Mind Gym PLC

("MindGym", the "Group" or the "Company")

Full year results for the year ended 31 March 2023

Double-digit revenue growth and return to profitability

MindGym (AIM: MIND), the global provider of human capital and business improvement solutions, is pleased to announce its audited results for the year ended 31 March 2023.

Financial highlights

	12 months to 31 Mar 2023 (FY23)	**12 months to 31 Mar 2022 (FY22)**	***Change***
Revenue	£55.0m	£48.7m	+13%
Digitally-enabled revenues[1]	£37.6m	£37.4m	+1%
Gross profit margin	88.4%	87.1%	+1.3% pts
Statutory profit/(loss) before tax	£3.0m	£(0.5)m	+£3.4m
Diluted EPS	2.84p	1.59p	+1.25p
Cash generation from operations	£4.4m	£1.2m	+£3.2m
Cash at bank	£7.6m	£10.0m	- £2.4m
Capital expenditure	£5.1m	£6.1m	-16%
EBITDA cash conversion[2]	83%	95%	-12% pts

[1] *Digitally enabled revenues are virtual live delivery (including virtual licensing), and digital products (currently eWorkouts and Performa).*

[2] *EBITDA cash conversion defined as cash generated from operations/EBITDA.*

Financial and operating highlights

- **Double-digit revenue growth:**
    - Revenues of £55.0m were up 13% on FY22 (+5% in constant currency):
        - H2 FY23 revenues benefitted from (amongst other drivers) our largest ever framework agreement awarded in H1 FY23 with a global energy company, with revenues anticipated to be in excess of £10m over the next 24 months
        - H2 FY23 also saw an initial framework win with an automotive manufacturer which has the potential to generate significant revenues over the next 18 months
    - Digitally-enabled revenues of £37.6m up 1% vs. FY22; representing 68% of revenues (FY22: 77%) following an increase in face-to-face deliveries with the lifting of COVID restrictions
    - Pure digital revenues which are a growing segment of this, increased their product mix to 13% of Group revenue vs 11% in FY22, reflecting:
        - A minor refresh and increased accessibility supporting growth in the eWorkouts portfolio
        - Early revenues from the initial launch of Performa, MindGym's 1:1 digital coaching platform

- **Operational leverage driving improvement in financial performance:**
    - PBT of £3.0m is up by £3.4m on FY22's loss before tax, driven by operational gearing, ongoing savings initiatives, and returns from prior year investments in scalable operations including MindGym's new shared service centre. We anticipate the benefits of these will continue into FY24 and FY25
    - EBITDA margins increased to 10% (FY22: 3%)
    - Diluted EPS of 2.84p per share is up on FY22 by 1.25p reflecting PBT growth

- **MindGym retains a strong financial position to support investment in future growth:**
    - Capex of £5.1m is £1.0m lower than FY22, reflecting the organisational redesign in Q4 FY22 which further integrated the business, and at the same time increased the pace of product development
    - Cash at bank of £7.6m is down £2.4m on the prior year (31 March 2022: £10.0m). This reflects Capex spend of £5.1m, partially offset by PBT and continued improvement in aged receivables. H2 FY23 cash generation of £3.1m compares to a £2.0m cash burn in H2 FY22
    - MindGym's £10m debt facility remains undrawn

- **Continued progress with MindGym's Digital strategy to build an integrated Behavioural Change Platform ('BCP') - the digital journey through which all members engage with MindGym and its content.**
    - Continued development of our digital products and our journey to integrate them as we build our BCP:
        - 85% of live delivery continues to be delivered virtually, minor investments have supported increased growth in eWorkouts and interactive tools
        - Early data on the Performa platform and methodology are positive
    - Entering the diagnostics market offering both organisational and individual assessments and surveys:
        - MindGym will both diagnose the client's needs and provide the solution, rather than being just one of many possible solutions providers today, enabling a fully integrated journey
        - In January 2023, MindGym acquired the rights to a diagnostics platform that will be launched by the end of FY24
        - This will enable clients to self-serve and provide the basis for MindGym to centralise all data, whilst removing the use of third party providers
        - The acquisition accelerates the go-live date for a client ready diagnostics platform by 18 months and reduces the required uplift in Capex spend in FY24 and FY25
    - At the end of FY22, MindGym acquired the 10X individual psychometric IP for £0.1m, which had been a circa £10m/7-year investment by Peter Saville (arguably the leading psychometrician of the 20th century and co-founder of SHL, and Saville Consulting)
    - This was recently integrated into the Performa coaching platform to provide insight so that coaching can focus and have the most impact
    - In FY25, a standalone psychometric assessment tool (based on 10X) will be built into our recently acquired diagnostics platform, which will be linked to MindGym's broader portfolio of solutions.10X has been proven in a large-scale co-validation study to be more accurate at predicting behaviour than the leading personality questionnaires on the market

Current Trading and Outlook

- Despite continued macro-economic headwinds we expect to make further progress in FY24:
    - Underpinned by significant framework agreements, which are expected to scale up in H2
    - Improving EBITDA margins in FY24 as we progress towards our medium term target of 15%-20%
- MindGym retains a strong balance sheet with net cash expected to grow after planned Capex
- Our confidence in the Group's prospects is underpinned by the investments we have made to date delivering scalable growth and the accelerating pace of our digital pipeline development

Octavius Black, Chief Executive Officer of MindGym, said:

MindGym delivered a robust performance during FY23 both in terms of revenue growth and an encouraging return to profitability.

The award of significant new framework agreements in the year from major corporations, highlights the growing demand in the market as well as MindGym's capability.

Our Digital strategy is delivering well, including our Performa coaching product and refreshed eWorkouts. With the addition of diagnostics products in FY24 we are accelerating our journey towards a fully integrated Behavioural Change Platform ('BCP').

We have had a solid start to the new financial year and, notwithstanding continued economic uncertainty, have confidence that organisations are increasingly turning to MindGym and our unique portfolio of proven solutions to address their talent and culture challenges."

The Company will host a webcast and conference call for analysts and investors at 9:00am BST today. If you would like to attend the webcast and conference call, please contact mindgym@mhpgroup.com.

Enquiries

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About Mind Gym

Mind Gym is a company that delivers business improvement solutions using scalable, proprietary products which are based on behavioural science. The Group operates in three global markets: business transformation, human capital management and learning & development.

Mind Gym is listed on the London Stock Exchange Alternative Investment Market (ticker: MIND) and headquartered in London. The business has offices in London, New York and Singapore.

Further information is available at www.themindgym.com

Statement of the Board Chair

MindGym's purpose is to partner with the world's best companies and help them optimise their Human Capital.

This year, has seen broad economic headwinds across many industries arising from cost of living pressures, rising interest rates, high inflation and low economic growth. Whilst this creates pressure and uncertainty for our clients and their employees, the resultant restructuring and reorganization by businesses has created opportunities for MindGym, evidenced by the significant framework activity we have secured, and MindGym has continued to prosper accordingly.

At the start of the year we moved into an endemic state of COVID-19 and welcomed a return to more face-to-face gatherings, both internally and also with our clients who represent 60% of the FTSE100 and 55% of the S&P100. We have also increased the level of engagement with our investors and wider stakeholders with the addition of an 'Investor Meet Company' event in December 2022.

Return to profitability despite the uncertain environment

I am pleased to report a return to profitability driven by scalable growth and operational efficiencies in FY23, even amidst the uncertainty of the current environment. Our data and strategic focus lead us to believe that these trends will continue into FY24 and beyond.

Accelerating both our Core and Digital strategies

We have made significant strategic progress, focusing on both Core and Digital products.

MindGym has leveraged its innovative, ever-growing science-based IP in Human Behavioural Change, and our close working relationships with the world's leading businesses to increase our share of Learning and Development ('L&D') budgets with notable large framework wins driving growth. FY23 also saw some important strengthening of the leadership team in EMEA, which has shown increased growth rates in the second half, and recently in the Americas.

Additionally, we expanded our digital offerings as we continue to build an integrated Behaviour Change Platform ('BCP') to better serve our clients' data and learning needs. We saw steady progress as we continue to build the BCP. Digitally-enabled revenues of £37.6m grew by 1 per cent vs FY22, representing 68% of revenues (FY22: 77%) as we saw increases in face-to-face deliveries with the lifting of COVID restrictions. Pure digital revenues are a growing segment of this, and increased their product mix to 13% of Group revenue vs 11% in FY22.

The Board

We maintain a significant breadth of experience across our Board, which has remained unchanged since the prior year. We would like to extend congratulations to our Independent Non-Executive Director Sir Trevor Phillips, who received a knighthood for his services to equality and human rights in the 2023 New Year Honours list, and to Octavius Black, our Co-Founder & CEO, who received a CBE for his services to entrepreneurship, business, life sciences and community during the year.

Dividend

No dividend has been paid or proposed for the year ended 31 March 2023. The Board will continue to keep the appropriateness of dividend payments under periodic review and will next provide an update at the time of the H1 FY24 interim results announcement.

Outlook

The long term drivers of the Global 'human performance' market are very attractive. In the short to medium term, given the macro-economic challenges, we anticipate some cautiousness from clients, however our data-backed insights and solutions continue to demonstrate value to our diversified client base. We expect to make further progress in FY24, with the investments we have made to date delivering scalable growth.

Ruby Mcgregor-Smith
Board Chair
12 June 2023

CEO's review

The talent agenda has never been more central. Companies are facing a shifting macro environment and fundamental changes due to globalisation, COVID's transformation of the workplace, the navigation of the great resignation, and increasing stakeholder pressures on issues such as ESG and corporate behaviour. These factors are impacting our clients' core business KPI's such as engagement, retention, and quality, and therefore, represent a significant business challenge to their success.

MindGym has a strong reputation built over 21 years of IP and content, tested on over five million members, and consistently delivers programmes to client populations in excess of 10,000 members at a time, in over 40 countries across the world. Along with an incredible team generating market-leading IP, our digital products journey is progressing well, providing greater access, and more data, as we head towards the BCP.

Growing profitably

MindGym partners with the world's foremost companies to optimise their human capital. The market for our services is vast, growing rapidly, and highly fragmented.

Our historic strategic investments are now seeing scalable growth and increasing profitability, and the pace of our digital pipeline development has accelerated with a reduction in the required uplift in Capex spend in FY24.

Strategic

In FY23, we made significant progress with our strategy of growing our share of L&D budgets and building the digital BCP.

Growth in our core business

Crystal Metcalfe joined as Managing Director of our EMEA business in Q1 FY23 which has seen regional growth reach 20% in FY23. This reflects general improvements across all practices, and notable recent successes in large framework agreements – in particular the +£10m global energy framework we announced at the half year.

More recently, Cindy Steagall joined our US business as Executive Vice President at the end of the financial year. In FY23, the US business grew by 8%, benefitting from FX impact. We have every confidence that US performance will continue to improve, and note that there are some early favourable tailwinds, including the award of an initial framework agreement with a large automotive company at the end of the year.

We continue to lead in innovation and remain the global leader with our clients

At the end of FY22 we launched our Leadership Point of View ('POV') with the related whitepaper launched at the start of FY23. Our new Wellbeing POV ('Wellworking') was launched during H1 FY23; the whitepaper will be published during H1 FY24, when we will also be launching a series of new Wellworking live and eWorkout products.

In May, we hosted the world's largest gathering of c.160 CHROs and their deputies at our 'CHRO Summit' at the Royal Opera House in London, where we discussed the latest trends in the HCM market. The depth and breadth of attendance underscores the value our clients see in the innovative solutions that MindGym brings to this sector. At this event, we also launched our Precision coaching whitepaper, in line with the full scale launch of Performa.

We are leveraging our investment to grow more profitably

In FY23, the Company returned to profit before tax, with EBITDA margins of 10% (FY22: 3%). Our investments of prior years in people, processes and systems are expected to support continuing financial performance improvement through FY24 and beyond.

A great example of this is our new shared service centre ('SSC') in Gateshead, which has been enabled by our operations and system investments. This is significantly improving the quality of our deliveries, whilst increasing the scalability of our business model. Enhanced client satisfaction and freed up resources pave the way for greater value creation and improved profitability.

Accelerated digital product development

We have made considerable progress as we continue to build MindGym's BCP:

- 100+ bite size eWorkouts for self-paced digital learning enhanced to deliver greater accessibility with further content and UX improvement in FY24
- Performa, our 1:1 coaching product supported by our proprietary coaching methodology and custom digital platform, was fully launched at our CHRO summit alongside the publication of our new research paper 'Precision Coaching: better, faster, always whatever your goal'. We will continue to add new features and UX enhancement through FY24
- We are developing MindGym proprietary organisational diagnostics which we will be beta testing in FY24 with a view to launch in FY25. This is alongside integration of our 10X individual diagnostics
- By acquiring the rights to a diagnostics platform, we have enabled an accelerated journey to our self-serve platform, which we plan to launch by the end of FY24 – 18 months ahead of schedule
- We continue to anticipate the integration of live delivery and all our digital solutions in our Behavioural Change Platform, which is the critical key to unlocking Data and the significant value proposition that this represents

High-performance culture

I am immensely grateful to our determined team whose spirit, ingenuity and generosity has set MindGym up not only for the success of today, but to transform how millions of people employed by our clients will think, feel and behave for years to come. We strive to make sure our people work with a resilient mindset whilst we also empower them by ensuring we invest significantly in learning and development, using internal and external resources where appropriate. We also sponsor colleagues in their masters, doctorates and a range of other external qualifications.

We benefit from and remain deeply committed to the diversity of our organisation. We maintain an internal DE&I committee consisting of employees across the business, geared at implementing best practice across MindGym as a whole.

ParentGym

MindGym has a strong track record with all our stakeholders. In 2009, we launched ParentGym, a programme providing free training to parents of children aged 2-11, and in FY23, we ran sessions with over 650 families with the aim of helping them to grow our next generation. This included a partnership with the Prison Advice and Care Trust (PACT) and running a bespoke programme to support parents in prison and their families. Many of our employees use their charity days to support PACT and other charities.

Looking ahead

Notwithstanding continued economic uncertainty, our investments made to date for scalable growth are starting to provide a return, underpinned by the award of significant framework agreements and the pace of our digital pipeline development. With the addition of diagnostics products in FY24 we are accelerating our journey towards a fully integrated Behavioural Change Platform ('BCP'). We are confident that organisations will increasingly turn to MindGym and our unique portfolio of proven solutions to address their talent and culture challenges.

The opportunity is immense and we are ready to realise it.

Octavius Black
Chief Executive Officer

Financial review

The market for Human Capital Management continues to grow, driven by the increasing rate of change in society over the last three years. In FY23, we saw revenues grow at +13% (+5% constant FX) to £55.0m.

Digitally-enabled revenues of £37.6m grew by 1 per cent vs FY22, representing 68% of revenues (FY22: 77%) as we saw increases in face-to-face deliveries with the lifting of COVID restrictions. Whilst the margin percentage on face-to-face delivery is lower than for virtual delivery, the absolute profit per session for face-to-face is higher. We do not anticipate a fundamental change in the current mix of delivery going forward, but the financial implications of this would be unlikely to be significant.

Pure digital revenues which are a growing segment of digitally enabled revenues, increased their product mix to 13% of Group revenue vs 11% in FY22, following a minor refresh of and increased accessibility within the eWorkouts portfolio, coupled with the early impact of Performa revenues.

We anticipate that large corporate frameworks will be an increasingly important part of our growth strategy; notably, the large energy framework win in H1 FY23 as well as that of, an attractive opportunity in the automotive sector in H2 FY23.

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') has increased to 10% (FY22: 3%). Profit before tax ('PBT') has increased by £3.4m from £(0.5)m in FY22 and this, coupled with ongoing R&D tax savings, resulted in a diluted EPS of 2.84p which is ahead of prior year (FY22: 1.59p). We anticipate future benefits from our ongoing savings programmes and the scalability of our operations, as we progress towards our medium term target of 15%-20%.

Our balance sheet position remains strong with cash at £7.6m. The overdue debt balance at the year-end of £0.4m is at an all-time low and in line with previous years, bad debt is negligible. We retain an undrawn credit facility of £10m, which provides flexibility for future opportunities.

Improved performance and profitability

Revenue growth of 13% for the full year

MindGym saw +20% growth achieved across EMEA fueled by the impact of the significant framework agreement won in H1 FY23, as well as the strengthening of the management team at the start of the year. The US saw single-digit growth of 8%, reflecting the beneficial impact of FX; ongoing improvements to the US management team in H2 FY23 are anticipated to drive revenue growth in FY24.

£000's	Year to March 31st 2023	Year to March 31st 2022	Change %
Group Statutory View	55,011	48,668	+ 13%
EMEA	23,742	19,715	+ 20%
US	31,269	28,953	+ 8%

Delivery revenues have continued to grow throughout FY23, albeit their relative contribution has been overshadowed by the significant growth of Design and Advisory, which reflects the large framework agreements won by MindGym in FY23. High D&A revenues are a strong signal for future delivery revenues as the first 6-9 months of these frameworks are often scoping, which is followed by delivery revenue thereafter as the projects are implemented.

Digital revenues continue to demonstrate robust growth, with the revenue mix increasing versus FY22, reflecting underlying strong performance in digital eWorkouts and interactive tools, and the increasing take up of Performa. Other services have been impacted by lower translation-related revenues versus FY22.

Revenue mix by type compared to previous year

	FY23	**FY22**	**% change**
Delivery	60.3%	63.7%	-3.4%
Design	17.2%	11.2%	6.0%
Advisory	1.4%	1.4%	-
Digital	13.1%	11.2%	1.9%
Licensing and certification	5.6%	6.0%	-0.4%
Other services	2.4%	6.5%	-4.1%
Total	**100%**	**100%**	

Gross profit

Gross margin at 88.4% was ahead of prior year (FY22 87.1%). This was reflected in both regions with gross margin in the US of 88.4% (FY21: 87.2%) and in EMEA of 88.5% (FY22: 87.0%).

The improvement in margin reflects some ongoing savings initiatives, but is largely the result of the increased mix of Design work, the costs of which are included within administrative costs. In FY24, we anticipate a shift in revenues from Design to Delivery, particularly as our significant framework agreements from H1 FY23 moves into the delivery phase in FY24. We have seen a moderate shift back towards in-person delivery – to date this shift has been somewhat slower than anticipated (in-person percentage margins are lower than virtual delivery, but absolute profit per in-person delivery is higher).

	Year ended 31 March 2023		
Revenue type	**EMEA**	**US**	**Global**
Delivery	60.2%	60.6%	60.3%
Design	19.0%	15.7%	17.2%
Digital	13.4%	12.8%	13.1%
Licensing and certification	3.3%	7.5%	5.6%
Other services	2.4%	2.3%	2.4%
Advisory	1.7%	1.1%	1.4%
Total	**100%**	**100%**	**100%**

	Year ended 31 March 2022		
Revenue type	**EMEA**	**US**	**Global**
Delivery	60.2%	66.0%	63.7%
Design	13.4%	9.8%	11.2%
Digital	11.9%	10.7%	11.2%
Licensing and certification	5.8%	6.3%	6.0%
Other services	6.8%	6.2%	6.5%
Advisory	1.9%	1.0%	1.4%
Total	**100%**	**100%**	**100%**

Profitability and investment

PBT of £3.0m is a +£3.4m increase on the loss before tax of £0.5m in FY22. FY23 PBT margins were up +638 bpts on FY22, reflecting in equal parts, operational gearing, ongoing savings programmes across the business, and the implementation of a shared service centre midway through the year. Management's ongoing actions will continue to see margin improvement in FY24 and FY25 from these three levers.

CAPEX

MindGym's capex levels fell to £5.1m in FY23 (from £6.1m in FY22). This reflects the organisational redesign in Q4 FY22 which further integrated the business, and at the same time increased the pace of product development. We continue to target more efficient ways of delivering the BCP, and the recent acquisition of the rights to a diagnostics platform, has accelerated this by 18 months, whilst reducing the required uplift in Capex spend in FY24 and FY25.

Taxation

In FY23, MindGym has submitted further claims to ensure it obtains the benefit of R&D tax credits relating to FY23. At the end of FY23 we recorded a deferred tax asset of £5.3m in relation to these R&D credits. This is offset by a £2.2m deferred tax liability being the timing difference linked to capitalised development costs.

	FY23 Reported £'000	**FY22 Reported £'000**
Profit/(loss) before tax	2,964	(482)
Tax credit/(charge)	(29)	2,084
PAT (earnings)	2,935	1,602
ETR %	0.98%	432.4%

In FY23, the Effective Tax Rate (ETR) continues to be distorted by the application of the R&D credits noted above. MindGym has factored these credits in as part of the current year tax charge and related deferred tax balances. The effect of these tax credits in the UK is offset by the tax profitability of the US entity, resulting in overall ETR of 0.98%.

Earnings per share

Diluted earnings per share increased by 1.25 pence to 2.84 pence (2022: 1.59 pence). Basic earnings per share were 2.93 pence (2022:1.60 pence).

Dividends

No dividend has been paid or proposed for the year ended 31 March 2023. The Board will continue to keep the appropriateness of dividend payments under periodic review and will next provide an update at the time of the H1 FY24 interim announcement.

Operational efficiencies and enablement

We have recently launched a new operational centre of excellence, our shared service centre ('SSC') based in Gateshead, UK. The creation of the SSC drives increased efficiency in our business processes and focus on seamless delivery for our clients. The SSC will also use data analytics to assist with our strategic decision-making and shape our operational leverage. The continued focus on automation and AI technology will help deliver increased efficiency and client satisfaction overall.

Cash flow and balance sheet

Cash and cash equivalents have decreased from £10.0m in FY22 to £7.6m at the end of FY23, including the FY23 £4.9m investment in digital capital expenditure.

EBITDA was £5.3 million, 331% up on FY22 EBITDA of £1.2 million, with cash generated from operations of £4.4 million, which was 278% up on the £1.2 million cash generated from operations in the prior year. Cash generation in H2 FY23 was £3.1m vs.£2.0m cash consumption in H2 FY22.The working capital reduction resulted in cash conversion, defined as cash generated from operations as a percentage of EBITDA, of 83% (FY22: 95%).

Cash conversion

	31 March 2023 £'000	**31 March 2022 £'000**
Cash generated from operations	**4,393**	**1,164**
Reported EBITDA	**5,294**	**1,228**
Cash conversion (Cash from operations /EBITDA)	83%	95%

Over the year, we again reduced the time taken to invoice clients and improved the collection of overdue receivables which contributed to the favourable Net Trade Receivables movement of £1.2m. Overdue debt as a percentage of total trade receivables fell to 7% at the year end (FY22: 9%), with the amount of overdue debt reducing £0.3 million to £0.4 million (FY22: £0.7 million). Deferred income decreased by 6% to £4.4m (FY22: £4.7m) as clients continue to secure budgets for their following financial year. Trade and other payables reduced by £1.3m, reflecting greater utilisation of holiday and lower commission payments.

Tax paid in the year was £0.8 million (FY22: £0.8 million) mainly related to US activity .

Capital expenditure was £5.1 million (FY22: £6.1 million) which included £4.9 million of costs capitalised on developing our new digital products and £0.2m on other tangible fixed assets.

Lease payments on our offices in the UK and the USA were £1.3 million (FY22: £1.2m). No dividends were paid in the year (FY22: £nil).

At the year end, the Group had cash of £7.6 million (2022: £10.0 million) and net cash of £4.5m (FY22: £7.8 million) after deducting the lease liability included on the balance sheet.

Going concern
The Board has reviewed scenario analysis to help assess their forward-looking assessment of the viability of the Group. The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. The Board has reviewed scenarios including a range of revenues and cost-reduction actions that could be taken to mitigate a downturn. This is supported by a strong balance sheet, cash management and financial controls.

Financial risk management
The Group has a diverse portfolio in excess of 600 clients across many industrial sectors and countries. The largest client accounted for less than 6% of Group revenue in the year.

The Group has translational foreign currency exposure arising on the consolidation of overseas company results into Sterling. Where possible the exposure is naturally hedged, for example by matching US Dollar revenues with US Dollar costs in the US subsidiary. The Group does not currently use forward exchange contracts or currency options to hedge currency risk.

Forward-looking statements
Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans, and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be constructed as a profit forecast.

Dominic Neary
Chief Financial Officer
12 June 2023

MIND GYM PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Continuing operations			
Revenue	4	55,011	48,668
Cost of sales		(6,360)	(6,284)
Gross profit		48,651	42,384
Administrative expenses		(45,568)	(42,733)
Operating profit/(loss)	4, 5	3,083	(349)
Finance income	8	55	19
Finance costs	8	(174)	(152)
Profit/(loss) before tax		2,964	(482)
Tax on profit/(loss)	9	(29)	2,084
Profit for the financial period from continuing operations attributable to owners of the parent		2,935	1,602
Items that may be reclassified subsequently to profit or loss			
Exchange translation differences on consolidation		297	192
Other comprehensive income for the period attributable to the owners of the parent		298	192
Total comprehensive income for the period attributable to the owners of the parent		3,232	1,794
Earnings per share (pence)			
Basic	10	2.93	1.60
Diluted		2.84	1.59

MIND GYM PLC   CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2023 £'000	31 March 2022 £'000
Non-current assets			
Intangible assets	12	12,320	8,175
Property, plant and equipment	13	3,691	2,815
Deferred tax assets	9	3,229	2,846
Other receivables	15	230	217
		19,470	14,053
Current assets			
Inventories	14	53	7
Trade and other receivables	15	9,527	10,063
Current tax receivable		779	494
Cash and cash equivalents		7,587	10,021
		17,964	20,585
Total assets		37,416	34,638
Current liabilities			
Trade and other payables	16	11,423	12,729
Lease liability	17	1,121	856
Redeemable preference shares	18	50	50
Current tax payable		20	28
		12,614	13,663
Non-current liabilities			
Lease liability	17	1,988	1,349
Total liabilities		14,602	15,012
Net assets		22,814	19,626
Equity			
Share capital	21	1	1
Share premium		242	213
Share option reserve		496	608
Retained earnings		22,075	18,804
Equity attributable to owners of the parent company		22,814	19,626

The financial statements were approved and authorised for issue by the Board of Directors on 12 June 2023 and were signed on its behalf by:

Dominic Neary
Chief Financial Officer

MIND GYM PLC CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2021		**1**	**157**	**674**	**16,620**	**17,452**
Profit for the period		-	-	-	1,602	1,602
Other comprehensive income:						
Exchange translation differences on consolidation		-	-	-	192	192
Total comprehensive income for the period		**-**	**-**	**-**	**1,794**	**1,794**
Exercise of options		-	56	(407)	407	56
Credit to equity for share-based payments	22	-	-	341	-	341
Tax relating to share-based payments	9	-	-	-	(17)	(17)
At 31 March 2022		**1**	**213**	**608**	**18,804**	**19,626**
Profit for the period		-	-	-	2,935	2,935
Other comprehensive income:						
Exchange translation differences on consolidation		-	-	-	297	297
Total comprehensive income for the period		**-**	**-**	**-**	**3,232**	**3,232**
Exercise of options		-	29	(39)	39	29
Debit to equity for share-based payments	22	-	-	(73)	-	(73)
At 31 March 2023		**1**	**242**	**496**	**22,075**	**22,814**

MIND GYM PLC CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year to 31 March 2023 £'000	Year to 31 March 2022 £'000
Cash flows from operating activities			
Profit for the financial period		2,935	1,602
Adjustments for:			
Amortisation of intangible assets	12	743	325
Depreciation of property, plant and equipment	13	1,468	1,252
Net finance costs	8	119	133
Taxation (credit)/charge	9	29	(2,084)
(Increase) in inventories		(46)	(7)
Decrease in trade and other receivables		524	686
(Increase) in payables and provisions		(1,306)	(1,084)
Share-based payment (credit)/charge	22	(73)	341
Cash generated from operations		4,393	1,164
Net tax (paid)/received		(766)	(812)
Net cash generated from operating activities		3,627	352
Cash flows from investing activities			
Purchase of intangible assets	12	(4,888)	(5,623)
Purchase of property, plant and equipment	13	(240)	(514)
Interest received	8	54	12
Net cash used in investing activities		(5,074)	(6,125)
Cash flows from financing activities			
Cash repayment of lease liabilities		(1,298)	(1,226)
Issuance of ordinary shares		29	56
Interest paid		(52)	(27)
Net cash used in financing activities		(1,321)	(1,197)
Net decrease in cash and cash equivalents		(2,768)	(6,970)
Cash and cash equivalents at beginning of period		10,021	16,833
Effect of foreign exchange rate changes		334	158
Cash and cash equivalents at the end of period		**7,587**	**10,021**
Cash and cash equivalents at the end of period comprise:			
Cash at bank and in hand		7,587	10,021

1. General information

The financial information for the year ended 31 March 2023 and the year ended 31 March 2022 does not constitute the company's statutory accounts for those years.

Statutory accounts for the year ended 31 March 2022 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 March 2023 will be delivered to the Registrar of Companies in due course.

The auditors' reports on the accounts for 31 March 2023 and 31 March 2022 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Mind Gym plc ('the Company') is a public limited company incorporated in England and Wales, and its ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange ('AIM'). The address of the registered office is 160 Kensington High Street, London W8 7RG. The group consists of Mind Gym plc and its subsidiaries, Mind Gym (USA) Inc., Mind Gym Performance (Asia) Pte. Ltd, and Mind Gym (Canada) Inc. (together 'the Group').

The principal activity of the Group is to apply behavioural science to transform the performance of companies and the lives of the people who work in them. The Group does this primarily through research, strategic advice, management and employee development, employee communication and related services.

2. Summary of significant accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and within the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, including interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC'), and within the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention.

The consolidated financial statements are presented in Pounds Sterling. All values are rounded to £1,000 except where otherwise indicated.

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Going concern

The Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources. As at 31 March 2023, the Group had £7.6 million of cash and £3.1m of lease liabilities.

The Group prepares cash flow forecasts and re-forecasts regularly as part of the business planning process. The Directors have reviewed forecasted cash flows for the forthcoming 12 months for the Group from the date of the approval of the financial statements and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due. These cash flow forecasts have been analysed in light of inflationary pressure and other medium-term macro-economic impacts and subjected to stress testing and scenario modelling which the Directors consider sufficiently robust. The impact of these inflationary pressures are further discussed in the Board Chair's report. The scenario modelling has assessed the impact of various degrees of downturn in medium-term revenues generated. The Directors note that in a downturn scenario the Group also has the option to rationalise its cost base, including cuts to discretionary capital and overhead expenditure. The Directors consider that the required level of change to the Group's forecasted cash flows to give rise to a material risk over going concern is sufficiently remote.

As a result of these assessments, the Group's strong cash position and its clients predominantly comprising blue-chip corporates, the Directors have a reasonable expectation that the Group has 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.

New standards and interpretations applied for the first time

The Group did not adopt any new or amended IFRSs and IFRIC interpretations from 1 April 2022.

New standards and interpretations not yet applied

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective for the financial period and have not been applied. The Directors plan to adopt these standards in line with their effective dates.

	Applicable for periods starting on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative information	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024

The Directors anticipate that the adoption of these standards and amendments will have no material impact on the financial statements.

Basis of consolidation

The consolidated financial statements incorporate those of Mind Gym plc and its subsidiary undertakings (i.e. entities that the Group controls when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity). Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Foreign currency translation

The Group's presentation currency is Pound Sterling. The results and financial position of subsidiaries that have a functional currency different from Sterling are translated into Sterling as follows:

- Assets and liabilities are translated at the closing rate at the balance sheet date
- Income and expenses are translated at average rates of exchange prevailing during the year

All resulting exchange differences are recognised in equity.

Foreign currency transactions are initially recorded at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from settlement of such transactions, and from the translation at exchange rates at the balance sheet date of monetary assets or liabilities denominated in foreign currencies, are recognised in profit or loss.

Revenue recognition

Revenue is recognised when control over a product or service is transferred to a customer. Due to the short-term nature of the trade receivables, the Group measures them at the original transaction price invoiced without discounting.

The Group generates revenue from business-to-business customers by satisfying the following performance obligations:

- Delivering coach-led face-to-face and virtual training sessions. Revenue is recognised at a point in time on the date of delivery of the session.
- Developing training programmes customised to specific needs. Revenue is recognised at a point in time on the completion of all development work or at the end of a stage of work when the contract provides an enforceable right to payment on completion of a stage.
- Licensing digital training modules to clients. When non-cancellable digital modules are provided to the client and hosted on the client's servers, revenue is recognised at a point in time on the date the modules are provided to the client. Where the client has a right to cancel, revenue is recognised at the start of each committed period. When digital modules are hosted on the Group's servers, revenue is recognised over time across the life of the agreement.
- Training and certifying client staff to act as coaches. Revenue is recognised at a point in time on the date of delivery of the certification course.
- Digital coaching platform and coaching sessions. Revenue is recognised over time, across the life of the agreement and in line with expected customer usage levels.

Any advance consideration received from clients represents a contract liability and is disclosed in Note 16 under the heading deferred income. When the performance obligation has been satisfied but the income has not yet been invoiced, the amount represents a contract asset and is disclosed in Note 15 as accrued income.

The incremental costs of obtaining a contract principally consist of commissions paid to the Group's sales team. The sales team earn commission over time as the revenue they have generated is recognised. Commission costs are not therefore capitalised.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market performance conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market performance conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market performance condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors that are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the period-end date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction, other than a business combination, that affects neither the accounting nor the taxable profit.

Deferred tax is measured on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The Group has taken advantage of HMRC's Small-Medium Enterprise (SME) Research and Development tax relief scheme. This has resulted in an enhanced deduction on eligible activities and is a significant component of both the tax credit in the Consolidated Statement of Comprehensive Income and deferred tax asset recognised in the balance sheet.

Tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity.

Intangible assets

Externally acquired intangible assets are initially recognised at cost. Expenditure on internally developed assets is capitalised if it can be demonstrated that it is technically feasible to develop the product for it to provide expected future economic benefits, adequate resources are available to complete the development, there is an intention to complete the project and expenditure on the project can be measured reliably.

Other research and development costs that do not meet the above criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

After recognition, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Amortisation is charged to administrative expenses on a straight-line basis from the date on which the asset is available for use. Intangible assets are amortised over their estimated useful lives as follows:

- Internally developed software — Three to five years
- Other intangible assets — One to five years
- Trademarks — 10 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate at each reporting date.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Assets are depreciated to their estimated residual value using the straight-line method over their estimated useful lives as follows:

- Leasehold improvements — Over the period of the lease
- Fixtures, fittings and equipment — Two to five years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Leases

Lease identification
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use asset
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 at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below $5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

As a lessor
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Amounts due from lessees under finance leases are recognised as finance lease receivables at the amount of the Group's present value of the lease receipts. The finance lease receivable is subsequently measured by increasing the carrying amount to reflect interest on the finance lease receivable (using the discount rate used at commencement) and by reducing the carrying amount to reflect the lease payments received.

Inventories

Inventories comprise pack materials used in the delivery of courses and are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. Net realisable value is the estimated selling price less costs to complete and sell.

At each reporting date, inventories are assessed for impairment. If stock is impaired, the carrying amount is reduced to its realisable value. The impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument. The Group only enters into basic financial instruments and does not have any hedging instruments.

Financial assets and liabilities are offset, with the net amounts presented in the Financial Statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets – loans and receivables

All of the Group's financial assets fall into the loans and receivables category. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets included in loans and receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost, using the effective interest rate method, less any impairment losses.

Financial assets are assessed for indicators of impairment at each reporting date.

A provision for impairment of trade receivables is made for expected lifetime credit losses based on past experience and general economic factors. Further provisions are made against specific trade and other receivables when there is objective evidence that one or more loss events that occurred after the initial recognition of the financial asset, have had an impact on the estimated future cash flows of the financial asset. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Impaired debts are derecognised when they are assessed as uncollectible.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities – other financial liabilities

All of the Group's financial liabilities fall into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividends payable are recognised when paid, or as a liability in the period in which the dividends are approved by the shareholders of the Company.

3. Use of judgements and estimates

In preparing these consolidated Financial Statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are:

Going concern

As noted in Note 2, the financial statements have been prepared on a going concern basis, following detailed scenario testing and review.

Capitalisation of internally developed intangibles

Costs of £4.8 million incurred on developing software and new digital products have been capitalised in the year (see Note 12). Initial capitalisation is based on management's judgement on which costs meet the definition of development costs. Costs capitalised include directly attributable labour costs and purchases of directly attributable products and services. No overheads have been capitalised. Initial capitalisation and any subsequent impairment is also based on management's judgement that technological and economic feasibility is demonstrated and assumptions regarding the expected future cash generation of the projects and the expected period of benefits.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties at 31 March 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are:

Useful economic life of intangible assets

The useful economic lives of capitalised development costs, which are key estimates, are assessed by management. In assessing the useful economic lives of the coaching platform, Performa, management took factors into account such as the speed of change in technology used across these types of Digital products. Initially management assessed the useful economic life of Performa as 3 years, however, following a detailed review of the underlying code base management have determined that a 5-year useful economic life is more appropriate. The policy has been amended accordingly and implemented from 1 April 2022. The useful economic lives have been benchmarked against the market and are deemed reasonable. A 3 or 4 year useful economic life would have increased the amortisation charge for the year ending 31 March 2023 by £501,000 or £317,000 respectively.

Recognition of deferred tax asset

The availability of future taxable profits against which tax losses carried forward can be used is an estimation uncertainty. Management has determined that it is likely that the carried forward losses of £21 million (generating a £5.3 million deferred tax asset) will be utilised against future taxable profits. Based on latest management forecasts, the Group is expecting to generate taxable profits over the next 5 years. There is no expiration date on the losses. These losses have mainly arisen on enhanced deductions arising from claims under the UK Research and Development regime for small and medium-sized companies, and not from day-to-day operations. Supporting this assertion is the existence of a deferred tax liability on the associated intangible assets of £2.4 million and new business opportunities and framework agreements which have been secured.

4. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the business. The chief operating decision-maker has been identified as the Board. The Group has two operating segments: EMEA (comprising the United Kingdom and Singapore) and America (comprising the United States and Canada).

Both segments derive their revenue from a single business activity, the provision of human capital and business improvement solutions.

The Group's business is not highly seasonal, and the Group's customer base is diversified with no individually significant customer.

Segment results for the year ended 31 March 2023

Segment result

	EMEA	America	Total
	£'000	£'000	£'000
Revenue	23,742	31,269	55,011
Cost of sales	(2,740)	(3,620)	(6,360)
Administrative expenses	(23,092)	(22,476)	(45,568)
(Loss)/profit before inter-segment charges	(2,090)	5,173	3,083
Inter-segment charges	5,067	(5,067)	-
Operating profit – segment result	2,977	106	3,083
Finance income			55
Finance costs			(174)
Profit before taxation			2,964

Management does not report segmental assets and liabilities internally and as such an analysis is not reported.

The mix of revenue for the year ended 31 March 2023 is set out below.

	EMEA	America	Group
Delivery	60.2%	60.6%	60.3%
Design	19.0%	15.7%	17.2%
Digital	13.4%	12.8%	13.1%
Licensing and certification	3.3%	7.5%	5.6%
Other	2.4%	2.3%	2.4%

Advisory	1.7%	1.1%	1.4%

The vast majority of the Group's contracts are for the delivery of services within the next 12 months. The Group has therefore taken advantage of the practical expedient in paragraph 121(a) of IFRS 15 not to disclose information about remaining performance obligations.

Segment results for the year ended 31 March 2022

Segment result

	EMEA	America	Total
	£'000	£'000	£'000
Revenue	19,715	28,953	48,668
Cost of sales	(2,572)	(3,712)	(6,284)
Administrative expenses	(23,705)	(19,028)	(42,733)
(Loss)/profit before inter-segment charges	(6,562)	6,213	(349)
Inter-segment charges	5,084	(5,084)	-
Operating (loss)/profit – segment result	(1,478)	1,129	(349)
Finance income			19
Finance costs			(152)
Loss before taxation			(482)

Management does not report segmental assets and liabilities internally and as such an analysis is not reported.

The mix of revenue for the year ended 31 March 2022 is set out below.

	EMEA	America	Group
Delivery	60.2%	66.0%	63.7%
Design	13.4%	9.8%	11.2%
Digital	11.9%	10.7%	11.2%
Licensing and certification	5.8%	6.3%	6.0%
Other	6.8%	6.2%	6.5%
Advisory	1.9%	1.0%	1.4%

The vast majority of the Group's contracts are for the delivery of services within the next 12 months. The Group has therefore taken advantage of the practical expedient in paragraph 121(a) of IFRS 15 not to disclose information about remaining performance obligations.

5. Operating profit

Operating profit/(loss) is stated after charging:

	31 March 2023	31 March 2022
	£'000	£'000
Coach costs	4,960	5,025
Staff costs (Note 7)	34,962	32,977

Amortisation of intangible assets	743	325
Depreciation of property, plant and equipment	1,468	1,252
Short-term and low-value lease expense	18	23
Write-back of trade receivables	(106)	(11)

6. Auditor remuneration

	31 March 2023	31 March 2022
	£'000	£'000
Fees for audit of the Company and consolidated financial statements	134	97
Fees for audit of the Company's subsidiaries pursuant to legislation	24	16
Total audit fees	158	113
Tax compliance services	20	69
Tax advisory services	-	6
Other services	15	11
Total fees payable to the auditor	193	199

7. Employees

Staff costs were as follows:

	31 March 2023	31 March 2022
	£'000	£'000
Wages and salaries	31,036	28,828
Social security costs	2,944	2,825
Pension costs – defined contribution plans	1,055	983
Share-based payments	(73)	341
	34,962	32,977

The average number of the Group's employees by function was:

	31 March 2023	31 March 2022
Delivery	218	196
Support	79	86
Digital	44	50
	341	332

The year-end number of the Group's employees by function was:

	31 March 2023	31 March 2022
Delivery	241	206
Support	86	88
Digital	46	41
	373	335

Key management personnel include all Directors and a number of senior managers across the Group who together have responsibility and authority for planning, directing and controlling the activities of the Group. The compensation paid to key management personnel for services provided to the Group was:

	31 March 2023	31 March 2022
	£'000	£'000
Salaries, bonuses and other short-term employee benefits	2,624	2,955
Post-employment benefits	72	130
Termination benefits	-	311
Share-based payments	(109)	111
Total compensation	2,587	3,507

Details of Directors' remuneration and share options are set out in the Annual Report on Remuneration on pages 87 to 92.

8. Net finance costs

	31 March 2023	31 March 2022
	£'000	£'000
Finance income		
Bank interest receivable	54	12
Finance lease income	1	7
	55	19
Finance costs		
Bank interest payable	(52)	(27)
Lease interest	(122)	(125)
	(174)	(152)
	(119)	(133)

9. Tax

The tax (credit)/charge for the year comprises:

	31 March 2023	31 March 2022
	£'000	£'000
UK current tax	-	-
UK adjustment in respect of prior periods	-	(42)
Withholding tax	8	-
Foreign current tax	73	326
Foreign adjustment in respect of prior periods	322	19
Total current tax charge	403	303
Deferred tax – current year	(131)	(1,317)
Deferred tax – adjustment in respect of prior periods (R&D claims)	(154)	(429)
Effect of changes in tax rates	(89)	(641)
Total deferred tax credit	(374)	(2,387)
Total tax (credit)/charge	29	(2,084)

Tax on items credited to equity:

	31 March 2023	31 March 2022
	£'000	£'000
Current tax credit on share-based payments	-	-
Deferred tax (credit)/charge on share-based payments	-	17
Total tax credit in equity	-	17

The tax charge for the year can be reconciled to accounting profit as follows:

	31 March 2023	31 March 2022
	£'000	£'000
Profit/(loss) before tax	2,964	(482)
Expected tax charge/(credit) based on the standard rate of tax in the UK of 19% (2022: 19%)	563	(91)
Differences in overseas tax rates	11	91
Expenses not deductible for tax purposes	846	717
Adjustments to tax in respect of prior periods (2022: R&D claims)	168	(452)
Enhanced R&D deduction	(1,466)	(1,722)
Tax rate changes	(89)	(641)
Other tax adjustments	(4)	14
Total tax (credit)/charge	29	(2,084)

The main categories of deferred tax assets recognised by the Group are:

	Tax losses	Intangible assets	Other	Total
	£'000	£'000	£'000	£'000
At 1 April 2021	-	-	230	230
Credited to income	4,049	(1,526)	103	2,626
Credited to equity	-	-	(17)	(17)
Exchange differences	-	-	7	7
At 31 March 2022	4,049	(1,526)	323	2,846
Credited to income	1,205	(848)	15	372
Credited to equity	-	-	-	-
Exchange differences	-	-	11	11
At 31 March 2023	5,254	(2,374)	349	3,229

The standard rate of corporation tax in the UK is 19% until 31 March 2023. The March 2022 Budget Statement announced an increase in the main corporation tax rate to 25%, which will take effect from 1 April 2023. This increase was substantively enacted at the balance sheet date.

The Group has recognised £5.3 million of deferred tax assets relating to carried forward tax losses. These losses have been recognised as it is probable that future taxable profits will allow these deferred tax assets to be recovered. The Group has performed a continuing evaluation of its deferred tax asset valuation allowance on an annual basis to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets.

The Group has recognised a corresponding £2.4 million of deferred tax liabilities relating to timing differences on intangible assets.

Other deferred tax assets includes deferred tax on shared based payments in the UK and other temporary timing differences.

10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year. The Company has potentially dilutive shares in respect of the share-based payment plans (see Note 23).

	31 March 2023	31 March 2022
Weighted average number of shares in issue	100,143,571	100,009,727
Potentially dilutive shares (weighted average)	3,141,506	442,548
Diluted number of shares (weighted average)	103,285,077	100,452,275

	31 March 2023			31 March 2022		
	£'000	Basic EPS pence	Diluted EPS Pence	£'000	Basic EPS pence	Diluted EPS pence
Net profit/(loss) attributable to shareholders	2,935	2.93	2.84	1,602	1.60	1.59

11. Dividends

No dividends have been paid or proposed for the year ended 31 March 2023 (2022: nil).

12. Intangible assets

	Patents	Development costs	Total
	£'000	£'000	£'000
Cost			
At 1 April 2021	63	4,761	4,824
Additions	-	5,623	5,623
At 31 March 2022	**63**	**10,384**	**10,447**
Additions	58	4,830	4,888
Disposals	-	(41)	(41)
At 31 March 2023	**121**	**15,173**	**15,294**
Amortisation			
At 1 April 2021	63	1,884	1,947
Amortisation charge	-	325	325
At 31 March 2022	**63**	**2,209**	**2,272**
Amortisation charge	3	740	743
Disposals	-	(41)	(41)
At 31 March 2023	**66**	**2,908**	**2,974**
Net book value			
At 31 March 2022	-	8,175	8,175
At 31 March 2023	55	12,265	12,320

Development cost additions in the year to 31 March 2023 include software development costs directly incurred in the creation of new digital assets.

13. Property, plant and equipment

	Right-of-use asset	Leasehold improvements	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	3,921	321	1,444	5,686
Additions	39	186	328	553
Disposals	-	-	(301)	(301)
Exchange differences	128	12	38	178
At 31 March 2022	**4,088**	**519**	**1,509**	**6,116**
Additions	1,937	2	238	2,177
Disposals	-	-	-	-
Exchange differences	164	17	46	227
At 31 March 2023	**6,189**	**538**	**1,793**	**8,520**
Depreciation				
At 1 April 2021	1,250	234	796	2,280
Depreciation charge	885	53	314	1,252
Disposals	-	-	(301)	(301)
Exchange differences	49	-	21	70
At 31 March 2022	**2,184**	**287**	**830**	**3,301**
Depreciation charge	1,013	86	369	1,468
Disposals	-	-	-	-
Exchange differences	38	1	21	60
At 31 March 2023	**3,235**	**374**	**1,220**	**4,829**
Net book value				
At 31 March 2022	1,904	232	679	2,815
At 31 March 2023	2,954	164	573	3,691

14. Inventories

	31 March 2023	31 March 2022
		£'000
Finished goods	53	7

Write-back of inventory amounted to £32,000 (2022: £nil).

The cost of inventories recognised as an expense and included in cost of sales amounted to £392,000 (2022: £112,000).

15. Trade and other receivables

	31 March 2023	31 March 2022
	£'000	£'000
Non-current		
Prepayments in respect of property deposits	230	217
	230	217
Current		
Trade receivables	6,730	7,999
Less provision for impairment	(102)	(212)
Net trade receivables	6,628	7,787
Net investment in sub-lease	-	81
Other receivables	80	82
Prepayments	1,125	1,170
Accrued income	1,694	943
	9,527	10,063

Trade receivables have been aged with respect to the payment terms as follows:

	31 March 2023	31 March 2022
	£'000	£'000
Not past due	6,282	7,274
Past due 0–30 days	336	401
Past due 31–60 days	74	109
Past due 61–90 days	12	25
Past due more than 90 days	26	190
	6,730	7,999

The movement in the allowance for impairment losses was:

	31 March 2023	31 March 2022
	£'000	£'000
At the beginning of the period	212	227
Write-back	(110)	(14)
Utilisation of provision	(5)	(7)
Foreign exchange adjustment	5	6
At the end of the period	102	212

The Group has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9, and recognises a loss allowance based on the lifetime expected credit loss.

16. Trade and other payables

	31 March 2023 £'000	31 March 2022 £'000
Trade payables	1,257	1,401
Other taxation and social security	744	663
Other payables	396	690
Accruals	4,606	5,257
Deferred income	4,420	4,718
	11,423	12,729

17. Lease liability

The lease liabilities included in the statement of financial position are:

	31 March 2023 £'000	31 March 2022 £'000
Current	1,121	856
Non-current	1,988	1,349
	3,109	2,205

The related right-of-use asset is disclosed in Note 13.
The movements in the lease liability were as follows:

	31 March 2023 £'000	31 March 2022 £'000
At the beginning of the year	2,205	3,166
Lease payments	1,948	(1,226)
Finance cost	122	121
Additions	(1,298)	39
Exchange differences	132	105
At the end of the year	3,109	2,205

The maturity analysis of the contractual undiscounted cash flows is:

	31 March 2023 £'000	31 March 2022 £'000
Less than one year	1,227	934
Between one and five years	2,094	1,412
Total future lease payments	3,321	2,346
Total future interest payments	(212)	(141)
Total lease liability	3,109	2,205

18. Redeemable preference shares

The Company allotted and issued 50,000 redeemable preference shares of £1.00 each to Octavius Black in June 2018. The shares are fully paid up. Under the Articles of Association, the Company may redeem the preference shares at their nominal amount at any time specified by either the Directors or the preference share holder. The preference share capital, however, counts towards the £50,000 minimum share capital required under the Companies Act 2006 and cannot therefore be redeemed unless the Company increases its other share capital. The preference shares are non-voting, give no rights to dividends or interest and entitle the holder to the return of the nominal value on a winding up.

19. Borrowings

The Group entered into a £10 million debt facility (£6 million Revolving Credit Facility, £4 million accordion) on 30 September 2021 which matures after three years. The facility remains undrawn as at 12 June 2023.

20. Financial instruments and financial risk management

Financial instruments by category

Trade and other receivables (excluding prepayments), cash and cash equivalents and trade and other payables are initially measured at fair value and subsequently held at amortised cost.

	31 March 2023	**31 March 2022**
	£'000	**£'000**
Net trade receivables	6,628	7,787
Other receivables	80	82
Prepayments in respect of property deposits	230	217
Cash and cash equivalents	7,587	10,021
Financial assets at amortised cost	14,525	18,107
Trade payables	1,257	1,401
Other payables	396	690
Lease liabilities	3,109	2,205
Financial liabilities at amortised cost	4,762	4,296

The Group holds no assets or liabilities that are held at fair value through income statement or OCI.

As the trade and other receivables and trade and other payables have a maturity of less than one year, the notional amount is deemed to reflect the fair value.

Capital risk management

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

The Group's sources of funding currently comprise cash flows generated from operations, and equity contributed by shareholders. The Group has no borrowings and is not subject to any externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders to the extent allowed by the Company's articles or issue new shares.

Financial risk management

The Group's risk management is overseen by the Audit and Risk Committee. The Group is exposed to a variety of financial risks that result from its operations, including credit risk, liquidity risk and foreign currency risk. Since the Group has no debt it is not significantly exposed to interest rate risk. The Group has not entered into any derivative transactions, such as interest rate swaps or forward foreign exchange contracts.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks, or the methods used to measure them from previous periods unless otherwise stated in this note.

Credit risk

Credit risk arises principally from the Group's trade receivables from customers and monies on deposit with financial institutions.

Credit risk on trade receivables is considered to be relatively low as the Group's customers mainly consist of large credit-worthy organisations. Credit exposure is spread over a large number of customers and so there is no significant concentration of credit risk. Outstanding and overdue balances are regularly reviewed and resulting actions are put in place on a timely basis. The Group establishes an allowance for impairment. This is based on a review of individual balances taking into account the results of credit control communications and our knowledge about the customer relationship. See Note 15 Trade and other receivables for further information on ageing and impairment of trade receivables.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties are accepted, and management maintain a close relationship with the Group's banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 March 2023	31 March 2022
	£'000	£'000
Trade receivables	6,628	7,787
Other receivables	80	82
Prepayments in respect of property deposits	230	217
Cash and cash equivalents	7,587	10,021
At the end of the period	14,525	18,107

Liquidity risk

The Group ensures, as far as possible, that it has sufficient funds to meet foreseeable operational expenses. Cash flow forecasting is performed by Group Finance who monitor rolling forecasts of the Group's liquidity requirements. Such forecasting takes into consideration expected cash receipts, regular spending and payment of taxes such as VAT, payroll and corporate income tax.

Currently, the Group's liquidity risk is low as it is has a surplus of cash in all entities and the £10 million debt facility available (set out in Note 19). All Group liabilities in the current and prior year are due within three months of the reporting date, apart from lease liabilities. The maturity of the lease liability is set out in Note 17.

Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Sterling. The currencies giving rise to this risk are primarily the US Dollar and the Euro. Where possible the exposure is mitigated by a natural hedge. For example, US Dollar revenues are partially matched by US Dollar costs in the US subsidiary.

The Group holds cash in the UK in Sterling, Euro and US Dollar bank accounts and in the USA in US Dollar and Canadian Dollar bank accounts.

Trade receivables and cash and cash equivalents are analysed by currency as follows:

	GBP	USD	EUR	Other	Total
	£'000	£'000	£'000	£'000	£'000
At 31 March 2023					
Net trade receivables	2,981	3,070	351	226	6,628
Cash and cash equivalents	4,659	2,631	136	161	7,587
At 31 March 2022					
Net trade receivables	2,592	4,581	468	146	7,787
Cash and cash equivalents	6,725	3,018	95	183	10,021

The Group does not currently use forward foreign exchange contracts or currency options to hedge currency risk.

21. Share capital

	31 March 2023 Number	31 March 2023 Cost £'000	31 March 2022 Number	31 March 2022 Cost £'000
Ordinary shares of £0.00001 at 1 April	100,105,660	1	99,791,784	1
Issue of shares to satisfy options	61,924	-	313,876	-
Ordinary shares of £0.00001 at 31 March	100,167,584	1	100,105,660	1

An Employee Benefit Trust ('EBT') has been established in connection with the Group's Share Incentive Plan. The movements in own shares held by the Employee Benefit Trust and the market value of the shares held at the year-end are shown below.

	31 March 2023 Number	31 March 2023 Cost £'000	31 March 2022 Number	31 March 2022 Cost £'000
As at 1 April	111,655	-	119,875	-
Issue of new shares to EBT	-	-	(8,220)	-
Ordinary shares of £0.00001 at 31 March	111,655	-	111,655	-
Market value at 31 March		76		151

22. Share-based payments

The Group awards options to selected employees under a Long-Term Incentive Share Option Plan ('LTIP'). The options granted to date vest subject only to remaining employed up to the vesting date. Unexercised options do not entitle the holder to dividends or to voting rights.

The Group operates the Mind Gym plc Share Incentive Plan (SIP). An initial award of £1,000 of free shares was granted in October 2018 to all employees at the IPO price of 146 pence. The shares are held in an employee benefit trust and vest after three years subject only to remaining employed up to the vesting date. The holder is entitled to dividends over the vesting period. Many employees have elected to leave their shares in the trust for a further two years for tax purposes.

On 30 September 2019, the Group launched a Save As You Earn scheme ('SAYE') and an Employee Share Purchase Plan ('ESPP') for all eligible employees in the UK and USA respectively.

The total share-based payments expense was:

	31 March 2023 £'000	31 March 2022 £'000
Equity settled share-based payments	(73)	341

The movements in the number of share awards and share options and the weighted average exercise price of awards are:

	31 March 2023 Number	31 March 2023 Weighted average exercise price £	31 March 2022 Number	31 March 2022 Weighted average exercise price £

Outstanding at the beginning of the period	2,246,912	0.66	2,287,024	0.66
Granted during the period	2,517,268	0.13	2,448,318	0.14
Forfeited during the period	(1,110,690)	0.44	(2,166,334)	0.14
Exercised during the period	(61,924)	0.67	(322,096)	0.17
Outstanding at the end of the period	3,591,566	0.36	2,246,912	0.66
Exercisable at the end of the period	3,461		4,110	
Weighted average fair value of awards granted (£)	1.09		1.69	

The range of exercise prices and weighted average remaining contractual life of share awards and share options outstanding at 31 March were:

	31 March 2023	**31 March 2022**
	£'000	**£'000**
£ nil	1,061,246	428,770
£0.00001	1,437,007	584,580
£0.77000	277,000	316,987
£1.02000	248,317	-
£1.04000	20,768	201,981
£1.44500	50,418	217,784
£1.46000	496,810	496,810
	3,591,566	2,246,912
Weighted average remaining contractual life (years)	7.2	5.8

Simple share options awarded under the LTIP, SAYE and ESPP are valued using the Black-Scholes model. Complex share options awarded under the LTIP are valued using the Monte Carlo model. Shares awarded under the SIP are valued directly by reference to the share price at date of grant. The principal assumptions used in these valuations were:

	Date of grant	Share price at grant	Exercise price	Expected life	Expected volatility	Dividend yield	Risk-free rate	Fair value
		£	£	years	%	%	%	£
LTIP (2-year vesting)	27 Apr 2018	1.24	Nil	2	n/a	1.4%	n/a	1.20
LTIP (3-year vesting)	27 Apr 2018	1.24	Nil	3	n/a	1.4%	n/a	1.19
LTIP (2-year vesting)	25 Jun 2018	1.46	1.46	10	19%	1.4%	1.0%	0.28
LTIP (3-year vesting)	25 Jun 2018	1.46	1.46	10	19%	1.4%	1.0%	0.28
SIP	8 Oct 2018	1.67	Nil	n/a	n/a	n/a	n/a	1.67
SAYE	30 Sep 19	1.22	1.04	3	19%	1.4%	1.0%	0.25
ESPP	30 Sep 19	1.22	1.04	1	19%	1.4%	1.0%	0.20
LTIP (3-year vesting)	31 Mar 20*	1.00	Nil	3	n/a	1.4%	n/a	0.96
LTIP (4-year vesting)	31 Mar 20*	1.00	Nil	4	n/a	1.4%	n/a	0.95
LTIP (5-year vesting)	31 Mar 20*	1.00	Nil	5	n/a	1.4%	n/a	0.93
SAYE	1 Sep 20	0.90	0.77	3	19%	1.4%	1.0%	0.25
ESPP	1 Sep 20	0.90	0.77	1	19%	1.4%	1.0%	0.20
LTIP (3-year vesting)	14 Jul 21**	1.90	Nil	3	36%	0%	0.15%	1.90
LTIP (3-year vesting)	14 Jul 21**	1.90	Nil	3	36%	0%	0.15%	1.69
LTIP (4-year vesting)	14 Jul 21**	1.90	Nil	4	36%	0%	0.23%	1.90
LTIP (4-year vesting)	14 Jul 21**	1.90	Nil	4	36%	0%	0.23%	1.70
LTIP (5-year vesting)	14 Jul 21**	1.90	Nil	5	36%	0%	0.31%	1.90
LTIP (5-year vesting)	14 Jul 21**	1.90	Nil	5	36%	0%	0.31%	1.73
SAYE	1 Aug 21	1.70	1.445	3	36%	0%	0.31%	0.53

ESPP	1 Aug 21	1.70	1.445	1	34%	0%	0.15%	0.36
LTIP (3-year vesting)	3 Dec 21	1.675	Nil	3	36%	0%	0.15%	1.675
LTIP (4-year vesting)	3 Dec 21	1.675	Nil	4	36%	0%	0.23%	1.675
LTIP (5-year vesting)	3 Dec 21	1.675	Nil	5	36%	0%	0.31%	1.675
LTIP (3-year vesting)	21 July 22	1.20	Nil	3	36%	0%	0.15%	1.20
LTIP (4-year vesting)	21 July 22	1.20	Nil	4	36%	0%	0.23%	1.20
LTIP (5-year vesting)	21 July 22	1.20	Nil	5	36%	0%	0.31%	1.20
SAYE	1 Aug 22	1.20	1.02	3	36%	0%	0.31%	0.38
ESPP	1 Aug 22	1.20	1.02	1	34%	0%	0.15%	0.26

* includes further options granted on 12 Jun 2020 on the same terms and with the same valuation assumptions.
* includes further options granted on 3 Dec 2021 on the same terms and with the same valuation assumptions.

23. Controlling party

The Group was controlled by O. Black and J. Cash by virtue of their joint shareholding in the Company throughout the period.
There were the following related party transactions during the year and balances at the end of the year:

- Key management compensation as disclosed in Note 7.
- Trevor Phillips, a non-executive director of Mind Gym plc, is also chairman and director of Green Park Interim and Executive Search which provided services to the Group totalling £1,538 in the year ended 31 March 2023.

24. Events after the reporting period

There were no post-balance sheet events.