of contact for shareholders. There is a dedicated email address, investor-relations@madetech.com, for shareholder questions and comments. The Chief Executive Officer will be responsible for ensuring that all such feedback from investors is reported to the Board as a whole.

Regular meetings are held between the Chief Executive Officer, the Chief Financial Officer and investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively. The Independent Non-Executive Directors are also available to discuss any matters that shareholders wish to raise and discuss.

Our remuneration chair met with our major shareholders in advance of making recent equity awards to our senior management team.

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that execution of the Company's strategy depends upon strong relationships with both its internal and external stakeholders, and it therefore seeks to understand stakeholder expectations and how they align with the needs of the business. The Board will be regularly updated on feedback from stakeholder engagement to ensure that it has a full understanding of the issues that matter most to them so that they can be taken into account in the Board's decision making.

Employees

The Company is committed to conducting business with integrity, honesty and fairness and operates a Code of Conduct for all of its employees to ensure that everyone is acting in the best interests of the business.

The Board is committed to creating a climate of openness throughout the Company, and to encouraging its employees to provide their feedback through regular employee engagement initiatives and to contribute their own ideas through regular meetings between staff representatives and senior management. The Company uses a variety of channels to keep staff informed of key developments, which were particularly important during a time when staff have been forced to work from home during the Covid-19 pandemic. The Company will continue to provide its employees with regular briefings and updates as well as providing visibility of the Group's financial performance and future plans.

The Company is committed to developing all members of staff, enabling them to fulfil their potential by providing learning and development pathways and career support to all staff across the business, from apprentices to senior management. The Company's academy programme attracts recruits from diverse backgrounds looking to start their careers in the IT and technology sector. Where appropriate, before searching for external candidates, job vacancies are advertised internally within the Company. The Company also supports employees who seek to acquire professional qualifications or to further their own development.

Suppliers

The Company's supplier relationships are managed effectively by our managers to ensure that there is no disruption to the Company's supply chain that could have an adverse impact on the business.

The Company is committed to the ethical sourcing of products and only contracts with suppliers that it believes respect the rights of their employees and require the same standards from all of their suppliers that they apply in their own business.

Clients

All Made Tech clients have a dedicated Client Lead responsible for managing the client relationship. There is a dedicated team including an Executive Sponsor, Client Lead, Technical Lead and Delivery Lead to support clients and ensure that we develop the relationship and provide great work to grow our relationship and grow the size of the accounts. Client feedback is regularly communicated back to the Executive Team to enable the Company to improve current and future product development, marketing support and customer service levels.

Community and environment

The core focus of the Made Tech business is summed up as "enabling public sector services to digitally transform to provide better services and levels of care and assistance to our communities in a safe, efficient and responsible manner".

The Company aims to challenge itself to develop smarter ideas and to continually improve its technology to enable its clients to meet both business and sustainability goals.

Made Tech complies with the Waste Electrical and Electronic Equipment Regulations and works in compliance with the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2004. The Group continues to find ways to reduce energy consumption, reduce waste and increase recycling.

Compliance with the QCA Code continued

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Directors are responsible for maintaining the Company's systems of controls and risk management in order to safeguard the Company's assets.

Made Tech operates a risk management framework to identify, manage and monitor risks which affect the delivery of its business model. Risk is a standing item on the Board's agenda with reports provided by the Group's senior leadership team. In conjunction with these reports, the Board assesses the effectiveness of internal control systems designed to safeguard the business, by monitoring financial performance against budgets and updated financial forecasts. A formal review of risk and our risk management strategy can be found from page 33 of this report.

Principle 5

Maintain the Board as a well-functioning, balanced team led by the Chair

The Company's Board of Directors comprises three Executive Directors and three Non-Executive Directors. The QCA Code recommends that at least two Board members should be Non-Executive Directors who are independent. The Non-Executive Directors are considered independent for the purposes of the QCA Code and accordingly the Company complies with its requirements.

The biographies of the Directors can be found on pages 40 and 41 of this report and in the Board of Directors section of the website. The Board is assisted in its duties by the Audit and Remuneration Committees, further information on which can be found on pages 48 and 54 of this report and on the website under a section titled Corporate Governance.

The Executive Directors work full time in the business and have no other significant outside business interests. The CEO is responsible for managing the Group's business and operations within the parameters set by the Board. The Non-Executive Directors are responsible for bringing independent judgement to the discussions held by the Board, using their breadth of experience and understanding of the business. Their key responsibilities are to constructively challenge and contribute to strategic proposals, and to monitor performance, resources and standards of conduct, compliance and control, whilst providing support to executive management in developing the Group. Their time commitment is sufficient for them to perform these responsibilities and details of their external commitments are given alongside their biographies on pages 40 and 41.

The Board is satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively.

The Board expects to meet at least eight times a year with additional meetings when circumstances and urgent business dictate, and will be responsible for strategy, oversight of the Company's activities and reviewing the framework of internal controls.

Briefing papers are distributed to all Directors in advance of Board and Committee meetings and all Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed, that each Director is at all times provided with such information as is necessary for them to discharge their duties and that applicable rules and regulations are followed, in accordance with the QCA Code.

Attendance information on Group Board meetings can be found in the Board of Directors section on page 40.

Attendance information on Committee meetings can be found in the Remuneration Report on page 48 and the Audit Committee Report on page 54.

Principle 6

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Information on each Board member including their experience, skills and qualities they bring to the Board is set out on pages 40 and 41 of this report and on the website under Board of Directors.

The Directors are satisfied that the balance of Executive and Non-Executive Directors is appropriate and that no individual or group may dominate the Board's decisions. The Board considers that each of the Directors has the experience and knowledge to constructively challenge the Group's strategy and to provide the necessary guidance, oversight and advice to enable the Board to operate effectively. The Group believes that the current balance of skills in the Board as a whole reflects a very broad range of commercial and professional skills. The Chair and other Non-Executive Directors communicate with each other as necessary and meet, informally, without the presence of the Executive Directors from time to time during the year. Additionally, they each maintain ongoing communications with Executives between formal Board meetings.

In addition to their general Board responsibilities, Non-Executive Directors are encouraged to participate in other Group meetings or in matters when their individual areas of expertise may be of value.

The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Company's other advisers where relevant, as well as helping the Chair to maintain excellent standards of corporate governance.

The Executive Directors are subject to the Company's performance and development review process through which their performance against predetermined objectives is reviewed and their personal and professional development needs are considered. The Directors are encouraged to raise any personal development or training needs with the Chair.

The Non-Executive Directors have a breadth and depth of skills and experience across many different sectors enabling them to provide the necessary guidance, oversight and advice for the Board to operate effectively.

In order to keep Director skill-sets up to date, the Board uses third parties to advise the Directors of their responsibilities including receiving advice from the Company's external lawyers and NOMAD. Board composition is always a consideration in relation to succession planning. The Board will consider any Board imbalances for future nominations, including Board independence and gender balance.

Principle 7

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

All Board appointments were made after consultation and detailed due diligence was carried out on existing board members, and will be carried out on new potential Board candidates. The Board will consider using external advisers to review and evaluate the effectiveness of the Board and Directors in future to supplement its own internal evaluation processes.

In May 2023, the Board performed an internal formal evaluation of its performance in its first full year as a listed company. The review comprised:

- the completion of a comprehensive questionnaire by all Board members covering the effectiveness of the Board performance as a unit, as well as that of its Committees and the individual Directors. This covered assessment against both "Composition and Process" criteria and "Behaviours and Activities" criteria; and
- a Board discussion facilitated by the Non-Executive Chair of the outputs of the questionnaire.

As this is the first time undertaking this review, these results will be used as a benchmark for the Board and will be reviewed again on a yearly basis. The process identified some areas for development and recommendations to be progressed in FY24, including in the context of the Group's growth ambitions, adopting a longer-term outlook to the consideration of, and detailed planning around, future Board size and composition, and mix of skills, experience, knowledge and diversity of the Board.

Compliance with the QCA Code continued

Principle 8
Promote a corporate culture that is based on ethical values and behaviours

The Board is mindful that the tone and culture set by the Board will impact many aspects of the Company and the way that stakeholders behave and form views.

The Company recognises the importance of establishing a culture of ethical behaviour and applies these standards to all dealings with employees, clients and other stakeholders. Accordingly, Made Tech has developed an ethics policy to ensure that its business is conducted with high ethical and legal principles and sets standards of professionalism and integrity for all employees and Group-wide operations.

The Board has adopted an Anti-Bribery and Corruption Policy consistent with the requirements of the UK Bribery Act 2010. Compliance with the policy will be regularly reviewed at Board meetings.

Principle 9
Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board of Directors is responsible for the determination of the investment decisions of the Company and for its overall supervision and the objectives it has set out. The Board is also responsible for the Company's day-to-day operations.

The Company has established Remuneration, Audit, Nomination and ESG Committees. The Chair is responsible for leading an effective Board, fostering a good corporate governance culture, maintaining open communications with the major shareholders and ensuring appropriate strategic focus and direction.

The Chief Executive Officer has overall responsibility for managing the day-to-day operations of the Company and the Board as a whole is responsible for implementing the Company's strategy.

Principle 10
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. The Company has established and intends to build ongoing relationships with both its private and institutional shareholders (through meetings and presentations) as well as shareholder analysts, and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. The Company communicates progress with shareholders and stakeholders throughout the year by publishing announcements via a Regulatory Information Service and its Annual and Interim Report and Accounts (including the Section 172 Statement), and through update meetings as necessary.

The Group's website is kept up to date with appropriate governance material, and contains details of relevant developments, press and corporate news and presentations.

Our Committees

Audit Committee

The Audit Committee comprises Joanne Lake, Phil Pavitt and Helen Gilder, who acts as Chair. The Audit Committee determines and examines matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It receives and reviews reports from management and the Company's auditors relating to the half yearly and annual accounts and the accounting and internal control systems in use throughout the Company.

Remuneration Committee

The Remuneration Committee comprises Joanne Lake, Phil Pavitt and Helen Gilder, who acts as Chair. The Remuneration Committee reviews and makes recommendations in respect of the Executive Directors' remuneration and benefits packages, including share options and the terms of their appointment. The Remuneration Committee also makes recommendations to the Board concerning the allocation of share options to employees under the New Share Plans.

Nomination Committee

The Nomination Committee comprises Helen Gilder, Phil Pavitt and Joanne Lake, who acts as Chair. The Nomination Committee is responsible for identifying and nominating for Board approval candidates to fill Board vacancies and evaluating the need for and nature of additional appointments.

Environmental, Social and Governance ("ESG") Committee

The ESG Committee comprises Helen Gilder, Joanne Lake, Rory MacDonald (Chair) and selected staff members.

The ESG Committee is responsible for measuring and improving the Group's impact on the environment, generating social value through its work, positively impacting the lives of its employees and stakeholders and operating ethically and with goodwill.

JC Lake

Joanne Lake
Non-Executive Chair
12 September 2023

Compensating and valuing our people

Members

Helen Gilder (Chair)

Joanne Lake

Phil Pavitt

Attendance of the Remuneration Committee

	Committee attendance
Joanne Lake	●●●●●
Helen Gilder	●●●●●
Phil Pavitt	●●●●●
Total meetings held	●●●●●

● Attended ○ Did not attend ○ N/A

Directors' remuneration report – year ended 31 May 2023

Annual Statement

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 May 2023. This letter introduces the report, outlines the major decisions on Directors' remuneration during the year and explains the context in which these decisions have been taken.

Made Tech Group Plc is committed to high standards of corporate governance and our policy and disclosures on Directors' remuneration are intended to reflect this approach. Through this report, we aim to provide shareholders with the necessary information to understand our remuneration strategy and how it links with Group performance.

The Company is listed on AIM, a market operated by the London Stock Exchange, and therefore not required to provide all of the information included in this report. However, we provide disclosures in addition to those which are required under the AIM Rules on a voluntary basis, to enable shareholders to understand and consider our remuneration arrangements. The report is divided into three sections, these being:

- this **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in respect of the year ended 31 May 2023 and how the Remuneration Policy will operate in the current year;
- the **Remuneration Policy Report**, which summarises the Directors' Remuneration Policy; and
- the **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in the year ended 31 May 2023 and how the Policy will operate for the year ending 31 May 2024.

The information is unaudited except where stated.

Committee meetings and attendance

The Committee is required by its Terms of Reference to meet as frequently as the Committee Chair shall require and also at regular intervals to deal with routine matters and, in any event, at least twice in each financial year. During the financial year to 31 May 2023 the Committee met five times. Please see the start of this report for attendance details.

Committee objectives and responsibilities

The Committee's main responsibilities can be summarised as follows:

- to determine the framework or broad policy for the remuneration of the Chair and Executive Directors, and such other senior executives as it is requested by the Board to consider. The remuneration of Non-Executive Directors shall be a matter for the Chair and the Executive Directors of the Board. No Director shall be involved in any decisions as to their own remuneration;
- to align Executive and shareholder interests;
- to determine such Remuneration Policy, taking into account all factors which it deems necessary (including relevant legal and regulatory requirements);
- to review the ongoing appropriateness and relevance of the Remuneration Policy, including policy comparisons with market competitors;
- to design and determine targets for any performance-related pay schemes operated by the Company and approving the total annual payments made under such schemes;
- to review the design of, and any changes to, all share incentive plans;
- to advise on any major changes in employee benefit structures throughout the Company; and
- to consider any matter specifically referred to the Committee by the Board.

Performance and reward for the year ended 31 May 2023

Following a review of performance against the revenue, EBITDA and strategic annual bonus targets, the Remuneration Committee determined that no annual bonus would be payable to the Executive Directors for the year ended 31 May 2023.

Implementation of the Remuneration Policy for the year ending 31 May 2024

In respect of the implementation of the Remuneration Policy for the year ending 31 May 2024 for Executive Directors:

- no changes will be made to base salary levels or pension and benefit provision;
- annual bonus potential will continue to be capped at 100% of base salary based on sliding scale revenue, EBITDA and strategic targets;
- awards under the Long Term Incentive Plan ("LTIP") will be measured against absolute total shareholder return targets, adjusted earnings per share targets and employee Net Promoter Score targets. Details of the award levels and targets will be set out in full in the Directors' Remuneration Report for the year ending 31 May 2024; and
- shareholding guidelines of 100% of salary will continue to operate for the Executive Directors.

No changes will be made to the fees for the Chair or Non-Executive Directors.

Helen Gilder
Remuneration Committee Chair
12 September 2023

Remuneration policy report

The Company's approach to remuneration is that the overall package should be sufficiently attractive to recruit, motivate and retain individuals of a high calibre with significant technical and strategic expertise. The Company needs to ensure that key personnel can deliver the Company's objectives and value for shareholders in a competitive sector, and are committed to supporting the Company's culture and value.

Summary of Executive Directors' Remuneration Policy

Element	Purpose	Operation	Maximum	Performance
Base salary	• To help recruit and retain high performing Executive Directors. • To reflect the individual's experience and role and the importance of the business.	Reviewed annually and fixed for 12 months, commencing 1 June each year. The Remuneration Committee takes into account: • an individual's experience, knowledge and performance in the role; • business performance; • achievement of objectives; • comparative salaries and periodic reviews; • the Group's financial position; and • the salary increases being provided to Made Tech employees.	n/a	n/a
Benefits	• To help recruit and retain high performing Executive Directors. • To provide market competitive benefits.	The Executive Directors are entitled to private medical insurance, dental insurance cover, life insurance and permanent health insurance.	n/a	n/a
Pension	• To help recruit and retain high performing Executive Directors. • To provide market competitive pensions.	The Executive Directors are entitled to participate in the Group's pension scheme or receive a payment in lieu of pension.	9% of base salary.	n/a
Annual bonus	• To incentivise and reward performance. • To align the interests of the Executives and shareholders in the short and medium term.	The annual bonus is earned by the achievement of one year performance targets set by the Remuneration Committee. The parameters, performance criteria, weightings and targets are ordinarily set at the start of each financial year. Payments are normally made in cash following completion of the year subject to the Committee's assessment of performance against targets and other matters it deems relevant. Awards are subject to malus and clawback provisions.	100% of base salary.	Sliding scale financial, personal, strategic and/or ESG-related targets.

Element	Purpose	Operation	Maximum	Performance
Long Term Incentive Plan ("LTIP")	• To incentivise and reward long-term performance and value creation. • To align the interests of Executive Directors and shareholders in the long term.	Executive Directors are eligible to receive awards under the LTIP at the Committee's discretion. Awards are granted as nominal cost options or conditional awards which normally vest after three years subject to performance conditions and continued service. Awards are subject to malus and clawback provisions and dividend equivalents may be added to awards. An additional holding period of two years post vesting may be applied to awards made to the Executive Directors.	300% of base salary, albeit normal annual awards are expected to be capped at 100% of base salary.	Sliding scale financial, share price, strategic and/or ESG-related targets.
Shareholding guidelines	• To promote share ownership for Executive Directors.	Executive Directors are expected to build and hold a shareholding in the Group.	100% of base salary.	n/a

Summary of Non-Executive Directors' Remuneration Policy

Element	Purpose	Operation	Maximum	Performance
Chair and Non-Executive Directors	• To attract and retain NEDs with appropriate experience and skills and provide fees appropriate to the time commitments and responsibilities of each role.	Non-Executive Directors are paid a base fee in cash. Fees are reviewed periodically. In addition, reasonable business expenses may be reimbursed.	n/a	n/a

Service contracts and letters of appointment

The service contracts for the Executive Directors will continue unless and until terminated by either party giving at least 12 months' notice.

The Non-Executive Directors do not have service contracts but instead have letters of appointment dated 30 September 2021 which contain a three month notice period. The fees paid to the Non-Executive Directors are determined by the Board. They are not entitled to receive incentive awards or other benefits.

Employees

Made Tech expects the total remuneration for employees to be at a level appropriate to attract, recruit, motivate and retain the most suitable individuals. Employees below the Board receive base salary and benefits and some employees receive a bonus (with an element determined by personal performance and an element determined by the Group's financial performance), and senior members of staff are invited to participate in the LTIP.

The Remuneration Committee takes into consideration the pay and benefits of employees when reviewing the remuneration of the Executive Directors and senior management.

Annual report on remuneration

This section sets out details of remuneration for the year ended 31 May 2023.

Summary of Directors' total remuneration (audited)

Executive Directors	FY	Salary £	Taxable benefits £	Pension £	Annual bonus £	Total £
Chris Blackburn	**FY23**	**200,000**	**361**	**—**	**—**	**200,361**
	FY22	133,333	188	14,500	—	148,021
Deborah Lovegrove	**FY23**	**200,000**	**2,152**	**18,000**	**—**	**220,152**
	FY22	150,000	515	5,000	—	155,515
Rory MacDonald	**FY23**	**300,000**	**2,192**	**22,937**	**—**	**325,129**
	FY22	200,000	463	16,000	—	216,463

No salary increases were awarded to the Executive Directors from FY22 to FY23.

No annual bonus was payable to the Executive Directors for the year ended 31 May 2023.

The FY22 figures are pro rata from the date of the new service contracts issued post IPO.

Non-Executive Directors	FY	Salary £	Taxable benefits £	Pension £	Annual bonus £	Total £
Helen Gilder	**FY23**	**50,000**	**—**	**—**	**—**	**50,000**
	FY22	33,333	—	—	—	33,333
Joanne Lake	**FY23**	**90,000**	**—**	**—**	**—**	**90,000**
	FY22	60,000	—	—	—	60,000
Phil Pavitt	**FY23**	**40,000**	**—**	**—**	**—**	**40,000**
	FY22	26,667	—	—	—	26,667

Long Term Incentive Plan awards granted in the year ended 31 May 2023
No LTIP awards were granted to Executive Directors in the year ended 31 May 2023.

Long Term Incentive Plan awards outstanding at 31 May 2023

	Award	Date of grant	Number of shares over which option granted	Interest at 31 May 2023	Normal vesting date	Normal lapse date
Rory MacDonald	LTIP[1]	24.09.21	737,704[3]	—	—	—
Chris Blackburn	LTIP[1]	24.09.21	491,803[3]	—	—	—
Deborah Lovegrove	LTIP[1]	24.09.21	491,803	491,803	30.09.24	30.09.31
	Recruitment[2]	24.09.21	122,950	122,950	30.09.22 30.09.23 30.09.24	30.09.31

1. The LTIP awards noted in the table above are subject to a two year post-vesting holding period (net of sales for tax) and are subject to the performance conditions as detailed in page 47 of the Made Tech Annual Report 2022.
2. One-off award granted in connection with Deborah Lovegrove's recruitment, split across three equal parts.
3. As per the announcement on 23 February 2023, these awards were waived in full and accordingly are treated as having been cancelled and not replaced.

Directors' interests in shares

The interests of the Directors in the ordinary shares of the Company at 31 May 2023 are as follows:

Director	Number of ordinary shares held on 31 May 2022	% of issued share capital	Number of ordinary shares held on 31 May 2023	% of issued share capital
Rory MacDonald	41,696,665	28.16%	41,698,814	27.93%
Chris Blackburn	21,340,861	14.41%	21,338,065	14.29%
Deborah Lovegrove	16,392	0.01%	16,392	0.01%
Joanne Lake	41,324	0.03%	41,324	0.03%
Helen Gilder	4,098	0.00%	4,098	0.00%
Phil Pavitt	8,196	0.01%	8,196	0.01%

Implementation of the Remuneration Policy for the year ending 31 May 2024

Details of how the Remuneration Policy will be implemented for the year ending 31 May 2024 are as follows:

Executive Directors	Base salary	(% increase from 1 June 2023)	Benefits and pension	Annual bonus	LTIP
Rory MacDonald	£300,000	(0%)	As per the Remuneration Policy	100% of salary max. based on financial and strategic performance	Up to 100% of salary in line with the Remuneration Policy
Chris Blackburn	£200,000	(0%)			
Deborah Lovegrove	£200,000	(0%)			

Non-Executive Directors	Role	Committee Chair	Annual fee	(% increase from 1 June 2023)
Joanne Lake	Chair	Nomination	£90,000	0%
Helen Gilder	Non-Executive Director	Audit/Remuneration	£50,000	0%
Phil Pavitt	Non-Executive Director	n/a	£40,000	0%

Monitoring the quality of internal controls

Members
Helen Gilder (Chair)
Joanne Lake
Phil Pavitt

Attendance of the Audit Committee

	Committee attendance
Joanne Lake	● ●
Helen Gilder	● ●
Phil Pavitt	● ●
Total meetings held	● ●

● Attended ○ Did not attend ○ N/A

Dear shareholders,
I am pleased to present the Audit Committee Report for the year ended 31 May 2023.

Committee meetings and attendance

The Committee is currently chaired by me (a Chartered Accountant) and its other members are Joanne Lake (a Chartered Accountant) and Phil Pavitt, both of whom are Independent Non-Executive Directors of the Company. All three Non-Executive Directors have considerable business experience in senior financial and operational roles, including knowledge of financial markets. All members of the Committee are regarded as having recent and relevant experience. The Chief Financial Officer attends the Audit Committee meetings by invitation and other members of the Executive Team may also be invited to attend meetings if required.

The Committee is required by its Terms of Reference to meet as frequently as the Committee Chair shall require and also at regular intervals to deal with routine matters and, in any event, at least twice in each financial year. The Committee has unrestricted access to the Group's auditors. Please see table for attendance details.

Committee activities

The Committee is responsible for reviewing and reporting to the Board on the Company's financial performance, monitoring the integrity of the Company's financial statements (including Annual and Interim Reports and results announcements), reviewing internal control and risk management, and reviewing/monitoring the performance, independence and effectiveness of the Company's external auditors.

The Committee's primary activities over the year comprised meeting with the external auditors, considering the audit approach, scope and timetable, and reviewing the key audit matters for the FY23 audit. In addition, the Committee reviewed the audit provided by Crowe U.K. LLP, the Group's external auditors. The Committee concluded that Crowe U.K. LLP are delivering the necessary audit scrutiny. Accordingly, the Committee recommended to the Board that Crowe U.K. LLP be re-appointed for the next financial year.

As part of the year-end audit, the Committee:

- met with the external auditors to review and approve the annual audit plan and receive their findings and report on the annual audit;
- considered significant issues, areas of judgement and key audit matters with the potential to have a material impact on the financial statements, including the Group's revenue recognition policy and the capitalisation of development costs;
- considered the integrity of the published financial information and whether the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, business model and strategy; and
- reviewed and approved the interim and year-end results and accounts.

The respective responsibilities of the Directors and external auditors in connection with the Group financial statements are explained in the Statement of Directors' Responsibilities on page 59 and the Auditors' Report on pages 60 to 63. Details of services provided by and fees payable to the auditors are shown in note 6 of the Group financial statements.

In the coming year, in addition to the Committee's ongoing duties, the Committee will:

- consider significant issues and areas of judgement with the potential to have a material impact on the financial statements;
- continue to review and consider the most appropriate way of monitoring the internal control environment across the Group, following which an appropriate system of review for the size and complexity of the organisation will be implemented; and
- oversee a review and broadening of the Group's risk management framework.

Committee objectives and responsibilities
The Committee's main responsibilities can be summarised as follows:

- to report on and review the Company's financial performance;
- to monitor the integrity of the Company's financial statements and any formal announcements relating to the Group's financial performance;
- to review the Company's internal financial controls and risk management systems;
- to review any changes to accounting policies;
- to make recommendations to the Board in relation to the appointment of the external auditors;
- to make recommendations to the Board concerning the approval of the remuneration and terms of engagement of the external auditors;
- to review and monitor the extent of the non-audit services undertaken by external auditors;
- to review and monitor the external auditors' independence and objectivity;
- to review the Company's attitude towards areas such as ethics, anti-bribery, corruption, modern slavery, market abuse prevention and whistleblowing; and
- to consider any matter specifically referred to the Committee by the Board.

Financial reporting
During the year, the Committee concluded that the Annual Report and Financial Statements, taken as whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's business model, strategy and performance.

The Committee considered the budget for FY24 together with appropriate sensitivities and concluded that the going concern basis is appropriate. The Committee also reviewed the Strategic Report and concluded that it presented a useful and fair, balanced and understandable review of the business.

The Audit Committee assesses whether suitable accounting policies have been adopted and whether appropriate estimates and judgements have been made by management. The Committee also reviews accounting papers prepared by management, and reviews reports by the external auditors. The specific areas reviewed by the Committee during the year were:

- revenue recognition;
- an impairment review of the capitalisation of development costs;
- alternative performance measures;
- the going concern assessment;
- management override of controls; and
- the fair value of the share-based payments in the year.

Alternative performance measures ("APMs")

Throughout the Annual Report and Accounts we refer to a number of APMs. The measures are not defined under IFRS and therefore may not be directly comparable with adjusted measures presented by other companies. The non-GAAP measures are not intended to be a substitute for or superior to any IFRS measures of performance; however, they are considered by management to be important measures used in the business for assessing performance.

APMs used by the Group are as follows:

- adjusted EBITDA, which means operating profit before depreciation, amortisation, share-based payments charge and exceptional items;
- adjusted operating profit, which means operating profit before amortisation of acquired intangible assets, share-based payments charge and exceptional items;
- adjusted profit before tax, which means profit before tax, amortisation of intangible assets, share-based payments charge and exceptional items;
- adjusted earnings, which means profit after tax before amortisation of acquired intangible assets, share-based payments charge and exceptional items;
- adjusted earnings per share, which means adjusted earnings divided by a weighted average number of shares in issue; and
- adjusted operating cash flow, which is calculated as adjusted EBITDA less movements in working capital, capital expenditure and lease payments.

The Committee considers the APMs, all of which exclude the effect of non-recurring items or non-operating events, provide useful information for shareholders on the underlying performance of the Group. The Committee is satisfied that, where APMs are used, they are presented with equal prominence to the statutory figures.

Risk and compliance policies

In line with the theme of trust, ethics, transparency and delivery of good corporate governance, the responsibility of the Audit Committee in the management and communication of risks and internal controls extends beyond matters of financial, operational and strategic risk. As such, the Audit Committee considers the Company's attitude towards areas such as ethics, anti-bribery, corruption, modern slavery and market abuse prevention and ensures that the Group has appropriate policies and processes in place.

Helen Gilder
Audit Committee Chair
12 September 2023

Directors' report

The Directors present their report together with the audited Group financial statements of Made Tech Group Plc and the Company for the year ended 31 May 2023.

Principal activities and business overview
The Company is incorporated and domiciled in the UK with company number 12204805 and with its registered office address at 4 O'Meara Street, London, United Kingdom SE1 1TE. The Company is a public limited company admitted to AIM, a market operated by the London Stock Exchange.

The principal activity of Made Tech Group Plc (the "Company") is that of a holding company. The main trading company of the Group is Made Tech Limited (company number 06591591), and the principal activity of this company is a provider of digital, data and technology services to the UK public sector. Service offerings include digital service delivery, embedded capabilities, data infrastructure and insights and legacy application transformation.

Business review and future developments
A review of the performance of the Group during the year, including principal risks and uncertainties, key performance indicators and comments on future developments, is given in the Strategic Report on page 1.

Results and dividends
The Group recorded revenue in the year of £40.2m (FY22: £29.3m) and loss after tax of £(0.9)m (FY22: loss of £(0.3)m).

The Directors have not recommended the payment of a dividend for the year.

Financial risk management
Information relating to the principal risks and uncertainties of the Group has been included within the Strategic Report on pages 33 to 39.

Further information relating to the financial risk of the Group has been included within note 4, financial risk management.

Events after the balance sheet date
There were no events occurring after the balance sheet date that require disclosing in accordance with IAS 10 Events after the Reporting Period.

Political and charitable donations
The Group made no political donations (FY22: £nil) and £500 charitable donations in the year (FY22: £nil).

Directors' remuneration
Details of Directors' remuneration are set out in the Remuneration Committee Report on page 48.

Directors and their interests
The Directors of the Company who were in office during the year and up to the date of signing the Group financial statements were as follows:

Chris Blackburn
Helen Gilder
Joanne Lake
Deborah Lovegrove
Rory MacDonald
Phil Pavitt

Biographical details of the Directors can be found on pages 40 and 41.

Directors' interests in the ordinary shares of the Company can be found in the Remuneration Committee Report on page 48.

Directors' indemnities and insurance
The Company has made qualifying third-party indemnity provisions for the benefit of the Directors, which were in force during the year and up to the date of this report.

Significant shareholdings
As at 31 August 2023, the Company has been advised, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of the following notifiable interests in 3% or more of its voting rights.

Shareholder	Number of shares as at 31 May 2023	%
Mr Rory MacDonald	42,594,172	28.53%
Mr Chris Blackburn	21,338,065	14.29%
Hargreaves Lansdown Asset Mgt (Bristol)	8,481,855	5.68%
Stonehage Fleming Family & Partners (London)	8,150,000	5.46%
Sarasin & Partners (London)	7,882,953	5.28%
CRUX Asset Mgt (London)	7,535,000	5.05%
Mr Luke Morton	6,018,070	4.03%
Berenberg Bank (Frankfurt)	5,039,435	3.38%
Highclere International Investors (London)	4,633,581	3.10%

Employees

The Group recognises the critical part that its employees play in shaping every facet of the business and its financial performance. There has been consistent focus on the development of employee welfare and health and safety practices throughout the year. We are committed to the investment in our team at all levels to ensure a culture of continuous improvement to position the business to continue to achieve the projected growth and development over the coming years.

We embrace diversity across our organisation and the Group recognises that discrimination is unacceptable and that equality of opportunity is paramount. The aim of these policies is to ensure that no job applicant or employee is discriminated against either directly or indirectly on the grounds of race, colour, ethnicity, nationality, gender, gender reassignment, disability, political opinion or age. Breaches of these policies result in disciplinary proceedings and, if necessary, action.

The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

Our Made Tech team plays a fundamental role in shaping our corporate responsibility culture through voluntary teams looking at employee engagement, charitable and environmental activities.

Further details on how we engage with our employees and the culture we are proud to have can be found in the ESG Report on pages 18 to 27 and in our Section 172 Statement on pages 16 and 17.

Investing in and developing our stakeholder relationships are central to our Group values. We believe the success of our strategy depends on our ability to foster effective business relationships with all of our stakeholders. Their interests are important to us and we are committed to maintaining strong, positive relationships with them, built on a foundation of mutual respect, trust and understanding. Further information on our stakeholder engagement can be found in our Section 172 Statement on pages 16 and 17, where we provide a high level overview of how we engage with our stakeholders.

Share capital and voting

The Company has one class of equity share, £0.0005 ordinary shares, with full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable. The rights and obligations attaching to these shares are governed by the Companies Act 2006 and the Company's Articles.

As at 31 May 2023, the Company's issued share capital comprised 149,287,059 ordinary shares with a nominal value of £0.0005.

Research and development

The Group performs research and development activities principally around technology platforms and business accelerators. This remains a high priority for the Group to maintain the excellence of its technology and service offering alongside the introduction of new functionality. In accordance with its accounting policies, the Group capitalised development expenditure of £3.1m (FY22: £1.9m) during the year. There was no research expenditure during the year (FY22: £nil).

Notice of Annual General Meeting

Details of business to be conducted at this year's AGM are contained in the Notice of the Annual General Meeting which will be communicated to shareholders separately. It is the opinion of the Directors that the passing of these resolutions is in the best interests of the shareholders.

Corporate governance

The Group's Corporate Governance Statement can be found in the Corporate Governance section of this Annual Report on pages 42 to 47, which is incorporated by reference and forms part of this Directors' Report.

Disclosure of information to auditors

The Directors who held office at the date of approval of this report confirm, having made enquiries of fellow Directors and of the Group's auditors, that:

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

Going concern

Management has produced forecasts and projections through to May 2025 which have been reviewed by the Directors. These demonstrate that the Company and the Group are forecast to generate profits and cash in the year ending 31 May 2024 and beyond and that the Company and the Group have sufficient working capital to enable them to meet their obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

As such, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future. The Directors therefore continue to adopt the going concern basis in preparing the consolidated financial statements.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with applicable law and UK adopted International Accounting Standards ("IFRS") and the Company financial statements in accordance with applicable law and UK Accounting Standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted International Accounting Standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

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

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

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

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

Independent auditors

The auditors, Crowe U.K. LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the AGM.

The Directors' Report was approved on behalf of the Board on 12 September 2023.

By order of the Board

Deborah Lovegrove
Chief Financial Officer
12 September 2023

Independent auditors' report

To the members of Made Tech Group PLC

Opinion

We have audited the financial statements of Made Tech Group Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 May 2023, which comprise:

- the Group consolidated statement of profit and loss and other comprehensive income for the year ended 31 May 2023;
- the Group consolidated and Parent Company statements of financial position as at 31 May 2023;
- the Group consolidated and Parent Company statement of changes in equity for the year then ended;
- the Group consolidated and Parent Company cash flow statement for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 102 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 May 2023 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 as applied to listed entities, 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 Group's and the Parent company's ability to continue to adopt the going concern basis of accounting.

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.

We evaluated the Directors' assessment of the Group's and Parent company's ability to continue as a going concern, including but not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and parent company's ability to continue as a going concern;
- Obtaining and reviewing management's going concern assessment;
- Evaluating the directors' method to assess the group's and parent company's ability to continue as a going concern;
- Performing sensitivity analysis on the management's performance expectations;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements.

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

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

Overview 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 £300,000, based on 0.75% of the Group's turnover. Materiality for the Parent Company financial statements as a whole was set at £10,000 based on the Parent Company's net assets. Turnover has been identified as the principal benchmark within the Group financial statements due to this being the primary focus of shareholders. Net assets has been identified as the principal benchmark within the Parent Company financial statements as it is considered to be the focus of shareholders due to being a holding company with no trade.

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. This is set at £210,000 for the Group and £7,000 for the Company.

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 £15,000. 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

Made Tech Group plc is located in the United Kingdom. Our audit was conducted remotely. The operations of its subsidiary, Made Tech Limited are located in the UK and have been audited by Crowe U.K.LLP.

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
Carrying value of intangible assets. / Recoverability of capitalised development expenditure, which are included in intangible assets Refer to page 72 (Notes to the Consolidated Financial Statements – Note 2 accounting policies), page 76 (Note 3 Judgments in applying accounting policies and key source of estimation uncertainty), page 84 (Note 13 Intangible Assets). The carrying value of intangible assets at 31 May 2023 was £5.0 million. The Group's intangible assets relate to software developments. When assessing the carrying value of intangible assets in accordance with IAS36, management are required to make judgements regarding the appropriate cash generating unit, strategy, future trading since there is no prior record of such revenue by the firm and profitability and the assumptions underlying these. We considered the risk that the intangible assets should be impaired. The assessment for indicators of impairment and quantifying the value of any potential impairment is inherently judgmental and is therefore considered a key audit matter.	We performed the following procedures: • We obtained management's assessment of the recoverable amounts for each software project as per the requirements set out in IAS 36. • We held discussions with key individuals outside of the finance function who are involved with software development, to understand how the cash flow models are constructed and the current progress of development on each of the software projects. • We challenged the key assumptions included by management in the forecasts, and checked the mathematical accuracy of the models. • We performed additional sensitivity analysis over key assumptions including discount rates, revenue growth rates and the timing of cash flows to determine if this would result in an indication of impairment. • We reviewed the adequacy of disclosures in the financial statements.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 on page 59 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 however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the company.

Auditor's responsibilities for the audit of the financial statements continued
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 UK taxation legislation.

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 for the audit of the financial statements is located 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
12 September 2023

Consolidated statement of profit and loss and other comprehensive income

For the year ended 31 May 2023

	Note	**Year ended 31 May 2023 Audited £'000**	Year ended 31 May 2022 Audited £'000
Revenue	5	**40,195**	29,289
Cost of sales		**(25,802)**	(18,032)
Gross profit		**14,393**	11,257
Administrative expenses		**(12,931)**	(8,608)
Share-based payments	24	**(2,068)**	(2,376)
Depreciation	14	**(417)**	(308)
Exceptional items	9	**(574)**	(224)
Other income	10	**59**	—
Operating loss	6	**(1,538)**	(259)
Interest payable	8	**(14)**	(29)
Interest receivable	8	**25**	—
Loss before tax		**(1,527)**	(288)
Taxation expense	11	**(72)**	(20)
Loss for the period		**(1,599)**	(308)
Total comprehensive loss attributable to the owners of the parent		**(1,599)**	(308)
Loss per share:			
Loss per ordinary share	12	**(1.07p)**	(0.22p)
Diluted loss per ordinary share	12	**(1.07p)**	(0.22p)

All amounts relate to continuing activities. The notes on pages 71 to 90 form an integral part of these financial statements.

Non-GAAP metric – adjusted EBITDA

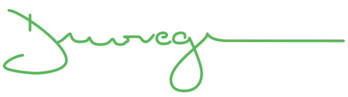
	Note	**31 May 2023 £'000**	31 May 2022 £'000
Loss after tax		**(1,599)**	(308)
Interest		**(11)**	29
Taxation		**72**	20
Loss before interest and taxation		**(1,538)**	(259)
Depreciation		**417**	308
Share-based payment charge		**2,068**	2,376
Exceptional items	9	**574**	224
Adjusted EBITDA*		**1,521**	2,649

* Adjusted EBITDA, which is defined as operating profit before depreciation, amortisation, exceptional items and share-based payment charge, is a non-GAAP metric used by management and is not an IFRS disclosure.

Consolidated statement of financial position
At 31 May 2023

	Note	31 May 2023 Audited £'000	31 May 2022 Audited £'000
Assets			
Non-current assets			
Tangible assets	14	**499**	879
Intangible asset	13	**5,013**	1,904
Total non-current assets		**5,512**	2,783
Current assets			
Trade and other receivables	16	**6,193**	6,065
Cash and cash equivalents		**8,474**	12,333
Total current assets		**14,667**	18,398
Total assets		**20,179**	21,181
Equity and liabilities			
Equity			
Share capital	23	**75**	74
Share premium		**13,421**	13,421
Share-based payment reserve	24	**4,398**	2,376
Deferred share reserve	24	**—**	12
Capital redemption reserve	23	**12**	—
Retained deficit		**(2,695)**	(1,096)
		15,211	14,787
Non-current liabilities			
Lease liabilities	20	**—**	140
Deferred tax liability	22	**92**	20
Total non-current liabilities		**92**	160
Current liabilities			
Trade and other payables	18	**4,736**	6,054
Lease liabilities	20	**140**	180
Total current liabilities		**4,876**	6,234
Total liabilities		**4,968**	6,394
Total equity and liabilities		**20,179**	21,181

The financial statements on pages 64 to 90 were approved and authorised by the Board of Directors on 12 September 2023 and were signed on its behalf by:



D Lovegrove
Company registration number: 12204805

The accompanying accounting policies and notes on pages 71 to 90 form an integral part of these financial statements.

Company statement of financial position

At 31 May 2023

	Note	31 May 2023 Audited £'000	31 May 2022 Audited £'000
Assets			
Non-current assets			
Investments	15	**2,640**	2,640
Current assets			
Trade and other receivables	17	**13,079**	13,313
Cash and cash equivalents		**25**	57
Total current assets		**13,104**	13,370
Total assets		**15,744**	16,010
Equity and liabilities			
Equity			
Share capital	23	**75**	74
Share premium		**13,421**	13,421
Share-based payment reserve		**4,398**	2,376
Deferred share reserve	24	**—**	12
Capital redemption reserve	23	**12**	—
Retained deficit		**(2,333)**	(82)
		15,573	15,801
Current liabilities			
Trade and other payables	19	**171**	209
Total liabilities		**171**	209
Total equity and liabilities		**15,744**	16,010

The financial statements on pages 64 to 90 were approved and authorised by the Board of Directors on 12 September 2023 and were signed on its behalf by:

D Lovegrove
Company registration number: 12204805

Company statement of comprehensive income

As permitted by section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's result after taxation for the financial year was a loss of £2,251,000 (FY22: loss of £2,640,508).

The accompanying accounting policies and notes on pages 71 to 90 form an integral part of these financial statements.

Consolidated statement of changes in equity
At 31 May 2023

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Deferred share reserve £'000	Capital redemption reserve £'000	Retained deficit £'000	Total (deficit)/ equity £'000
Deficit at 1 June 2021	1	—	—	—	—	(788)	(787)
Loss for the period	—	—	—	—	—	(308)	(308)
Transactions with equity owners:							
Issue of shares	73	13,421	—	12	—	—	13,506
Share-based payment reserve	—	—	2,376	—	—	—	2,376
Total transactions with equity owners	73	13,421	2,376	12	—	—	15,882
Balance at 31 May 2022	74	13,421	2,376	12	—	(1,096)	14,787
Equity/(deficit) at 1 June 2022	74	13,421	2,376	12	—	(1,096)	14,787
Loss for the period	—	—	—	—	—	(1.599)	(1,599)
Transactions with equity owners:							
Issue of shares	1	—	—	—	—	—	1
Cancellation of deferred shares	—	—	—	(12)	12	—	—
Share-based payment reserve	—	—	2,022	—	—	—	2,022
Total transactions with equity owners	1	12	2,022	(12)	12	—	2,023
Balance at 31 May 2023	**75**	**13,421**	**4,398**	**—**	**12**	**(2,695)**	**15,211**

Company statement of changes in equity

At 31 May 2023

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Deferred share reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity/ (deficit) £'000
Equity at 1 June 2021	1	—	—	—	—	2,558	2,559
Loss for the period	—	—	—	—	—	(2,640)	(2,640)
Transactions with equity owners:							
Issue of shares	73	13,421	—	12	—	—	13,506
Share-based payment reserve	—	—	2,376	—	—	—	2,376
Total transactions with equity owners	73	13,421	2,376	12	—	—	15,882
Balance at 31 May 2022	74	13,421	2,376	12	—	(82)	15,801
Equity/(deficit) at 1 June 2022	74	13,421	2,376	12	—	(82)	15,801
Loss for the period	—	—	—	—	—	(2,251)	(2,251)
Transactions with equity owners:							
Issue of shares	1	—	—	—	—	—	1
Cancellation of deferred shares	—	—	—	(12)	12	—	—
Share-based payment reserve	—	—	2,022	—	—	—	2,022
Total transactions with equity owners	1	12	2,022	(12)	12	—	2,023
Balance at 31 May 2023	**75**	**13,421**	**4,398**	**—**	**12**	**(2,333)**	**15,573**

The notes on pages 71 to 90 are an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 31 May 2023

	Note	Year ended 31 May 2023 Audited £'000	Year ended 31 May 2022 Audited £'000
Loss for the period		**(1,599)**	(308)
Adjustments for:			
Tax charge	11	**72**	20
Net finance (credit)/charge in the income statement	8	**(11)**	29
Loss of disposal of property, plant and equipment		**9**	—
Depreciation of property, plant and equipment	14	**417**	308
Share-based payment	24	**2,068**	2,376
Cash flows from operating activities before changes in working capital		**956**	2,425
Increase in trade and other receivables		**(128)**	(3,521)
(Increase)/decrease in trade and other payables		**(1,349)**	2,771
Net cash flows (used by)/from operating activities		**(521)**	1,675
Cash flows from investing activities			
Purchase of property, plant and equipment	14	**(60)**	(432)
Acquisition of intangibles	13	**(3,109)**	(1,904)
Interest and other fees received	8	**25**	—
Net cash flows used by investing activities		**(3,144)**	(2,336)
Cash flows from financing activities			
Issue of equity shares		**—**	13,506
Interest and other fees paid		**(4)**	(12)
Repayment of loans and borrowings		**—**	(1,250)
Repayment of lease liability		**(180)**	(155)
Interest paid on lease liability		**(10)**	(17)
Net cash flows (used by)/from financing activities		**(194)**	12,072
Net increase in cash and cash equivalents		**(3,859)**	11,411
Cash and cash equivalents at the start of the period		**12,333**	922
Cash and cash equivalents at the end of the period		**8,474**	12,333

The notes on pages 71 to 90 are an integral part of these financial statements.

Company cash flow statement

For the year ended 31 May 2023

	Note	**Year ended 31 May 2023 Audited £'000**	Year ended 31 May 2022 Audited £'000
Loss for the period		**(2,251)**	(2,640)
Adjustments for:			
Share-based payment	24	**2,022**	2,376
Cash flows used by operating activities before changes in working capital		**(229)**	(264)
Decrease/(increase) in trade and other receivables		**234**	(1,382)
(Decrease)/increase in trade and other payables		**(37)**	1,703
Net cash flows (used by)/from operating activities		**(32)**	57
Cash flows from investing activities			
Transactions with subsidiary		**—**	(13,506)
Net cash used by investing activities		**—**	(13,506)
Cash flows from financing activities			
Issue of equity shares		**—**	13,506
Net cash flows from financing activities		**—**	13,506
Net (decrease)/increase in cash and cash equivalents		**(32)**	57
Cash and cash equivalents at the start of the period		**57**	—
Cash and cash equivalents at the end of the period		**25**	57

The notes on pages 71 to 90 are an integral part of these financial statements.

Notes to the financial statements

1. Company information

The consolidated financial information represents the results of Made Tech Group Plc (the "Company") and its subsidiary, together comprising the Group ("Made Tech Group Plc" or the "Group").

Made Tech Group Plc is a company incorporated and domiciled in England and Wales, registration number 12204805. The address of its registered office is 4 O'Meara St, London SE1 1TE.

Made Tech Group Plc is quoted on the London Stock Exchange.

The principal activity of Made Tech Group Plc (the "Company") is that of a holding company. The main trading company of the Group is Made Tech Limited (company number 06591591) and the principal activity of this company is a provider of digital, data and technology services to the UK public sector. Service offerings include digital service delivery, embedded capabilities, data infrastructure and insights and legacy application transformation.

2. Accounting policies

Accounting convention

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. They have been consistently applied to the periods presented. The financial statements are presented in Sterling rounded to the nearest thousand (£'000) except where specified.

Basis of preparation of the consolidated financial statements

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Company financial statements have been prepared under FRS 102. 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. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The Directors have considered the Group's cash flow forecasts and they have no grounds for concern regarding the Group's ability to meet its obligations as they fall due and continue to operate within the existing cash balance and working capital facilities, thus requiring no additional funding to maintain liquidity.

In reaching their decision to prepare the financial statements on a going concern basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Standards and amendments to existing standards adopted in these accounts

In the current year, the Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 June 2022:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material);
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Introduce a new definition for accounting estimates); and
- IAS 12 Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction).
- Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company in the 31 May 2023 financial statements

At the date of authorisation of these financial statements, certain new accounting standards and interpretations have been published that are not mandatory for 31 May 2023 reporting periods and have not been early adopted by the Group. The Directors continue to monitor developments in the accounting standards they see as relevant, but do not expect that the adoption of these standards will have a material impact on the financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

2. Accounting policies continued

Basis of consolidation

The Group's consolidated financial statements incorporate the results of the parent company and all of its subsidiary undertakings. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

Inter-company transactions, balances and unrealised gains and losses (where they do not provide evidence of impairment of the asset transferred) on transactions between Group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

Revenue recognition

Revenue is the fair value of the total amount receivable by the Group for supplies of services. VAT or similar local taxes and trade discounts are excluded. The Group's only source of revenue is from the provision of digital, data and technology services to the UK public sector, all of which are recognised in the same manner.

Contracts for the provision of services are typically "time and materials" contracts whereby the customer is contractually bound to pay for services for each hour or day spent in delivering a contractually agreed services scope. Materials are incidental expenses incurred whilst delivering the services. These contracts typically have no payment milestones or bundling with other services and have no variable element. Revenue is therefore recognised in line with the chargeable "time and materials" which are allocated to the contracted project.

The Group recognised revenue each month once as it provides these services for the duration of the contract. At the balance sheet date, an asset is recognised for unbilled amounts for services provided yet to be invoiced. Payment for the services is based on the agreed payment terms.

Revenue contract liability is recorded when cash payments are received in advance of satisfying the performance obligation. Contract liabilities are recognised in profit or loss in the period when the Group completes the agreed services to the customers. In all other cases payments are due from customers within 30–60 days (depending on the credit terms applicable) of the service being agreed and invoiced.

Interest income and expenditure are reported on an accruals basis.

EBITDA and adjusted EBITDA

Earnings before interest, taxation, depreciation and amortisation ("EBITDA") and adjusted EBITDA are non-GAAP measures used by management to assess the operating performance of the Group. EBITDA is defined as operating profit before depreciation and amortisation. Exceptional items and share-based payment charge are excluded from EBITDA to calculate adjusted EBITDA.

The Directors primarily use the adjusted EBITDA measure when making decisions about the Group's activities. As they are non-GAAP measures, EBITDA and adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

Exceptional items

The Group's income statement separately identifies exceptional items. Such items are those that in the Directors' judgement are one off in nature or non-operating and need to be disclosed separately by virtue of their size or incidence. In determining whether an item should be disclosed as an exceptional item, the Directors consider quantitative and qualitative factors such as the frequency, predictability of occurrence and significance. This is consistent with the way financial performance is measured by management and reported to the Board.

Intangible assets

Internally generated intellectual property

An internally generated intangible asset consisting of intellectual property arising from development (or the development phase) of an internal project is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

2. Accounting policies continued

Intangible assets continued

Internally generated intellectual property continued

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangibles not yet in use are not amortised but are subject to annual impairment testing.

As yet, no internally generated intangible assets are being amortised. Internally generated intangible assets are expected to be amortised over three to five years.

Research expenditure is recognised as an expense in the period in which it is incurred.

Tangible assets

Tangible assets are recorded at cost net of accumulated depreciation and any provision for impairment. Depreciation is provided to write off the cost of the asset less any residual value over its useful economic life in line with below. The residual values of assets are reviewed annually and revised where necessary. Assets' useful economic lives are as follows:

Furniture and fittings	25% reducing balance
Office equipment	3 years straight line
Leasehold improvements	25% reducing balance
Right-of-use lease assets	straight line over the lease term

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. The cash flow evaluations are a result of the Directors' estimation of future sales and expenses based on their past experience and the current market activity within the business. With the exception of goodwill, which the Group does not currently have, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment charge arising from the review of the carrying value of assets, where material, is disclosed separately on the face of the consolidated income statement.

Financial assets

Financial assets and liabilities are recognised when the Group becomes party to the contractual obligations of a financial instrument. They are measured initially at fair value, net of transaction costs. The Group subsequently classifies and measures its financial assets as either financial assets at fair value through profit or loss, at amortised cost, or fair value through comprehensive income, as appropriate. The classification depends on the purpose for which the financial assets were acquired. At the reporting year end the financial assets of the Group were all classified as loans or receivables held at amortised cost.

Trade receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

They are initially recognised at fair value and measured subsequent to initial recognition at amortised cost using the effective interest method, less any impairment loss.

The Group's financial assets comprise trade receivables, other receivables (excluding prepayments) and cash and cash equivalents.

2. Accounting policies continued

Financial assets continued

Trade and other receivables – impairment

The Group applies an expected credit loss model to calculate the impairment losses on its trade receivables. The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables at the reporting date have been put into groups based on days past the due date for payment and an expected loss percentage has been applied to each group to generate the expected credit loss provision for each group and a total expected credit loss provision has thus been calculated.

Financial liabilities

The Group's financial liabilities include trade and other payables and borrowings which include lease liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in the income statement.

Trade payables are recognised initially at their fair value, net of transaction costs and subsequently measured at amortised cost less settlement payments.

Leases

At inception the Group assesses whether a contract contains a lease. This assessment involved the exercise of judgement about whether the Group obtains substantially all the economic benefits from the use of that asset and whether the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets which it defines as having a purchase cost of £5,000 or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is measured at amortised cost using the effective interest method.

The Group presents right-of-use assets in "property, plant and equipment" and lease liabilities in "borrowings" in the statement of financial position.

Taxation

Current tax

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the income statement unless the tax relates to an item taken directly to equity, in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. 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 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.

2. Accounting policies continued

Taxation continued

Deferred tax continued

Deferred tax liabilities are always provided for in full. Deferred tax assets, such as those resulting from assessing deferred tax on the expense of share-based payments, are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the present obligations arising from legal or constructive commitment resulting from past events will probably lead to an outflow of economic resources from the Group which can be estimated reliably.

Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date taking into account risks and uncertainties surrounding the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution pension plan

The Group operates a defined contribution pension scheme. The assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and is further detailed in note 7. Other creditors include £206,643 (FY22: £190,148) in respect of pension contributions committed but not yet paid at year end.

The cost of pensions in respect of the Group's defined contribution scheme is charged to the income statement in the period in which the related employee services were provided.

Share-based payments

The Group operates equity settled share-based compensation plans for the remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability or sales growth targets).

All share-based compensation is ultimately recognised as an expense in the income statement with a corresponding credit to the share-based payment reserve, net of deferred tax where applicable. 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. Fair value of the awards are measured using the Black-Scholes valuation model. 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. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally estimated. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income over the remaining vesting period, with a corresponding adjustment to the share-based payment reserve.

Where modifications are made to the vesting or lapse dates of options the excess of the fair value of the revised options over the fair value of the original options at the modification date is expensed over the remaining vesting period.

Equity and reserves

Issued share capital

Ordinary shares are classified as equity. The nominal value of shares is included in issued capital.

Share premium

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.

2. Accounting policies continued

Equity and reserves continued

Share-based payment reserve

The share-based payment reserve represents the total value expensed at the balance sheet date in relation to the fair value of the share options at their grant date expensed over the vesting period under the relevant share option schemes.

Deferred shares

Ordinary deferred shares are classified as equity. The nominal value of shares is included in deferred share capital.

Retained earnings

The retained earnings include all current and prior period results for the Group and the results of the Group's subsidiaries as determined by the income statement net of dividends paid.

Dividends

Final equity dividends to the shareholders of the Group are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid. Dividends receivable are recognised when the Group's right to receive payment is established.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimations and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, their historical experience and other factors including expectations of future events. Actual results may differ from the amounts included in the financial statements. The estimates and assumptions that have a significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year are summarised below:

Judgements in applying accounting policies

Development costs

Capitalisation of development costs in accordance with IAS 38 requires analysis of the technical feasibility and commercial viability of the project in the future. This in turn requires a long-term judgement to be made about the development of the industry in which the development will be marketed. Where the Directors consider that sufficient evidence exists surrounding the technical feasibility and commercial viability of the project which indicates that the costs incurred will be recovered they are capitalised within intangible fixed assets. The amount of the capitalisation is based on estimates to judge the percentage of the time relevant staff spend on projects. Where insufficient evidence exists, the costs are expensed to the income statement.

Sources of estimation uncertainty

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which the intangibles have been allocated. The value in use calculations require an estimation of the future cash flows expected to arise from the cash-generating units and a suitable discount rate to calculate the present value.

Impairment of intangible assets

An assessment of impairment of intangibles is performed if there is an indicator of impairment. The key estimate for the carrying value of the intangibles is the cash flows associated with the investment and the WACC. Each intangible is reviewed regularly to ensure that it generates discounted positive cash flows.

The same principles used in the assessment of impairment of goodwill are used for estimating the "value in use" of the cash flows of the investment. Where there is an indication of impairment, the investment is impaired by a charge to the consolidated income statement. The key area of uncertainty is the revenue growth. Management performs sensitivity analysis to ascertain the level of growth rate that will start to impair the investment on a yearly basis.

4. Financial instruments – risk management

The Board of Directors of Made Tech Group Plc has overall responsibility for the determination of the Group's risk management objectives and policies. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board.

The Group does not enter into derivative transactions or trade in financial instruments and the Directors believe the Group is not materially exposed to commodity price risk.

The Group is exposed to the following financial risks:

- credit risk;
- liquidity risk; and
- interest rate risk.

The Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents; and
- trade and other payables.

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of comprehensive income in the relevant period.

Trade and other payables are measured at amortised cost.

Financial instruments by category

Financial assets

	At 31 May 2023 £'000	At 31 May 2022 £'000
Cash and cash equivalents	**8,474**	12,333
Trade receivables	**4,304**	4,400
Other receivables	**1,889**	1,665
Financial assets at amortised cost	**14,667**	18,398

Financial liabilities

	At 31 May 2023 £'000	At 31 May 2022 £'000
Current		
Trade payables	**1,634**	2,705
Accruals	**1,005**	1,255
Social security and other taxes	**1,889**	1,891
Other payables	**208**	203
Trade and other payables	**4,736**	6,054
Non-current		
Borrowings – lease liability	—	142
Current		
Borrowings – lease liability	**140**	180
Loans and borrowings	**140**	322
Financial liabilities at amortised cost	**4,876**	6,376

4. Financial instruments – risk management continued

Financial instruments by category continued

The key risks to the Group and the policies and procedures put in place by management to manage them are summarised below:

Interest rate risk

The Group is exposed to cash flow interest rate risk from bank borrowings at variable rates. As at 31 May 2023 there are no loans outstanding (FY22: £nil); therefore there is no material exposure to interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. The Group's net trade receivables for the two reported periods are disclosed in the financial assets table above.

The Group considers that its exposure to credit risk is insignificant as it carries out work for public sector entities without the risks attached to normal commercial credit sales.

The Directors do not consider that there is any concentration of risk within other receivables.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are substantial banks with high credit ratings. The maximum exposure is the amount of the deposit. To date, the Group has not experienced any losses on its cash and cash equivalent deposits.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

At 31 May 2023	Within 1 month £'000	1–3 months £'000	3–12 months £'000	2–5 years £'000	5+ years £'000
Trade payables	**1,634**	—	—	—	—
Accruals	**554**	**257**	**194**	—	—
Other payables	**2,097**	—	—	—	—
Bank loans	—	—	—	—	—
Lease liability	—	**47**	**93**	—	—
	4,285	**304**	**287**	—	—

At 31 May 2022	Within 1 month £'000	1–3 months £'000	3–12 months £'000	2–5 years £'000	5+ years £'000
Trade payables	2,705	—	—	—	—
Accruals	939	113	173	—	—
Other payables	203	—	—	—	—
Bank loans	—	—	—	—	—
Lease liability	—	47	133	142	—
	3,847	160	306	142	—

4. Financial instruments – risk management continued

Capital management

The Group's capital is made up as follows:

	At 31 May 2023 £'000	At 31 May 2022 £'000
Share capital – issued	**75**	74
Share capital – deferred	**—**	12
Share premium	**13,433**	13,421
Share-based payment reserve	**4,398**	2,376
Retained deficit	**(2,695)**	(1,096)
	15,211	14,787

The Group's objectives when maintaining 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 services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources, fundraising and borrowings.

5. Revenue from contracts with customers

Revenue from operations arises from:

Revenue arises from:	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Provision of service on a time and materials basis	**40,195**	29,289

The Group has only one segment and therefore the results for the Group comprise the segment performance.

Significant customer

The Group had four customers that exceeded 10% of revenue in the year (FY22: three customers).

Customer A accounted for £6.8m (or 17%) of total Group revenue during FY23 (FY22: £4.7m or 16%).

Customer B accounted for £6.4m (or 16%) of total Group revenue (FY22: £2.4m or 8%).

Customer C accounted for £4.7m (or 12%) of total Group revenue (FY22: £4.6m or 16%).

Customer D accounted for £4.2m (or 10%) of total Group revenue (FY22: £4.4m or 15%).

6. Operating profit/(loss)

The operating profit/(loss) has been arrived at after charging/(crediting):

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Fees paid to the Group's auditors (see below)	**56**	186
Other accountancy fees	**26**	26
Loss on disposal of property, plant and equipment	**9**	—
Advertising expense	**548**	388
Depreciation of property, plant and equipment	**417**	308
Staff costs (note 7)	**30,904**	19,546

6. Operating profit/(loss) continued

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Analysis of fees paid to the Group's auditors:		
Audit of the Group and Company's financial statements	**56**	47
Other services	**—**	139
Total fees paid to Group's auditors	**56**	186

In FY22, other services provided by the Group's auditors related to professional services in connection with the Group's IPO in September 2021.

7. Staff costs

Staff costs (including Directors) consist of:

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Wages and salaries	**27,230**	16,409
Other taxable benefits	**110**	44
Social security costs	**3,130**	2,010
Pensions	**1,393**	516
Share-based payments	**2,068**	2,376
Total staff costs	**33,932**	21,355

Included in staff costs above is £3,028,623 (FY22: £1,809,293) of costs that have been capitalised as intangible assets (see note 13).

Key management of the Group is considered to be the Board of Directors. Details of Directors' remuneration is disclosed in the Report of the Remuneration Committee on page 48 (FY22 comparatives included Board of Directors and other executives as key management). Remuneration paid to these individuals on an aggregated basis included in staff costs is as follows:

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Wages and salaries	**880**	1,272
Other taxable benefits	**5**	4
Social security costs	**120**	156
Pensions	**41**	46
Share-based payments	**860**	567
Total key management compensation	**1,906**	2,045

7. Staff costs continued

Defined contribution pension scheme

The amount recognised in the income statement as an expense in relation to the Group's defined contribution pension scheme is £1,196,556 (FY22: £468,723). Included within accruals and other creditors is £206,643 (FY22: £190,148) for outstanding contributions to the defined contribution pension scheme.

The average monthly number of employees during the period was as follows:

	Year ended 31 May 2023	Year ended 31 May 2022
Key management	**6**	10
Operations and administration	**428**	247
Total employees	**434**	257

8. Interest receivable/(payable)

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Interest receivable/(payable)		
Interest received	**25**	—
Interest on bank loans and bank fees	**(4)**	(12)
Interest on lease liability	**(10)**	(17)
Total interest receivable/(payable)	**11**	(29)

9. Exceptional items

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Transactions and IPO-related costs	**—**	180
Termination costs	**493**	44
Restructuring costs	**81**	—
Total exceptional items	**574**	224

Exceptional items relate to the following:

- termination costs – relating to severance for twenty employees exited in the year (FY22: three employees); and
- restructuring costs – relating to reorganisation and restructuring improvements to improve efficiency and accountability.

10. Other income

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Insurance claims	**37**	—
Royalties and partnerships	**22**	—
Total other income	**59**	—

11. Taxation

The following tax was recognised in the income statement:

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Corporation tax	**—**	—
Total current tax expense	**—**	—
Deferred tax:		
Origination and reversal of timing differences	**72**	20
Tax charge for the year	**72**	20

The tax assessed for the year is different from the standard rate of corporation tax as applied in the respective trading domains where the Group operates.

The Group's tax charge can be reconciled to the profit/(loss) in the income statement and effective tax rate as follows:

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Loss before tax	**(1,527)**	(288)
Tax credit at the UK corporation tax rate of 20% (FY22: 19%)	**(305)**	(55)
Effects of:		
Fixed asset differences	**37**	(53)
Expenses not deductible for tax purposes	**461**	485
Utilisation of losses brought forward	**(28)**	(32)
Unused tax losses	**462**	17
IP capitalisation	**(622)**	(362)
Sundry items	**(5)**	—
Movement in deferred tax provision	**72**	20
Tax charge for the year	**72**	20

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Deferred tax		
At 1 June	**20**	—
Deferred tax recognised	**—**	—
Charge	**72**	20
At 31 May	**92**	20

Current taxes comprise the income taxes of the Group companies which posted a taxable profit for the year, while deferred taxes show changes in deferred tax assets and liabilities which were recognised by the Group on the temporary differences between the carrying amount of assets and liabilities and their amount calculated for tax purposes and, on consolidation adjustments, calculated using the rates that are expected to apply in the year these differences will reverse.

No deferred tax has been provided on share based payments amounting to £181,302.

At the reporting date, the Group has unused tax losses of £3.1m (FY22: £0.8m) available for offset against future profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of the timing of future taxable profits forecast at the balance sheet date.

11. Taxation continued

Factors that may affect future tax charges

On 24 May 2021, the UK Finance Act 2021 was substantively enacted, increasing the UK corporation tax rate to 25% effective from 1 April 2023. The impact of this rate change has been considered when recognising the deferred tax in relation to the UK companies in the Group. Where the asset or liability is expected to unwind after 1 April 2023 the deferred tax has been recognised at 25%.

12. Loss per ordinary share

Loss per ordinary share	**Year ended 31 May 2023 £'000**	Year ended 31 May 2022 £'000
Loss for the period	**(1,599)**	(308)
Weighted average number of ordinary shares in issue for the year ('000)	**148,885**	135,729
Loss per ordinary share (pence):		
Basic loss per share	**(1.07p)**	(0.22p)
Diluted loss per share	**(1.07p)**	(0.22p)

Where a loss has been recorded the effect of options is not dilutive and therefore the basic and diluted figure is the same.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The Company has potentially dilutive ordinary shares arising from share options granted to employees. Options are dilutive under the Group Restricted Share Plan ("RSP") where the exercise price, together with the future IFRS 2 charge of the option, is less than the average market price of the Company's ordinary shares during the year. Options under the LTIP schemes, as defined by IFRS 2, are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions, as set out in note 24, are satisfied at the end of the reporting period, irrespective of whether this is the end of the vesting period or not.

The calculation of adjusted earnings per share is based on the after tax adjusted operating loss after adding back certain costs as detailed in the table below. Adjusted earnings per share figures are given to exclude the effects of share-based payments and exceptional items, all net of taxation, and are considered to show the underlying performance of the Group.

The adjusted basic earnings per share is calculated by dividing the adjusted profit/(loss) after tax for the year by the weighted average number of ordinary shares in issue during the period.

	Year ended 31 May 2023 £'000	Year ended 31 May 2022 £'000
Loss for the period	**(1,599)**	(308)
Share-based payments (including associated taxes)	**2,068**	2,376
Exceptional items	**574**	224
Tax effect of the above	**(528)**	(494)
Adjusted profit after tax for the year	**515**	1,798
Weighted average number of ordinary shares in issue for the year ('000)	**148,885**	135,729
Effect of dilutive potential ordinary shares from share options	**4,097**	3,962
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)	**152,982**	139,691
Adjusted basic earnings per share	**0.35p**	1.33p
Adjusted diluted earnings per share	**0.34p**	1.29p

13. Intangible assets

Intangible assets relate to development activities to develop new software products (IP) to improve existing and/or create new products. All intangible assets have an identifiable future economic benefit to the Group at the point the costs are incurred.

	Intellectual property £'000	Total £'000
Cost		
At 1 June 2021	—	—
Additions	1,904	1,904
At 31 May 2022	1,904	1,904
Additions	3,109	3,109
At 31 May 2023	**5,013**	**5,013**
Amortisation		
At 1 June 2021	—	—
Charge for period	—	—
At 31 May 2022	—	—
Charge for period	—	—
At 31 May 2023	**—**	**—**
Net book value		
At 31 May 2022	1,904	1,904
At 31 May 2023	**5,013**	**5,013**

During the year the Group has capitalised costs relating to intellectual property. This is an internally generated intangible asset that is currently still in the process of completion. Upon completion the intellectual property is expected to be amortised over a useful life of three to five years. Personnel costs of £3,028,623 (FY22: £1,809,293) have been capitalised as intangible assets.

Intangible assets have been tested for impairment by assessing the value in use of the cash-generating units ("CGUs"). The value in use calculations were based on projected cash flows in perpetuity. Cash flows were based on five year forecasts with varying growth rates derived from market demand and an assessment of the asset's development pipeline. The growth rates shown are the average applied to the cash flows of the individual CGUs and do not form a basis for estimating the consolidated profits of the Group in the future.

The discount rate used to test the cash-generating units was the Group's pre-tax WACC of 12.4% (FY22: 10%). The value in use calculations described above indicate significant headroom and therefore do not give rise to impairment concerns.

As a result of these tests no impairment was considered necessary.

14. Tangible assets

	Land and buildings £'000	Furniture, fittings and equipment £'000	Right-of-use assets £'000	Total £'000
Cost				
At 1 June 2021	33	453	766	1,252
Additions	—	432	—	432
At 31 May 2022	33	885	766	1,684
Additions	—	60	—	60
Disposals	—	(106)	—	(106)
At 31 May 2023	**33**	**839**	**766**	**1,638**
Depreciation				
At 1 June 2021	17	152	328	497
Charge for period	4	151	153	308
At 31 May 2022	21	303	481	805
Charge for period	3	260	154	417
Eliminated on disposal	—	(83)	—	(83)
At 31 May 2023	**24**	**480**	**635**	**1,140**
Net book value				
At 31 May 2022	12	582	285	879
At 31 May 2023	**9**	**359**	**131**	**499**

15. Investments (Company)

Investments in subsidiary

	At 31 May 2023 £'000	At 31 May 2022 £'000
Investment in subsidiaries	**2,640**	2,640

The subsidiary undertakings of Made Tech Group Plc, which have been included in the consolidated financial statements, are as follows:

Name	Country of incorporation	Registered office and principal place of business	Proportion of ownership interest	Nature of business
Made Tech Limited	United Kingdom	4 O'Meara Street, London SE1 1TE	100% ordinary shares	Trading company
Made Tech Learning Limited	United Kingdom	4 O'Meara Street, London SE1 1TE	100% ordinary shares	Inactive

The Directors believe that the carrying value of the investments is supported by their underlying net assets and future trading forecast.

Made Tech Learning Limited has met the relevant conditions for the Directors to take advantage of the exemption conferred by section 479A of the Companies Act 2006.

16. Trade and other receivables (consolidated)

	At 31 May 2023 £'000	At 31 May 2022 £'000
Trade receivables – gross	**4,304**	4,400
Less: provision for impairment	**—**	—
Trade receivables – net	**4,304**	4,400
Other receivables	**1,889**	1,665
Total trade and other receivables	**6,193**	6,065

The Company has adopted the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

Under IFRS 9 the expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic and other factors affecting the Company's customers.

The Company has experienced no credit losses in its history and, because its ultimate customer is the UK government, does not believe it will do so in the future. As a result, the Company has not made a provision based on expected credit loss.

Accounts receivable and other receivables (includes accrued revenue amounting to £1.1m (FY22: £1.1m) have not been discounted as they are short-term debts.

17. Trade and other receivables (Company)

	At 31 May 2023 £'000	At 31 May 2022 £'000
Trade receivables – gross	**—**	—
Less: provision for impairment	**—**	—
Trade receivables – net	**—**	—
Amounts owed by Group undertakings	**13,036**	13,301
Other receivables	**43**	12
Total trade and other receivables	**13,079**	13,313

The management charge of £864,000 in FY22 was reclassified from trade receivables to amounts owed by Group undertakings.

Amounts owed by Group undertakings are unsecured and interest free, have no fixed date of repayment and are repayable on demand.

18. Trade and other payables (consolidated)

	At 31 May 2023 £'000	At 31 May 2022 £'000
Trade payables	**1,634**	2,705
Accruals	**1,005**	1,255
Tax and social security	**1,889**	1,891
Other payables	**208**	203
Total trade and other payables	**4,736**	6,054

19. Trade and other payables (Company)

	At 31 May 2023 £'000	At 31 May 2022 £'000
Trade payables	**26**	13
Accruals	**51**	10
Tax and social security	**91**	180
Other payables	**3**	6
Total trade and other payables	**171**	209

20. Leases

The Company leases office premises. Under IFRS 16 this lease has been classified as a right-of-use asset. The lease liability is included within tangible assets on the statement of financial position. There are no other long-term leased assets.

Right-of-use assets	At 31 May 2023 £'000	At 31 May 2022 £'000
Balance at 1 June	**285**	438
Depreciation charge for year	**(154)**	(153)
Balance at 31 May	**131**	285
Lease liability		
Maturity analysis – contractual discounted cash flows		
Less than one year	**140**	180
One to five years	**—**	140
Total lease liabilities at 31 May	**140**	320
Lease liabilities included in the statement of financial position:		
Current	**140**	180
Non-current	**—**	140

Right-of-use assets are included within tangible assets in the consolidated statement of financial position.

Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	At 31 May 2023 £'000	At 31 May 2022 £'000
Interest paid on lease liability	**10**	17

Any expense for short-term and low value leases is not material and has not been presented.

21. Analysis of net cash

	Cash £'000	Bank loans £'000	Lease liabilities £'000	Net cash £'000
At 1 June 2021	922	(1,250)	(475)	(803)
Working capital movements	(2,150)	—	—	(2,150)
Income from share issue net of IPO costs	13,561	—	—	13,561
Repayment of loans	—	1,250	—	1,250
Payment of lease liabilities	—	—	155	155
At 31 May 2022	12,333	—	(320)	12,013
Working capital movements	(3,859)	—	—	(3,859)
Payment of lease liabilities	—	—	180	180
At 31 May 2023	**8,474**	**—**	**(140)**	**8,334**

22. Deferred tax Liabilities

Deferred tax liabilities are analysed as follows:

	At 31 May 2023 £'000	At 31 May 2022 £'000
Accelerated capital allowances	**(92)**	(167)
Tax losses	**—**	147
Total deferred tax liability	**(92)**	(20)

Changes during each year are as follows:

	Accelerated capital allowances £'000	Tax losses £'000	Total £'000
Balance at 1 June 2021	—	—	—
Tax (charge)/credit in respect of current year	(167)	147	(20)
Balance at 31 May 2022	(167)	147	(20)
Tax credit in respect of current year	75	(147)	(72)
Balance at 31 May 2023	92	—	(92)

23. Share capital

Made Tech Group Plc's issued and fully paid share capital is summarised in the table below:

Ordinary shares of £0.0005 (FY22: £0.0005)	Number	Nominal value £
At 31 May 2022	148,078,173	74,039
At 31 May 2023	**149,287,059**	**74,643**

The ordinary shares have full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable.

23. Share capital continued

Movements in share capital and share premium are shown below:

Ordinary shares of £0.0005	Ordinary shares Number	Deferred shares Number	Total share capital £	Share premium £	Capital redemption reserve £
At 1 June 2022	148,078,173	12,184,554	86,224	13,420,934	—
Issue of ordinary shares	1,208,881	—	603	—	—
Purchase of deferred shares	5	(12,184,554)	(12,184)	—	12,183
At 31 May 2023	**149,287,059**	**—**	**74,644**	**13,420,934**	**12,183**

On 30 September 2022 1,208,881 ordinary shares were issued with a nominal value of £0.0005.

The Company purchased all of the deferred shares on 25 October 2022 (approved at the Company's FY22 Annual General Meeting). Until 25 October 2022, the Company had 12,184,554 non-redeemable deferred shares of £0.0005 in issue with no voting, dividend or other distribution rights. The stated intention from their creation upon Admission was that they would be purchased in their entirety by the Company. As no rights of conversion nor pre-arranged formula to convert deferred shares into ordinary shares were included in the Articles of Association they have never been considered "convertible securities". Accordingly, deferred shares have not been included in the calculation of diluted earnings per share. The off-market buy-back of the deferred shares completed on 25 October 2022, when the deferred shares were immediately cancelled.

24. Share-based payments

In the year ended 31 May 2023 the Group recognised total expenses of £2,068,000 (FY22: £2,376,000) in respect of equity-settled share-based payment awards under IFRS 2 Share-based Payment.

Details of the maximum number of ordinary shares which may be issued in future periods in respect of LTIP awards and RSAs outstanding at 31 May 2023 are shown below:

	LTIP Number of shares	RSAs Number of shares
At 1 June 2022	2,443,643	3,517,342
Granted in the year	—	511,564
Forfeited in the year	(1,321,720)	(821,241)
At 31 May 2023	**1,121,923**	**3,207,665**

Share awards granted in the year ended 31 May 2023 were limited to below Board employees and structured as Restricted Share Awards whereby vesting is based on continued service only. As such, the IFRS 2 Share-based Payment fair value of each award granted was equal to the face value of awards. Details of the awards granted are as follows:

	RSAs 23 February 2023	RSAs 23 February 2023
Awards	406,122	105,442
Vesting	Tranched vesting	Tranched vesting
Share price at grant date (pence)	31	31
Exercise price (pence)	0	0
Expected volatility	n/a	n/a
Expected life (years)	c. 0.7, 1.7, 2.7	c. 0.3, 1.3, 2.3
Expected dividend yield	0%	0%
Risk-free interest rate	n/a	n/a
Fair value (pence) – holding period	n/a	n/a
Fair value (pence) – no holding period	31	31

The exercise price for all RSAs granted in the year was £nil.

25. Dividends

	Year ended 31 May 2023	Year ended 31 May 2022
Dividends paid to shareholders of the Company (£)	**—**	—
Rate of dividend payment per share (£)	**—**	—

26. Related party transactions

Details of key management personnel's compensation are given in note 7 and the Directors' Remuneration Report.

There were no other related party transactions during the year ended 31 May 2023.

27. Post balance sheet events

There are no significant events after the balance sheet date to report.

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