

blueprism[®]

The future workforce

Annual Report
and Accounts 2021

Blue Prism Group plc

Blue Prism is a global leader

in intelligent automation for the enterprise, transforming the way work is done.

At Blue Prism, we have users across the globe representing over 2,000 businesses – including Fortune 500 and public sector organisations – that are creating value with new ways of working, unlocking efficiencies, and returning millions of hours of work back into their businesses. Our intelligent digital workforce is smart, secure, scalable and accessible to all; freeing up humans to reimagine work.

Our Purpose

Blue Prism is revolutionising the way enterprises think about automation, pushing the boundaries of Robotic Process Automation (RPA) to enable large-scale intelligent automation capabilities that deliver value across any business process in a connected enterprise. No longer just a tool to create business process automations, Blue Prism's intelligent automation platform connects both the human and digital workforce with systems, cognitive tools, applications and technologies, including Artificial Intelligence (AI), machine learning, Optical Character Recognition (OCR) and a wealth of automation assets on the Blue Prism Digital Exchange.

Designed to enable enterprise-scale digital transformation, Blue Prism has helped customers transform operations, improve customer experiences, and create a world of new and exciting business opportunities.

By making it easy for business users to collaborate with digital workers and automate and share processes across the business, enterprises can accelerate operational efficiency and agility to respond to shifts in demand and solve critical business challenges whenever and wherever they arise.



www.blueprism.com



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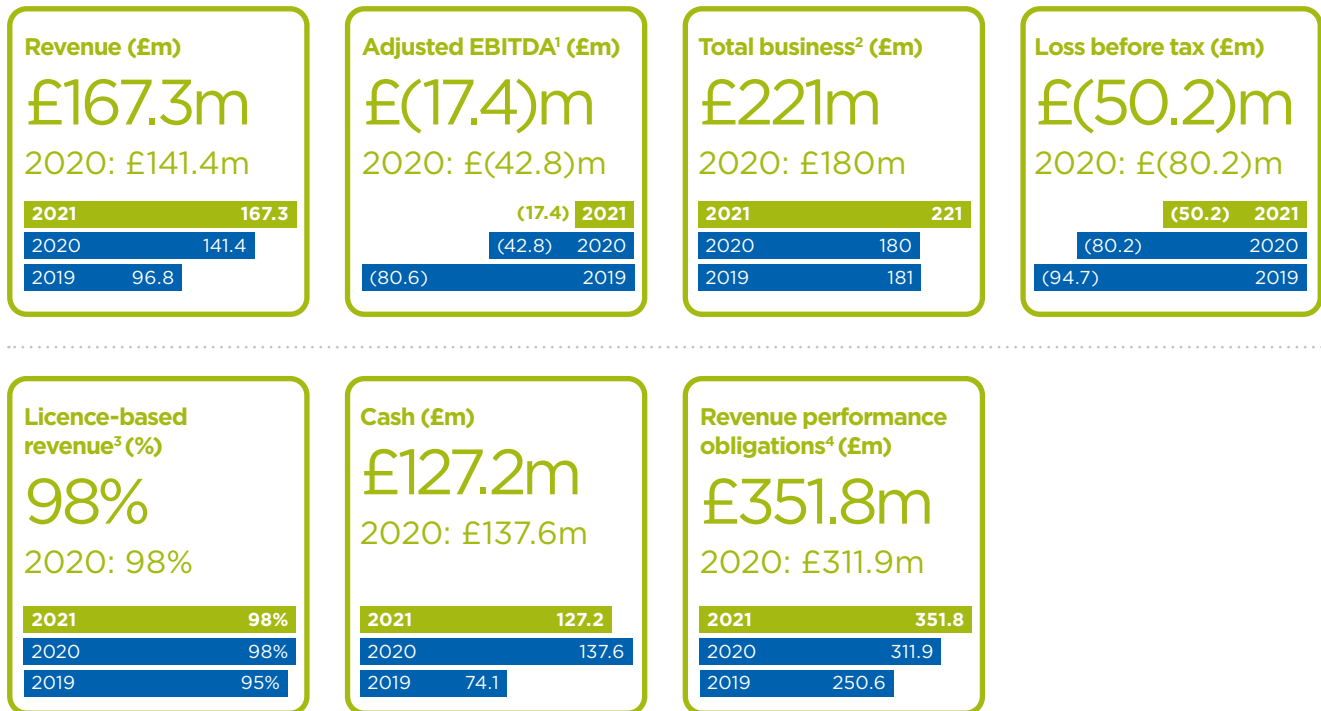
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Financial highlights



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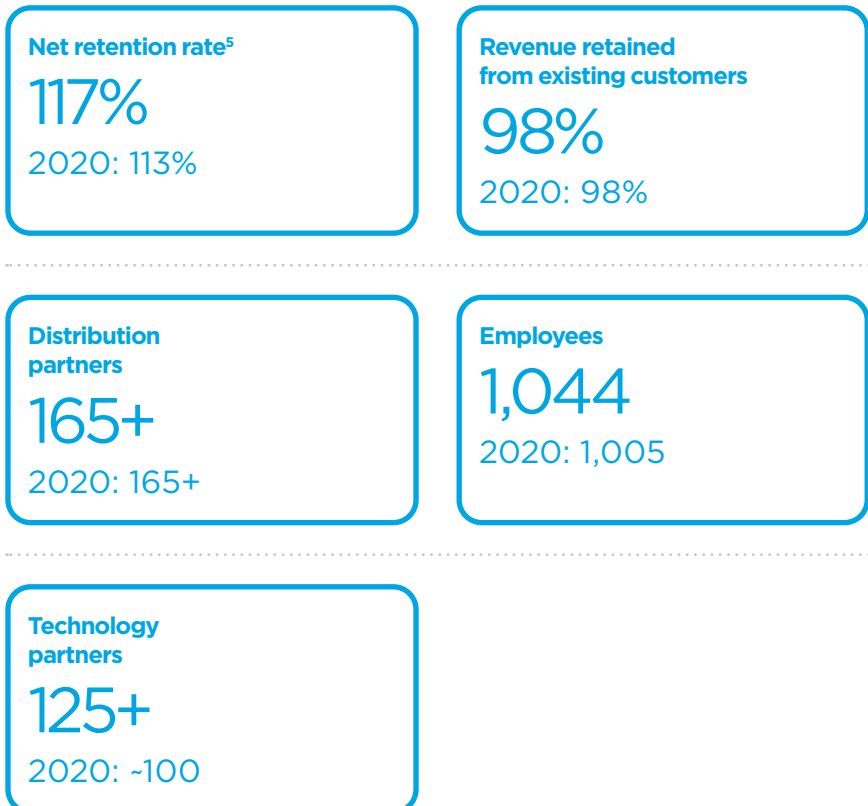
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Operational highlights



1. Adjusted EBITDA (Earnings before interest, tax, depreciation and amortisation) loss is the EBITDA loss adjusted to exclude contingent share-based payments and exceptional expenses. A reconciliation to loss before tax can be found on page 102
2. The business contracted during the financial year, including new business and renewals, which is considered useful information for the users of the financial statements
3. Measures the percentage of revenues from licence sale
4. The total of invoiced but not yet recognised revenues (deferred revenues) and revenue contracted but not yet invoiced (off-balance sheet revenues), indicates the outstanding commitments made by customers to the Group, including commitments made prior to FY2021, and demonstrates minimum future contracted revenue
5. Net retention rate measures the revenue retained from existing customers, plus additional revenue earned in the year from that customer cohort, (less any losses or downsales), at constant currency, which is considered useful information for the users of the financial statements

Company Overview

Our vision:

Reimagine your business

Our mission:

Provide intelligent automation that enables a digital-first, people-enriched, unified workforce

By enabling a digital-first, people-enriched, unified workforce, Blue Prism delivers an agile business solution, built to support the workforce of the future.



We help enterprises accelerate operational efficiency by making it easy for people to automate the processes that matter most.



When humans and digital workers collaborate to build automated processes, enterprises operate with unmatched agility and speed and people are free to focus on more creative, innovative and meaningful work, thereby transforming the future of work.



We believe every company can benefit from a digital workforce to automate, streamline, and accelerate work.

Our customers

More than 2,000 customers around the globe trust Blue Prism to transform the future of work. Many are increasing efficiency, optimising productivity, exceeding ROI (return on investment) and enhancing customer experience, to deliver on expectations in a connected world.

Benefits of our digital workers:

01
Accelerate digital transformation

02
Increase productivity

03
Improve customer service

04
Drive growth

05
Increase agility

06
Enhance employee engagement

DAIMLER

Fidelity

FCA

LAND-ROVER

3M

DUPONT

ebay

SIEMENS

NHS

IHG HOTELS & RESORTS

DOW

Telefonica

Investment Case

A leader in

a large, growing market

Blue Prism investors are gaining early access to the intelligent automation market, via a highly differentiated product and approach, designed to capitalise on the scaled enterprise opportunity.

Revenue that came
from licence fees

98%

Our customer base

2,000+

01 Large, growing market

- Intelligent automation consistently drives high returns to customers
- Our product is designed to provide scaled automation for enterprise customers, driving continual, improving ROI as deployments of digital workers increase
- The market is at a very early stage of development
- We estimate that the addressable market for enterprise-grade intelligent automation is over \$150bn

02 Highly differentiated product

- We allow enterprises to unlock the value of scaled intelligent automation via our centralised, enterprise-grade automation product, which is controlled by business leaders, but centrally governed, shared and managed
- This means our digital workers are not single processes, scripts or bots, but are autonomous processing units capable of running multiple processes at large scale, differing greatly to other approaches based on desktop or individual automations
- Digital workers can achieve any end-to-end, repeatable business process and are trained and managed by business users
- We believe our approach delivers outsized returns and enables the scaled automation deployments that are essential to achieving the full benefits of automation in the enterprise

03 Enabling adoption of new technologies

- Our digital workers enable business leaders to revolutionise their operations by onboarding and integrating new technologies such as AI and machine learning
- All systems can be made to inter-operate through the digital workforce, which is managed by non-technical business users
- This means new technologies can be integrated by an enterprise at a far greater pace, and can quickly become a useful component or tool for a business user
- We have built a wide variety of technology partnerships to make this onboarding even easier. From our Digital Exchange (DX), business users can easily access integrations to assets from market leaders like Microsoft, Google and Amazon
- These integrations are provided as “objects” – simple tools that can be easily placed into a process flow

04 Strong, sustainable commercial model

- We benefit from high levels of revenue visibility driven by a recurring revenue model in which customers typically commit to multi-year contract terms. In 2021, 98% of our revenues came from these licence fees
- This revenue visibility is underpinned by our high levels of revenue retention, with a gross revenue retention rate of 98%
- Customers typically pay their licence fees annually in advance which is beneficial for cash generation

05 Sophisticated distribution channels

- We benefit from a network of distribution partners, complemented by a global in-house sales team
- Our network of 165+ distribution and system integrator partners includes some of the world's most recognisable names, including Accenture, EY, PwC and Deloitte
- They complement our technical expertise and customer knowledge with world-class integration skills and access to the decision-makers in the world's top enterprises

06 Customer opportunity

- We have over 2,000 customers including some of the world's largest enterprises. They have sizeable systems infrastructure and stand to generate significant returns via the digital workforce
- Many of our customers are still at very early stages of their deployments and so have a great deal of potential to expand and grow their automation footprints, driving our track record in upselling into the customer base
- Licence revenues from our top 50 customers averaged over \$1.3m in 2021 and they continue to expand – 62% of these customers were upsold during the year. We believe this can be a blueprint for our wider customer base

Market Overview

Increasing

market share in a dynamic market

We coined the term Robotic Process Automation (RPA) more than a decade ago, but today we've moved way beyond RPA to deliver an entirely new class of enterprise software that's primed to meet growing market demands.

Across 2021 Blue Prism continued to take RPA to the next level with intelligent automation. We have launched multiple new products, improving the scale, scope and speed of automation within the enterprise.

Customers continue to be increasingly ambitious in the types of problems they want to solve, and need a more diverse set of technologies. To us intelligent automation brings together the scalable processing core, integrations and embedded intelligence into a single platform to allow our customers to solve more complex challenges.

The addressable market

Our focus remains enterprise-grade organisations, with large software footprints and significant automation opportunities.

We provide enterprise-grade intelligent automation via our digital workforce creating value for organisations, which has created new ways of working, unlocked efficiencies, and returned millions of hours of work back into their businesses.

Given the broad scope of our technology and the scale of our customer base, we estimate that the enterprise-grade intelligent automation market size is in excess of \$150bn.

We describe the automation journey as three waves of value that build upon one another to multiply the positive impact of automation and release more value.

Organisations that have successfully captured fast productivity and efficiency gains in wave 1 of their journey then set their sights on driving improvements in business performance that crosses multiple functions in wave 2 of their journey. They then drive even further to spearhead transformation in wave 3, introducing entirely new products and services unimaginable without integrating a digital workforce into their operations.

We estimate that the vast majority of our 2,000+ customers are still in wave 1, so there is a great deal of potential for those relationships to grow.

Where are we in the market?

As a first principle, we have focused on providing intelligent automation that helps business users enhance interoperability between their system infrastructures, new and old. This positions us as the strategic, long-term automation partner in the space, with other vendors focusing more on individual, desktop automation, aimed at incremental improvements in human workforce productivity.

We believe our approach is the most effective in delivering automation at scale and driving the value that our enterprise customers are targeting.

As a result, we believe we are uniquely placed to capitalise on the full market opportunity.

Wave 1

Efficiency and productivity in the short term

Wave 2

Business performance in the mid term

Wave 3

Business transformation in the long term

Market size

\$150bn

Our addressable market

3rd

largest RPA vendor by 2020 revenue - Gartner

Our market share

In the report 'Market Share Analysis: Robotic Process Automation, Worldwide, 2020', published in May 2021, Gartner estimated that the RPA market grew by 38.9% in 2020, holding its position as the fastest growing segment in the enterprise software market. During 2020 Gartner estimated that Blue Prism increased its market share, moving from the 4th largest RPA vendor by revenue to the 3rd, and growing second fastest of the top 5. This can be seen as a validation of our enterprise focus.

Business Model

We take our enterprise-grade intelligent automation product, our people and a growing ecosystem of distribution and technology partnerships to help our customers build out the 21st-century organisation using their digital workforces

Resources & relationships

1.

People and expertise

We attract the best international talent

2.

Enterprise-grade intelligent automation

We provide intelligent automation via our digital workforce, which behaves as closely to a human being as possible

3.

Technology partnerships

Leading-edge technologies from global partners such as Amazon and Google can be easily accessed and integrated via our DX

4.

Strong financials

Our business model maintains a strong cash position

5.

Distribution partnerships

We have a highly aligned distribution partner network including EY & Capgemini that helps to communicate our value proposition

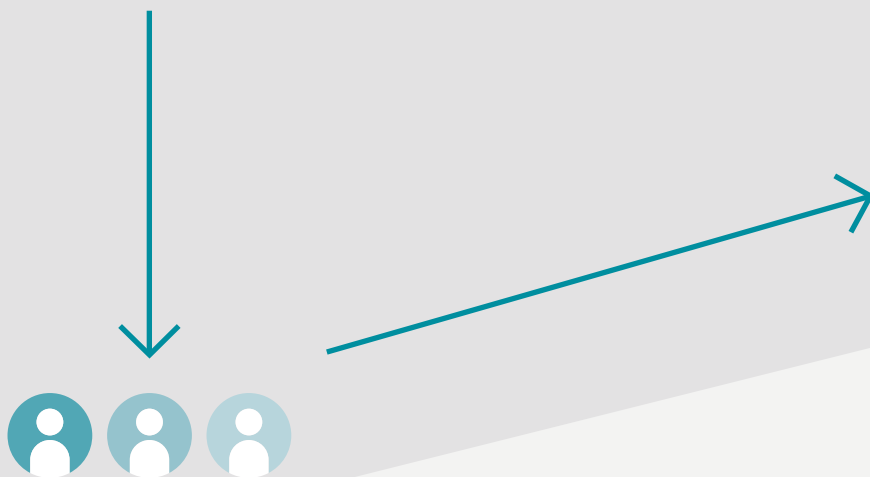
What we do

Design & implement

Distribution partners will often help the customer with their initial implementation, supported by our sales function

Expansion

Customer relations: Our sales teams and distribution partners will work with customers on expanding their digital workforces as they translate success at the proof-of-concept stage into scaled business outcomes across functions and geographies



Initial relationship

- Customers will often start building their digital workforces with relatively small deployments
- These will often be focused on proof-of-concept automations, existing processes that can be easily automated

Support

- Our support teams are available to customers as they implement and scale their deployments

Product updates/delivery

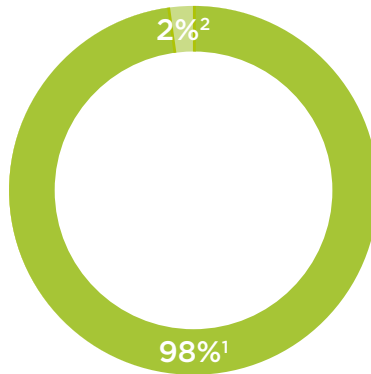
- We are continually investing in the digital workforce to improve its intelligence and agility, as well as on deployment methods, for example the cloud. In 2021 we launched a number of new products to drive utilisation of digital workers

Digital Exchange: The DX is our “app store” where customers discover and download pre-built, readily integrated technologies such as AI, for use with their digital workforce

These assets open new processes and allow the customer to access and absorb the latest in technology into their business operations



How we generate revenue



1. Licences and support & maintenance (98%)

We sell software licences for our digital workforce as well as the right to future software updates, standard maintenance and support. We also sell enhanced maintenance and support, on top of the base package

2. Professional services (2%)

We provide professional services, including advisory, on intelligent automation and deployment

Creating value for our stakeholders (all figures as at 31 October 2021)

Employees

>1,000

We have over 1,000 employees globally, largely knowledge workers

Investors

PRSM.LN

Our investors can invest in our enterprise-focused intelligent automation product, in one of the world’s fastest-growing software markets

Customers

>2,000

We have over 2,000 customers who benefit from improved efficiency, customer service and employee satisfaction

Partners

>275+

We have over 125 technology partners who can use our software as a platform to enable their own products, and in 2021 we had over 165 distribution partners, who implemented our product and earned associated fees

Our product

We designed our product portfolio to deliver customers' automation goals, allowing them to achieve the best return on investment. From assessment and implementation to process analysis and lifecycle management, our products are engineered to deliver the fastest path to value.

Our intelligent automation platform

We have developed an automation platform ecosystem which accelerates digital transformation.

Intelligent automation combines the power of AI and machine learning (ML) to deliver digital workers that take away the mundane tasks human workers are overloaded with, empowering them to focus on the profit driving initiatives only people can do. Our intelligent automation platform provides everything a customer needs to serve customers with a secure, stable and compliant environment that propels digital transformation.

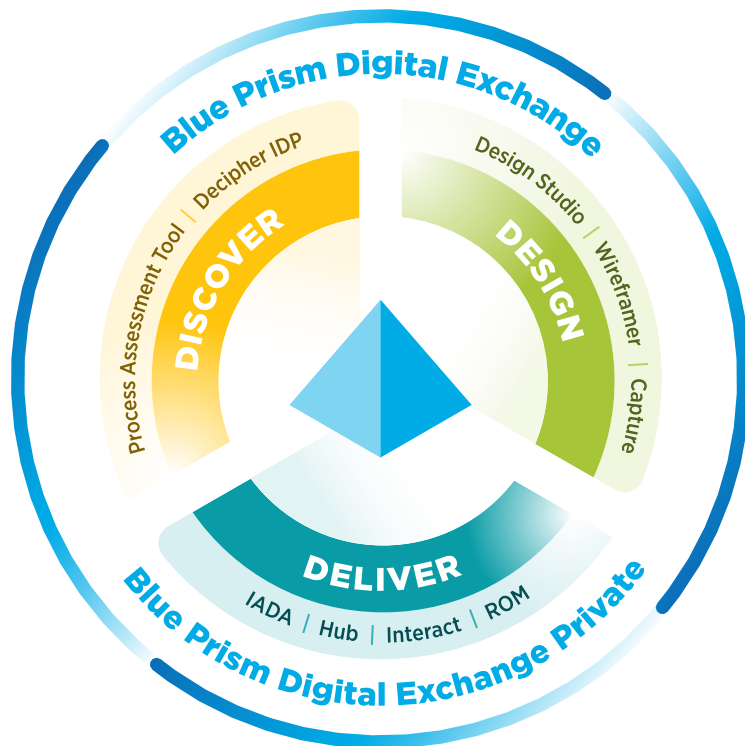
A combination of RPA with expanded cognitive and AI capabilities separates us from other automation tools on the market. We provide an AI equipped digital workforce, along with the capabilities to build, delegate, and control automations.

Diagram key:

ROM: Robotic Operating Model

IADA: Intelligent Automation Digital Assistant

Decipher IDP: Intelligent Document Processing



Discover

Using tools like Process Assessment and Process Intelligence we show customers the value of automation and potential ROI, before uncovering actionable opportunities for automation.

Design

In the design phase, our design studio provides a blank canvas where the digital workers can be taught processes, with no technical skills or coding required.

Deliver

Building a sustainable and scalable digital workforce takes a long-term delivery strategy and the right tools and technology to make it a reality. We pioneered the Robotic Operating Model (ROM) to guide customers in building a scaled digital workforce, and have since launched a range of products to complement this including Interact, Service Assist and Blue Prism Cloud.

Our platform comes equipped with some key features to drive success:

01. Drag-and-drop process automation building

02. Reuse “objects” – the events and actions that build a process – across the business

03. Updates to objects and processes are made once and saved for future use where needed

04. Scale task assignments and digital worker volume on-demand

05. Real-time transparency of process performance

Digital workers

We have built our digital workforce to work alongside a human workforce, picking up the tasks that aren't a good use of a human's time. The digital workers can be trained to take on increasingly complex tasks and are ready to be deployed wherever and whenever they're needed most. Decision-making capabilities can be augmented by integrating AI, machine learning and OCR capabilities from the Blue Prism Digital Exchange.

Digital Exchange

With the Blue Prism Digital Exchange online marketplace, customers can instantly access, apply and share pre-built AI technologies to increase the skills of their digital workforce.

Blue Prism Digital Exchange Private gives complete control over the connectors and skills that can be used in your organisation, providing security and internal compliance.

Research & Development

R&D has been a core focus for a number of years as we look to build the capabilities, scalability and security of our enterprise-grade digital workforce. In 2021 we spent £31m, or 19% of revenues (2020: £20.4m, 14% of revenues), on R&D and product development.

This spend has enabled the build-out of a number of new products and features, including:

- Blue Prism Service Assist on Amazon Web Services (AWS) – a comprehensive, no-code, intelligent automation contact centre solution that combines intelligent digital workers and native AWS services so enterprises can deliver faster, more efficient, and more engaging customer experiences.
- Process Intelligence (powered by ABBYY Timeline) – provides an end-to-end solution for process and task mining, automation and end-to-end monitoring.

Strategy

Innovating to **drive growth**

We focus on innovation as the primary lever to stimulate demand across our addressable market.

Empowering customers to extend the boundaries of process automation

- We allow business users, not just IT, to implement an automation tool by providing no-code software;
- We have added Blue Prism Process Intelligence to our support & maintenance packages, helping businesses of all sizes to discover not just what can but what should be automated;
- With our DX we:
 - build extensive capabilities for handling commonly deployed IT systems;
 - continually grow our technology partner network to provide a range of skills for our digital workers to complete a diverse array of tasks (OCR, natural language processing (NLP), sentiment analysis, machine learning etc).

Progress in 2021:

Assets available via the DX

1,500+

Technology partners

125+

Lowering the barrier to adoption and increase the stickiness of our products

Investments across product, sales and marketing and in our ecosystem of systems integrators and partners ensure that:

- We are accessible to newer customers with learning and trial editions via multiple routes, including the public cloud;
- Customers have access to trained resources when planning, deploying and extending automation projects;
- We continually invest in our core product to push the boundaries of scalability;
- We can solve the most complex, mission-critical and sensitive areas of our customers' operations, fulfilling regulatory requirements;
- All processes are centrally controlled and are made of editable, reusable objects which speed up process building and lower total cost of ownership with scale;
- We continue to respond to market requirements – including the development of Blue Prism Enterprise Desktop Automation (EDA) which is intended to launch in 2022 and will allow for desktop-orientated use-cases, while continuing to deliver to the highest security and auditability requirements.

Progress in 2021:

Distribution partners

165+

Customers

2,000+

Gross revenue retention rate

98%

Continually reinventing what Intelligent Automation can do

Growing investment in our technology means that we are improving the depth and scope of our offering and maintaining our strong position in the cloud:

- We continually enhance the core capabilities of digital workers, as well as providing additional products for customers to extend the boundaries of what can be automated;
- We ensure that the key features on which our success is built, such as scalability and security, stay on the vanguard of the industry and are embedded as standard, driving differentiation from our competition;
- Our engineering teams have a cloud-first approach.

Progress in 2021:

R&D spend as a % of revenues

19%

Cloud based customers

100+

Product version launched in 2021

7.0

Driving growth with compelling user economics

Based on our strong and consistent gross retention rates and track record of upselling, we continue to invest in growth. To optimise this, we:

- Take a holistic approach to maximise our investment, looking at the long-term value of new account and upsell opportunities;
- Employ both direct and indirect sales strategies, depending on our relationships and presence in a given market;
- Work with partners to map out the most compelling upsell opportunities within major accounts;
- Explore partnership and joint venture opportunities where market characteristics warrant it.

Progress in 2021:

Growth in revenues

18%

Net retention rate

117%

Chairman & CEO Statement

We have continued to build and develop our strong

customer base

Professional

We strive for excellence in everything we do and apply our expertise to build business benefit.

Robust but respectful

We challenge assumptions and speak up when something isn't right, building long-term, trusted relationships.

Integrity

We role model integrity and transparency through straightforward interactions with our clients, partners and colleagues.

Success

We achieve success through the success of our partners and clients. We celebrate the success of others.

EMpowerment

We are trusted and empowered to make the right decisions.



“Our mission is to provide Intelligent Automation that enables a digital first, people-enriched, unified workforce.”

Jason Kingdon
Chairman & CEO

Another year of progress

Across 2021 we have made significant progress financially, operationally and strategically. Constant currency revenues have grown 22%, with Annual Recurring Revenue (ARR) increasing by 20%. We have retained 98% of our customers by revenue, secured £221m in customer commitments and reduced adjusted EBITDA loss by 59%. I am also pleased to confirm we have delivered on our commitment to reach broad cash break-even in the the second half of the financial year.

We have continued to build and develop our strong customer base. We have over 2,000 customers, many of whom are enterprise-grade. They are continually building out their automation practices, driving our net retention rate of 117%, which measures how much revenue existing customers spent with us last year, net of any losses. To further demonstrate the strength of our customer relationships and the scaling opportunity ahead, we hosted a virtual capital markets day, centred around customers including BlackRock, RBC, TD Bank and Desjardin. This was an excellent demonstration of the health of our customer relationships and the fact that these customers were prepared to take the time out of their schedule to talk to investors about the product and the value it represents to their organisations highlights the strength and depth of these relationships.

Strategic progress

Our key strategic focus has been on delivering a significant upgrade to the product function and in the level of R&D being undertaken. This initiative is vital in protecting our differentiated, enterprise-grade product, while responding to evolving customer demands and a dynamic marketplace. In 2021 product and R&D spend was £31m, or 19% of revenues, a step change which has already started delivering in the form of new products and services for our customers.

One key product development this year has been the introduction of Blue Prism Process Intelligence powered by ABBYY Timeline, which provides fully integrated process and task-mining capabilities working seamlessly with Blue Prism's native process capture feature for end-to-end, data-driven intelligent automation.

This integration bridges a critical gap of process mining to process automation by ingesting processes and tasks, automating the creation of digital workers, and then tracking ROI results and monitoring for process compliance. This product is available to customers via our premium support package, or as an additional product where a customer wants more extensive use. It represents our first foray into cross-selling, which is an avenue we are considering further given the significant opportunity our customer base represents.

Toward the end of this year the Executive team and I began evaluating the strategic priorities for the Group going forward, setting three strategic pillars to achieve our mission to provide Intelligent Automation that enables a digital first, people enriched, unified workforce. These pillars are:

- Customer value – building intimacy and expertise with our customers to allow the design of ever more precision solutions
- Winning culture – building an organisational structure that prioritises diverse, inclusive, world-class, high-performing and accountable teams
- Enterprise innovation – continuing to build out our Intelligent Automation portfolio, adding new products to augment and accelerate the use of Blue Prism digital workers, and to deliver value in new and differentiated ways

Board update

On 1 February 2021, two Non-Executive Directors, Maurizio Carli and Murray Rode, were appointed to the Board, both of whom bring extensive international and US software experience. We are very pleased to have their expertise available to the Board and they have already proved invaluable in their first year.

At the 2021 Annual General Meeting (AGM) there were a number of instances of votes against the reappointment of several Board members, including my own role as Chairman & CEO. While there were enough votes to pass the reappointment of all Board members, we initiated a shareholder feedback exercise to ensure we understood the background to the votes against.

As a result of this feedback the Board took two actions. The first was a strategic review, which ultimately resulted in a number of offers to acquire the Group. Secondly, we announced the intention to separate the roles of Chairman & CEO once more, with the intention being to find a CEO with international software experience. More detail can be found in the Corporate Governance section from page 43.

The Board and I are also very pleased that after a competitive process we have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Blue Prism by SS&C Technologies. On 13 January 2022 shareholders at the court and general meetings voted in favour of a scheme of arrangement to implement this transaction. The acquisition remains subject to the satisfaction or (if capable of waiver) waiver of the remaining conditions, including: (i) certain competition and regulatory approvals; and (ii) the sanction of the scheme by the court.

People and culture

We have a strong cultural framework, which is used as a template for our people in their working lives. During the year we initiated a global pulse survey, allowing the Board and Executive to better understand the priorities of the employee base and providing a benchmark from which to track employee engagement. As a result of feedback from these surveys we have looked to improve communication and put in place common structures around the organisation as well as performance management. We have also moved the organisation to a work from home model, with regional hub offices to promote team working, training and building relationships.

Looking ahead

Should the proposed acquisition complete as planned, this report will be Blue Prism's last as an independent organisation. However, the Board and I are confident that the Group will continue to thrive and prosper under SS&C's ownership well into the future.

Jason Kingdon
Chairman and Chief Executive

Key Performance Indicators

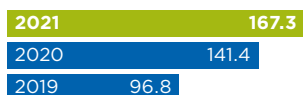
We have a range of financial and non-financial key performance indicators (KPIs) to measure business performance, particularly against our strategy.

Financial

Revenue (£m)

£167.3m

18%



Measure

The increase in revenue over the previous financial year on a reported basis.

Relevance

As we continue to grow our business and increase our share of a growing market, growth in revenue demonstrates the progress we are making and the health of the market.

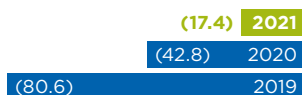
Performance

Revenue increased 18% as we grew our customer base and continually upsold existing customers.

Adjusted EBITDA (£m)

£(17.4)m

59%



Measure

Adjusted EBITDA is a non-IFRS measure defined as loss for the period adjusted for interest, taxation, depreciation and amortisation and excludes share-based payments and exceptionals.

Relevance

Measures the trading position of the business and demonstrates ongoing investments in the future of the business and its growth.

Performance

The EBITDA loss reduced from the prior year as revenue grew, we invested less in new hires and made significant savings on travel and events.

Annual recurring revenue (£m)

£184.8m

20%



Measure

ARR is a non-IFRS measure defined as the sum of all ARR for customers as of the measurement date. The ARR for each customer is the annual committed subscription value of each order booked, for which Blue Prism will be entitled to recognise revenue, at constant currency.

Relevance

Indicates the level of licence revenue that the Group would achieve on an annual basis going forward, if there was no new business generated in the future and a 100% renewal rate.

Performance

Annual recurring revenue increased by 20% during 2021.

Cash from operations (£m)

£(10.0)m

72%



Measure

Cash generated from operations.

Relevance

Our customers typically pay for their licences a year in advance. This measure is a good indicator of the underlying cash generation of the business. It is also a good indicator of how we are managing our cash cycle.

Performance

Cash burn reduced during the year and the Group achieved cash break even in the second half of the year.

Financial

Americas' revenue (£m)

£65.1m

15%

2021	65.1
2020	56.6
2019	39.2

Measure

Revenue from customers in the Americas in the current financial period.

Relevance

Measures our performance in the key US and continental America market, which is important strategically and in terms of size.

Performance

Americas' revenue grew 15% under new leadership from Pat Finn (President & GM, Americas).

Non-financial

Net retention rate

117%

2021	117%
2020	113%
2019	143%

Measure

Revenue retained from existing customers, plus any additional revenue spent, less any losses or downsell.

Relevance

Demonstrates how effectively we are working with customers to build out their digital workforces.

Performance

The net retention rate recovered slightly during the financial year, although is yet to reach the levels seen in 2019.

Gross retention rate

98%

2021	98%
2020	98%
2019	99%

Measure

Revenue retained from the opening customer base.

Relevance

Measures how well we are retaining our customer base.

Performance

Gross retention remained high, underlying the stickiness of the product.

Number of employees

1,044

2021	1,044
2020	1,005
2019	1,001

Measure

The number of employees within the business at the period end.

Relevance

As we grow our business to respond to the market opportunity available, we are growing our employee base to make sure we have and are able to attract and retain the right skills and capabilities within the organisation.

Performance

Total employees remained stable, but internally we increased headcount in product and R&D.

Case study: Prosegur

Working to
make the world a

safer place for customers

Countries with
customers

26

As a multinational private security company, Prosegur works to make the world a safer place for its customers in 26 countries. For over three years, the company has been driving a digital transformation programme to increase operational efficiency, provide fast and personalised customer experiences, and allow employees to focus on impactful work. Blue Prism was selected as a key technology to help the company achieve these goals.

Challenge

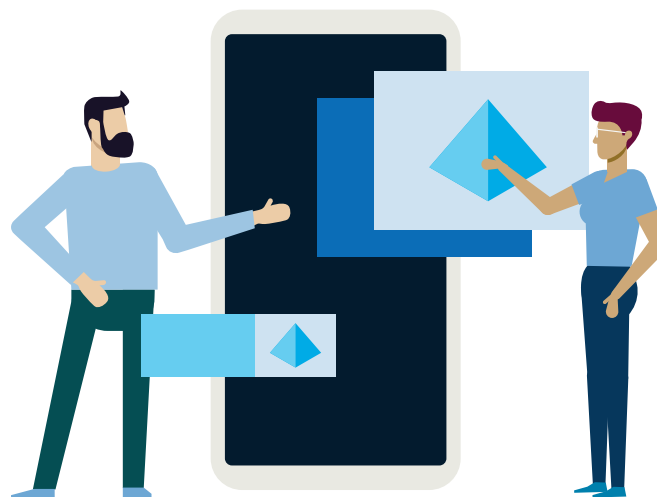
Prosegur has customers on five continents and employs more than 160,000 people worldwide. The company faced a complex ecosystem of more than 200 information technology applications. So, while Prosegur had big plans for its intelligent automation programme, it was critical for the solution to easily integrate with its existing applications and systems. Additionally, the company needed a solution that would scale easily, in the cloud and across multiple business locations worldwide. And due to the nature of Prosegur's business, tight security was mandatory.

Cost avoidance
in three years

€12m

ROI within
18 months

+100%



Solution

Prosegur has taken an innovative approach to create a sustainable, extensible and scalable intelligent automation programme. It has scaled its Blue Prism digital workforce across 20 business functions including billing, legal, HR, security, alarms, and cash. The company has 400 processes live on multiple continents. Blue Prism is integrating with more than 200 other technologies at the company. Digital workers combine with AI, machine learning and process mining to extend their capabilities resulting in optimised speed and accuracy.

To say this company has been innovative is an understatement. And their creativity is reaping benefits across the business. So far, they've saved 600,000 hours of employee time, which translates into 12 million euros, and they have surpassed 100% return on their investment in less than 18 months.

Location:

Spain

Industry:

Security

“

Blue Prism was selected as one of the drivers of Digital Transformation at Prosegur. Intelligent automation has the power to increase operational efficiency and provide fast and personalised customer experiences.”

Fernando Cisneros

Director Corporate Digitalisation, Automation and Robotics
Prosegur

Case study: Sysco

Scaling the automation programme whilst committing to

operational excellence

Headquartered in the United States, Sysco is the world's largest broadline food distributor, serving over 600,000 clients in 90 countries. When Sysco's operations were suddenly impacted by COVID-19, they had already established a fledgling automation programme. However, the question became, "Could Sysco rapidly scale its automation programme without sacrificing the team's commitment to operational excellence?" Thanks to the team's efforts and the flexibility of a Blue Prism digital workforce, the answer was yes.

Serving customers in
90 countries

90

Challenge

As the largest distributor of food and food-related products in the world, Sysco depends on a vast and complex distribution network to serve its 600,000 clients. This network was placed under huge strain when the pandemic disrupted the world's economy. Fortunately, prior to COVID-19, Sysco had established a small automation team comprising nine human and 12 digital workers. The team embraced a high-performance mindset underpinned by core operational foundations. So, as the full effects of the pandemic impacted Sysco's operations, the automation team was called upon to bridge the gaps. The challenge faced by the team was immense: scale up quickly to meet the demands of Sysco's entire operation without sacrificing operational excellence.

Total transactions processed to date

6.2m

Work hours returned to the business

250k



Solution

While the automation team had theorized how it might deploy more digital workers, COVID-19 made putting those plans into practice an acute business priority. An Amazon Web Services (AWS) cloud customer, Sysco's cloud strategy was a critical linchpin to help scale their automation initiatives. The company uses AWS to run Blue Prism in the cloud. The instantaneous nature of cloud deployments allows Sysco to "spin up," or activate, Blue Prism digital workers wherever needed across the operation and scale them as exponentially as business demands.

Finally, the use of AI and ML technologies have also helped Sysco expand automation possibilities. For example, adding AWS Textract, an optical character recognition technology, has let Sysco automate the processing of inbound customer orders received by digital fax. One digital worker, nicknamed Jackpot, was so effective at removing order entry errors that Sysco's staff no longer needed to work overtime correcting them.

Today, Sysco has grown to 60 digital workers who collectively process 6.2 million transactions and return more than 250,000 work hours to the business – all during a challenging global pandemic, without sacrificing operational excellence.

Location:

USA

Industry:

Distribution

“

Automation had become a critical need almost overnight and in every area of our enterprise. It was time for us to put what we had planned and theorized into action.”

Kim Meredith

Business Technology Lead, CoE
Sysco Foods

Case study: Santander

Effectively providing
a large workforce with

high quality onboarding



Santander is a leading global financial services company with 3.7m customers, \$11.6 bn in assets under management and 8,200 employees in Argentina alone. This impressive size requires a large workforce to effectively provide the services customers expect. However, after recruitment it was taking six weeks to onboard new starters, inefficient for everyone. Santander knew they needed to speed up the process. How did they do it? They employed a new kind of worker – a Blue Prism digital worker.

Challenge

Recruitment across Santander Argentina's diverse operations is a constant process. But the real challenge arose when the bank tried to onboard new starters. To get a new employee up and running, Santander had to perform many tasks, like establishing accounts and IT set-up, all of which required input from numerous departments. And as a financial services company, there were also other external regulatory checks. Performed manually and sequentially, the onboarding process took six weeks to complete. And with anywhere between 50 to 100 new employees starting each month, the challenge quickly compounded.

Staff onboarded in 2 days
instead of 6 weeks

85%
faster

Wide adoption across
the organisation

350
processes live



Solution

Since tasking Human Resources staff with integrating new employees manually was taking too long, Santander hired Blue Prism digital workers. Now, as soon as the offer of employment has been made, digital workers run the onboarding process. They automatically inform the relevant departments, gather the required information, set up accounts and perform the necessary compliance checks.

The result? A process that was taking six weeks is now completed in just two days. What's more, this dramatic reduction has seen a jump in new employee NPS (net promoter scores), helping Santander attract and retain more staff.

With the benefits of intelligent automation clearly established, Santander has now automated more than 350 processes across its operations. Because it's adopted a reusable approach to asset development – storing over 500 objects which allow developers to rapidly roll out new automations – they've achieved this in only four years. Santander is actively using intelligent automation outside of Argentina too. In fact, the bank has more than 1,000 processes live across the larger organisation.

Location:

Argentina

Industry:

Banking

“

What took a person a minimum of six weeks to complete during the onboarding process, we got done with Blue Prism digital workers in just two days.”

Silvina Montemartini

Head of RPA
Banco Santander Argentina

Financial Review

A year of stable growth

Constant currency
revenues increased by

22%

Licence revenue as a % of
total revenue

98%

Gross margin of

80%



“

We have delivered solid growth during 2021, with revenues increasing 22% on a constant currency basis. This is a solid performance and points to the potential within the customer relationships we have built over the past years.”

Ijoma Maluza
Chief Financial Officer

Revenues

On a constant currency basis revenues increased by 22% to £172.2m. On a reported basis recognised revenues for the period increased by 18% to £167.3m (FY20: £141.4m), with recurring licence revenue accounting for 98% (FY20: 98%). Other revenues accounted for 2% of total revenues, with professional services and training revenues of £3.6m (FY20: £3.0m) and sponsorship and other revenue of £0.2m (FY20: £0.1m). Gross profit increased to £133.5m (FY20: £119.2m as a result of this revenue growth, with gross margin slightly reduced following additional direct product spend at 80% (FY20: 84%).

ARR, which is the exit run rate of annual recurring revenue at the last month of the reporting period, was £179m (FY20: £153.6m), an increase of 17%, or 20% on a constant currency basis. Growth in ARR was broadly stable on 2020, a solid performance.

We undertake research and development as discussed within the Strategic Report. These costs are incurred to satisfy our performance obligations and as such are expensed rather than being capitalised.

Recognised revenues by geography were as follows:

	FY21		FY20		% movement
	£m	% of total	£m	% of total	
EMEA	78.9	47%	67.1	47%	28%
Americas	65.1	39%	56.6	40%	15%
APAC	23.3	14%	17.7	13%	15%
Total	167.3	-	141.4	-	18%

Loss from operations

Excluding contingent share-based payments and exceptional costs, the Group recorded an operating loss for the period of £(23.2)m (FY20: £(49.0)m). Operating loss fell to £(50.1)m (FY20: £(80.4)m). The strong improvement was as a result of cost management initiatives and continued lower travel expenses and events costs due to changes in working practices driven by the COVID-19 pandemic. Offsetting some of these cost reductions the Group invested more in the product development and costs associated with the delivery of the revenue performance obligations. Exceptional costs of £16.3m (FY20: £18.2m) have been recognised in the year, comprising a one-off impairment of £6.9m against customer relationship intangible assets, £5.3m of professional fees (related to potential listing of the business and the potential sale of Blue Prism), and £4.1m of contingent consideration (being the final payment for the acquisition of Thoughtonomy).

Cost of sales and operating expenses were in the following categories:

	FY21	FY20
Cost of sales		
Amortisation of costs to obtain contracts	16.3	12.9
Direct employee costs of delivery	15.1	7.3
Direct cloud costs	2.4	2.0
Total cost of sales	33.8	22.2
Operating expenses		
General & Administrative	28.3	27.5
Sales and Marketing*	100.8	122.1
Product Group**	16.0	13.1
Depreciation and amortisation	5.8	6.2
Share-based payments	10.6	13.2
Exceptional costs	16.3	18.2
Foreign exchange losses /(gains)	4.6	(2.2)
Total operating expenses	182.4	198.1

*Including costs associated with Chief Revenue Office and Corporate Marketing.

**Including £15.1m of product spend classified as cost of sales, total product or R&D spend was £31.1m.

Cash flow

Cash and cash equivalents at the period end were £127.2m (FY20: £137.6m). Cash flows across the second half were broadly flat, reflecting the Group's commitment to reach broad cash breakeven within the second half of FY21. This places the Group well to self finance a degree of investment in growth going forward.

Cash outflow from use in operations was £(10.0)m (FY20: £(35.4)m). Adjusted EBITDA loss of £(17.4)m was offset by a £12.3m inflow from movements in working capital. Deferred revenue increased by £13.8m in the year.

Total comprehensive loss and EPS

Total loss after tax was £51.4m (FY20: £80.6m). During the period the translation of the overseas subsidiaries from their local currency into the Group's reporting currency resulted in an other comprehensive income of £4.9m (FY20: loss of £2.6m). Total comprehensive loss for the year was therefore £46.5m (FY20: £83.2m).

Basic and diluted loss per share attributable to ordinary equity shareholders was 53.88p (FY20: loss of 91.56p per share).

Statement of financial position

The Group continues to have a strong balance sheet, reflecting continued diligent control over working capital. Deferred revenue was higher than 2020 at £109.5m (FY20: £95.7m) in line with the stable growth of the business. Trade and other receivables increased to £56.2m at 31 October 2021 (FY20: £44.4m) again as a result of the stable growth of the business across the year and increased billing, while current trade and other payables increased as a result of exceptional professional fees (relating to the potential sale of the Group), and bonus accrual to £44.4m (FY20: £37.5m).

During the year other intangible assets reduced to £8.4m (FY20: £18.6m) as a result of amortisation charges, and the impairment of customer relationship assets (see note 12). Goodwill remained at £16.2m (FY20: £16.2m).

As a result of capitalisation of commission (IFRS 15), costs to obtain contracts of £29.6m (FY20: £30.5m) have been recognised during 2021.


Right-of-use assets of £4.3m (FY20: £3.6m) and corresponding lease liabilities of £4.6m (FY20: £4.0m) are recognised at 31 October 2021 following the implementation of IFRS 16 in the prior year. Net assets at 31 October 2021 were £86.9m (FY20: £113.5m).

Ijoma Maluza
Chief Financial Officer

Principal Risks and Uncertainties

The following principal risks have been updated after completion of our 2021 review of risk and management activities. Management notes a small number of changes and slight movements to the key corporate risks, in line with the current risk environment and the Group's priorities.


The Group is currently waiting on the decision of a pending acquisition proposal, and will adapt appropriate strategies depending on the outcome of the acquisition. The risks and mitigations set out below are also subject to change depending on the outcome.

Risk title	Risk description	Mitigation
<p>1. Growth strategies and management</p> <p>Failure to successfully implement and manage the Group's growth strategies.</p> <p>Trend:</p> 	<p>The Group continues to experience significant growth in operations and the size of our customer base.</p> <p>Such growth and expansion may present a number of challenges to the Group, such as:</p> <ul style="list-style-type: none"> - dealing with uncertain market, regulatory and/or legal environments; - difficulties in further developing our multi-product business offerings, by increasing our SaaS subscriptions and the revenue generated through our cloud-based applications, in addition to the on-premise offerings, as an increasing percentage of our revenue has been derived from our cloud offerings; - necessary expenditures or liabilities involved in making strategic acquisitions we deem necessary to develop our business, and problems encountered in integrating such businesses with our own; - increased demands on management, support functions, sales and marketing functions and other personnel; - lack of experienced RPA sector sales and marketing personnel due to the rapid growth of the market and the significant amount of time before they become productive; - increased operating expenses, resulting in lower margins and profitability; and - increased strain on operational, financial and system infrastructures. <p>Failure to effectively manage our growth could result in difficulty or delays in deploying our platform to customers, declines in quality, customer satisfaction and customer retention, as well as increases in costs and operational difficulties, such as the introduction of new features. Any of these difficulties could adversely impact our business performance and results of operations.</p>	<p>The Board monitors and manages growth strategies against market conditions, monthly performance against budgets, and cash available.</p> <p>Our strategic objective is to build scalable sales and delivery through developing multiple channels to market, as well as processes and structures to support international growth.</p> <p>Our growth strategies focus on the following:</p> <ul style="list-style-type: none"> - Empowering customers to extend the boundaries of process automation - Lowering the barrier to adoption and increasing the stickiness of our products - Driving growth with compelling user economics <p>The Group's strategy is designed to build the organisation, systems and processes needed to support further growth. There are specific programmes in place and ongoing initiatives to ensure that these are successful.</p> <p>The Group has also developed a new strategic vision, mission and purpose statements, as well as goals and objectives to achieve them. A programme of work has been pulled together to track, manage and communicate progress towards goal achievement.</p>

Trend:  Increasing  Stable  Decreasing

Risk title	Risk description	Mitigation
<p>2. Macroeconomic and political conditions</p> <p>The Group's results may be adversely affected due to uncertainty over future macroeconomic growth and considerable uncertainty of the political landscape.</p> <p>Trend: </p>	<p>We market our products and services to clients around the world. Political uncertainties and weak macroeconomic conditions may have an adverse effect on our ability to successfully operate internationally. The performance of software businesses has historically shown a strong correlation with the performance of the economies in which they operate. Specifically, this may have implications for our business and strategy in and within regions in which we operate that are subject to high political and economic risks. Recent escalating trade tensions between major global markets and growing economic nationalism is changing the landscape of multilateral systems and existing alliance structures. Concerns about economic, political and social stability could result in a lack of financial resources, fiscal margin, political capital, or the social support needed to confront key global risks. These conditions could present potential challenges to us, such as:</p> <ul style="list-style-type: none"> - increased restrictions over foreign trade barriers and the ability to operate with foreign businesses (specifically in sensitive areas like technology); - restrictions imposed by other governments on our ability to export certain technology to markets; - greater reluctance from customers to buy such products and services from us; - reduced global investment and customer spend on RPA or other large internal improvements that utilise our services and drive our growth; and - loss of trading revenues and/or negative impact on trading performance due to adverse movements in macro or industry sector economic cycles. <p>There can be no assurance that one or more of these factors will not have a material adverse effect on our international operations and, consequently, on our business, operating results, and financial condition.</p>	<p>The Group is invested in developing and enhancing business capabilities to enable the ability to act quickly and adaptably to address situations which may arise.</p> <p>The Group's Directors believe that the diversity of the sectors and geographies served by the Group insulates it to some degree from sector specific economic cycles and from the economy in general. The potential impact of the macro and local economic cycles is considered at local level and at corporate level in operational, financial and Board meetings.</p> <p>Furthermore, the Group operates a robust forecasting and budgeting framework and a programme of regular reviews of outcome to forecast, providing the Group with early warning signs and the opportunity to recalibrate, as necessary.</p> <p>The Group maintains a strong balance sheet position and supports continuing business activities even in the event of any potential increase in global restrictions or economic downturns.</p> <p>The Group continues to monitor global tensions and activities to suitably adapt to potential changes in the environments and geographies in which the Group operates.</p>
<p>3. Software reliability & performance</p> <p>The Group's software may not perform as expected and/or may experience undetected product defects.</p> <p>Trend: </p>	<p>The Group's business involves providing customers with reliable software. However, this software is complex and may contain errors or defects that the Group is unable to detect until after deployment or an upgrade, which could adversely affect its performance or lead to a delay in implementation. This may result in the Group failing to meet its customers' performance requirements or otherwise satisfy contract specifications, potentially leading to a decrease in customer satisfaction and, ultimately, customer retention rates. In addition, the detection and subsequent correction of any errors, defects or outages may be costly and time consuming. The Group relies on its reputation as a provider of reliable software, which may be adversely affected by such problems. Any decrease in customer retention or failure to secure new customers due to a deterioration in the Group's reputation may lead to a decrease in revenue which would have a material adverse effect on the Group's reputation, business, prospects, results of operations and financial condition.</p> <p>The Group may also become liable to its customers for damages due to any software defects. The Group endeavours to negotiate limitations on its liability in its customer contracts, however, defects in the software developed and sold by the Group could result in financial liabilities, the loss of a customer, a reduction in business from any particular customer, negative publicity, reduced prospects and/or a distraction to its management team, which could have a material adverse effect on our results of operations and financial condition.</p>	<p>The Group has invested significantly in product R&D and will continue to increase these investments to include performance enhancements, bug fixes and integration of new technologies in the marketplace.</p> <p>Where possible, the Group endeavours to negotiate limitations on its liability in its customer contracts.</p>

Principal Risks and Uncertainties continued

Risk title	Risk description	Mitigation
<p>4. Security breaches</p> <p>Security breaches, malware or other “cyber-attacks” or outages could harm the Group by disrupting its systems.</p> <p>Trend:</p> 	<p>Any compromise of the Group's systems' security could harm its reputation or financial condition and, therefore, its business. Such compromises can result from deliberate attacks or unintentional events and may lead to, amongst other things, third parties gaining unauthorised access to the Group's software for the purpose of misappropriating financial assets, intellectual property or sensitive information, corrupting data, or causing operational disruption. Although the Group employs security measures for its systems, these may not protect against all possible security breaches that could harm the Group's business. There is no guarantee that the Group will be able to prevent such attacks or breaches in the future and, in the case of such an event, there is no guarantee that it will be able to promptly and effectively remedy any damage caused. In particular, the Group's reputation as a reliable and secure software provider is vulnerable to any negative press caused by material IT outages or breaches. Such an event may cause the Group's customers, particularly its enterprise customers, to have less confidence in the Group's products, and may lead them to prefer products offered by competitors.</p> <p>In addition, the Group is often required and authorised by its customers to work with confidential information in the deployment of the Group's software and services. Although the Group employs security and testing measures for the software it deploys, these may not protect against all possible security breaches that could harm the Group's or its customers' business.</p> <p>These security risks may lead to costly litigation, significant financial liabilities, and penalties, increased regulatory scrutiny and a loss of confidence in the Group's ability to serve its customers.</p>	<p>The Group employs security testing measures for the software it deploys and on internal systems. The core platform on which the Group relies operates with a high number of security protocols, including tracking and recording of all security breaches, testing against trending risks, and suggested IT defensive measures.</p> <p>The IT Group manages strict security protocols and policies to mitigate against any potential security breaches, including obtaining and maintaining external IT and security certifications (i.e. ISO27001, Cyber Essentials) to validate the Group's IT environment and controls.</p> <p>Additional investment into anti-phishing technologies and phishing campaigns and testing have been carried out to further educate and prepare our employees as the number of IT and cyber-attacks continues to grow.</p> <p>Lastly, deployment of an in-house employee training portal and increased communication with employees to provide updates on IT risks and threats, and adopt best practice over data security.</p>

Trend:  Increasing  Stable  Decreasing

Risk title

5. Market and technological changes

The Group faces competitor and technological challenges in a rapidly evolving market.

Trend:



Risk description

The RPA market is intensely competitive, rapidly evolving, and highly fragmented, as current competitors expand their product offerings and new companies enter the market.

We encounter significant competition from other technology vendors, as well as clients' internal information systems departments, that seek to modify their existing systems or develop their own proprietary systems, and professional service organisations that develop their own products or create custom software in conjunction with rendering RPA services. Competition for market share and pressure to reduce prices and make sales concessions is likely to increase.

The Group faces both current and potential competitors, who may have certain advantages over the Group, such as:

- being incumbent providers at the Group's prospective customers;
- having greater financial resources;
- larger marketing budgets;
- greater software engineering or other resources than the Group;
- greater name recognition in certain jurisdictions;
- established relationships as a trusted vendor with particular channel and distribution partners and customers; and
- greater customer support resources and larger intellectual property portfolios.

The threat of existing or new competitors seeking to develop software that more successfully competes with the Group's current software and services, in addition to technological advancements in the artificial intelligence industry, may result in the possibility of technology which may be superior to, or render obsolete or unmarketable, the software which the Group currently offers.

There can be no assurance that the Group will be able to compete successfully against current or future competitors or that the competitive pressure the Group faces in the market in which it operates will not materially adversely affect the Group's business, prospects, results of operations and financial condition.

The Group intends to continue developing innovative solutions for its customers but there can be no assurance that the Group will be able to develop new products and expand its business as planned or that these new products will be successful or profitable.

Mitigation

The Group continues to believe that its approach and product successfully differentiate it within the RPA marketplace. It seeks to enhance and widen these differentiations with product development and R&D.

The Group has several technology partnerships, which allow the leverage of other market leading technology alongside or within the Group's products, and ensuring the products are well linked to emerging technologies.

The Group's Chief Marketing Officer continues to ensure that the marketing strategy is robust and competitive.

Principal Risks and Uncertainties continued

Risk title	Risk description	Mitigation
<p>6. Talent management</p> <p>Failure to attract and retain skilled sales, marketing, research and development, other technical employees and senior management personnel could harm our business and future growth prospects.</p> <p>Trend:</p> 	<p>The continuous growth of the business means we continue to face the challenge of attracting and retaining staff who have the right skills to support our growth. Competition for sufficiently experienced employees is high, especially for engineers experienced in designing and developing RPA software and SaaS applications as well as experienced sales professionals, and there is a limited pool of qualified candidates available. If we are unable to attract such personnel in cities where we are located, we may need to hire in other locations adding to the complexity and costs of our business operations. Many of the companies with which we compete for experienced personnel have greater resources than we have.</p> <p>We have an Executive team whose skills, knowledge, experience and performance make a large contribution to our success; failure to retain such individuals could have an adverse effect on customer relations, operations and growth strategies. The loss of one or more of our Executive officers, or the failure by our Executive team to effectively work with our employees and lead our company, could harm our business. In addition we are dependent on the continued service of our existing software engineers because of the complexity of our products and platform capabilities. The challenges presented by our need to attract new personnel and retain and motivate our current personnel may hinder our ability to manage operations effectively. It could result in decreases in marketing activity and new customer wins, delays in new product development or software implementations or in us otherwise failing to satisfy customers' demands. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed.</p> <p>The employment market has seen a strong recovery from 2020 and with the increased flexibility of working and hiring from any geographical location, this has presented additional challenges in talent retention and hiring.</p>	<p>The Group has performed extensive work on employee remuneration packages, including a review of compensation and benefits, completing salary surveys and benchmarking comparisons against the market and our peers. Increased data on these factors should enhance the Group's ability to attract and retain employees through competitive remuneration, share options or awards, in addition to fostering a positive company culture.</p> <p>In addition, the Group completed a job architecture review this year to provide greater transparency and visibility in roles and responsibilities, as well as career path and development opportunities to employees. The Group also continues to work on enhancing the employee experience by investing in development of our employee performance, development, and training platforms to harness and cultivate our talent. Along with development of an in-house employee performance review platform to enable further clarity and management of employee performance plans and training programmes to assist our employees in their development and careers.</p> <p>Lastly, to address the issues and changing work landscape due to COVID-19, the Group continues to maintain a flexible, hybrid working environment and provides the support and tools to allow employees the ability to continue to work effectively and in a healthy and safe manner.</p>

Trend:  Increasing  Stable  Decreasing

Risk title

7. Pandemic management

Failure to adapt and maintain business operations due to the occurrence of a global pandemic.

Trend:



Risk description

COVID-19 has highlighted the existence and potential of new or mutated bacteria or viruses and has greatly stretched global health systems and heavily disrupted national economies. This has directly affected the Group's operations, the health and safety of our employees and customers, and the ways in which we work.

The continuing uncertainty over COVID-19 and the varied level of success of the vaccination programme will have continuing impact; at the very least the potential of further adverse impacts by global economies and governments could have additional adverse implications to financial markets, operations, and businesses.

Some of the key challenges faced due to the pandemic include:

- a possible reduction in spending as well as delays to large, strategic spending projects by both existing and potential new customers, which could directly impact on our ability to deliver against our targets;
- disruptions to our regular business operations, in-person meetings and the ability to travel;
- the ability to work effectively in a completely remote capacity, including having the necessary tools and programmes to operate, including cybersecurity protections;
- employee workforce management pressures, including remote-based working, the physical and mental wellbeing of our employees, employee absenteeism, and morale management;
- negative impacts on short-term market strategies, product release, marketing campaigns, sales, operations and partnerships; and
- our management team's ability to adapt and make changes when facing challenges.

The COVID-19 global pandemic continues to rapidly evolve, and we will continue to monitor the situation closely. The ultimate impact of the pandemic or a similar health epidemic is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, operations, or the global economy as a whole, which makes our future results difficult to predict.

In addition, to the extent the ongoing pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties.

Mitigation

The Board and Executive hold frequent meetings to discuss the current environment, including effective ways to adapt current business operations, and their execution by leaders of the business. The Executive management team have worked on the Group's ability to act swiftly and promote quick decision-making to address business concerns and disruptions.


Collaborative and specialised working groups have been assembled to address the changes to the current working environment, its impacts and how to effectively adapt, including but not limited to:

- Imposed travel restrictions and office closures in line with local government advice.
- Reopening of office spaces and return to office protocols.
- Complete remote-based working, through supply of necessary hardware and software to effectively operate.
- Strengthening and maintaining business continuity procedures to ensure the Group's ability to continue work in an uninterrupted manner.
- Focus on employee health and wellbeing programmes, including developing programs and providing the tools and channels to manage.
- Increased employee communication and web-based all hands with the Group's leaders.

Furthermore, the Group's Finance and Sales leadership continually review the forecast and budgeting to ensure effective realignment; adjustments are made to reflect real time figures and ability to reach initial goals (or revised goals), including but not limited to achievement of sales targets, cash even/positive timelines, etc.

Lastly, the Group continues to operate a robust capital and liquidity position. The Group's balance sheet position provides the contingency funding to support continuing business activities in the event of any potential prolonged business impacts and further shutdowns.

Principal Risks and Uncertainties continued

Risk title	Risk description	Mitigation
<p>8. Intellectual property</p> <p>The Group may be unable to adequately protect its intellectual property and know-how and prevent others from making unauthorised use of its software platform and technology.</p> <p>Trend:</p> 	<p>The Group has sought to protect its proprietary software, know-how and other intellectual property by the filing of patent applications, trade mark registrations, entering into non-disclosure agreements with employees, independent contractors and third parties in the ordinary course of its business, implementing and maintaining internal and external controls and processes restricting access to the software's underlying source code, as well as by relying on the laws of copyright, trade secret and confidentiality.</p> <p>It is possible that none of its pending patent applications will result in granted patents or that the Group may be required to narrow the scope of its patent claims compared to those on file currently during the examination process.</p> <p>Any intellectual property, whether or not registered owned and/or used by the Group in the course of its business or in respect of which the Group believes it has rights, may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Group may be prevented from using such intellectual property or it may be required for the Group to become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition. Conversely, while the Directors believe the Group has taken precautions, they cannot guarantee that any action or inaction by the Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Group of the intellectual property rights of others could have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.</p> <p>Despite precautions which may be taken by the Group to protect its software, unauthorised parties may attempt to copy, or obtain and use, its software and the technology incorporated in them. This could be increasingly likely as the Group enters into new geographical markets, some of which have legal protections that are not as strong as those in the Group's current established principal markets. This could cause the Group to have to incur significant unbudgeted costs in defending its software and technology.</p> <p>Loss of ownership or exclusivity in relation to intellectual property critical to the Blue Prism software, or infringement by the Group of the intellectual property rights of others, may have a negative impact on the Group's ability to develop new product offerings, to continue to market its current product offerings, or on the costs of doing so. It may also result in disruption for the Group's existing customers and resultant contractual liabilities, as well as unbudgeted enforcement or defence costs. Each of these may have a material adverse effect on the Group's reputation, business, prospects, results of operation and financial condition.</p>	<p>The Group pursues a worldwide patent, trademark, and copyright registration programme to secure registered rights to enforce its intellectual property. The market is monitored for potential infringements and legal enforcement action is taken in appropriate cases.</p> <p>The Group maintains and monitors internal policies on product development to ensure that internally developed products are produced in a way that does not infringe third party intellectual property rights. Where third party intellectual property is used by the Group appropriate legal and technical reviews are conducted, and ongoing monitoring and contractual protections are adopted to ensure appropriate licensing.</p>

Section 172 Statement

Engaging with our stakeholders

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, being:

- (a) the likely consequences of any decision in the long-term,
- (b) the interests of the Group's employees,
- (c) the need to foster the Group's business relationships with suppliers, customers and others,
- (d) the impact of the Group's operations on the community and the environment,
- (e) the desirability of the Group maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly between members of the Group.

On pages 34 to 37 we set out how we have engaged with various stakeholders during the year, the key issues raised and outcomes.

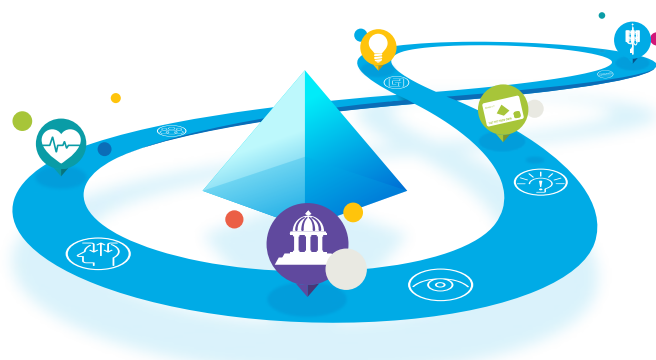
The Board's discussion of key decisions regularly considers the perspectives of wider stakeholders, including those matters stated in section 172. The terms of reference of each sub-committee of the Board also provide that the committees must consider these factors in their decision-making so that, when decisions are delegated to these committees, they continue to consider these interests. Board papers include feedback from stakeholders where relevant.

The Board scrutinises this information and further queries are raised where the Board considers they require further information regarding the impact on stakeholders prior to making a decision. Our culture (detailed on page 15) is embedded in the organisation across the globe including the Blue Prism Board.

This culture emphasises acting with integrity, which is for the benefit of all stakeholders. Our Code of Conduct, which is applicable to all Directors and employees of the Group, encourages decision-making in the long-term interest of all stakeholders.



Section 172 Statement continued



The tables below sets out some examples of how the Directors have exercised this duty:

Shareholders

Continued support from shareholders is crucial to our long-term success. In return for their support we aim to create value by increasing the performance of the Company and providing sustainable shareholder returns.

Key issues raised

- Business ethics and corporate governance
- Remuneration policies
- Dividend policy
- The environment and sustainability
- Outcome of the proposed acquisition
- Progress of proposed US listing

How the Board engaged

- As a publicly listed company we need to provide our shareholders with fair and balanced information on the business in order to instil trust and allow informed investment decisions to be made.
- Our Executive Directors meet with major shareholders and analysts at least twice a year to discuss interim and full year financial results and we provide trading updates to investors to update them on progress within the business.
- A shareholder consultation was conducted following the 2021 AGM focused on understanding the concerns motivating the votes cast, and offered each of the the Company's major shareholders individual meetings with the recently appointed independent Non-Executive Directors.
- Executive Directors develop external relationships with institutional investors, prospective investors and analysts - particularly when we release results to the City via meetings and phone calls.

- The Board receives reports from its brokers and PR advisers following our trading updates, interim and full year results and presentations that provide feedback from investors and analysts. We regularly communicate with our brokers to understand the positioning of the business to the investor community.
- We seek the views of shareholder representative bodies where necessary, especially on the areas of Director remuneration and Board succession.
- We respond to ad hoc queries from shareholders wherever possible.
- Our Senior Independent Director is available to attend meetings with major shareholders.
- Our corporate website is updated on a timely basis.

Further detail regarding this is provided on pages 4 to 13.

Outcomes

- The CEO and CFO met with investors during 2021.
- We have provided additional information in announcements to cover points raised during these meetings and we have demonstrated our financial position and performance through interim and full year results, trading updates and our Annual Report.
- In light of shareholder feedback, the board moved ahead with plans to separate the roles of Chairman & CEO and to progress an executive search for a new CEO.
- In the same consultation exercise, a significant number of shareholders requested the Board to review strategic options, including a potential sale of the Group. It was actions taken as a result of this feedback that ultimately led the Board to announce its recommendation of accepting a cash offer for the Group by a company backed by Vista Private Equity in September 2021, and then its recommendation of accepting a superior cash offer for the Group by SS&C Technologies in December 2021.

Employees

Our employees execute the Board's strategy that has been put in place. They are the face of the Company to our customers and partners and they are crucial to the Company achieving its short- and long-term goals.

We do not set fixed hours, and focus on work achievements rather than hours. We recognise that each person has different things in their lives to balance and that the path to success is empowering our employees to determine their best way to work.

We are inspired by our people, customers, and communities. By setting up our employees to be able to play a part in all three areas, we believe this sets us up for success. Some ways in which we encourage this include:

- Dedicated focus on mental health and wellbeing
- Prioritising community, charitable giving, and social good
- Engaging internal communications, with a direct connection to the Executive team
- Generous holiday allowance and a competitive, comprehensive benefits offering
- Company shares to all employees
- Weekly stories on customer successes, and the ways in which our products and people are meaningfully impacting the work of our customers

Key issues raised

- Wellbeing
- Employee communications
- Flexible working
- Diversity and inclusion
- Employee benefits
- Outcome of the proposed acquisition

How the Board engaged

- Prior to the onset of COVID-19 the CEO, as a representative of the Board, held regular town hall meetings soliciting questions and feedback from employees. Since then, while physical meetings have not been possible, the Board has increased the frequency and variety of virtual communications, via Blue Prism TV enabling the Board to receive first-hand feedback from employees and to respond to concerns raised.
- The Board examined the results of a series of all-employee surveys during the year, and considered trends and issues identified from them to better understand the employee experience and examine how this has changed over time.

- We ensure that our colleagues are well informed and have the knowledge they need to operate successfully in the best interests of Blue Prism, our customers and other stakeholders.
- Our employees receive regular communications and training in relation to changes to policies, procedures, services and advice. We promote engagement via various Blue Prism platforms which we use to gain feedback from employees in order to improve processes and procedures within the business. These are reported to the Board to agree follow-up action.
- The focus of our dedicated Group HR team continues to be on the attraction, development and retention of talent across the business, and improving the diversity of our workforce.
- Senior management regularly present to the Board and divisional visits by Directors help to inform the Board of matters important to our employees.

Outcomes

- Blue Prism is proud to be certified by Great Place to Work. The prestigious award is based entirely on what current employees say about their experience working at Blue Prism.
- The change introduced last year to the reporting line structure of the Executive Leadership Team has helped facilitate cross-functional collaboration and accelerate decision-making.
- An increased level of resource was allocated to initiatives designed to promote inclusion, diversity and belonging, such as the Black Professionals in Intelligent Automation (BP in AI) and the new Pride LGBTQ+ Employee Resource Groups, alongside the existing and very successful Women in RPA (WIRPA) programme. All of these initiatives are supported by the Board but are employee led, with the aim of ensuring that each employee can bring their whole self to work and from the Board's perspective to enable the Company to help attract, retain and develop the best talent in the long term.

- Our hiring process includes having a diverse panel to assess if candidates will add to our cultural values and beliefs.
- We have made improvements to employee communications by introducing a centralised Group strategy to enable a more consistent level of communication for key Group-wide initiatives. As part of this strategy we have an experienced Director of Internal Communications.
- We have a Learning Lounge where employees can develop their professional and personal interests. We are also proud of our apprentice and graduate programmes, which have resulted in multiple examples of career progression.
- With our large number of remote-based employees, we have been operating on a hybrid model for years. We have set up comprehensive benefits and leave policies to capture a variety of needs.

Section 172 Statement continued

Customers and partners

Customers are the organisations that are the end-users of our products. Partners distribute and utilise our products to serve their customers. Both customers and partners care about receiving a reliable and technologically advanced product, achieving a return on their investment in automation and using the products to find new ways to create opportunities and solve problems.

Key issues raised

- Customer service
- Cloud first
- Innovation
- Cost efficiency
- Improve agent experience
- Increase retention
- Reduce attrition
- Increasing revenue per customer

How the Board engaged

- Customers and partners feedback via the Executive management.
- We continued our flagship Blue Prism World event as an online conference.
- Engagement via customer user groups and customer advisory boards.

Outcomes

- More than 2,000 customers around the globe trust Blue Prism to transform the future of work. Many are increasing efficiency, optimising productivity, exceeding ROI and enhancing customer experience to deliver on expectations in a connected world.
- The Blue Prism World had 8,108 registrations over the two-day event. There were 3,726 unique attendees with 43% of them being customers and 17% being partners. Members of the Board attended virtual networking sessions and sought feedback from customers and partners directly.
- We continue to have been recognised by industry analysts as a leader in the market.
- The Board continues to support the significant expansion of investment into the Research & Development team to support innovation and the development of new products. This is designed to ensure we continue to offer our customers and partners a technologically differentiated suite of products and a pipeline of new technology to assist them in meeting their automation goals.
- To enable greater proximity to our customers and partners in international markets, the Board approved the launch of joint ventures in carefully considered jurisdictions, including a joint venture in South Korea in this financial year. The Board also supports a strategy of deeper collaboration with key partners in markets where the Group does not have a physical presence in order to develop more locally tailored offerings for those regions.

Suppliers, community and environment

- Our suppliers want assurance that the Company is robust and will fulfil its contractual obligations in a timely manner.
- Our communities look for us to make a positive social contribution and to minimise our environmental impact wherever possible.

Key issues raised

- Jobs and skills
- Environmental issues
- Charitable giving

How the Board engaged

- Supported the Blue Prism for Good (BPGF) initiative.
- At our events, such as our virtual conference Blue Prism World, we have held sessions for the extended community of people who have an interest in Blue Prism and intelligent automation generally.
- A regular dedicated item on the Board's calendar is a session focused specifically on considering wider social and environmental impacts, including reviewing key initiatives across the Group such as the WIRPA programme.

- Conducted a comprehensive Environmental, Societal and Governance (ESG) review which considered our impact on social and environmental factors as well providing corrective actions to further improve the Group's position.
- Authorised continued hybrid working with the majority of employees working from home until at least December 2022. This will continue to reduce the environmental impact in travel terms but also emissions produced from our offices.

Outcomes

- BPGF is Blue Prism's corporate social responsibility initiative, based on the 8th UN Sustainability Goal, "Decent Work and Economic Growth." Our programme started organically in January 2019 and has grown from a regional fundraising initiative to a global programme with a vision to "Unleash Human Potential" and "Inspire the Future of Work" - all managed and maintained by employees throughout the world.
- BPGF strives to unleash human potential and inspire the future of work, with inclusivity at the heart of everything we do. Our focus is on preparing today's talent for the jobs of tomorrow and removing barriers to automation and technology through education and training.
- With so much to be gained by enabling greater access to intelligent automation, AI and other advanced technologies, we believe that there is a compelling need to use our scale and resources, to break down barriers to entry, give back to important causes, and make a genuinely positive impact on the global community we serve.
- We are very proud to have won and been nominated for several important awards:
 - Won: EY Foundation Partner of the Year 2020, Dun and Bradstreet Accelerate 50 CSR programme of the year 2021.
 - Nominated: GSA UK Social Impact programme of the year 2021, UK IT Awards - Tech For Good Award 2020.
- We launched a new Code of Conduct in 2020. This has made clear what our suppliers and the local community can expect from us as a company, and from our employees, when dealing with us.
- The Board reviewed and published disclosures in the Annual Report regarding our energy usage and impact on the local community and the environment. Further information on this is provided in the Directors' Report on pages 60 to 61.

- We have a dedicated focus to inclusion, diversity, and belonging, and it's brought to life through our ESG goals.
- The ESG review achieved an impressive initial Bronze level award for the Group to build upon. Further information on this is provided in the Directors' Report on pages 60 to 61.
- BP in AI was founded with the mission of closing the diversity gap and increasing the representation of black men and women in intelligent automation.
- The Group's goal is not only to increase the diversity within Blue Prism but also across the industry. By driving awareness through recognition of Black professionals already thriving in this field; providing education, upskilling and training to those interested in pursuing careers in intelligent automation; and building a community to support these efforts, BP in intelligent automation wants to ensure that Black men and women have access to a new wave of careers in automation and can play an integral role in the future of work.
- The WIRPA initiative celebrates the contributions of women at Blue Prism, as well as women throughout the world, who are succeeding in robotic process automation, intelligent automation and the broader technology industry. Our objectives include:
 - Driving and increasing our footprint within the WIRPA community.
 - Ensuring that the benefits of having a diverse and inclusive workforce are realised.
 - Empowering women and other under-represented groups to take risks and achieve their full potential in the workplace.
 - WIRPA aims to raise awareness of the value a diverse and inclusive workforce can bring by sponsoring women-centred business events, volunteering in our communities, and providing learning opportunities for girls and young women interested in technology careers.

The Strategic Report which includes pages 1 to 37 is signed by Jason Kingdon, Chairman & CEO on behalf of the Blue Prism Group plc Board

on 16 February 2022

Our founders

The Group was founded in 2001 by Alastair Bathgate and Dave Moss, who had the original vision for RPA and went on to pioneer the RPA industry. Both Alastair and Dave remain close to the Group and continue to support our development in an advisory capacity.



Alastair Bathgate

Alastair was Blue Prism's first CEO, after co-founding the business with Dave Moss in 2001. Alastair founded and led Blue Prism from a two person start-up in 2001 through to a successful 2016 IPO with a market cap that grew from £48 million to over £1 billion before stepping down in April 2020.



David Moss

Dave co-founded Blue Prism and is the chief software architect behind the core Blue Prism software product. David has over 20 years' experience in the enterprise software space and a proven track record of delivering transformational technology products to global blue-chip organisations.

Board of Directors



Dr. (Conrad) Jason Kingdon
Chairman & CEO

Appointment

2016

Experience

Jason has been commercialising AI for over 25 years. He has a PhD from UCL in Computer Science, he co-founded UCL's Intelligent Systems Lab in 1992 and pioneered one of the world's first neural-nets for live financial forecasting. He was CEO and co-founder of Searchspace Limited, an inventor of big data analytics, introducing intelligent transaction monitoring to the London Stock Exchange, New York Stock Exchange and Lloyds of London, amongst others. After a highly successful exit he set up a private AI research lab which was commercialised as GlassAI. He joined Blue Prism as Executive Chairman in 2008 and later became Non-Executive Chairman on the Company's highly successfully London IPO. He was appointed as Chairman & CEO in April 2020. Jason is an EY entrepreneur of the year, author and editor of various AI books, papers and patents.

Key strengths

Technology
Artificial intelligence
Data analytics
Entrepreneurship

External appointments

Jason is a Director of Telectica Limited. During the financial year Jason was a director of Conception X Limited. He resigned as Director of Conception X in December 2020.



Ijoma Maluza
Chief Financial Officer

Appointment
2018

Experience

Ijoma is a Chartered Accountant and a Fellow of the Institute of Chartered Accountants in England & Wales. He has over 15 years of experience in the technology sector and joined Blue Prism from ip.access Limited where he was Chief Financial Officer. Prior to joining ip.access Limited he served as Corporate Strategy and Corporate Development Director of Xchanging plc. Ijoma read Economics at Cambridge University.

Key strengths

Finance
Technology
Corporate strategy & development
Investment banking

External appointments

None



Christopher Batterham
Deputy Chairman and Senior Independent Director

Appointment
2016

Experience

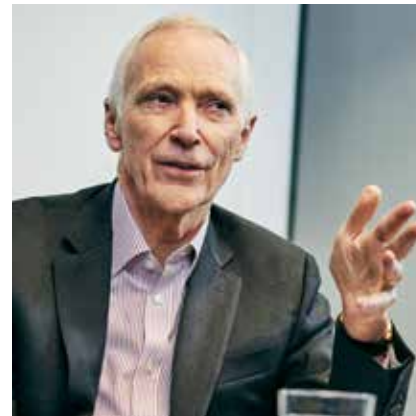
Chris qualified as an accountant with Arthur Andersen and has significant experience in senior finance roles across the technology sector. He joined the Board of Blue Prism Group in September 2012 and was previously Financial Officer of Unipalm plc, the first internet company to IPO in the UK, until 2001 and Chief Financial Officer of Searchspace Limited until 2005. Chris has an MA from Cambridge University and is a Fellow of the Institute of Chartered Accountants in England & Wales.

Key strengths

Finance
Technology
Start-ups
Business strategy

External appointments

Chris currently serves as Non-Executive Director of NCC Group plc and Nanoco plc.



Kenneth Lever
Independent Non-Executive Director

Appointment
2016

Experience

Ken qualified as an accountant, and became a partner at Arthur Andersen. He has held senior Executive Director roles at Alfred McAlpine plc, Albright & Wilson plc and Tomkins plc. Ken was Chief Financial Officer of Numonyx in Switzerland from April 2008 to September 2010, and was Chief Executive Officer of Xchanging plc between 2011 and 2015. Ken has a degree from the University of Manchester and is a Fellow of the Institute of Chartered Accountants in England & Wales.

Key strengths

Finance
Leadership & management
Strategy development
Strategic financial management

External appointments

Ken currently is Group Chairman of Biffa plc and RPS Group plc and a Non-Executive Director of Vertu Motors plc and Gresham House Strategic plc. Ken is also a member of the advisory Board of Alliance at Manchester Business School.

Board of Directors continued



Rachel Mooney
Independent Non-Executive Director

Appointment
2020

Experience

Rachel brings a strong background in Human Resources and has significant experience in scaling software businesses, developing a culture of innovation, creating agile organisational structures and driving business transformation. She held a number of leadership roles at Google in Europe, including Head of Organisational Culture, EMEA, during its international expansion between 2003 and 2010. Following this Rachel served in a variety of HR leadership roles at Vodafone and most recently as Chief People & Culture Officer at Snow Software, the global leader in technology intelligence solutions. She was responsible for HR strategy and operations across 19 offices around the world, and was a member of the global executive leadership team.

Key strengths

HR leadership
Executive remuneration
People strategy
Organisational culture
Growth management

External appointments

Rachel is currently Chief People Officer at digital bank Monzo and a Director of Black Ice Limited (Ireland).



Murray Rode
Independent Non-Executive Director

Appointment
2021

Experience

Murray brings extensive experience in enterprise software at the executive and Board level, with particular knowledge in SaaS, analytics and data science and data management infrastructure. Over a 25 year period, he held senior executive roles at TIBCO Software Inc., a \$1bn+ revenue big data and software integration business, including CEO, CFO and COO, as well as completing 30 acquisitions. During his tenure as CEO at TIBCO, Murray led the company through a major financial and operating transformation, revamping the core strategy and go-to-market approach and significantly increasing profitability. Most recently Murray served as a director, Co-CEO and CFO of BowX Acquisition Corp, a Special Purpose Acquisition Corporation, until it completed its merger with WeWork Inc. in October 2021.

Key strengths

Global software industry experience and expertise, notably in the US market.
Product development, including cloud computing and in scaling technology businesses.
Experience in enterprise software at the executive and board level, with particular knowledge in SaaS, analytics and data science, and software integration infrastructure.

External appointments

Murray currently serves as Senior Advisor to Bow Capital Management in Menlo Park, CA. He also serves as an officer and director of certain special purpose entities in their formation stages.



Maurizio Carli
Independent Non-Executive Director

Appointment
2021

Experience

Maurizio is an international executive with an exceptional track record of driving sales growth in enterprise IT companies. Most recently Maurizio held a number of go-to-market leadership roles at VMWare, a \$9bn+ revenue cloud computing and virtualisation software and services company, progressing from direct responsibility for EMEA, then US and finally leading worldwide sales and services. Prior to VMWare Maurizio held leadership roles at Google, Business Objects and IBM.

Key strengths

Global software industry experience and expertise, notably in the US market.
Product development, including cloud computing and in scaling technology businesses.
Track record of driving sales growth in enterprise IT companies.

External appointments

Maurizio is currently Chairman of Board International, a decision-making software company and is a Non-Executive Director at Temenos and Telecom Italia SpA.

Senior Management



Linda Dotts
Chief Partner Strategy Officer

Linda joined Blue Prism in 2017 to drive Americas alliances and channel strategy for the Company. Linda was promoted to Chief Partner Strategy Officer in 2020. Previously, Linda was Senior Leader of Channels at FICO, following a long career in Customer Relationship Management and Unified Communications at AT&T, Lucent and Avaya. She held key leadership roles in Product Management, Marketing and Sales including President of Avaya Japan, a highly channel-centric division of the Company. Linda has a BS Economics from Arizona State University and an MBA from the University of Hartford.



Chip Coyle
Chief Marketing Officer

Chip is a growth-oriented modern marketing executive recognised for building brands and leading world-class demand generation teams for dynamic, global businesses. For 30 years, he has helped large and small businesses achieve their goals while leading collaborative and high-performing global marketing organisations. Before joining Blue Prism, Chip was SVP and Chief Marketing Officer for Infor. Prior to Infor, Chip spent 18 years with Oracle holding a variety of positions including Vice President of Americas Marketing. Chip earned a BS degree in Systems Engineering from the University of Virginia.



Ian Horobin
Chief Product Officer

Ian has more than 25 years of experience in artificial intelligence and neural computing. He is responsible for all product functions at Blue Prism. Ian also continues to serve as Executive Chairman of Rahko. Prior to Rahko, Ian founded UK-based Omniscision, a provider of financial crime prevention services and solutions. Before that, he led the product development team at Searchspace. Ian is also an advisor for ConceptionX, an organisation that helps PhD students set up start-ups to commercialise their research.



John Warrick
General Counsel And Company Secretary

John has over 15 years' experience of international corporate and technology law. Having begun his legal career at global law firm Allen & Overy, he has since worked in a variety of in-house legal roles with General Electric, ADP and, most recently, automotive retail software specialist CDK Global. John is admitted as a solicitor in England and Wales.

Senior Management continued



Jon Theuerkauf
Chief Customer Strategy Officer

Jon has more than 20 years of experience leading global transformation initiatives. He is the former Managing Director of Performance Excellence at BNY Mellon. Prior to this, Jon held positions at Auckland Savings Bank, New Zealand, Sberbank of Russia, Credit Suisse and HSBC. Jon holds a Bachelors degree in Psychology from Western Kentucky University and Masters degree in Psychology from University of Kentucky. He has completed various executive programmes at Harvard, London Business School and Thunderbird School of Global Management.



Terry Walby
Chief Executive, Blue Prism Ventures

Terry founded Blue Prism Cloud (formerly named Thoughtonomy), and prior to that spent his career in leadership of technology businesses including IBM, GE Capital, Computacenter and IPsoft. In July 2019, Blue Prism acquired 100% of the share capital of Thoughtonomy and Terry joined the Blue Prism leadership team.



Pete O'Neill
Chief Revenue Officer

Peter is a recognised sales leader who joined Blue Prism last year to lead the Americas' sales team. Prior to joining Blue Prism, Peter served as SVP of Worldwide Sales at Balabit and Global VP of Sales at Corvil Limited. His more than 20 years of executive experience includes building and leading enterprise sales teams. In the new role as CRO, Peter brings continuity and high energy to lead Blue Prism's global sales organisation.



James Mitchell
Global SVP People

James brings over 25 years of experience of transformational leadership of people functions. James' most recent tenure was as HR Director at Rackspace. James previously founded and ran a global performance consultancy focused on working with clients to improve organisational performance through transformation-related projects and programmes. James holds a BA in International Relations alongside postgraduate qualifications in HR.

Corporate Governance Statement

Promoting long-term value
for shareholders and all

stakeholders

No. of Board members

Seven

(2020: Five)

No. of independent
Non-Executive Directors

Five

(2020: Three)

AIM 26 Rule code:

Quoted Companies

Alliance Corporate

Governance Code 2018



“

The Board believes the QCA Code provides the most appropriate framework of governance arrangements for the Company, considering the size and stage of development of the Company’s business.”

Jason Kingdon
Chairman and Chief Executive

Corporate Governance Statement continued

Dear shareholder

I am pleased to present the Corporate Governance arrangements undertaken by Blue Prism during the financial year 2021. The Board is committed to driving a culture of good governance and integrity across the business, and we see this as essential to achieve Blue Prism's strategic goals.

For the purposes of AIM Rule 26, the recognised corporate governance code that the Board has decided to apply is the Quoted Companies Alliance Corporate Governance Code 2018 (QCA Code). The Board continues to believe that the QCA Code provides the most appropriate framework of governance arrangements for the Company, considering the size and stage of development of the Company's business. The following information is provided to explain how the Company complies with the QCA Code and is laid out according to the QCA Code's ten principles. Where we have deviated from the Code we have stated as such.

PRINCIPLE 1: Establish a strategy and business model which promote long-term value for shareholders

The Company's business model is designed to promote long-term value for shareholders and all stakeholders. It is explained in detail on pages 8 to 9.

PRINCIPLE 2: Seek to understand and meet shareholder needs and expectations

The Company actively engages in dialogue with shareholders in a variety of ways, including investor roadshows, shareholder meetings and conferences. The Chairman & CEO and Chief Financial Officer regularly meet with institutional shareholders and analysts, including after the announcement of full-year and half-year results, and, supported by the Company's Investor Relations function, are responsible for ensuring that their expectations are understood by the Board. Further details can be found in our section 172 statement on pages 33 to 37. An important part of the Deputy Chairman's role is also to meet with shareholders and to provide an independent channel for the Board to receive their perspective. The AGM also provides an opportunity for all shareholders to engage and to ask questions of the Board. These engagements have been able to proceed notwithstanding the ongoing restrictions on travel and events that have been necessary as a result of the global pandemic, and it has been possible to undertake a full programme of analyst and investor engagements remotely. A dedicated communication facility was also provided for all shareholders to engage with the Board ahead of the AGM.

Following the voting results of certain resolutions at the 2021 AGM the Board undertook an extensive shareholder consultation focused on understanding the concerns motivating the votes cast, and offered each of the the Company's major shareholders individual meetings with the recently appointed independent Non-Executive Directors. Of those, ten of the Company's largest shareholders, holding between them more than 40 per cent. of the Company's share capital, held meetings to provide feedback directly to one or more of these directors. A series of specific actions was undertaken as a direct result of the feedback received, both in relation to strategic actions and governance, as is further explained in our section 172 statement on pages 33 to 37 and below under Principle 5.

PRINCIPLE 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. The Company focuses on building strong and sustainable relationships with a range of different stakeholders in order to support the long-term success of the Company.

For customers, we host the Blue Prism Community, a global network of Blue Prism users and others with an interest in RPA technology. The Blue Prism Community provides an interactive forum for users to share knowledge and develop their Blue Prism skills, and links into a regular programme of online and (when circumstances permit) in-person Community events around the world. The Blue Prism Community and our regular network of events provide a crucial way for the Company not only to share information with our customers and partners, but also to obtain their feedback and input. This year we have reinvigorated our network of regional Customer Advisory Boards, where we are able to use focused small group sessions with experienced automation leaders from around our global network of customers to obtain key insights into how our customers get value from our products and directly input to the strategic direction of our product development. For our partners, we hold regular dedicated events such as the Partner Forum and Partner Executive Council, at which we share information about our product and solicit feedback and market intelligence. Further details can be found in our section 172 statement on pages 33 to 37.

For employees, we create a motivational and supportive work environment to promote high performance and low turnover. Regular employee engagement events are held through live webinars due to the geographically dispersed nature of the Company's workforce, and the CEO and members of the Executive Leadership Team regularly hold local employee "town hall" meetings when visiting the global offices. The Board regularly considers employee issues raised through global surveys. This year we conducted the industry-recognised Great Places To Work survey which had very high levels of engagement, leading to Great Place To Work certification through active engagements with its employees. The Board has implemented robust organisational changes and developed resources that encourage employees to lend their voices to inclusion, diversity and belonging initiatives. Details on this can be found in our section 172 statement on pages 33 to 37. All employees share in the creation of long-term shareholder value through participation in our employee share plan.

In the wider community, we operate a range of programmes to support learning, collaboration and innovation in the field of RPA. We believe such educational initiatives are key to enabling societies to respond to the challenge of automation, and to develop the skills needed for the jobs of the future. Blue Prism Learning Edition and Blue Prism University together provide free-of-charge access to software and online learning materials to enable anyone to learn the skills and certifications they need to develop a rewarding career in RPA. The Blue Prism Academia programme also provides qualifying academic institutions with free access to the Company's software to help develop the intelligent automation skills of the workforce of the future. We also operate a number of other successful initiatives to engage with and benefit the wider community, such as Women in RPA, which focuses on encouraging and developing women in this sector, and Blue Prism For Good, whereby employees are involved in fundraising, volunteering and mentoring activities to benefit a wide range of people and causes.

PRINCIPLE 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company is exposed to a number of potential risks which may have a material effect on its reputation, financial or operational performance. The Board has overall responsibility for risk management and internal controls and is fully supported by the Audit Committee. More detail about the identified principal risks and uncertainties can be found on pages 26 to 32.

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The processes to identify and manage the key risks of the Company are an integral part of the internal control environment. Such processes, which are regularly reviewed and improved as necessary, include strategic planning, approval of annual budgets, regular monitoring of performance against budget (including full investigation of significant variances), control of capital expenditure, ensuring proper accounting records are maintained, the appointment of senior management and the setting of high standards for health, safety and environmental performance.

The effectiveness of the internal control system and procedures is monitored regularly through a review by management, the results of which are reported to, and considered by, the Audit Committee. The system of internal control comprises those controls established to provide assurance that the assets of the Company are safeguarded against unauthorised use and to ensure the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failing to achieve the business objectives of the Company.

PRINCIPLE 5: Maintain the Board as a well-functioning, balanced team led by the Chair

Until the year-end the Board consisted of the Chairman & CEO, one further Executive Director and five Non-Executive Directors, one of whom is designated as Deputy Chairman. The biographical details of the Board members can be found on pages 38 to 40. The Board has been expanded and significantly strengthened by the appointment of two new independent Non-Executive directors, Maurizio Carli and Murray Rode. More details on the skills and experience brought to the Board by these new appointments are explained under Principle 6 below.

The Board has determined that Chris Batterham, Ken Lever, Rachel Mooney, Murray Rode and Maurizio Carli are independent in character and judgement. The Chairman & CEO, Jason Kingdon, is not considered to be independent due to his executive role.

Jason Kingdon has combined the roles of Chairman and CEO since the previous CEO stepped down from the Board in 2020. During this period, in order to provide appropriate independent balance to the Board, Chris Batterham has served in the role of Deputy Chairman, having previously been Senior Independent Director. The role of Deputy Chairman carries substantial responsibilities in relation to ensuring the interests of all stakeholders are appropriately and independently represented in the Board's determinations, and overall in leading the proceedings of the Board. The respective roles of Chairman & CEO and Deputy Chairman are explained in further detail in relation to Principle 9 below.

While the Board considered that the combination of Chairman and CEO roles best equipped the Company to deal with the particular challenges faced during 2020, this structure was kept under regular review. As part of its broader strategic review following the results of the 2021 AGM, the Board also reassessed its own structure, and reconsidered the need to separate the Chairman and CEO roles. As was announced in September 2021, it is the Board's intention to separate these roles and a search for a new CEO commenced during 2021.

The Board meets sufficiently regularly, eight to ten times throughout the year, however held additional meetings this year in particular due to the potential acquisition. Meetings of the Non-Executive Directors without the Executive Directors being present are held at least annually.

Board membership and attendance

	Attended/ Eligible to attend
Jason Kingdon	16/16
Ijoma Maluza	16/16
Chris Batterham	16/16
Ken Lever	16/16
Rachel Mooney	15/16
Murray Rode	13/13
Maurizio Carli	12/13

Corporate Governance Statement continued

PRINCIPLE 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

Composition of the Board is reviewed at least annually by the Nomination Committee. Following a review last year of the balance of the skills, experience and personal qualities of the Board, the Nominations Committee had recommended to the Board that an additional Independent Non-Executive Director with global/US software industry experience would augment the expertise of the Board. Consequently the Board appointed not one but two, additional Non-Executive Directors in February 2021, both of whom bring significant executive experience from global software companies. The Board has also placed renewed emphasis on developing its network of advisory panel members – seasoned technology industry experts, each with a global perspective – who are available to advise the Chairman & CEO and the Board, as well as the Group's Executive leadership, on strategic development.

The Board recognises the benefits of having diverse composition in order to incorporate a range of perspectives, not only of gender and race but also of broader background and experience, and these principles always form the basis of any assignment to identify new Board candidates. With the recent Board changes and planned developments, the Board considers its overall size and composition to be suitable and that it has an appropriate balance of sector, financial and public market skills and experience as well as an appropriate balance of personal qualities and capabilities.

In order to develop their skills and keep up to date with market developments the Board receives regular training from the Company's Nominated Adviser. All members of the Board have access to the advice and support of the Company Secretary, who is also responsible for facilitating the induction programme for new Directors and providing briefing and guidance on key governance developments, such as Streamlined Energy and Carbon Reporting and section 172 reporting.

PRINCIPLE 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Nomination Committee is responsible for Board evaluation, and the Committee undertook an internal Board evaluation last year. The Board identified succession planning and the quality of Board papers as two areas that it wished to improve on in FY21. As Deputy Chairman, Chris Batterham oversaw an action plan to improve the performance of the Board in these areas. A further Board evaluation is planned to take place during 2021/22 and the results of this process will be used by the Nomination Committee to assess progress in its identified objectives for the year and to inform its priorities for the coming year.

It is expected that internal or externally facilitated evaluations will be undertaken regularly in the future.

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

The Company has defined a set of common values:

- P:** We are **P**rofessional – smart in both thought and presentation
- R:** We argue passionately and openly but we have **R**espect for each other and a consensual style
- I:** We act with **I**ntegrity in our business dealings
- S:** We strive for **S**uccess – we are totally committed to being the best we can be
- M:** We **eM**power our people to act in the interests of the Company

These Blue Prism Values are reflected in everything that we do, beginning with the selection criteria used in the employee recruitment process and continuing throughout all elements of the Company's business. The Board ensures that ethical behaviours are expected, and followed, by approving a set of internal policies on matters such as anti-bribery and whistleblowing, and by ensuring that appropriate systems and controls are in place to ensure compliance with those policies. The Group has launched our Code of Conduct to further embed our common values into the organisation and ensure that all employees, Directors, contractors and consultants are aware of the ethical standards we expect when working with or on behalf of the Company.

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

Whilst the Board is collectively responsible for defining corporate governance arrangements, the Deputy Chairman has lead responsibility for implementing appropriate corporate governance. The governance structures within the Company have been assessed by the Board and are considered appropriate for the size, complexity and risk profile of the Company. This will be reviewed by the Board to ensure governance arrangements continue to be appropriate as the Company changes over time.

There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Company's affairs. The schedule includes approval of the Annual Report and any other financial statements, the adoption of the budgets and business plans, material financial commitments, and the release of inside information. The schedule is reviewed regularly and has been revised and updated during the year.

The Chairman & CEO and the Deputy Chairman have clearly defined roles and responsibilities as per the table below:

Chairman & CEO	Deputy Chairman
Leading the Executive management team in the day-to-day management of the Group to pursue the successful achievement of the Group's commercial objectives and execution of strategy, as approved by the Board.	Ensuring the Board is effective in holding the Chairman & CEO and Executive Directors accountable for delivering the successful execution of the Group's strategy.
Developing and proposing Group strategy, annual budget and business plans and commercial objectives to the Board, having regard to the Company's responsibilities to its shareholders and the Group's responsibilities to its suppliers, customers, employees and other stakeholders.	Leading proceedings of the Board, chairing Board meetings, determining meeting agendas and Board priorities.
Communicating Group strategy and performance to all stakeholders.	With the support of the Company Secretary, ensuring good governance principles and practices are implemented and observed for the Board and its committees.
Reviewing regularly the Group's financial and operational performance and ensuring remedial action is taken promptly to address issues arising.	Meeting regularly with shareholders, and other stakeholders, as a communications channel to the Board and ensuring the interests of all stakeholders are adequately reflected in the Board's deliberations.
Ensuring the Group does business ethically and complies with its legal and regulatory obligations.	Meeting regularly with the Non-Executive Directors to evaluate the Group's governance arrangements and to evaluate the performance of the Chairman & CEO.

The Board is supported by an Audit Committee, Remuneration Committee and Nomination Committee. Details of committee composition and copies of their respective terms of reference can be found on our website. The terms of reference are reviewed regularly.

The Board receives support and information from the Executive Leadership Team, which consists of the Group's senior managers.

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

The Company is committed to open communications with all its shareholders. Communication is primarily through the Company's website and the AGM. All shareholders will receive a copy of the Annual Report (electronic or hard copy depending on shareholder preference) and an interim report at the half-year is available on the Company's website. Copies of historical Annual Reports and notices of general meetings covering the period since the shares of the Company were admitted to trading on AIM are also available on the Company's website. The Company reports on the responsibilities and activities of each of the committees in the Annual Report.

Signed by Jason Kingdon

Chairman & CEO on behalf of the Blue Prism Group plc Board

on 16 February 2022

Nomination Committee Report



Roles and responsibilities

- Undertake a Board evaluation and report on findings to the Board
- Consider, and make recommendations on, the composition of the Board
- Carry out succession planning for the Board and senior management
- Fill Board vacancies when they arise

Key activities

- Led the search for and the appointment of two additional Non-Executive Directors to strengthen the US and global software expertise available to the Board.
- Reviewed the results of the previous year's internal Board evaluation.
- Supported Chairman on the search for a CEO in order to separate the combined CEO & Chairman role.

Membership and attendance

Attended/Eligible to attend

Chair

Chris Batterham 3/3

Members

Jason Kingdon 3/3

Ken Lever 3/3

Rachel Mooney (appointed 1 November 2020) 3/3

Murray Rode (appointed 1 February 2021) 2/2

Maurizo Carli (appointed 1 February 2021) 2/2

Dear shareholder

I am pleased to report on the work of the Nomination Committee.

The Committee consists of the five Non-Executive Directors and the Chairman & CEO. Since the appointment of Jason Kingdon to an executive role, I have taken over responsibility for chairing the Committee. The Company Secretary, John Warrick, acts as Secretary to the Committee.

Biographies for the members of the Committee can be found on pages 38 to 40.

The Nomination Committee terms of reference are available on the Company's website. These largely follow ICASA's guidance on terms of reference for Nomination Committees.

Activity during the year

The Nomination Committee oversaw the search for two Non-Executive Directors. A role specification was drawn up, having regards to the skills, experience and diversity of the Board and Calibre One was appointed to assist with the search. Following a thorough search process, the Committee recommended that Murray Rode and Maurizio Carli be appointed to the Board as Independent Non-Executive Directors. This was approved by the Board and both were appointed on 1 February 2021. These appointments strengthen the Board's breadth and depth of global software industry experience and expertise, notably in the critically important US market. The two appointees also bring invaluable skills in operations, product development – including cloud computing – and in scaling technology businesses, which are central to supporting our strategy.

The biographies of the new Non-Executive Directors can be found on page 38 to 40.

Board composition

The Board recognises the importance of a diverse Board and as such the Committee will always consider diversity when examining Board composition and when considering new appointments. In all cases the Committee will consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

Board evaluation

Following last year's Board evaluation, the Committee oversaw an action plan to make improvements on the key areas of development arising out of the evaluation. The progress of the development areas was tracked through the subsequent evaluation and I am pleased to report that the targeted actions on areas of focus have generated an improvement.

The focus for next year will continue our work in improving diversity in the Group and succession planning, in particular around the continuing CEO search in splitting of the CEO & Chairman role.

I envisage that we will hold an internally facilitated Board evaluation in FY22 but will also consider the merit of an externally facilitated Board evaluation in due course.

The Committee will report further on its progress in next year's Annual Report.

Board succession

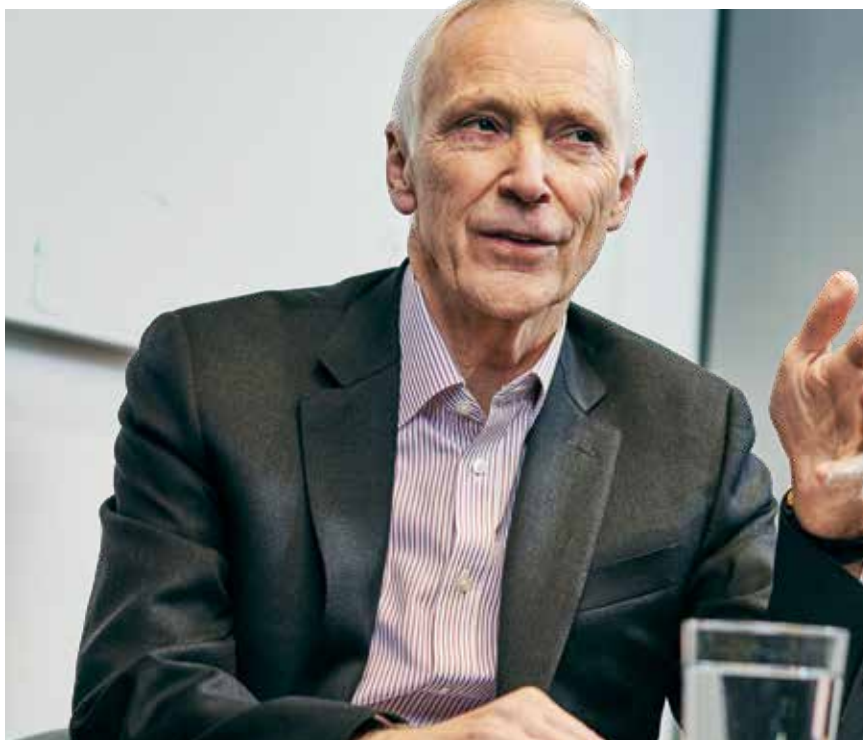
In connection with the proposed separation of the roles of Chairman and CEO, the Committee also supported the initiation and conduct of a global search for a new CEO, which was led by Jason Kingdon as Chairman. Search firm Calibre One were retained to conduct the search, which remained ongoing at the end of the year.

Chris Batterham

Chair of the Nomination Committee

16 February 2022

Audit Committee Report



Key activities

- Reviewed the financial statements
- Monitored the effectiveness and independence of the external auditors
- Agreed the fees and scope of the 2021 audit
- Reviewed the Group's risk register and the development of the internal audit function
- Reviewed the accounting judgements used in this year's financial statements

Membership and attendance

	Attended/Eligible to attend
Chair	
Ken Lever	5/5
Members	
Chris Batterham	5/5
Rachel Mooney	5/5

Roles and responsibilities

Financial reporting

- Monitor the integrity of the financial statements
- Review and challenge on the application of accounting policies
- Review the narrative of the Annual Report
- Review key judgements and estimates used in the presentation of financial statements

Internal controls

- Review the effectiveness of the Company's internal financial controls, internal controls and risk management systems
- Review any statements regarding internal controls and risk management to be included in the Annual Report

Whistleblowing and fraud

- Review the adequacy and security of the Group's whistleblowing arrangements
- Review the Group's procedure for detecting fraud
- Review the Group's systems and controls for the prevention of bribery and corruption

External audit

- Consider and make recommendations to be put to shareholders regarding the appointment, reappointment and removal of the external auditor, as appropriate
- Oversee the selection process for new auditors if an auditor resigns
- Oversee the relationship with the external auditor including terms of engagement, independence and the balance of audit and non-audit work
- Agree the scope of the audit with the external auditor
- Set a policy on the provision of non-audit work by the external auditor

Dear shareholder

I am pleased to report on the work of the Audit Committee during the 2021 financial year.

The Audit Committee consists of three Non-Executive Directors, all of whom are considered independent. The Committee met on five occasions during the year. I have acted as Chair of the Committee throughout. Of the three members who served on the Committee during the financial year, Chris Batterham and I are qualified accountants and have recent and relevant financial experience. The Company Secretary, John Warrick, acts as Secretary to this Committee.

Biographies for the members of the Committee can be found on pages 38 to 40.

Responsibilities

The main responsibilities of the Audit Committee are contained within its terms of reference. The terms of reference largely follow ICSA's guidance on terms of reference for Audit Committees. They have been approved by the Board and are available on our website.

Topics discussed by the Audit Committee during the year:

Revenue recognition	Audit fees
Share-based payments	R&D
Commissions process	Tax
Whistleblowing procedure	Internal Controls
SOX readiness programme	Intangible Assets
Cyber security	

External audit

Subject to the approval of shareholders, the Audit Committee is responsible for recommending the appointment of the external auditor and setting their remuneration. Following an audit tender Grant Thornton was appointed as external auditor on 10 June 2020.

The Committee reviewed the relationship with Grant Thornton in its capacity as the auditor and, having considered its effectiveness and independence, proposed that Grant Thornton is reappointed as the Group's auditor. This was approved by the shareholders at the 2021 AGM.

The Committee monitors the level of non-audit work the auditors undertake and ensures they do not perform any services that could be perceived as affecting the independence of the auditor. The Committee is satisfied that the level of audit to non-audit work performed by Grant Thornton has not affected its independence.

Internal audit

Internal Audit has effectively contributed to discussions throughout the year such as a review of the effectiveness of new internal controls measures, risk register updates and deep dives into key areas, for example sales commissions process. Where requested, a representative from Internal Audit has attended all Committee meetings.

Internal control and risk management

The Audit Committee regularly receives an update on risk and internal control from Executive management. The Committee has assured itself that internal control systems are effective and is satisfied that risks are within the risk appetite of the Group and, where mitigating actions are undertaken, they are proportionate.

US Listing – SOX

The Audit Committee was supported by PwC to conduct a gap analysis project to assess the Company's readiness to comply with a Sarbanes-Oxley control environment in the context of the Board's assessment of a potential US secondary listing. While it was decided not to proceed with the secondary listing for the time being, the results of this project were encouraging. Further workstreams to address identified areas for improvement are being progressed, which should position the Company well to proceed with a possible secondary listing in future should the Board decide it is in the Company's best interest to do so.

Whistleblowing

The Audit Committee is responsible for the effectiveness of the Whistleblowing Policy. The Committee will, where appropriate, review the policy and its effectiveness periodically. The Committee also has a role in receiving reports from the Group's external whistleblowing reporting hotline service, which was implemented during the year.

Further information on risk management is available on pages 26 to 32.

Cyber security

Cyber security has been a special focus of the Committee's work during the year, given the development of the Group's business and increased strategic focus on the Group's Blue Prism Cloud platform. The Committee considered in-depth reports from both the internal audit function and from the Group's cyber security subject matter experts as to their assessment of the wider risk environment and the range of measures in place to protect against and mitigate cyber risks that could affect the Group and its customers.

Going concern

The Directors consider the strong statement of financial position, with good cash reserves and working capital, provide ample liquidity, whilst noting the material uncertainty surrounding the future intentions of the potential acquirer. Accordingly, the Group has prepared the financial statements on a going concern basis. Further detail regarding the reasoning behind this can be found in the Directors' Report on pages 60 to 61.

Ken Lever

Chair of the Audit Committee

16 February 2022

Remuneration Committee Report



Roles and responsibilities

- Determine the overall framework and policy for remuneration for Directors and senior managers
- Recommend to the Board any changes to the Directors' Remuneration Policy, or its application, where appropriate
- Determine compensation payments in the case of the termination of an Executive Director
- Agree the total remuneration package for each Executive Director and other senior managers
- Approve performance conditions and targets for performance-related schemes
- Review the design and application of employee share schemes
- Oversee major changes to benefit structures across the Group
- Report to shareholders on remuneration
- Consult with major shareholders on executive compensation proposals and consider corporate governance and institutional investor guidelines

Key activities

- Set the structure and performance conditions for the 2020/21 annual bonus and assessed performance against them
- Approved salary and remuneration changes for the senior team
- Set the structure and performance conditions for Long Term Incentive Plan awards to the Executive Directors and the making of share awards across the Group, including setting related performance targets where applicable
- Monitored remuneration structures and levels below board level and considered proposals and remuneration packages for bringing key talent into the Group
- Oversaw the Group's approach to reporting under UK gender pay gap legislation
- Considered remuneration issues in relation to a potential US secondary listing

Membership and attendance

Attended/Eligible to attend

Chair

Rachel Mooney 4/4

Members

Ken Lever 4/4

Chris Batterham 4/4

Dear shareholder

I am pleased to present the Remuneration Committee's report for the 2021 financial year.

As outlined in this year's Strategic Report, 2021 has been a year of further significant growth and change in the business and operations of the Group. The Committee has therefore continued to focus its work on the challenges and opportunities presented by that growth and the changing competitive environment. The Committee has also concentrated on supporting the Board's emphasis on ensuring that the Group's underlying business can be cash generative through a prudent approach to remuneration at all levels. This focus has been reinforced by the impact of the COVID-19 pandemic on the Group's business, which the Committee has monitored carefully during the year. These priorities have influenced a number of the Committee's decisions in the year, which I note later in this letter.

In the second half of the year, the Committee had a particular focus on remuneration matters relating to the potential acquisition of the Company, following the announcement of firm offers to acquire the entire issued share capital of the Company by first Vista Private Equity and then SS&C Technologies (the "Potential Acquisition"). These matters included various discretions under employee share plans that are to be exercised by the Committee in the event of a takeover, of which more detail is provided below.

Members of the Committee

The Remuneration Committee consists of three independent Non-Executive Directors. The Company Secretary acts as Secretary to the Committee.

Biographies for the current members of the Committee can be found on pages 38 to 40.

Relevant Executive Directors and employees are invited to meetings where appropriate. The Global Head of Reward & Performance, also attends meetings by invitation to advise the Committee. The Committee engaged h2glenfern and KPMG to provide remuneration consultancy during the year. Advice provided by KPMG included advice on remuneration matters connected to the exploration of a potential US secondary listing, and in relation to the Committee's exercise of discretions in relation to the Potential Acquisition.

Responsibilities

The Committee's terms of reference largely follow the best practice guidance issued by ICSA on Remuneration Committees and are available on the Group's website, <https://investors.blueprism.com/>

Executive Directors' remuneration policy

There were no material changes to the Executive Directors' remuneration policy during the year.

The Policy is summarised in the table on pages 55 to 56 of this report.

Performance during 2020/21 and decisions taken during the year

There were no changes to base salary for the Executive Directors during the year.

Annual bonus arrangements were put in place for the Executive Directors for the year based partly (85%) on a Group financial performance target and partly (15%) on individual goals.

At the start of the year the Group financial performance target was set as Recognised Revenue of £188.0m, with a threshold of £169.2m. Recognised Revenues for the year calculated on the basis of the same FX rates that applied when the target was set would have equated to £172.3m, which would have resulted in bonus payments for the Executive Directors against the financial target of 14.4% of base salary. However, in assessing the outcome of the bonus plan, the Committee decided to take into account a broader perspective of Group financial performance, recognising the over-performance against budget in respect of cashflow and underlying EBITDA. The Committee therefore decided to exercise its discretion to allocate an additional 10.6% to recognise this performance, resulting in a bonus payment of 25% of base salary for the Executive Directors under the Group financial performance target. This approach was consistent with that applied for the wider workforce in cases where bonus outcomes were based on Group financial targets.

In relation to the individual goals element of the annual bonus, the Committee determined that Ijoma Maluza had fully achieved the goals set for him as CFO in relation to operational improvements in corporate service functions, preparations for a potential US secondary listing and overall cost controls, resulting in a bonus payment against operational goals of 15% of base salary. Jason Kingdon requested that the Committee should not assess achievement against the individual goals set for him as Chairman & CEO, which related to product delivery, strategic actions and employee engagement. Therefore, while the Committee acknowledge the many achievements over the year and thank Jason for his leadership, it was determined that no bonus would be payable to him against operational goals for the year.

Accordingly total bonuses payable for the 2021 financial year were £75,000 (25% of base salary) for Jason Kingdon as Chairman & CEO, and £99,000 (40% of base salary) for Ijoma Maluza as CFO, against potential on-target achievement of 50% of base salary and maximum potential of 100% of base salary for each.

A Long Term Incentive Plan (LTIP) award of performance shares was made to each of the Executive Directors in January 2021 in line with the established policy. The awards to the Chairman & CEO and CFO will vest three years from the date of award, subject to the achievement of stretching performance conditions based on Group revenue growth and relative total shareholder return. Details of the 2021 LTIP awards are set out later in this report. As I explained in last year's report, it is the Company's policy to disclose the Total Shareholder Return (TSR) elements of LTIP performance conditions in advance, but to disclose the specific revenue growth targets only upon the assessment of their achievement upon vesting. The Committee has carefully considered this policy in light of the commercial sensitivity of revenue targets in the highly competitive and fast-growing market in which the Group operates, and we have concluded that it continues to be in the best interests of the Company and its shareholders for the revenue growth targets not to be published in advance. We remain committed to publishing the full detail of all LTIP targets retrospectively upon vesting, alongside the assessment of performance achievement, which has also been our practice in relation to annual bonuses.

The Committee decided to make minor revisions to the peer group of companies against which relative TSR performance is measured, to ensure the list remained current and reflective of the UK-listed software sector.

Remuneration Committee Report continued

Employee share incentives

The Committee's work continues to include a significant focus on the use of equity remuneration across the wider workforce, not only for the Executive Directors and senior management. In this, we have continued the Group's well-established approach of widespread employee equity ownership, which has resulted in all of the Group's worldwide employees having a direct stake in the business and a strong alignment with the interests of our shareholders. In addition to our employee share award plans, we also offer the opportunity to all employees in our two largest markets (the US and the UK) to purchase the Company's shares through deductions from salary, and I am pleased to report that these plans continue to be popular, with 31% of UK employees saving regularly into the SIP and 38% of US employees saving regularly into the ESPP as of 31 October 2021.

Decisions relating to the Potential Acquisition

As part of preparations for the Potential Acquisition, the Committee was asked by the Board to consider appropriate arrangements to ensure incentivisation and retention of key members of the deal team throughout the due diligence phase, transaction execution and through to completion. Accordingly the Committee approved the establishment of a special contingent transaction bonus arrangement for seven key employees, including Ijoma Maluza as CFO. Transaction bonuses are payable only upon completion of the Potential Acquisition, and subject to certain further conditions. The total amount of all transaction bonuses would be £1,054,000, of which £500,000 would be payable to Ijoma Maluza.

The Committee was also required during the year to consider various matters reserved to its discretion in relation to the treatment of employee and director share options and awards in relation to the Potential Acquisition. For the majority of the Group's employees, their share options and awards would vest in full if the Potential Acquisition completes, either by automatic operation of the Plan Rules of the Employee Share Plan or by exercise of the Committee's discretion pursuant to the Plan Rules. However in the case of the executive directors and other senior management of the Group, the Committee would intend to scale back the vesting of share awards by the application of performance conditions attaching to awards, so that certain share awards would not vest at all and only a portion of certain other share awards would vest. As a result of this, should the Potential Acquisition complete, the Committee would anticipate that approximately 39,500 of the 80,778 outstanding share awards held by Jason Kingdon would vest at completion, and approximately 24,794 of the 77,472 held by Ijoma Maluza, with the remaining balance in each case lapsing.

Remuneration decisions for 2021/22

Information on remuneration decisions made for 2021/22, including the approach taken on base salaries annual bonus and LTIP awards, is set out at the end of this report. The future-facing decisions taken by the Committee as of the date of this report were made in the context of the Potential Acquisition pending. In those circumstances the Committee has taken an approach that is consistent with existing policy and with the prior year, with only modest changes being made. In the event that the Proposed Acquisition does proceed or is materially delayed, the Committee would anticipate reviewing its decisions again during the year.

Shareholder consultation and Annual General Meeting voting

We were pleased to note the support of the shareholders on the proxy voting results at the 2021 AGM which included a vote of 98.51% (2020: 86.8%) in favour and 1.48% (2021: 13.2%) against the advisory resolution on last year's Remuneration Report.

As an AIM-listed Company, the publication of this report is voluntary. However, we recognise the importance to our investors and the Group's other stakeholders of transparency on pay. We are therefore continuing the approach of the last three years, and this report will be put to an advisory vote at the 2022 AGM. The Committee welcomes all shareholder feedback on remuneration, and I will be available at the AGM to answer any questions that shareholders have on this topic.

I hope that you find the report helpful and informative and I look forward to receiving feedback from our investors on the information presented.

Rachel Mooney
Chair of the Remuneration Committee

16 February 2022

Directors' remuneration policy

The aim of the Directors' remuneration policy for Executives is to ensure overall remuneration is set at a level that allows the Group to recruit and retain the talent required to deliver on the Board's strategy for the global growth of the Group's business. The Committee is responsible for ensuring that the Policy is applied in such a way as to ensure that remuneration is set at a level no higher than is necessary to achieve that aim, and that overall pay is linked closely to performance and shareholders' interests.

The policy on each element of remuneration is described in more detail below:

Element	Purpose and link to remuneration policy	Key features and operation	Maximum opportunity	Applicable performance measures
Base salary	Base salary levels are determined by the Committee considering the role, responsibilities, performance and experience of the individual, market data for comparable roles, overall Company performance, pay and employment conditions elsewhere in the Group and the economic environment.	Base salaries are set by the Committee and reviewed annually, although increases may be awarded at other times if the Committee considers it appropriate. Base salary increases for Executive Directors will normally be in line with the approach for the wider workforce, unless there is a change in role, experience, significant change in the size and/or scope of the business, or prevailing market conditions.	No maximum value	None
Pension	Pension arrangements are intended to ensure that the Group's overall employment proposition remains competitive.	The Group matches employee and Director pension contributions up to 5% of base salary. This is consistent with the contributions offered to the majority of the Group's wider UK workforce.	Up to 5% of salary	None
Benefits	Benefits to Executive Directors are provided in line with local market practice to support health and wellbeing, considering the benefits available to employees in the UK.	Currently includes life insurance, private medical insurance, critical illness and income protection insurance and provision of a car allowance.	No maximum value, but consistent with benefits offered to the wider workforce in the UK	None
Annual bonus	Annual bonus is intended to provide a focused incentive tied to achievement of the Group's annual financial or other objective targets.	Annual bonuses are normally paid in cash following completion of the audit to confirm achievement of performance targets. Where any bonus would exceed 100% of base salary, the Committee will normally consider requiring the excess to be paid in shares and subject to a deferral period of at least one year. The facility to use payment in deferred shares may also be adopted in individual cases by agreement with the Executive, or where the Committee otherwise deems appropriate. Bonuses are subject to malus up to the cash payment or the end of the deferral period as applicable and clawback provisions for up to two years following the date of determination in situations including financial misstatement, individual misconduct or material corporate failure.	For each of the CEO and CFO the target bonus is currently 50% of base salary, with maximum bonus potential being capped at 100%.	Specific targets and weightings may vary each year according to strategic priorities and may include: financial performance, operational performance, attainment of personal and strategic objectives including non-financial measures of the Group's social impacts. Weighting will focus on Group financial performance.

Remuneration Committee Report continued

Element	Purpose and link to remuneration policy	Key features and operation	Maximum opportunity	Applicable performance measures
Long Term Incentive Plan	<p>The LTIP should incentivise and align the Executive Directors with the long-term interests of shareholders in promoting the success of the Group.</p> <p>The design of the LTIP should also align with the Group's policy of using a wide distribution of equity incentives among all staff, and the level and structure of awards should sit consistently in that context.</p>	<p>LTIPs for the Executive Directors are made in the form of contingent share awards. Awards are normally subject to performance conditions and to a vesting period of three years.</p> <p>Awards are subject to malus to the end of the vesting period and clawback provisions for up to two years following the date of determination in situations including financial misstatement, individual misconduct or material corporate failure.</p>	<p>Value of award in year will not normally exceed 200% of the individual's salary. In exceptional circumstances, such as initial awards to facilitate hiring, market value at award may be higher.</p>	<p>Where performance conditions are applied to awards to Executive Directors the specific targets and weightings may vary each year according to long-term strategic priorities and may include financial performance or total shareholder return.</p>
Non-Executive fees	<p>Fees for Non-Executive Directors are set at an appropriate level to recruit and retain Directors of a sufficient calibre without paying more than is necessary to do so. Fees are set taking into account the following factors: the time commitment required to fulfil the role and typical practice at other companies of a similar size.</p>	<p>Fees are reviewed at appropriate intervals (normally once every year) by the Board with reference to individual experience, the external market and the expected time commitment required of the Director.</p>	<p>The Company's Articles of Association prescribe a maximum aggregate annual value of fees payable to Non-Executive Directors.</p>	<p>None.</p>

Annual Report on Directors' Remuneration (un-audited)

Service contracts and letters of appointment

The Executive Directors have signed service contracts that are not fixed in duration and may be terminated by either party with six months' notice or less. The terms of employment and service contracts of the Executive Directors are determined by the Committee.

Rachel Mooney was appointed as a Non-Executive Director under a letter of appointment in September 2020 for a term of three years. The letters of appointment of Chris Batterham and Ken Lever were extended in February 2021 for a term of one year. Maurizio Carli and Murray Rode were each appointed under letters of appointment in February 2021 for terms of three years. The terms of appointment of all Non-Executive Directors may be terminated by either party on one month's notice.

The remuneration of the Non-Executive Directors is determined by the Board. No Director is involved in the decision-making process for his or her own remuneration.

Remuneration of Directors for the year ended 31 October 2021

Director	Salary/ Fees	Bonus	Other benefits	Sub-total	Pension	Total
Jason Kingdon	300,000	75,000	43	375,043	11,380 ¹	386,423
Ijoma Maluza	247,500	99,000	10,228	356,728	14,083	370,811
Chris Batterham	60,000	-	-	60,000	-	60,000
Ken Lever	55,000	-	-	55,000	-	55,000
Rachel Mooney	55,000	-	-	55,000	-	55,000
Murray Rode (appointed 1 February 2021)	41,250	-	-	41,250	-	41,250
Maurizio Carli (appointed 1 February 2021)	41,250	-	-	41,250	-	41,250
Total	800,000	174,000	10,271	984,271	25,463	1,009,734

Remuneration of Directors for the year ended 31 October 2020

Director	Salary/ Fees	Bonus	Other benefits	Sub-total	Pension	Total
Jason Kingdon	325,000	- ²	-	325,000	-	325,000
Alastair Bathgate (resigned 30 April 2020)	111,538	-	11,927	123,465	2,591	126,056
Ijoma Maluza	247,500	37,125 ³	9,979	294,604	12,269	306,873
Chris Batterham	60,000	-	-	60,000	-	60,000
Charmaine Carmichael (resigned 30 September 2020)	50,416	-	-	50,416	-	50,416
Ken Lever	55,000	-	-	55,000	-	55,000
Rachel Mooney (appointed 28 September 2020)	5,217	-	-	5,217	-	5,217
Total	854,671	37,125	21,906	913,702	14,860	928,562

¹ Jason Kingdon was previously eligible to participate in the Group pension arrangements but had previously opted out. In the context of auto-enrolment reviews he elected to opt-in during the year and now participates on the same basis as other UK employees.

² Jason Kingdon waived his entitlement to receive a bonus for the year.

³ Bonus paid in the form of a deferred share award which was granted in January 2021 with a 12-month holding period.

Base salaries

There was no change to the base salaries of the Executive Directors during the year.

There was no change to the fees paid to the Non-Executive Directors during the year. These were £60,000 for Chris Batterham as Deputy Chairman and £55,000 for each of the other Non-Executive Directors. These fees include allowances in respect of serving on and chairing Audit and Remuneration Committees where applicable.

Remuneration Committee Report continued

Bonuses 2020/21

Executive bonuses for 2020/21 were based partly (85%) on a Group financial performance target and partly (15%) on individual goals.

At the start of the year the Group financial performance target was set as Recognised Revenue of £188.0m, with a threshold of £169.2m. Recognised Revenues for the year calculated on the basis of the same FX rates that applied when the Group financial performance target was set would have equated to £172.3m, which would fall between the threshold of £169.2m and the target of £188.0m, implying bonus payments for the Executive Directors against the financial target of 14.4% of base salary. However, in assessing the outcome of the bonus plan, the Committee decided to take into account a broader perspective of Group financial performance, recognising the over-performance against budget in respect of cashflow and underlying EBITDA. The Committee therefore decided to exercise its discretion to allocate an additional 10.6% to recognise this performance, resulting in a bonus payment of 25% of base salary for the Executive Directors under the Group financial performance target. This approach was consistent with that applied for the wider workforce in cases where bonus outcomes were based on Group financial targets.

In relation to the individual goals element of the annual bonus, the Committee determined that Ijoma Maluza had fully achieved the goals set for him as CFO in relation to operational improvements in corporate service functions, preparations for a potential US secondary listing and overall cost controls, resulting in a bonus payment against operational goals of 15% of base salary. Jason Kingdon requested that the Committee should not assess achievement against the individual goals set for him as Chairman & CEO, therefore it was determined that no bonus would be payable to him against operational goals for the year.

Accordingly total bonuses payable for the 2021 financial year were £75,000 (25% of base salary) for Jason Kingdon as Chairman & CEO, and £99,000 (40% of base salary) for Ijoma Maluza as CFO.

Share incentives

An award of performance shares was made to the senior management of the Group in January 2021, including the Executive Directors. Awards equivalent to 200% of base salary were made to Jason Kingdon as CEO & Executive Chairman, and 150% of base salary to Ijoma Maluza as CFO.

Performance shares are contingent share awards, the vesting of which is linked to achievement of one or more performance conditions. The conditions include a stretching revenue performance target and a target measuring total shareholder return relative to a peer group.

The Committee will report on the specific details of the revenue growth target retrospectively at the time of vesting. As explained in the introductory letter to this report the specific target is not being disclosed in advance because the Committee considers that it is commercially sensitive.

There were minor updates to the peer group for the TSR target from last year, with the addition of dotDigital Group and the removal of Accesso, IMImobile and Learning Technologies. SDL was replaced with RWS Holdings following their merger. The group now comprises the following companies from the software and technology sectors of the LSE main market and AIM: Accesso, Aptitude Software Group, Avast, Aveva, Computacenter, Craneware, dotDigital Group, EMIS, First Derivatives, GB Group, Kainos, IMImobile, Iomart, Learning Technologies, Micro Focus, NCC Group, Sage, RWS Holdings (previously SDL) and Softcat. Median performance will result in threshold 25% vesting and full vesting will require top quartile performance.

In February 2021 Ijoma Maluza exercised 41,284 vested market value share options that had been granted to him upon joining the Group in 2018. The options had an exercise price of 1360.0p per share. The market price at the time of exercise was 1661.8p per share, resulting in a gross gain of £124,595 before tax and dealing costs.

The total share awards and share options held by the Executive Directors at 31 October 2021 were as follows:

Executive Director	Type of award	Number	Date of award	Vesting date	Lapse date	Exercise price
Jason Kingdon	Performance shares (contingent award)	44,178	31 January 2020	31 January 2023	31 January 2030	Nil
	SIP	253	31 January 2020	31 January 2023	31 January 2030	Nil
	Performance shares (contingent award)	36,347	31 January 2021	31 January 2024	31 January 2031	Nil
Ijoma Maluza	Performance shares (contingent award)	27,177	31 January 2019	31 January 2022	31 January 2029	Nil
	SIP	305	31 January 2019	31 January 2022	31 January 2029	Nil
	Performance shares (contingent award)	27,280	31 January 2020	31 January 2023	31 January 2030	Nil
	SIP	220	31 January 2020	31 January 2023	31 January 2030	Nil
	Deferred share award	2,375	31 January 2021	31 January 2022		
	Performance shares (contingent award)	22,490	31 January 2021	31 January 2024	31 January 2031	Nil

Directors' interests in shares

The interests held as at 31 October 2021 by each Director who served during the financial year were as follows:

Director	Shares beneficially owned	Unvested share options	Performance shares/SIP	Total
Jason Kingdon	5,820,731	-	80,778	5,901,509
Ijoma Maluza	2,855	-	79,847	82,702
Chris Batterham	226,250	-	-	226,250
Ken Lever	42,737	-	-	42,737
Rachel Mooney (appointed 28 September 2020)	-	-	-	-
Murray Rode (appointed 1 February 2021)	-	-	-	-
Maurizio Carli (appointed 1 February 2021)	-	-	-	-

Application of the Directors' remuneration policy for 2021/22

Salaries

The Committee has approved an increase to Jason Kingdon's salary as Chairman & CEO for 2021/22 to £310,500. This represents an increase of 3.50%, which is in line with what has been applied for the wider workforce in the UK.

The Committee has approved an increase to Ijoma Maluza's salary as CFO for 2021/22 to £260,000. This represents an increase of 5.05%. While this is slightly above the budgeted level applied to the wider workforce in the UK for 2021/22, it is in the context of no salary change having been made in 2020/21 and is therefore below the level applied to the wider workforce looking over a two-year basis.

Annual bonus

Annual bonuses for 2021/22 are being set consistently with the existing policy. This will be based on a combination of group financial targets and group or individual operational and other non-financial targets, with the weighting focused on Group financial performance. Consistent with the Group's prior practice, financial targets are not being disclosed in advance due to commercial sensitivity, but as in previous years they will be disclosed retrospectively alongside performance assessment.

On-target bonuses for the Executive Directors remain set at 50% of base salary, and maximum bonus potential is capped at 100%.

LTIP awards

Given the circumstances of the pending Proposed Acquisition, no LTIP Awards have been approved for the Executive Directors for the year.

Fees of Non-Executive Directors

There are no changes to the fees of the Deputy Chairman or other Non-Executive Directors for 2021/22.

Directors' Report

The following information is provided in the Strategic Report (on pages 1 to 37 and is incorporated into the Directors' Report by way of reference:

- Likely future developments in the business
- Research & development activities
- Business developments
- Details of branches outside the UK
- Details of any important post-year events

Information on principal risks and uncertainties is contained within the risk report on pages 26 to 32. Information regarding credit, liquidity and market risks can be found in the financial statements on pages 72 to 109.

The Articles of Association for the Company can be accessed on the website at investors.blueprism.com.

An updated version of our major shareholders table is available on our website.

Directors and their interests

The following individuals served as Directors within the 2021 financial year:

- Jason Kingdon
- Ijoma Maluza
- Ken Lever
- Chris Batterham
- Rachel Mooney
- Maurizio Carli (appointed 1 February 2021)
- Murray Rode (appointed 1 February 2021)

The rules concerning the powers, appointment and removal of a Director are contained in the Articles of Association which are available on our website. Directors' interests and shareholdings are contained within the Remuneration Report on pages 52 to 59.

No directorship changes took place between 31 October 2021 and the date of this report.

Dividends

No dividends have been recommended by Directors or paid to shareholders in this financial year.

Disclosure to external auditor

In accordance with section 418 of the Companies Act 2006, the Directors of the Company confirm that the external auditor has been provided with all relevant information within the Directors' knowledge. The Directors have taken all reasonable steps to ascertain relevant information and ensure the auditor was made aware of such information.

Directors' indemnities

The Group maintains appropriate Directors' and Officers' insurance and has done so throughout the financial year. This policy is still in place as at the date of this report.

The Company made qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) covering Directors of the Company. These provisions remain in force at the time of this report. In accordance with the Companies Act 2006, the deeds of indemnity are available for inspection.

Business relationships

The Group recognises the need to foster business relationships with suppliers, customers and others. Details on the actions taken to strengthen these relationships and how the Board considered these relationships when making decisions can be found in our section 172 statement on pages 33 to 37.

Political donations

No political donations have been made during the 2021 financial year (2020: nil).

Employees

The Company operates an equal opportunities policy which includes those who are classed as disabled. Individuals who identify as disabled are given equal opportunities with other employees in relation to training, development and promotion.

Further detail on how the Board engages with the Group's employees is provided in the Corporate Governance Statement on pages 43 to 47.

The environment

Scope of disclosures

In accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SECR), we report on our greenhouse gas (GHG) emissions as part of the annual Strategic Report. Our GHG reporting year is the same as our financial year and the previous year's figures have been provided as comparators.

Scope 1 covers emissions from the combustion of fuel and operation of facilities owned/operated by the company (e.g. gas for heating in offices) while scope 2 covers emissions from purchased electricity.

The data covers energy usage across all UK entities in the Group. Energy usage from subsidiaries outside of the UK are outside the scope of this report and therefore excluded from the figures below.

UK energy use

Consumption in metric tonnes CO ₂ e	2020-2021	2019-2020	change
Gas (scope 1)	20.33	37.78	-46%
Electricity (scope 2)	14.62	43.82	-67%
Total consumption in metric tonnes CO ₂ e	34.95	81.61	-54%
Total energy usage in kWh	179,864	393,472	-54%

Note: Due to the impact of COVID-19 and a continuing change in how we operate, our energy usage is at lower levels than we would expect.

Efficiency ratio:

	2020-2021	2019-2020	change
Scope 1 & scope 2 emissions in tonnes CO ₂ e per UK employee	0.06	0.16	-60%

Methodology

We have followed the guidance to the SECR in making these disclosures.

The methodology used to calculate our emissions is based on the UK Government's Environmental Reporting Guidelines (2013) and emission factors from the 2021 government GHG Conversion Factors for Company Reporting. For scope 2 emissions we have reported using the location-based method of calculation.

During FY21, Blue Prism has occupied five separate offices in the UK. The Company ended leases on three of our London offices, which were managed service offices where the facilities are managed by the leasing company. Due to access restrictions we have used reasonable estimates to calculate our energy usage at these offices. A new London office was leased in May 2021 where the facilities are also managed by the leasing company.

Our global head office is based in Warrington, Cheshire. It is the only standalone office that we currently occupy and we manage the facilities internally. Smart meters have been installed at these offices allowing us to obtain exact readings.

Energy efficient action taken

We have changed how we work to lessen our impact on the environment.

Examples from this year are:

- installed separate meters on each floor which allows us to heat/cool the areas that are in use.
- installed additional motion sensor lighting.
- smart meters installed so exact usage can be measured.

These build upon the positive measures already in place, such as having:

- LED lights and motion sensors where possible.
- Cloud-based storage instead of servers.
- temperature control by using summer/winter modes to reduce energy wastage.
- an energy provider that is committed to ensuring a zero carbon and lower-cost energy future whereby 100% of the energy supplied is from renewable sources.
- preference for electronic signatures over hard copy documents.

This year the Company took the initiative to assess its environmental performance. This was done using the platform provided by EcoVadis as a universal provider of business sustainability ratings. The results produce an actionable sustainability scorecard which provides detailed insight into environmental risks. The EcoVadis assessors awarded Blue Prism with Bronze medal for our sustainability achievement. This was considered a positive start in comparison to other companies in our industry. The results were presented to the Board and the actions suggested by EcoVadis are being addressed by the Company.

Share capital

As at 31 October 2021, Blue Prism had 97,040,436 Ordinary Shares (£0.01) in issue, listed on AIM. These shares hold the right to vote at a general meeting. The closing market price on 29 October 2021 was 1,229.00p (2020: 1,544.00p).

The Company has not purchased any of its own shares during the year.

Details of the number of share options held under the employee scheme are available in note 22 to the financial statements.

Auditor

Grant Thornton UK LLP have expressed their willingness to continue in office and, in accordance with section 489 of the Companies Act 2006, a resolution for their reappointment will be proposed at the forthcoming AGM.

Going concern

As described in more detail in note 1 to the accounts, in making their going concern statement the Directors have considered the potential transaction and the likely impact on the Group. Any acquisition will be subject to regulatory approvals and the Group is continuing to operate autonomously while the process to obtain regulatory approval is ongoing. At the date of approval of these financial statements there remains a material uncertainty over the intentions of the potential acquiring party with regards to the continuing operations of the Group.

On a standalone basis, the Directors are satisfied that the Group has the resources to continue in business for the foreseeable future (being a period 12 months from the date of approval of the consolidated financial statements). The Directors consider the strong Statement of Financial Position, with good cash reserves and working capital, provide ample liquidity. Accordingly, the Group has prepared the financial statements on a going concern basis.

By order of the Board

John Warrick
Company Secretary

16 February 2022

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law 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 and Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that:

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

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

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

John Warrick
Company Secretary

16 February 2022

Independent auditor's report to the members of Blue Prism Group plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Blue Prism Group plc (the 'parent company' or 'company') and its subsidiaries (the 'group') for the year ended 31 October 2021, which comprise the Consolidated Income Statement and Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statements of Changes in Equity and Notes to the Financial Statements including a summary of significant accounting policies followed by the Company Statement of Financial Position, the Company Statement of Cash Flows, the Company Statement of Changes in Equity and the Notes to the Company Financial Statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 October 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; 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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern paragraph in note 1 in the financial statements which highlights the risks to the group and parent company's ability to trade as a going concern as there can be no certainty over the nature of the continuing operations of the Group should the acquisition by SS&C proceed successfully. As stated in the going concern paragraph in note 1 in the financial statements, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 management's assessment of the entity's ability to continue as a going concern

In order to evaluate the completeness and accuracy of the directors' assessment of the material uncertainty disclosed in note 1 in the financial statements, we assessed the disclosure against information available in the public domain, board minutes, and our inquiries with management, the finance team, legal counsel and the board of directors. In note 1 in the financial statements, the directors have asserted that they have considered the cash flows in the Forecast Period and are satisfied that on a standalone basis, the group will maintain adequate levels of resources to continue as a going concern and to adopt this basis of accounting during the Forecast Period. 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 included obtaining management's going concern models covering the period to 30 April 2023 and performing the following procedures:

- Obtained an understanding of the key controls over management's going concern models including those over the inputs and assumptions used in the models;
- Evaluated the completeness and accuracy of the directors' assessment of the material uncertainty by assessing the disclosure against information available in the public domain and the board minutes, and through our inquiries with management, the finance team, legal counsel and the board of directors;
- Obtained management's forecasts and performed arithmetical and model integrity checks on the forecast cash flows;
- Challenged management's key trading, working capital and cash flow assumptions made within the forecasts;
- Obtained management's downside scenarios (including management's severe but plausible scenario and reverse stress test), which reflect management's assessment of uncertainties. We evaluated the assumptions regarding the forecast period under each of these scenarios;
- Assessed the accuracy of management's past forecasting for the previous two financial years by comparing management's forecasts to actual results for those years and have considered the impact on the going concern models;
- Evaluated events that occurred post balance sheet date and challenged management as to whether these have been correctly reflected in the forecasts prepared; and
- Assessed the adequacy of the disclosures made in the financial statements.

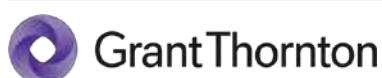
Independent auditor's report to the members of Blue Prism Group plc continued

Our responsibilities

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern. The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Our approach to the audit

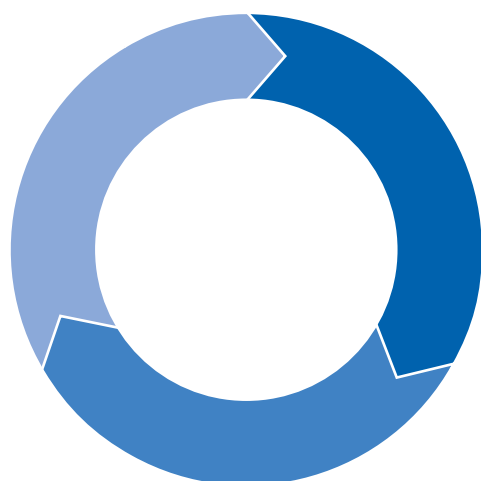
Overview of our audit approach



Overall materiality:

Group: £2,100,000, which represents 1.25% of the group's revenue.

Parent company: £1,470,000, which represents 1% of the parent company's total assets, capped at its component materiality.



- Materiality
- Key audit matters
- Scoping

Key audit matters were identified as:

- Recognition of revenue (same as previous year);
- Impairment of customer relationship intangible asset (this risk was previously included within impairment of acquired intangible key audit matter, detailed below); and
- Material Uncertainty relating to going concern (increased risk in the year due as there can be no certainty over the nature of the continuing operations of the Group should the acquisition proceed successfully).

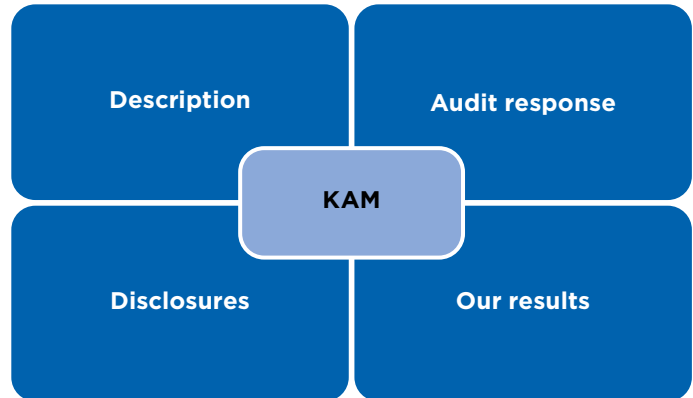
Our auditor's report for the year ended 31 October 2020 included three key audit matters that have not been reported as key audit matters in our current year's report, together with one key audit matter that has changed in scope:

- Revenue from contracts with customer (IFRS 15) assessment was a key audit matter in the previous year due to the change in accounting policy for revenue recognition including restatement of prior period results during the previous year. Whilst this remains a key judgement, it does not rise to the level of a key audit matter in the current year;
- Contingent shares issuable and cash payable to continuing employees as part of the Thoughtonomy Limited acquisition was a key audit matter in the previous year due to the restatement of acquisition accounting during the previous year;
- Impairment of investment in subsidiaries (in the parent company financial statements) is not considered to be a significant risk this year due to an internal restructuring within the Group which has resulted in increased headroom and therefore not determined to be sensitive to changes in key assumptions; and
- Impairment of acquired intangible assets (except for customer relationship intangible asset) is not considered to be a key audit matter this year as the headroom was not determined to be sensitive to changes in key assumptions.

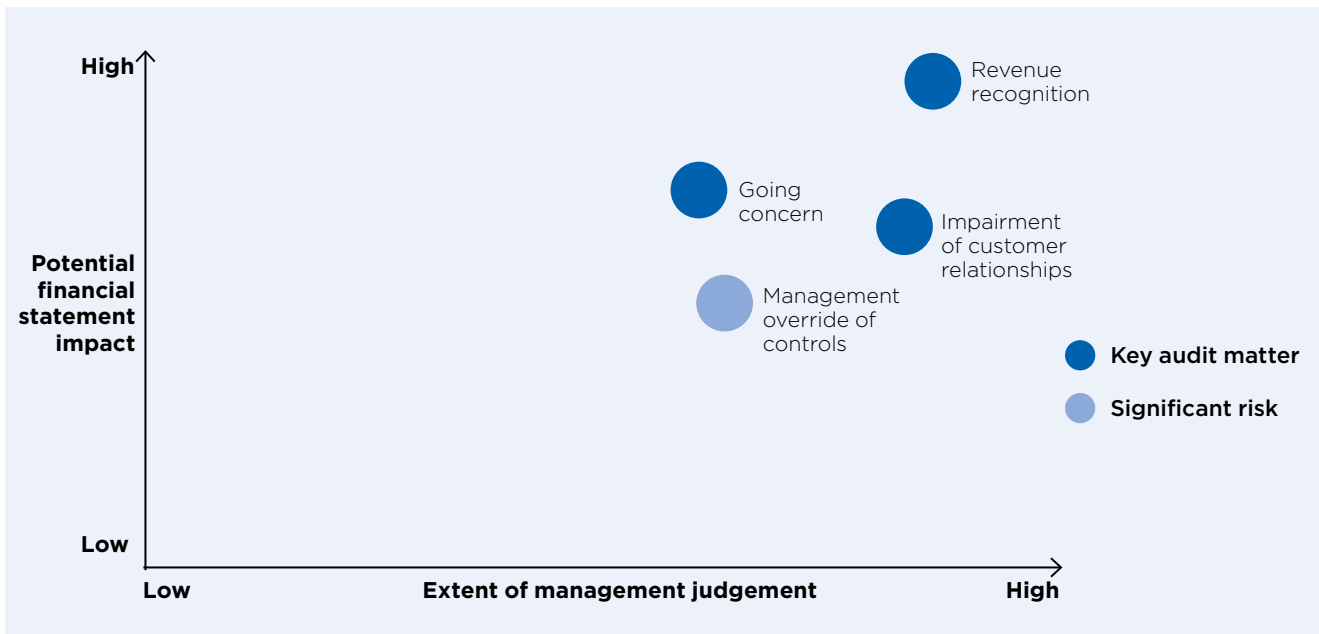
We have performed full scope audit procedures on the financial information of Blue Prism Group plc, Blue Prism Limited, and Blue Prism Software Inc. and specified audit procedures on the financial information of Blue Prism K.K., Blue Prism SARL, and Blue Prism AB. Analytical procedures were performed on all other entities within the group.

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 that 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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matter(s) to be communicated in our report.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit.



Independent auditor's report to the members of Blue Prism Group plc continued

Key Audit Matter – Group

Recognition of revenue

Risk of fraud (Occurrence and Accuracy)

We identified the recognition of licence and support revenue and professional services revenue as one of the most significant assessed risks of material misstatement due to fraud.

Under the auditor's responsibilities relating to fraud in an audit of the financial statements (ISA 240 (UK)), there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.

There is a risk that the recognition of licence and support revenue has been incorrectly recorded throughout the year due to the high volume of transactions and manual nature of revenue release from deferred revenue.

There is a fraud risk that professional services revenue has been incorrectly recorded through management override in the calculation of the percentage completion estimate.

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- Performed walkthroughs to update our understanding of the processes and controls governing recognition of licence and support revenue and professional services revenue and assessed the design and implementation of the processes and controls applied;
- Performed substantive testing on a sample of licence and support revenue transactions in the year to evaluate whether revenue was recognised in accordance with the contract terms and IFRS 15 including agreement to source documents, recalculation of revenue with reference to contractual arrangements, and tracing to receipt of cash from the customer;
- Performed substantive testing on a sample of professional services revenue transactions in the year to source documents and assessed percentage completion of the project by corroborating to budget and costs incurred and making inquiries of project managers;
- Analysed the volume of credit notes raised in the year, and substantively tested a sample of credit notes and other reductions to revenue in the year; and
- Assessed the revenue recognition accounting policy and disclosures for compliance with international accounting standards in conformity with requirements of the Companies Act 2006.

Relevant disclosures in the Annual Report and Accounts 2021

- Financial statements: Note 4, Segmental Analysis
- Accounting Policies: Revenue recognition

Our results

Our audit testing did not identify any material misstatements in relation to the occurrence and accuracy of license and support revenue and professional services revenue.

Key Audit Matter – Group

**Impairment of customer relationship intangible asset
Risk of error (Valuation)**

We identified the impairment of customer relationship as one of the most significant assessed risks of material misstatement due to error.

In accordance with International Accounting Standard (IAS) 36 'Impairment of Assets', the customer relationship intangible asset is subject to an impairment test when there is an indication of impairment.

The value in use calculation for the remaining customer relationship intangible asset, which represents the estimated recoverable amount, is subjective due to the inherent uncertainty involved in forecasting and discounting estimated future cash flows (specifically the key assumptions such as revenue growth and gross attrition rate).

The effect of these matters is that, despite the impairment in the year, as part of our risk assessment we determined that the carrying amount of the customer relationship intangible asset has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and therefore we considered this to be a significant risk.

Relevant disclosures in the Annual Report and Accounts 2021

- Financial statements: Note 12, Intangible fixed assets
- Accounting Policies: Intangible assets other than goodwill

How our scope addressed the matter – Group

In responding to the key audit matter, we performed the following audit procedures:

- Performed walkthroughs to update our understanding of the processes and controls governing the customer relationship intangible asset and assessed the design and implementation of the processes and controls applied;
- Obtained management's impairment review model and tested its mathematical accuracy;
- Obtained and challenged the key assumptions relating to the relevant customers cash flow forecasts, focused on revenue growth and gross attrition rates applied, by reference to performance of the acquired customers from acquisition to 31 October 2021;
- Our internal valuation specialists assessed the discount rate applied and the integrity of the discounted cashflow model;
- Performed sensitivity analysis on the value in use calculation performed by management;
- Assessed the group's revision of the remaining useful economic life; and
- Assessed the accuracy and sufficiency of financial statement disclosures relating to the impairment and remaining carrying value of the customer relationship intangible asset.

Our results

Our audit testing did not identify any material misstatements in relation to the valuation of the customer relationship intangible.

Independent auditor's report to the members of Blue Prism Group plc continued

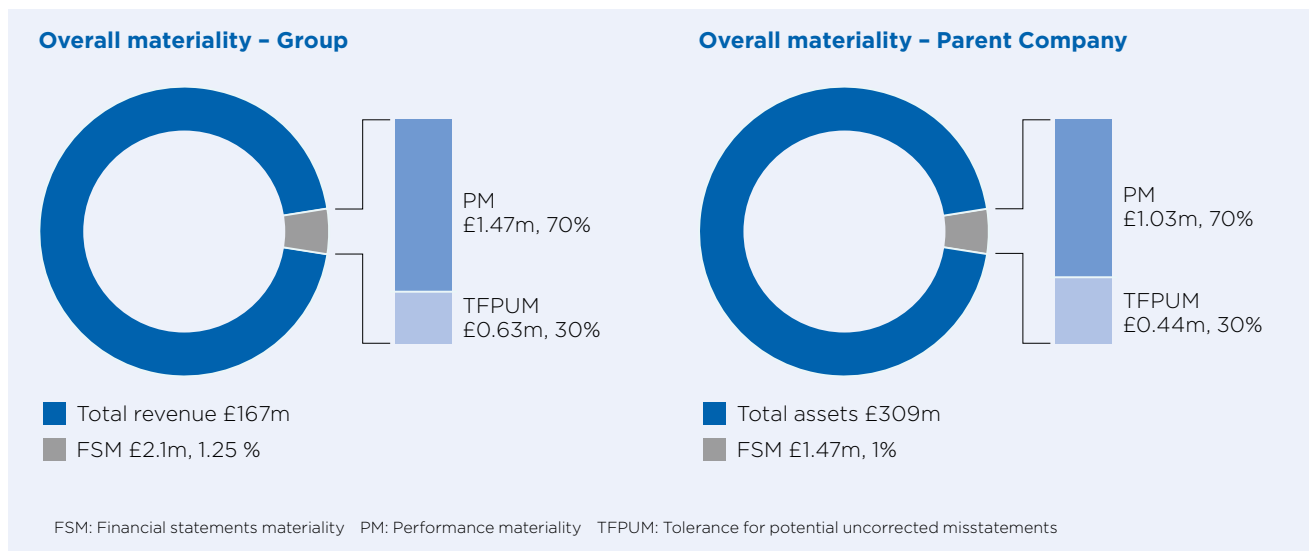
Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£2,100,000 which is 1.25% of total group revenue.	£1,470,000 which is 1% of the parent company's total assets, capped at its performance materiality which is based on a percentage of group materiality.
Significant judgements made by auditor in determining the materiality	In determining materiality, we consider total revenue to be the most appropriate benchmark for the group because consistent and sustainable revenue is a key performance measure for the group in their reporting to the primary users of the financial statements. Materiality for the current year is at the same level that we determined for the year ended 31 October 2020.	In determining materiality, we consider total assets to be the most appropriate benchmark for the parent company because the parent company's principal activity is that of a holding company that does not trade. Materiality for the current year is at the same level that we determined for the year ended 31 October 2020 as it has been capped at a percentage of group materiality, which has not changed.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£1,470,000, which is 70% of financial statement materiality.	£1,029,000, which is 70% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we considered the following: <ul style="list-style-type: none"> - all pertinent facts from prior period audits, including the quantitative and qualitative factors behind adjusted and unadjusted misstatements and control deficiencies identified; and - changes in overall business risk and the control environment. 	In determining performance materiality, we considered the following: <ul style="list-style-type: none"> - all pertinent facts from prior period audits, including the quantitative and qualitative factors behind adjusted and unadjusted misstatements and control deficiencies identified; and - changes in overall business risk and the control environment.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none"> - directors' remuneration; and - related party transactions. 	We determined a lower level of specific materiality for the following areas: <ul style="list-style-type: none"> - directors' remuneration; and - related party transactions.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£105,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£73,500 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- The engagement team obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level; and
- The engagement team obtained an understanding of the effect of the group organisational structure on the scope of the audit, identifying that the group financial reporting system is centralised and that there is use of management experts where required.

Identifying significant components

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality including the significance as a percentage of revenue and total assets;
- For those components that were evaluated as significant, a full-scope audit approach was taken based on their relative materiality to the group and our assessment of the audit risk. For significant components requiring a full-scope approach, we evaluated the design and implementation of controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. We then undertook substantive testing on material transactions and material account balances. Significant components were identified as Blue Prism Group plc, Blue Prism Limited and Blue Prism Software Inc. All work in relation to these components was performed by the group audit team;
- A number of further components were identified for specified audit procedures on specific classes of transactions and account balances. The work on these components was targeted according to the nature of the balances within these components. All work in relation to these components was performed by the group audit team;
- The remaining components of the group were subject to analytical procedures proportionate to their significance to the group's results and financial position; and
- Our group audit scoping ensures we have attained coverage through full-scope and specified audit procedures of 80% of group revenues, 92% of group loss before tax and 86% of group total assets. The remaining balances were tested analytically using group materiality.

Performance of our audit

- The audit was conducted partly remotely due to Covid-19 restrictions and social distancing requirements and partly at the group's head office in Warrington. The work performed was supported through the use of software collaboration platforms for the secure and timely delivery of requested audit evidence.

Changes in approach from previous period

- A number of components identified in the previous period for specified audit procedures on specific balances were subjected to analytical procedures only in the current period owing to their financial insignificance in the context of the group as a whole.

Independent auditor's report to the members of Blue Prism Group plc continued

Other information

- The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
- 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company. We determined that the most significant frameworks that are directly relevant to specific assertions in the financial statements are those related to financial reporting and taxation laws, being international accounting standards in conformity with the requirements of the Companies Act 2006, the Companies Act 2006, the AIM Rules, and the Quoted Companies Alliance Corporate Governance Code;
- We enquired of management, the finance team, legal counsel and the board of directors about the company's policies and procedures relating to the identification, evaluation and compliance with laws and regulations and the detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations and the results of these enquiries were communicated to audit team;
- We assessed the susceptibility of the group's and the parent company's financial statements to material misstatement, including how fraud might occur and the risk of management override of control. Audit procedures performed by the engagement team included:
 - Enquiring of management, the finance team and the board of directors about the risks of fraud at the group and the parent company and the controls implemented to address those risks. Assessing the design and implementation of controls relevant to the audit that management has in place to prevent and detect fraud, including updating our understanding of the internal controls over journal entries, including those related to the posting of entries used to record non-recurring, unusual transactions or other non-routine adjustments;
 - Making specific inquiries of each member of the finance team to ascertain whether they had been subject to undue pressure or had been asked to make any unusual postings or modifications to reports used in financial reporting;
 - Identifying and tested journal entries, with selection based on risk profiling;
 - Running specific keyword searches (including to related parties) over the journal entry population to identify descriptions that could indicate fraudulent activity or management override of control;
 - Planning specific procedures responding to the risk of fraudulent recognition of revenue as detailed within the Key Audit Matters section above;
 - Assessing matters reported through the company's whistleblowing programme and the results of management's investigation of such matters;
 - Assessing the disclosures within the annual report, including principal risks and uncertainties; and
 - Challenging assumptions and judgements made by management in its significant accounting estimates.
- The engagement partner assessed the appropriateness of the collective competence and capabilities of the engagement team, by considering the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Nick Jones

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

16 February 2022

Consolidated Income Statement and Statement of Other Comprehensive Income

for the year ended 31 October 2021

	Note	2021 £'m Total	2020 £'m Total
Revenue	4	167.3	141.4
Cost of sales	5	(33.8)	(22.2)
Gross profit		133.5	119.2
Operating expenses	6	(182.4)	(198.1)
Operating expenses before contingent share-based payments and exceptional costs		(155.5)	(166.7)
Contingent share-based payments	22	(10.6)	(13.2)
Exceptional costs	28	(16.3)	(18.2)
Net impairment losses on financial assets	16	(1.6)	(1.8)
Other operating income		0.4	0.3
Operating loss		(50.1)	(80.4)
Finance income	8	0.1	0.5
Finance costs	9	(0.2)	(0.3)
Loss before tax		(50.2)	(80.2)
Income tax expense	10	(1.2)	(0.4)
Loss after tax		(51.4)	(80.6)
Other comprehensive income/(loss)			
Items which will subsequently be reclassified to profit or loss:			
Exchange gains/(losses) on translation of foreign operations, net of related tax		4.9	(2.6)
Total other comprehensive income/(loss)		4.9	(2.6)
Total comprehensive loss for the year		(46.5)	(83.2)
Basic and diluted loss per share attributable to ordinary equity shareholders (p)	11	(53.88)	(91.56)

Total comprehensive loss for the year has been derived from continuing operations.

The notes on pages 76 to 102 form an integral part of these financial statements.

Consolidated Statement of Financial Position

at 31 October 2021

	Note	31 Oct 2021 £'m	31 Oct 2020 £'m
Non-current assets			
Goodwill	12	16.2	16.2
Other intangible assets	12	8.4	18.6
Costs to obtain contracts	17	13.9	17.2
Property, plant and equipment	13	5.5	4.8
Total non-current assets		44.0	56.8
Current assets			
Costs to obtain contracts	17	15.7	13.3
Corporation tax receivable	18	0.3	1.1
Trade and other receivables	16	56.2	44.4
Cash and cash equivalents	26	127.2	137.6
Total current assets		199.4	196.4
Total assets		243.4	253.2
Current liabilities			
Trade and other payables	19	44.4	37.5
Deferred revenue	17	101.7	88.8
Contingent consideration	28	-	3.9
Total current liabilities		146.1	130.2
Non-current liabilities			
Other payables	19	2.6	2.6
Deferred revenue	17	7.8	6.9
Total non-current liabilities		10.4	9.5
Total liabilities		156.5	139.7
Net assets		86.9	113.5
Equity attributable to shareholders			
Called up share capital	21	0.9	2.0
Share premium	21	159.3	155.1
Capital redemption reserve		1.1	-
Shares to be issued	21	-	2.1
Merger reserve	21	119.6	117.5
Foreign exchange reserve	23	3.7	(1.2)
Share-based payment reserve	23	62.5	46.8
Retained loss		(260.2)	(208.8)
Total equity		86.9	113.5

The financial statements on pages 72 to 102 were approved and authorised for issue by the Board of Directors on 16 February 2022 and were signed on its behalf by:

Ijoma Maluza
Director

The notes and policies on pages 76 to 102 form an integral part of these financial statements.

Company Number: 09759493

Consolidated Statement of Cash Flows

for the year ended 31 October 2021

	Note	2021 £'m	2020 £'m
Cash flows from operating activities			
Loss after tax		(51.4)	(80.6)
Adjustments for:			
Amortisation of intangible fixed assets	12	3.3	3.3
Depreciation of property, plant and equipment	13	2.5	2.9
Finance income	8	(0.1)	(0.5)
Finance costs	9	0.2	0.3
Share-based payment – options and awards	22	11.0	13.9
Exceptional impairment	28	6.9	-
Exceptional contingent consideration	28	4.1	18.2
Income tax expense	10	1.2	0.4
		(22.3)	(42.1)
Increase in trade and other receivables	16	(5.3)	(2.8)
Decrease/(increase) in costs to obtain contracts	17	0.9	(2.3)
Increase/(decrease) in trade and other payables	19	2.9	(6.6)
Increase in deferred revenue	17	13.8	18.4
		(10.0)	(35.4)
Cash used in operations			
Income taxes paid		(1.0)	(0.9)
		(11.0)	(36.3)
Net cash outflows from operating activities			
Investing activities			
Purchases of property, plant and equipment	13	(0.9)	(0.3)
Maturity of short-term investments	26	-	28.6
Interest received	8	0.1	0.5
		(0.8)	28.8
Net cash (used in)/generated from investing activities			
Financing activities			
Issue of ordinary shares		4.2	104.8
Issue costs		-	(2.9)
Repayment of lease liabilities		(1.8)	(2.1)
Interest on lease liabilities	9	(0.2)	(0.3)
		2.2	99.5
Net cash generated from financing activities			
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year			
Effect of foreign exchange on cash and cash equivalents			
		(9.6)	92.0
		137.6	45.5
		(0.8)	0.1
Cash and cash equivalents at end of year	26	127.2	137.6

The notes and policies on pages 76 to 102 form an integral part of these financial statements..

Company Number: 09759493

Consolidated Statement of Changes in Equity

for the year ended 31 October 2021

	Note	Share capital £'m	Share premium £'m	Capital redemption reserve £'m	Shares to be issued £'m	Foreign exchange reserve £'m	Merger reserve £'m	Share based payment reserve £'m	Retained loss £'m	Total equity £'m
Equity as at 1 November 2019		1.9	150.3	-	4.2	1.4	15.5	17.3	(125.3)	65.3
Comprehensive loss for 2020										
Loss after tax		-	-	-	-	-	-	-	(80.6)	(80.6)
Other comprehensive loss, net of tax		-	-	-	-	(2.6)	-	-	-	(2.6)
Total comprehensive loss for the year		-	-	-	-	(2.6)	-	-	(80.6)	(83.2)
Contributions by and distributions to owners										
Exercise of options		-	4.8	-	-	-	-	-	-	4.8
Issue of shares - placing		0.1	-	-	-	-	99.9	-	-	100.0
Cost of placing		-	-	-	-	-	-	-	(2.9)	(2.9)
Issue of shares - acquisition of subsidiary		-	-	-	(2.1)	-	2.1	-	-	-
Share-based payments - acquisition of subsidiary	28	-	-	-	-	-	-	15.6	-	15.6
Share-based payments - options and awards	22	-	-	-	-	-	-	13.9	-	13.9
Equity as at 31 October 2020		2.0	155.1	-	2.1	(1.2)	117.5	46.8	(208.8)	113.5

	Note	Share capital £'m	Share premium £'m	Capital redemption reserve £'m	Shares to be issued £'m	Foreign exchange reserve £'m	Merger reserve £'m	Share based payment reserve £'m	Retained loss £'m	Total equity £'m
Equity as at 1 November 2020		2.0	155.1	-	2.1	(1.2)	117.5	46.8	(208.8)	113.5
Comprehensive loss for 2021										
Loss after tax		-	-	-	-	-	-	-	(51.4)	(51.4)
Other comprehensive income, net of tax		-	-	-	-	4.9	-	-	-	4.9
Total comprehensive loss for the year		-	-	-	-	4.9	-	-	(51.4)	(46.5)
Contributions by and distributions to owners										
Exercise of options		-	4.2	-	-	-	-	-	-	4.2
Waiver of deferred shares	21	(1.1)	-	1.1	-	-	-	-	-	-
Issue of shares - acquisition of subsidiary		-	-	-	(2.1)	-	2.1	-	-	-
Share-based payments - acquisition of subsidiary	28	-	-	-	-	-	-	4.6	-	4.6
Share-based payments - options and awards	22	-	-	-	-	-	-	11.1	-	11.1
Equity as at 31 October 2021		0.9	159.3	1.1	-	3.7	119.6	62.5	(260.2)	86.9

The notes and policies on pages 76 to 102 form an integral part of these financial statements.

Notes forming part of the Financial Statements

for the year ended 31 October 2021

1 Accounting policies

Basis of preparation

Blue Prism Group plc is a public limited company incorporated in the United Kingdom, listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Blue Prism Group plc and its subsidiaries (the Group) have as their registered office and principal place of business 2 Cinnamon Park, Crab Lane, Fearnhead, Warrington, WA2 0XP, United Kingdom. The principal activity of the Group is the development and provision of robotic process automation software.

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

The financial statements of the Group have been prepared on a going concern basis and in accordance with International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with adopted IAS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The Group's financial statements have been prepared on an accruals basis and under the historical cost convention with the exception of financial instruments, assets and liabilities acquired through a business combination, and share-based payments. Financial instruments have been recorded initially on a fair value basis and subsequently at amortised cost. Share-based payments and assets and liabilities acquired through a business combination have been measured at fair value.

All figures presented are rounded to the nearest £m to one decimal place, unless stated otherwise.

Going concern

The Group's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report on pages 1 to 37. The principal risks and uncertainties facing the Group are detailed on pages 26 to 32. The financial position of the Group, its cash flows and liquidity position are incorporated in the financial review on pages 24 to 25.

The consolidated financial statements are prepared on a going concern basis as the directors are satisfied that the Group has the resources to continue operating for the foreseeable future, which has been taken as the period from the date of approval of the consolidated financial statements to 30 April 2023 (the "Forecast Period"). The Group has prepared detailed budgets and cash flow forecasts for the Forecast Period.

The Group's cash and cash equivalents at year end total £127.2m. In April 2020 the Group raised £100m in funding from new and existing shareholders, with funds designated to underwrite resilience in the event of prolonged or worsened market conditions as a result of the COVID-19 pandemic. Despite the uncertainty surrounding the COVID-19 pandemic, Group performance remained resilient during 2021. The Group achieved £221m of total contract value bookings which was up 23% from 2020 reflecting new bookings into new and existing customers as well as renewals of existing customer commitments. During the financial year there was a net cash outflow from operations of £10.0m, reflecting significant improvement on the 2020 position where the Group experienced a cash outflow from operations of £35.4m. The net decrease in cash and cash equivalents was £9.6m. In the second half of the year operating cash flow improved against both the first half of 2021 and the second half of 2020 to an inflow of £0.9m against outflows of £11.9m and £4.2m, respectively.

Approach to liquidity assessment

The Group has prepared a forecast for the period through to 30 April 2023. The Group's forecasts and projections, include key assumptions as to growth in annual recurring revenue, both from existing customers and growth in customer numbers.

A worst case scenario has been applied to assumptions in the budget and forecast such that no new business is assumed to be won during the Forecast Period with a significant increase in customer churn which results in a total revenue decrease of 12% with no associated cost mitigations. The forecasts in this scenario do not indicate that the Group will face any shortage of liquidity.

Pending acquisition by Bolt Bidco Limited

On 1 December 2021, Bolt Bidco Limited, a company indirectly owned by SS&C Technologies Holdings, Inc ("SS&C"), announced its intention to acquire the Group through a cash acquisition of the entire issued and to be issued ordinary share capital of the Company.

Whilst the acquisition was approved by shareholders on 13 January 2022, completion of the transaction is subject to regulatory approvals. At this time the Group continues to operate autonomously while the process to obtain regulatory approval is completed. It is assumed, therefore, that trading will continue post-acquisition as modelled in the detailed forecasts, without adjustments to reflect any incremental costs or expected benefits should the acquisition go ahead.

Whilst SS&C have published their future intentions for the Group, details of which can be found in the Rule 2.7 announcement available on our investor website (investors.blueprism.com), there can be no certainty over the nature of the continuing operations of the Group should the acquisition proceed successfully.

This gives rise to a material uncertainty, as defined in auditing and accounting standards, related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and in such circumstances. The Group may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the detailed budgets and cash flows, the potential impact of the acquisition of the Group by SS&C, and the assurances that have been published by SS&C, the Directors are confident that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing of these financial statements which are therefore prepared on a going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

New or amended accounting standards

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 October 2020 as described in the annual financial statements, with the exception of those listed below.

a) New standards, interpretations and amendments effective from 1 November 2020

The following new standards, interpretations and amendments have been adopted by the Group with no material impact in the current or future reporting periods:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a business (amendments to IFRS 3).
- Definition of material (amendments to IAS 1 and IAS 8).
- IFRS 17 insurance contracts.

b) New standards, interpretations and amendments not yet effective

The following new accounting standards, interpretations and amendments have been published but are not mandatory for 31 October 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

- Onerous contracts - Cost of Fulfilling a Contract (Amendments to IAS 37).
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).
- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Annual Improvements to IFRS 2018-2020.

Basis of consolidation

The financial statements of the Group consolidate the results of the Company and its subsidiary entities, and include its share of its joint ventures' results accounted for under the equity method.

A subsidiary is an entity controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements present the results of the Company and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The financial statements of the Group have been prepared on a going concern basis and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards.

Joint ventures are accounted for under the equity method where the Consolidated income statement includes the Group's share of their profits and losses, and the Consolidated balance sheet includes its share of their net assets within equity accounted investments.

The Group has applied International Financial Reporting Standards as adopted by the International Accounting Standards Board. Certain amounts in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Financial Position have been grouped together for clarity, with their breakdown being shown in the notes to the consolidated financial statements.

Revenue recognition

The Group applies the five step approach of IFRS 15 Revenue from contracts with customers:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The approach is applied to each revenue stream separately.

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

1 Accounting policies continued

Licence and support revenue

Software licence revenue represents fees earned from the licence of our software to customers. Licences of our product are delivered by providing our customers with a licence key that enables them to install and use the software in their on-premise IT infrastructures.

The Group identifies two performance obligations in the sale of a software licence:

- firstly, the right to the licence and upgrades to the licence over the licence term, and
- secondly, the right to access support during the licence term.

All revenue from licence sales is recognised evenly over the contract term. The judgements behind this pattern of revenue recognition are discussed in note 2.

Software support revenue represents fees earned from providing customers with support services. These benefits are received by the customer over the contract term. Revenues from support services are therefore recognised on a straight-line basis over the contract term.

Revenue from SaaS cloud offerings where the Group's performance obligation is the grant of a right to continuously access a cloud offering for a certain term is recognised based on time elapsed and thus rateably over the term.

Professional services and training

Professional services and training revenue are typically recognised over time. Where the Group stands ready to provide the service (such as access to learning content), revenue is recognised based on time elapsed and thus rateably over the service period. Consumption-based services, for example separately identifiable professional services, are recognised over time as the services are utilised, typically following the percentage-of-completion method or rateably.

Sponsorship and other revenue

Revenue is recognised from Blue Prism World events. This mainly relates to sponsorship revenue received from various partners and external organisations participating in the events. Revenue is recognised at the time of the event taking place.

Cost of sales

Cost of sales includes the amortisation of cost to obtain contract asset costs in respect of sales commission paid to sales personnel and staff costs involved in delivering the licence and upgrade obligation, and associated direct hosting costs for cloud products.

Costs of obtaining customer contracts

The Group incurs certain costs to obtain customer contracts in the form of commissions paid to sales employees. The commission costs of obtaining any contract with a customer with no service condition are recognised as an asset on the statement of financial position. They are then subsequently amortised over the period during which the related revenue is recognised, with the cost reflected in cost of sales. Certain commission costs with a service condition are recognised as an expense over the period to which they relate. Other directly attributable costs are expensed as incurred.

Billing arrangements

The Group bills and receives cash for licences and support annually in advance. All invoices are due within short term credit terms that vary by customer. Professional services, training, sponsorship and other revenue is billed in line with contractual arrangements. In the event that the Group invoiced in advance for the full contract term and if this were greater than one year, it is reflected in non-current liabilities with consideration given as to whether there was a financing component of the given contract.

Foreign currency

The functional currency of the Parent Company is sterling and this is also the presentational currency of the Group. Transactions entered into by Group entities in a currency other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are retranslated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss in operating expenses.

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency monetary items are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The assets and liabilities of the Group's subsidiaries outside the UK are translated into sterling using period-end exchange rates. Income and expense items are translated at the average exchange rates for the period. Where differences arise between these rates, they are recognised in other comprehensive income and the translation reserve.

Cash and cash equivalents

Cash and cash equivalents includes cash and deposits with banks, and other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

The Group classifies its financial assets in the following categories:

- (i) Fair value through profit and loss (FVTPL),
- (ii) Financial assets at amortised cost, and
- (iii) Fair value through other comprehensive income (FVTOCI).

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At the date of each statement of financial position included, the Group held only items classified as financial assets at amortised cost.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Trade receivables are amounts due from customers for services provided in the ordinary course of business. These are stated net of any provision for impairment.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Interest income relating to financial assets is presented within interest receivable in the income statement.

Impairment of financial assets

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses (ECLs). During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net; such provisions are recorded in a separate provision account with the loss being recognised within net impairment losses on financial assets in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset net of sales taxes recoverable is written off against the associated provision.

The expected loss rates are based on the Group's historical credit losses experienced over the last period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9. Under the General approach, at each reporting date, the Group determines whether there has been a significant increase in credit risk since initial recognition and whether the receivable is credit impaired. This determines whether the receivable is in Stage 1, Stage 2 or Stage 3, which in turn determines the amount of ECL to be recognised i.e. 12-month ECL or Lifetime ECL.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit and loss.

Share capital, share premium, and other reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Details of the composition of each component of equity is shown within note 21.

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

1 Accounting policies continued

Share-based payments

Where equity settled share options or awards 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 vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Where employers' social security is liable on the exercise of a share option or award, an estimate of the amount due is accrued over the expected exercise period. The accrual is then reviewed and amended at each subsequent statement of financial position date in line with IFRS 2.

Defined contribution pension schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Holiday pay and other employee benefits

The expected cost of holiday pay and other short-term compensated absences are provided for at the reporting date.

Leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease 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 Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Current taxation

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxation

Deferred tax is recognised in respect of relevant temporary differences that have originated but not reversed at the statement of financial position date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are not discounted.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Research and development taxation credits

Tax credits for research and development activities relate to government tax incentives in certain operating territories. The tax credits are recognised within other operating income when they are received by the Group.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost 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.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives, with an annual review of useful lives and depreciation methods. The principal annual rates used for this purpose are:-

- Computer equipment – straight line over 3 years
- Fixtures and fittings – straight line over 5 years
- Leasehold improvements – straight line over 5 years
- Right-of-use assets – straight line over the earlier of the useful life of the right-of-use asset or the lease term

Business combinations

When the Group completes a business combination, the consideration transferred for the acquisition and the identifiable assets and liabilities acquired are recognised at their fair values. The amount by which the consideration exceeds the net assets acquired is recognised as goodwill. The application of accounting policies to business combinations involves the use of estimates.

Where intangible assets have been separately identified and valued as part of an acquisition, these have been recognised on the statement of financial position and amortised over their estimated useful life.

Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value at the date of exchange. The contingent consideration is classified as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value being recognised in profit or loss.

Goodwill

Goodwill is the excess of consideration over the net assets at acquisition. It is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Management monitors goodwill at a Group level. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units are identified at the lowest level at which goodwill is monitored for internal management purposes.

The assumptions applied in calculating the value in use for the impairment testing are a source of estimation uncertainty. The key assumptions applied in the calculation relate to the future performance expectations of the business, growth rates, and the discount rate to be applied in the calculation.

Further details of the impairment testing are disclosed in note 12.

Intangible assets other than goodwill

The intangible assets shown on the Group statement of financial position consist of technology assets and customer relationships acquired through business combination. Intangible assets are measured at fair value at acquisition and carried at cost less accumulated amortisation and impairment.

Amortisation of intangible assets

Intangible assets with finite lives are amortised on a straight line basis over their useful life.

The estimated useful life of intangible assets is:

- 5 years for technology assets
- 5 years for customer relationships

2 Key accounting estimates and judgements

The Group makes certain estimates and judgements regarding the future which are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

Revenue recognition

The Group identifies two performance obligations in the sale of a software licence:

- firstly, the right to the licence and upgrades to the licence over the licence term, and
- secondly, the right to access support during the licence term.

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

2 Key accounting estimates and judgements continued

The first performance obligation is the provision of software licences and unspecified product upgrades. The procurement of Blue Prism software by the Group's existing and potential future customers is driven to a large extent by a vision of investing into a robotic process automation enterprise-wide ecosystem. Customers benefit from unspecified product upgrades associated with continuous ongoing investments made by the Group to drive future product enhancements and upgrades. As part of the software licence and product upgrade performance obligation customers benefit not just from product upgrades but also ongoing maintenance upgrades. There are elements in some of the product upgrades and enhancements of Blue Prism reacting directly to customer needs however, a number of product upgrades arise from Blue Prism proactively going to customers and partnering with them to drive enhancements and upgrades.

The Directors have given due consideration to the contractual terms set out in the sales agreements, the interdependence and interrelatedness of the software licence, and other explicit and implicit promises to customers to conclude that both the software licence and the right to unspecified product upgrades are not distinct in the context of the contract and should be combined into a single performance obligation.

The Group recognises revenue from the provision of software licences and product upgrades performance obligation on a straight-line basis over the term of the contract. Blue Prism provides promises to deliver unspecified product upgrades on an as-and-when-available basis over the software licence term and support.

The product enhancements and upgrades are provided by software engineers who develop and deliver product developments on a time-based measure. The software engineers deliver the product developments as and when these are ready for release on a steady basis over time and therefore revenue for the software licence and product upgrade performance obligation is recognised on a straight-line basis over the contract duration.

The second performance obligation is the provision of support services. A separate distinct service is identified for the provision of support services, with the revenue recognised on a straight-line basis over the contractual term of the support service.

Exceptional costs

The Group separately presents specific adjusting items in the consolidated income statement which, in the Directors' judgement, need to be disclosed separately by virtue of their size and incidence in order for users of the consolidated financial statements to obtain an alternative understanding of the financial information and the underlying performance of the business. Determining whether an item is part of specific adjusting items requires judgement to determine the nature and the intention of the transaction.

Further detail on each item classified as exceptional has been included in note 28.

Cash generating units

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for assets with indefinite lives is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGUs) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Judgement is applied in arriving at the determination of the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Further detail is provided in note 12.

Estimates

Impairment testing

A key management judgement is the monitoring of goodwill and intangible assets for impairment testing. Management monitors goodwill at a Group level. Other intangible assets are monitored separately where there are separately observable cash flows, or at the Group level where cash flows arising from the asset are not separable.

The assumptions applied in calculating the value in use for the impairment testing are a source of estimation uncertainty. The key assumptions applied in the calculation relate to the future performance expectations of the business, growth rates, and the discount rate to be applied in the calculation.

Further details of the impairment testing are disclosed in note 12.

Share-based payments

The Group has a number of share-based payment arrangements, principally with its employees. These awards are valued by an appropriately qualified external actuary at the point of grant for the purpose of computing the share-based payment charge. This charge is spread over the vesting period. The charge is reduced for known leavers whose awards will not vest and an estimate for future forfeitures is taken into account following management review of historical forfeitures. The outturn on these awards may differ from estimates made at the point of preparing these financial statements and will be incorporated into future accounting periods in line with IFRS 2.

For further detailed discussion of the share-based payment charge, see note 22.

3 Financial instruments – Risk management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

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. The amortised cost of financial instruments approximates their fair value.

Capital risk management

The Group manages its capital to ensure that all Group entities will be able to continue on a going concern basis while maximising its long-term return to shareholders. The capital structure of the Group consists of Company equity only, comprising issued capital, share premium, reserves and retained loss. The Group is not exposed to any externally imposed capital requirements and has no borrowings.

Financial instruments by category

Financial assets held at amortised cost

	2021 £'m	2020 £'m
Trade receivables	48.6	39.2
Other receivables	1.6	1.6
Cash and cash equivalents	127.2	137.6
Total financial assets held at amortised cost	177.4	178.4

Financial liabilities held at amortised cost

	2021 £'m	2020 £'m
Trade payables	7.6	5.5
Other payables and accruals excluding other tax and social security	37.8	27.4
Lease liabilities	4.6	3.9
Contingent consideration	-	3.9
Total financial liabilities held at amortised cost	50.0	40.7

Classification of liabilities arising from financing activities

	Non-current Lease liability £'m	Current Lease liability £'m
Balance as at 31 October 2019	-	-
Non-cash: Adoption of IFRS 16	4.2	1.8
Reclassification	(1.6)	1.6
Interest	-	0.3
Cash-flows Repayment	-	(2.3)
Balance at 31 October 2020	2.6	1.4

Classification of liabilities arising from financing activities

	Non-current Lease liability £'m	Current Lease liability £'m
Balance as at 31 October 2020	2.6	1.4
Non-cash: Reclassification	(0.8)	0.8
Recognition of new lease liability	0.9	1.6
Interest	-	0.2
Foreign exchange movement	(0.1)	(0.1)
Cash-flows Repayment	-	(1.9)
Balance at 31 October 2021	2.6	2.0

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

3 Financial instruments – Risk management continued

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

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 and cash balances.

It is Group policy to assess the credit risk of new customers before entering contracts. The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available. Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 16.

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 with minimum rating "A" are accepted. The Group considers the expected credit losses on cash and cash equivalents to be immaterial and no impairment has been recognised (FY20: £nil).

The Group's cash is held on deposit with the Group's principal bankers.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency, with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

During the year the Group's potential exposure to currency risk has increased due to the increased level of business in overseas operations. The Group is predominantly exposed to currency risk on the balances held in working capital within the Group and the exposure is concentrated therefore in the movement of the US dollar against sterling. The effect of a strengthening and weakening of 10% of the US dollar against sterling at the reporting date on the working capital balances held at this date, on the basis that all other variables remained constant, would have resulted in the following pre-tax profit or (loss) impact for the year as follows:

	10% strengthening £'m	10% weakening £'m
US dollar to sterling	3.4	(3.4)

Additionally, during the year the Group has renewed the intercompany loan agreements in place with its overseas subsidiaries. Loans to overseas subsidiaries are denominated in sterling and therefore give rise to foreign exchange gains/losses in the overseas entities which are not eliminated on consolidation.

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.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

The principal exposure to liquidity risk is the trade payables and costs to obtain contracts accrued at the year end, these are all current and expected to be settled within 90 days of the year end. All other liabilities fall due within 12 months of the year end, except for lease liabilities whose maturity is disclosed in note 24.

4 Segmental analysis

The Group has concluded that it operates only one operating segment as defined by IFRS 8 Operating licensing of Robotic Process Automation (RPA) software used to automate routine, rules-based back office processes. The information used by the Group's CODM's to make decisions about the allocation of resources and to assess performance is presented on a consolidated Group basis. Accordingly, no segment analysis is presented. Refer below for disaggregated analysis on revenue by source and geographic location.

The Group operates across three regions: EMEA, The Americas and APAC and Japan, and the Executive Board monitors revenue on this basis. Business performance is otherwise monitored by reference to total results against budget. Revenue for each of the geographical areas is as follows:

	2021 £'m	2020 £'m
Revenue from EMEA Operations	78.9	67.1
Revenue from The Americas Operations	65.1	56.6
Revenue from APAC and Japan Operations	23.3	17.7
Total	167.3	141.4

Revenues from principal territories, including all countries contributing more than 10% of revenue:

	2021 £'m	2020 £'m
UK	34.9	29.0
US	48.4	43.6
Europe	37.8	34.8
Asia-Pacific	13.8	10.2
Canada	12.3	9.6
Australia and New Zealand	9.5	7.5
Rest of world	10.6	6.7
Total	167.3	141.4

The Group derives revenue from three sources:

	2021 £'m	2020 £'m
Licence and support	163.5	138.3
Professional services and training	3.6	3.0
Sponsorship and other revenue	0.2	0.1
Total	167.3	141.4

Licence and support, and professional services and training are recognised over time and sponsorship and other revenue are recognised at a point in time.

There are no customers who generate 10% or more of the Group's revenues (2020: no customers).

An analysis of non-current assets by geography is presented in notes 12, 13 and 17.

5 Cost of sales

	2021 £'m	2020 £'m
Amortisation of costs to obtain contracts (note 17)	16.3	12.9
Direct employee costs of delivery	15.1	7.3
Direct cloud costs	2.4	2.0
Total cost of sales	33.8	22.2

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

6 Operating expenses

	2021 £'m	2020 £'m
Sales and marketing	100.8	122.1
Product group	16.0	13.1
General and administrative	28.3	27.5
Depreciation of property, plant and equipment (note 13)	2.5	2.9
Amortisation of intangible fixed assets (note 12)	3.3	3.3
Share-based payments (note 22)	10.6	13.2
Exceptional costs (note 28)	16.3	18.2
Exchange losses/(gains) recognised in operating profit or loss	4.6	(2.2)
Total operating expenses	182.4	198.1

	2021 £'m	2020 £'m
Operating loss is stated after charging:		
Fees payable to the Company's auditor and its associates for the audit of the Parent Company's and consolidated financial statements	0.5	0.2
Fees payable to the Company's auditor for audits of prior year information under PCAOB standards, treated as exceptional (note 28)	0.7	-
Fees payable to the Company's auditor for other services:		
Audit of the accounts of subsidiaries	0.1	0.1
Audit-related assurance services	0.1	-
Tax services	-	-

7 Staff costs

	2021 £'m	2020 £'m
Staff costs (including Directors' emoluments) comprise:		
Wages and salaries	102.7	100.8
Social security contributions and similar taxes	13.9	11.0
Pension costs	3.6	3.3
Share-based payment charge (note 22)	10.6	15.4
	130.8	130.5

Contingent consideration of £4.1m (2020: £18.2m) payable to shareholders of Thoughtonomy who have continued with the Group as employees has been expensed as exceptional costs. See note 28 for further details.

Average monthly number of employees (including Directors) during the year:

	2021 Number	2020 Number
Directors	6	6
Administration	116	104
Sales and marketing	501	532
Technical services	408	364
	1,031	1,006

Remuneration of Directors for the year ended 31 October 2021

	2021 £'m	2020 £'m
Directors' emoluments comprised:		
Wages and salaries	1.0	0.9
Social security contributions and similar taxes	0.1	0.1
Pension costs	-	-
Share-based payment charge (note 22)	0.3	0.2
	1.4	1.2
	2021 £'m	2020 £'m
Remuneration for the highest paid Director comprised:		
Wages and salaries	0.4	0.3
Social security contributions and similar taxes	-	-
Pension costs	-	-
Share-based payment charge (note 22)	0.1	0.1
	0.5	0.4

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company listed on pages 38 to 40.

	2021 £'m	2020 £'m
Salary	2.6	2.5
Bonuses	0.5	0.1
Commission	0.1	0.3
Pension contributions	0.1	0.1
Share-based payments	1.6	0.6
	4.9	3.6

Contingent consideration of £3.0m (2020: £13.3m) payable to shareholders of Thoughtonomy who have continued with the Group as employees who are also key management personnel has been expensed as exceptional costs. See note 28 for further details.

8 Finance income

Finance income consists of:

	2021 £'m	2020 £'m
Interest receivable on bank deposits	0.1	0.5
	0.1	0.5

9 Finance costs

Finance costs consists of:

	2021 £'m	2020 £'m
Interest payable on lease liabilities	0.2	0.3
	0.2	0.3

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

10 Income tax expense

	2021 £'m	2020 £'m
Current tax expense		
UK corporation tax on loss of the year	-	-
Foreign tax on profits of the year	1.2	1.0
Adjustment for current tax of prior periods	-	(0.6)
Total current tax	1.2	0.4
Total income tax charge	1.2	0.4

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2021 £'m	2020 £'m
Loss before tax	(50.2)	(80.2)
Tax at domestic rate 19% (2020: 19%)	(9.5)	(15.2)
Effects of:		
Expenses not deductible for tax purposes	5.9	7.8
Income not taxable	0.3	-
Share options exercised in the period	(2.9)	(3.3)
Deferred tax not recognised	6.4	11.5
Foreign tax on UK income	1.1	1.0
Adjustments in respect of prior years	-	(0.6)
Other differences	(0.1)	(0.8)
Total income tax charge	1.2	0.4

The Group has unrecognised tax losses of approximately £275.3m (2020: £227.4m) and other deductible temporary differences of approximately £12.9m (2020: £35.1m) to carry forward against future profits. The tax value of such losses amounted to £60.9m (2020: £42.3m) and the tax value of the other deductible temporary differences amounted to £3.2m (2020: £6.5m). The UK tax losses of £33.2m have no expiry date. The US tax losses of £13.8m expire after 20 years if not utilised.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. A deferred tax asset has been recognised up to and equal to the value of the deferred tax liability arising on the identified intangibles in the Thoughtonomy acquisition. On the basis there is insufficient evidence that future taxable profits will be available to utilise the tax losses (note 20), no further deferred tax asset has been recognised in respect of the trading losses carried forward or other deductible temporary differences.

11 Basic and diluted loss per share

The calculation of basic EPS has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021 £'m	2020 £'m
Loss attributable to ordinary shareholders (basic)		
Loss for the year, attributable to the owners of the Company	(51.4)	(80.6)
Loss attributable to ordinary shareholders	(51.4)	(80.6)
Weighted-average number of ordinary shares (basic)	'000	'000
Weighted-average number of ordinary shares at 31 October	95,461	88,034
Basic loss per share (p)	(53.88)	(91.56)
	'000	'000
Total potentially issuable shares	1,287	3,410

As the inclusion of potential ordinary shares would be anti-dilutive and decrease the loss per share, they are not included in the calculation of diluted loss per share.

12 Intangible fixed assets

Cost	Goodwill £'m	Customer relationships £'m	Technology £'m	Total £'m
At 1 November 2019 and 31 October 2020	16.2	12.6	10.2	39.0
At 1 November 2020 and 31 October 2021	16.2	12.6	10.2	39.0
Accumulated amortisation and impairment	£'m	£'m	£'m	£'m
At 1 November 2019	-	0.3	0.6	0.9
Amortisation	-	1.3	2.0	3.3
At 31 October 2020 and 1 November 2020	-	1.6	2.6	4.2
Amortisation	-	1.3	2.0	3.3
Impairment	-	6.9	-	6.9
At 31 October 2021	-	9.8	4.6	14.4
Net book value				
At 31 October 2020	16.2	11.0	7.6	34.8
At 31 October 2021	16.2	2.8	5.6	24.6

All intangible assets arise in the UK as a result of the Thoughtonomy acquisition.

Annual impairment tests

Goodwill is monitored by management at the Group level. Blue Prism performed its annual test for impairment as at 31 October 2021 in respect of the goodwill held. It is considered that the cash inflows related to the goodwill are intrinsically linked to the broader operations of the Group, and are therefore not independent from other groups of assets. As such, for the purposes of impairment testing, the goodwill has been allocated to the total Group cash generating unit (CGU). The technology related intangible asset is also considered to be intrinsically linked to the broader operations of the Group.

Since the Group has a single CGU, the impairment test has been conducted based on the fair value less costs of disposal of the Group, derived from the observable share price at the valuation date. As at that date, the Group was under offer by Bali Bidco Limited at an offer price of 1.125p per share. Based on this share price, the market capitalisation of the Group was £1,091.7m, resulting in headroom of £789.7m over the carrying amount of the CGU (gross assets of £243.4m), assuming circa 5% costs to sell. Further supporting this valuation were the subsequent higher offers received post year end from both Bali Bidco Limited and SS&C Technologies Holdings Inc (see note 1).

Customer related intangible asset

The customer related intangible asset is considered to require separate consideration from the other intangible assets due to there being observable cash inflows from the identified customers that comprised the original asset recognised. Such customer relationships represent specific ongoing contracts acquired as part of the Thoughtonomy acquisition in 2019, and were identified at the point of acquisition. The asset is a finite life asset and as such, is required to be considered for impairment where there is an indication of possible impairment.

The original valuation of the intangible asset on acquisition was based on a number of assumptions, including that of forecast levels of revenue and customer attrition over time applied to the revenue forecast. Upon review of the actual experienced attrition rates of the existing customers during the financial year ended 31 October 2021, the rate was determined to be in excess of the rate expected in the original valuation. A value in use assessment has been performed as at 31 October 2021 based on the actual experienced net attrition rate, producing a revised valuation of £2.8m, resulting in an impairment of £6.9m which has been recognised in exceptional costs (see note 28). The remaining useful life from the valuation date has been determined to be five years. This results in an increased amortisation charge of £0.1m per annum in comparison to the remaining useful life of seven years before the impairment assessment.

The net attrition rate applied in the value in use assessment at 31 October 2021 is 15%. The attrition rate is the loss of revenues, net of any offsetting growth in the revenue base. An increase in this attrition rate of 1% would result in an additional impairment of £0.1m. The discount rate applied in the value-in-use assessment is 15%. An increase in this discount rate of 1% would result in an additional impairment of £0.1m.

Notes forming part of the Financial Statements continued

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13 Property, plant and equipment

Cost	Computer equipment £'m	Leasehold improvements £'m	Fixtures and fittings £'m	Right-of-use asset £'m	Total £'m
At 1 November 2019	1.5	0.2	0.5	-	2.2
Recognition on adoption of IFRS 16	-	-	-	7.9	7.9
Additions	0.3	-	-	-	0.3
At 31 October 2020	1.8	0.2	0.5	7.9	10.4
At 1 November 2020	1.8	0.2	0.5	7.9	10.4
Additions	0.9	-	-	2.5	3.4
Foreign exchange movements	(0.1)	-	-	(0.2)	(0.3)
At 31 October 2021	2.6	0.2	0.5	10.2	13.5

Accumulated depreciation and impairment

At 1 November 2019	0.5	-	0.1	-	0.6
Recognition on adoption of IFRS 16	-	-	-	2.1	2.1
Depreciation	0.5	0.1	0.1	2.2	2.9
At 31 October 2020	1.0	0.1	0.2	4.3	5.6
At 1 November 2020	1.0	0.1	0.2	4.3	5.6
Depreciation	0.6	0.1	0.1	1.7	2.5
Foreign exchange movements	-	-	-	(0.1)	(0.1)
At 31 October 2021	1.6	0.2	0.3	5.9	8.0

Net book value

At 31 October 2020	0.8	0.1	0.3	3.6	4.8
At 31 October 2021	1.0	-	0.2	4.3	5.5

Of the £5.5m of property, plant and equipment (2020: £4.8m), £3.9m was held in the United Kingdom (2020: £2.2m), £1.2m in the United States (2020: £1.8m) and £0.4m overseas (2020: £0.8m).

14 Equity-accounted investees

Blue Prism Korea Ltd is a joint venture incorporated on 18 November 2020, in which the Group has joint control and a 55% ownership interest. Accordingly, the Group has classified its interest in Blue Prism Korea as a joint venture.

It is one of the Group's strategic partnerships and is principally engaged in the delivery of the Group's products and services in Korea. Blue Prism Korea Ltd is not publicly listed. Blue Prism Korea is structured as a separate vehicle and the Group has a residual interest in the net assets of Blue Prism Korea.

The Group holds a call option over the residual ownership interest in the joint venture. The fair value of this option was £nil at 31 October 2021.

15 Subsidiaries

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings as at 31 October 2021 is disclosed below. Related undertakings include subsidiary undertakings, all significant holdings (being 20% or more interest), associated undertakings, joint ventures and qualifying partnerships. Unless otherwise stated the Group's shareholding represents Ordinary shares held indirectly by the Company. The principal activity of the subsidiaries is the development and provision of robotic process automation software.

Name	Country of incorporation and principal place of business	Proportion of ownership interest at 31 October	
		2021 ¹	2020 ¹
Blue Prism Limited	United Kingdom	100%	100%
Blue Prism Software Inc*	United States	100%	100%
Blue Prism Pty Ltd*	Australia	100%	100%
Blue Prism K.K.*	Japan	100%	100%
Blue Prism India Pvt Ltd**	India	100%	100%
Blue Prism GmbH*	Germany	100%	100%
Blue Prism SARL*	France	100%	100%
Blue Prism Pte. Ltd*	Singapore	100%	100%
Blue Prism HK Limited*	Hong Kong	100%	100%
Blue Prism Software Canada Inc*	Canada	100%	100%
Blue Prism FZ-LLC*	Dubai	100%	100%
Blue Prism LLC**	Russia	100%	100%
Blue Prism AB*	Sweden	100%	100%
Blue Prism Software (Shanghai) Co Ltd*	China	100%	100%
Blue Prism SLU*	Spain	100%	100%
Blue Prism Switzerland GmbH*	Switzerland	100%	100%
Blue Prism Software SA (Pty) Ltd*	South Africa	100%	100%
Blue Prism Korea Ltd***	Republic of Korea	55%	-
Blue Prism Cloud Ltd ⁰	United Kingdom	100%	100%
Blue Prism Cloud Inc*	United States	100%	100%

* Indirectly held

** Held directly 1% by Blue Prism Group plc and 99% by Blue Prism Limited

*** Joint venture

⁰ Denotes that the subsidiary is exempt from the requirements of audit under s479A-479C of the Companies Act 2006.

1. All subsidiaries have a year end of 31 October with the exception of Blue Prism India Pvt Ltd which has a year end of 31 March and Blue Prism LLC which has a year end of 31 December, both as required by local legislation.

The registered addresses of each of the subsidiaries and joint ventures are shown below:

Name	Registered address
Blue Prism Limited	2 Cinnamon Park Crab Lane, Fearnhead, Warrington, England, WA2 OXP, UK
Blue Prism Software Inc	1688 Meridian Avenue, Suite 700 Miami Beach, Florida, 33139, USA
Blue Prism Pty Ltd	Suite 1, Level 11, 66 Goulburn Street, Sydney, NSW 2000, Australia
Blue Prism K.K.	Tokyo Club Building, 11F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo, Japan
Blue Prism India Pvt Ltd	2nd Floor, Shabri Complex, 24 Field Marshal, Cariappa Road, Shanthala Nagar, Ashok Nagar, Bengaluru - 560025, Karnataka, India
Blue Prism GmbH	Maximilianstraße 54, 80538, München, Germany
Blue Prism SARL	3-5 rue Saint-Georges, 75009, Paris, France
Blue Prism Pte. Ltd	38 Beach Road, South Beach Tower, #29-11, Singapore, 189767
Blue Prism HK Limited	31/F., Tower Two, Times Square, Matheson Street, Causeway Bay, Hong Kong
Blue Prism Software Canada Inc	1200 Waterfront Centre, 200 Burrard Street, PO Box 48600, Vancouver, BC V7X 1T2, Canada
Blue Prism FZ-LLC	Exclusive Desk No 31, Floor 1, Building 12, Dubai, UAE
Blue Prism LLC	Room 40, floor 8, Building 1, 16A Leningradskoe Shosse, Moscow, 125171, Russian Federation
Blue Prism AB	Sergels Torg 12, 111 57, Stockholm, Sweden
Blue Prism Software (Shanghai) Co Ltd	Room 112, 15/F, Building A, No.8 Century Avenue, China (Shanghai) Pilot Free Trade Zone, PRC
Blue Prism SLU	Blue Prism SLU, Principe de Vergara 112, 28002, Madrid, Spain
Blue Prism Switzerland GmbH	Talstrasse 83, Zurich, 8001, Switzerland
Blue Prism Software SA (Pty) Ltd	3rd Floor, 200 On Main Cnr Main and Bowwood Roads, Claremont 7708, South Africa
Blue Prism Korea Ltd	10F, 329, Gangnam-daero, Seocho-gu, Seoul, 06627, Republic of Korea
Blue Prism Cloud Ltd	2 Cinnamon Park Crab Lane, Fearnhead, Warrington, England, WA2 OXP, UK
Blue Prism Cloud Inc	Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware, USA

Notes forming part of the Financial Statements continued

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16 Trade and other receivables

	2021 £'m	2020 £'m
Trade receivables (net)	48.6	39.2
Prepayments	5.9	3.6
Accrued revenue	0.1	0.4
Other receivables	1.6	1.2
Total trade and other receivables	56.2	44.4

The net trade receivables balance comprises a gross balance of £51.3m (2020: £41.2m) and a provision for impairment of £2.7m (2020: £2.0m). All net trade and other receivables are expected to be recovered within 12 months of the year end date.

An impairment charge of £1.6m (2020: £1.8m) was recognised within operating expenses in the year relating to aged receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) using a lifetime ECL provision for trade receivables. To measure ECLs on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Due to the Group's policy of carrying out credit checks on new customers and partners and the recurrent nature of its business with established customers, the Group considers all trade receivables to have low credit risk upon initial recognition. The Group determines whether the credit risk of financial instruments has increased significantly since initial recognition by reviewing aged receivables exceeding 90 days and contracts where customers are known to be in financial difficulty. The Group writes off the trade receivable when in its view there is no reasonable expectation of recovery. There have been no changes in the estimation techniques in this respect during the year.

The Group applies the general impairment model within IFRS 9 to other receivables. Due to the nature of assets within this balance, no ECL has been recognised.

The expected loss rates applied to trade receivables are based on the Group's historical credit losses experienced over the last financial year prior to the year end. Forward looking information, including macroeconomic information, is applied only where it is reliably available.

Expected credit loss allowance on trade receivables

	< 30 Days	31-60 Days	61-90 Days	> 90 Days	Total
Gross trade receivables (£'m)	41.0	2.5	1.9	5.9	51.3
Less: specifically impaired receivables	-	-	-	(2.3)	(2.3)
Net trade receivables (£'m)	41.0	2.5	1.9	3.6	49.0
Expected credit loss rate	0.74%	1.34%	1.88%	2.78%	
Expected credit loss (£'m)	(0.3)	-	-	(0.1)	(0.4)
Net carrying amount (£'m)	40.7	2.5	1.9	3.5	48.6

Provision for impairment of trade receivables

	2021 £'m	2020 £'m
Opening provision for impairment of trade receivables	2.0	1.4
Increase during the year	1.6	1.8
Receivable written off during the year	(0.9)	(1.2)
Closing provision for impairment of trade receivables	2.7	2.0

17 Costs to obtain contracts and deferred revenue

	2021 £'m	2020 £'m
Costs to obtain contracts		
Opening balance	30.5	28.2
Costs to obtain contracts with customers during the year	16.3	15.2
Amortisation in line with contract performance	(16.3)	(12.9)
Foreign exchange movement	(0.9)	-
Total costs to obtain contracts	29.6	30.5

Costs to obtain contracts consist of commission payable to sales employees and are amortised over the period of the customer contract to which they relate. The Group assesses recoverability of the costs to obtain contracts in line with IFRS 15. No impairment has been recognised in the year ended 31 October 2021 (2020: £nil).

	2021 £'m	2020 £'m
Current costs to obtain contracts	15.7	13.3
Non-current costs to obtain contracts	13.9	17.2
Total costs to obtain contracts	29.6	30.5

Of the £13.9m of non-current cost to obtain contract assets (2020: £17.2m), £5.4m was in the United Kingdom (2020: £1.4m), £4.2m in the United States (2020: £0.4m) and £4.3m overseas (2020: £15.4m).

	2021 £'m	2020 £'m
Deferred revenue		
Opening balance	95.7	77.4
Release of brought forward deferred revenue	(88.8)	(67.3)
Contracts invoiced in advance of performance and not recognised as revenue	105.1	85.6
Foreign exchange movement	(2.5)	-
Total deferred revenue	109.5	95.7

	2021 £'m	2020 £'m
Current deferred revenue	101.7	88.8
Non-current deferred revenue	7.8	6.9
Total deferred revenue	109.5	95.7

Deferred revenue represents amounts invoiced in advance in line with contractual arrangements. This will be amortised in future periods in line with fulfilment of the respective performance obligations. The Group expects to recognise most of the deferred revenue balance within one year of the statement of financial position date with a small amount being recognised as greater than one year.

Remaining performance obligations (RPO)

The Group has uninvoiced amounts relating to the remaining term of customer contracts which are not included in the deferred revenue balance greater than one year. There are support and upgrade performance obligations attached to the remaining term of customer contracts not yet invoiced.

In total, the Group has £351.8m (2020: £311.9m) in aggregate allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at 31 October 2021. Of these, £109.5m (2020: £95.7m) are recorded in deferred revenue. These obligations are estimated based on the prevailing exchange rates at each period end. The remainder are off-balance sheet and will be invoiced in future periods on each anniversary of the contract inception.

	2021 £'m	2020 £'m
On balance sheet deferred revenue:	109.5	95.7
Off balance sheet deferred revenue:		
Within 1 year	55.1	50.1
Between 1-2 years	98.1	88.1
More than 2 years	89.1	78.0
Total remaining performance obligations	351.8	311.9

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18 Corporation tax receivable

	2021 £'m	2020 £'m
Corporation tax receivable	0.3	1.1

19 Trade and other payables

Current trade and other payables		
	2021 £'m	2020 £'m
Trade payables	7.6	5.5
Other payables	4.7	5.1
Lease liabilities (note 24)	2.0	1.4
Accruals	30.1	25.5
Total current trade and other payables	44.4	37.5

Non-current other payables		
	2021 £'m	2020 £'m
Lease liabilities	2.6	2.6
Total non-current other payables	2.6	2.6

20 Deferred tax

The elements of the deferred taxation are as follows:

	2021 £'m	2020 £'m
Deferred tax asset on losses Intangible assets	(1.6)	(3.5)
	1.6	3.5
Deferred tax liability	-	-

The movement on deferred taxation is as follows:

	2021 £'m	2020 £'m
Movement in deferred tax liability arising on business combination	(1.9)	(0.8)
Movement in deferred tax asset on losses	1.9	0.8
Deferred tax liability	-	-

A deferred tax asset has been recognised up to and equal to the value of the deferred tax liability arising on the identified intangibles in the acquisition upon which the intangibles arose. No further deferred tax asset has been recognised in the year ended 31 October 2021 (2020: £nil) in relation to trading losses available due to the uncertainty of future taxable profits.

21 Share capital, share premium, shares to be issued, and merger reserve

Issued and fully paid		
	2021 £'m	2020 £'m
Ordinary share capital at par £0.01	0.9	0.9
Deferred shares at par £0.01	-	1.1
Total	0.9	2.0

	Issued and fully paid			
	Number	Share capital £'m	Share premium £'m	Merger Reserve £'m
Total ordinary shares at 31 October 2019	81,016,206	0.8	150.3	15.5
Share options exercised in the year	1,661,762	-	3.6	-
Shares issued under the Company Share Investment Plan	54,935	-	-	-
Shares issued under the Company Employee Stock Purchase Plan	145,882	-	1.2	-
Shares issued under the Company Employee Benefit Trust (note 22)	1,079,325	-	-	-
Contingent consideration shares issued on acquisition	1,078,102	-	-	2.1
Shares placed in the year	9,090,910	0.1	-	99.9
Total ordinary shares at 31 October 2020	94,127,122	0.9	155.1	117.5
Share options exercised in the year	899,064	-	3.8	-
Shares issued under the Company Share Investment Plan	27,566	-	-	-
Shares issued under the Company Employee Stock Purchase Plan	36,498	-	0.4	-
Shares issued under the Company Employee Benefit Trust (note 22)	875,115	-	-	-
Contingent consideration shares issued to acquire subsidiary Thoughtonomy	1,075,071	-	-	2.1
Total ordinary shares at 31 October 2021	97,040,436	0.9	159.3	119.6

During the year, shares under the Company Share Investment Plan were issued at par £0.01 and shares under the Employee Stock Purchase Plan were issued at an average price of £10.42 (2020: £7.96). The Company also issued shares to the Employee Benefit Trust to cover the awards made in the year, disclosed in note 22. The excess of shares issued over awards outstanding will be used to satisfy future awards.

In April 2020, the Company conducted a placing exercise for £100m in newly-issued shares via a cashbox mechanism. The proceeds of the placing in excess of the nominal has been recorded as an addition to the merger reserve.

The deferred shares arose following a restructuring of the Group in 2016. The deferred shares carried no voting rights, no rights to income and the right to a return of a maximum of £0.001 on a winding up of the Company. In the prior year, the deferred shares were gifted to the Company by the shareholders for nil consideration. The deferred shares were cancelled on 8 December 2020.

Shares to be issued

As part of the acquisition of Thoughtonomy, the Group was required to issue consideration in the form of ordinary share capital to the selling shareholders on the first and second anniversary of acquisition.

Where the selling shareholders also joined the Group as employees post-acquisition, the receipt of this consideration was contingent on continued employment. A total of 922,055 shares have been issued in respect of remuneration during the year within the contingent consideration shares issued to acquire Thoughtonomy (2020: 925,086). The associated costs are expensed as exceptional remuneration costs over the period that continuing employment is required.

A further 153,016 shares (2020: 153,016 shares) have been issued that were not contingent on continued employment. This amount is recognised as consideration towards the acquisition and included in the calculation of the goodwill arising on acquisition.

Where the selling shareholders did not join the Group post-acquisition, these shares have been recognised at fair value at the acquisition date in the shares to be issued reserve.

The first tranche of these shares were issued in July 2020 and the final tranche in July 2021. Upon issue, the Group has reclassified the fair value from the shares to be issued reserve to the merger reserve.

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

21 Share capital, share premium, shares to be issued, and merger reserve continued

	Shares to be issued	
	Number of shares	Fair value £m
Total number and fair value at 31 October 2019	306,032	4.2
Shares issued as first tranche of contingent consideration	(153,016)	(2.1)
Total number and fair value at 31 October 2020	153,016	2.1
Shares issued as second tranche of contingent consideration	(153,016)	(2.1)
Total number and fair value at 31 October 2021	-	-

Authorised shares

The Company's Articles of Association do not contain any restriction on the maximum authorised share capital.

22 Share options and share awards

Share options

The Group operates an Employee Share Plan and a Non-Employee Share Plan (together the Share Plans). The Employee Share Plan is administered by the Remuneration Committee of the Board and the Non-Employee Share Plan is administered by the Board. Awards under the Share Plans take the form of options to acquire Ordinary Shares with an exercise price equal to the market value of an Ordinary Share on the date of grant. All employees of the Group may be granted awards under the Employee Share Plan. Non-Executive Directors and consultants of the Group may be granted awards under the Non-Employee Share Plan. All options under the Share Plans are ten year options. The Employee Share Plan options for staff vest over a three year period, one third each year. Directors options under the Employee Share Plan vest at the end of the three year period. Options awarded under the Non-Employee Share Plan vest over three years, one third each year.

The Group also operates a Company Share Option Plan (the CSOP). The CSOP is administered by the Remuneration Committee of the Board. The CSOP has been designed so as to be capable of being certified as a "Schedule 4 CSOP" (as described in schedule 4 of the Income Tax (Earnings and Pensions) Act 2003). The rules of the CSOP have been drafted so as to mirror those of the Employee Share Plan save where a different approach is required to ensure that the CSOP may qualify as a Schedule 4 CSOP. The Awards under the CSOP take the form of options to acquire Ordinary Shares with an exercise price equal to the market value of an Ordinary Share on the date of grant. The CSOP is used in conjunction with the Employee Share Plan when making Awards to the Group's UK employees, such that for staff the total number of options in an Award (under the Employee Share Plan and CSOP combined) vest over a three year period, one third each year, although the relative proportions of options due to vest under the CSOP and the Employee Share Plan may vary from year to year. Directors options under the CSOP vest at the end of the three year period from the date of grant.

During the year 2,677 (2020: nil) share options have been granted under the above schemes.

The exercise price of options outstanding at 31 October 2021 ranged between 78p and 2560p (2020: 78p and 2560p) and average contractual life left for all options is 5.91 years (2020: 8.82 years).

For the Group's UK employees, the Company operates a Share Incentive Plan (the SIP). The SIP has been designed so as to be capable of being certified as a "Schedule 2 SIP" (as described in schedule 2 of the Income Tax (Earnings and Pensions) Act 2003). The SIP is open to all of the Group's UK employees. Participating employees may elect to save funds by means of deductions from pre-tax salary up to a maximum contribution per employee of £1,800 per tax year. Funds thus deducted are held for the benefit of the employee under a UK resident trust established for the purpose (the SIP Trust). The trustee of the SIP Trust uses the accumulated funds each month to make market purchases of Ordinary Shares to be held under the SIP Trust for the employee (Partnership Shares). For each Partnership Share purchased under the SIP, the Company awards one free matching Ordinary Share, also to be held under the SIP Trust (a Matching Share). Matching Shares must normally be retained within the SIP Trust for 3 years from the date they are awarded.

During the year 27,566 (2020: 26,697) matching shares been granted under the above scheme, with a resultant share-based payment charge of £0.3m (2020: £0.3m).

For the Group's US employees, the Company operates an Employee Stock Purchase Plan (the ESPP). The ESPP is designed to be a qualified employee stock purchase plan within the meaning of Section 423 of the US Internal Revenue Code of 1986. Participating employees may elect to save funds by means of deductions from post-tax salary to be accumulated towards the purchase of Ordinary Shares up to a maximum contribution per employee of \$25,000 per tax year. Funds are accumulated during a series of "Offering Periods", normally of six months each, at the end of which the employee may use the accumulated funds to purchase Ordinary Shares or to have the funds repaid to them without interest. If the funds are used to purchase Ordinary Shares, the purchase may be made at a discount of 15% from whichever is the lower of the market value of Ordinary Shares at the beginning or the end of the Offering Period.

Funds collected from employees during the year were used to purchase 61,234 shares (2020: 111,446) at a discount, with a resultant share-based payment charge of £0.1m (2020: £0.6m).

	Number of options	Weighted average option price (£)
Share options outstanding at 31 October 2019	4,129,406	6.37
Share options forfeited in the period	(137,641)	18.26
Share options exercised in the period	(1,661,762)	2.16
Share options outstanding at 31 October 2020	2,330,003	8.67
Share options awarded in the period	2,677	0.01
Share options forfeited in the period	(157,919)	17.40
Share options exercised in the period	(887,793)	3.80
Share options outstanding at 31 October 2021	1,286,968	12.08

The weighted average market price of share options exercised in the period was £14.75 (2020: £13.42).

Of the 1,286,968 share options outstanding at 31 October 2021, 60,816 have vested and are exercisable (31 October 2020: 1,883,281 vested and exercisable).

The fair value of share options has been measured using the Black-Scholes model using the following key assumptions:

Assumption	Description and purpose
<i>Volatility</i>	In the absence of historic volatility data, expected volatility has been estimated using the volatility of comparable companies. The volatility used was 32%.
<i>Expected time to exercise</i>	The expected time to exercise used was five years.
<i>Dividends</i>	It was assumed no dividend would be paid.
<i>Option exercise price</i>	The option exercise price determined was the share price at the date of the award for the US awards and the price on the day before the date of the award for the non US awards, in accordance with the US ISO option rules.
<i>Risk-free rate</i>	The risk-free rate applied was based on the five year UK government bond yields at the time of the valuation.
<i>Retention of employees</i>	It is assumed 91% retention of employees.

The above options have the following different vesting conditions:

Option type	Vesting conditions
<i>CSOP</i>	CSOP options vest 100% after three years.
<i>Unapproved options</i>	Unapproved options vest either over either two or three years, or 100% after three years.
<i>ISO</i>	ISO options vest equally over three years.
<i>EMI</i>	EMI options vest equally over either two or three years.

Share awards

In January 2019, the Company established an Employee Benefit Trust. The Employee Benefit Trust is administered by Sanne Fiduciary Services Ltd, as Trustee of the Blue Prism Group plc Employee Benefit Trust. Upon the award of shares, the Trust subscribes for shares following the recommendation of the Group and holds the shares until the award vests, at which point they are transferred to the employee.

An employee may receive Restricted, Performance or Deferred Share Awards, which are made as nil cost options. Performance Share Awards have conditions attached, weighted two thirds on the achievement of a revenue growth target and one third on the achievement of a Total Shareholder Return (TSR) condition.

Sensitivity analysis

The sensitivity information has been derived through amendment of the key assumption of the retention of employees assumptions as at 31 October 2021 and keeping all other assumptions as set out above. This change in assumption is applied to both share awards and share options.

	Increase / (decrease) in share option charge
2.5 percentage point increase	0.3
2.5 percentage point decrease	(0.2)

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

22 Share options and share awards continued

Share awards outstanding at 31 October 2019	1,300,555
Share awards awarded in the year	1,830,619
Share awards forfeited in the year	(626,792)
Share awards vested and exercised in the year	(260,100)
Share awards outstanding at 31 October 2020	2,244,282
Share awards awarded in the year	1,555,418
Share awards forfeited in the year	(456,710)
Share awards vested and exercised in the year	(713,595)
Share awards outstanding at 31 October 2021	2,629,395

For Restricted Share Awards, Performance Share Awards based on a revenue growth target, and Deferred Share Awards, the fair value of share awards made in the year is determined to be the share price at grant date. For Performance Share Awards based on a TSR performance condition, the fair value of share awards made in the year has been measured using a Monte-Carlo simulation with the following key assumptions:

Assumption	Description and purpose
<i>Volatility</i>	Average volatility for Blue Prism and for the comparator group is 45%.
<i>Expected time to exercise</i>	The awards will vest after three years and at nil exercise price, and are expected to be exercised as that date.
<i>Dividends</i>	It was assumed no dividend would be paid.
<i>Option exercise price</i>	The option exercise price is nil.
<i>Risk-free rate</i>	The risk-free rate applied was based on the three year UK government bond yields at the time of the valuation.
<i>Retention of employees</i>	It is assumed 91% retention of employees.

The fair value of awards made during the year is as follows:

Valuation date	Restricted awards	Performance awards	Deferred awards	Fair value per option £	Fair value of holding £m
29/01/2021	-	-	11,622	15.69	0.2
29/01/2021		89,085	-	8.96	0.8
29/01/2021	650,695	-	-	15.69	10.2
05/07/2021	748,090	-	-	8.07	6.0
05/07/2021	51,008	-	-	7.90	0.4
05/07/2021	-	4,918	-	4.65	-
	1,449,793	94,003	11,622		17.6

In order to fulfil the awards upon vesting, the Group has already allotted 875,115 shares to the Employee Benefit Trust during the year. Shares forfeited and any excess of EBT shares held over awards made will be reallocated in subsequent grants.

Award type	Vesting conditions								
<i>Restricted awards</i>	Restricted awards vest equally in three parts over three years, subject to continued employment with the Group.								
<i>Performance awards</i>	<p>Performance awards vest after three years, subject to continued employment with the group and satisfaction of performance conditions. Performance conditions are weighted two thirds on the achievement of a revenue growth target and one third on the achievement of a TSR condition.</p> <p>The revenue target compares the compounded annual growth rate over a three year measurement period. The vesting of the awards is on a sliding scale, according to how the Group performs during the measurement period.</p> <p>The TSR condition compares the share price growth over a three year measurement period, measured as a percentage of the opening share price, against a peer group of 19 companies. The vesting of the awards is on a sliding scale according to how Blue Prism performs relative to the peer group:</p> <table border="1"> <thead> <tr> <th>TSR ranking</th> <th>Level of vesting</th> </tr> </thead> <tbody> <tr> <td>Below median</td> <td>Nil</td> </tr> <tr> <td>Between median and upper quartile</td> <td>25% to 100% on a straight line basis</td> </tr> <tr> <td>Upper quartile or above</td> <td>100%</td> </tr> </tbody> </table>	TSR ranking	Level of vesting	Below median	Nil	Between median and upper quartile	25% to 100% on a straight line basis	Upper quartile or above	100%
TSR ranking	Level of vesting								
Below median	Nil								
Between median and upper quartile	25% to 100% on a straight line basis								
Upper quartile or above	100%								
<i>Deferred awards</i>	Deferred awards have no vesting conditions and the expense is recognised in full at the point of grant.								

Total share-based payment charges for options and awards recognised in the period are comprised of:

	2021 £'m	2020 £'m
Options and awards contingent on continued employment		
Share-based payment charge - contingent on continued employment	11.0	11.8
Social security charge - contingent on continued employment	(0.4)	1.4
Contingent share-based payment charge	10.6	13.2
Deferred awards not contingent on continued employment		
Share-based payment charge - not contingent on continued employment	-	2.0
Social security charge - not contingent on continued employment	-	0.2
Non-contingent share-based payment charge	-	2.2
Total share-based payment charge		
Share-based payment charge - options & awards	11.0	13.8
Social security charge - options & awards	(0.4)	1.6
Total share-based payment charge for options & awards	10.6	15.4

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

23 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserves	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value
Capital redemption reserve	Reserve created on reduction of deferred share capital
Shares to be issued	Consideration in the form of shares to be issued as part of the acquisition of Thoughtonomy.
Merger reserve	Amounts arising on share for share exchange
Foreign exchange reserve	Gains or losses arising on retranslation of the net assets/liabilities of the overseas operations into sterling
Share-based payment reserve	Equity settled share-based employee remuneration
Retained loss	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere

24 Leases

Lease liabilities

The Group adopted IFRS 16 at 1 November 2019. The Group has leases over office space in the territories in which it operates. Those leases exceeding 12 months at the date of transition to IFRS 16 have been recognised as a right-of-use asset and a lease liability on the statement of financial position. Details of the right-of-use assets are included in note 13.

In respect of these liabilities, the total future value of minimum lease payments is due as follows:

	Within 1 year £'m	1-2 years £'m	2-3 years £'m	3-4 years £'m	4-5 years £'m	5-10 years £'m	Total £'m
<i>At 31 October 2020</i>							
Lease payments	1.5	0.9	0.6	0.5	0.2	0.7	4.4
Finance charges	(0.1)	(0.1)	(0.1)	(0.1)	-	-	(0.4)
Net present value	1.4	0.8	0.5	0.4	0.2	0.7	4.0
<i>At 31 October 2021</i>							
Lease payments	2.2	1.5	0.5	0.2	0.2	0.4	5.0
Finance charges	(0.2)	(0.1)	(0.1)	-	-	-	(0.4)
Net present value	2.0	1.4	0.4	0.2	0.2	0.4	4.6

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases with an expected term of 12 months or less. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is £1.0m (2020: £2.6m).

At 31 October 2021, the Group was committed to short-term leases and the total commitment at that date was £0.5m (2020: £0.5m). There are no extension or termination options and no leases not yet commenced to which the Group is committed. The Group has no subleases.

25 Related party transactions

The key management compensation is disclosed in note 7.

Blue Prism Limited purchased £13,578 (2020: £11,420) of services from NCC Group, for whom Chris Batterham is a Non-Executive Director. At the year end a balance of £nil (2020: £1,254) was due to the entity.

Blue Prism Limited purchased £nil (2020: £23,954) of services from Telectica Ltd, for whom Jason Kingdon is a Director and shareholder. At the year end a balance of £nil (2020: £nil) was due to the entity.

26 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprises:

	2021 £'m	2020 £'m
Cash at bank available on demand	48.5	131.2
Short-term deposits – maturing within 3 months	78.7	6.4
Total cash and cash equivalents	127.2	137.6

27 Controlling party

At the year end the directors are of the opinion that there is no ultimate controlling party.

28 Exceptional costs

	2021 £'m	2020 £'m
Contingent consideration	4.1	18.2
Professional fees	5.3	–
Impairment of intangible assets	6.9	–
Total amounts recognised within exceptional expenses	16.3	18.2

Contingent consideration

On 17 July 2019, the Group acquired 100% of the share capital of the Thoughtonomy group in order to expand the operations of the Group.

The total amount of consideration recognised was split between amounts recognised within goodwill and amounts expensed as remuneration costs in line with requirements of IFRS 3.

	Consideration £'m	Remuneration £'m
Cash	12.3	–
Shares issued at acquisition	15.1	–
Contingent consideration – cash	0.7	3.9
Contingent consideration – shares to be issued	4.2	25.7
Total	32.3	29.6

Contingent consideration in the form of cash of £nil (2020: £3.9m) is recognised within current liabilities on the face of the statement of financial position.

The contingent consideration to be treated as exceptional costs has been expensed over the 24 months following the acquisition. £4.1m of such costs have been recognised in the year (2020: £18.2m). This is net of a £0.5m decrease in fair value of the liability prior to settlement.

Professional fees

Professional fees disclosed within exceptional items comprise £2.1m associated with exploring a potential secondary US listing and £3.2m associated with the potential acquisition of the Group, further details of which are included in note 1, and as announced on our website.

Impairment of intangible assets

A one-off impairment of £6.9m (2020: £nil) has been recognised in the year against customer relationship intangible assets acquired as part of the Thoughtonomy acquisition. Further details on this impairment are included in note 12.

Notes forming part of the Financial Statements continued

for the year ended 31 October 2021

29 Events after the reporting date

On 13 January 2022, the Group's shareholders approved the offer from SS&C Holdings Limited described in note 1. The deal remains subject to customary closing conditions, including receipt of regulatory clearances and antitrust approvals. In anticipation of these, completion of the acquisition is expected during Q1 or Q2 of the 2022 calendar year. There is no accounting impact on these financial statements.

30 Commitments and contingencies

Should the proposed sale of the Group to SS&C Holdings Limited (see note 29) be completed, a transaction cost payable to the Group's advisors will be due of c.£24.9m. The Group has no other commitments or contingencies in place at the year-end.

31 Definitions and reconciliations of certain non-GAAP measures to GAAP measures

Reference is made to the following non-GAAP measures throughout this document. These measures are shown because the Directors consider they provide useful information to shareholders, including additional insight into ongoing trading and year-on-year comparisons. Non-GAAP measures should be viewed as complementary to, not replacements for, the comparable GAAP measures. Other non-GAAP measures presented in the Strategic Report are statistical performance indicators, and therefore are not reconciled below.

Adjusted EBITDA

Adjusted EBITDA loss is the EBITDA loss adjusted to exclude contingent share-based payments and exceptional expenses. Exceptional expenses are excluded with the intention to reflect the underlying performance of the business. Further details on each of the exceptional items are included in note 28. Contingent share-based payments are excluded as such charges can vary significantly year on year as a result of new share-based payment plans, anticipated outturns and staff changes.

	2021 £'m	2020 £'m	2019 £'m
Operating loss	(50.1)	(80.4)	(95.4)
Add back:			
Depreciation of property plant and equipment	2.5	2.9	0.5
Amortisation of intangible fixed assets	3.3	3.3	0.9
EBITDA	(44.3)	(74.2)	(94.0)
Add back:			
Exceptional costs	16.3	18.2	6.2
Contingent share-based payments	10.6	13.2	7.2
Adjusted EBITDA	(17.4)	(42.8)	(80.6)

Company Statement of Financial Position

for the year ended 31 October 2021

	Note	31 Oct 2021 £'m	31 Oct 2020 £'m
Non-current assets			
Investment in subsidiaries	5	75.4	59.9
Trade and other receivables	6	150.0	129.9
Total non-current assets		225.4	189.8
Current assets			
Trade and other receivables	6	2.8	0.1
Cash and cash equivalents	9	80.8	103.8
Total current assets		83.6	103.9
Total assets		309.0	293.7
Current liabilities			
Trade and other payables	7	7.2	1.5
Contingent consideration	8	-	3.9
Total current liabilities		7.2	5.4
Net assets		301.8	288.3
Equity attributable to shareholders			
Called up share capital		0.9	2.0
Share premium		159.3	155.1
Capital redemption reserve		1.1	-
Shares to be issued		-	2.1
Merger reserve		117.9	115.8
Share-based payment reserve		62.5	46.8
Retained loss		(39.9)	(33.5)
Total equity		301.8	288.3

The parent company reported a loss for the period of £6.4m (2020: loss £22.8m).

The financial statements of Blue Prism Group plc were approved and authorised for issue by the Board of Directors on 16 February 2022 and were signed on its behalf by:

I Maluza
Director

The notes on pages 106 to 109 form part of these financial statements.

Company Statement of Cash Flows

for the year ended 31 October 2021

	Note	2021 £'m	2020 £'m
Cash flows from operating activities			
Loss after tax		(6.4)	(22.8)
<i>Adjustments for:</i>			
Interest receivable		(2.8)	(2.8)
Impairment of investments		-	22.8
Share-based payment expense		0.3	0.1
Exceptional costs		(0.4)	-
		(9.3)	(2.7)
Increase in trade and other receivables		(20.1)	(53.1)
Increase/(decrease) in trade and other payables		5.6	(0.1)
		(23.8)	(55.9)
Investing activities			
Maturity of short-term investments		-	20.0
Settlement of contingent consideration		(3.5)	-
Interest received		0.1	0.4
		(3.4)	20.4
Financing activities			
Issue of ordinary shares		4.2	104.8
Issue costs		-	(2.9)
		4.2	101.9
Net (decrease)/increase in cash and cash equivalents		(23.0)	66.4
Cash and cash equivalents at beginning of year		103.8	37.4
Cash and cash equivalents at end of year	9	80.8	103.8

The notes on pages 106 to 109 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 October 2021

	Share capital £'m	Share premium £'m	Capital redemption reserve £'m	Shares to be issued £'m	Merger reserve £'m	Share- based payment reserve £'m	Retained loss £'m	Total £'m
Equity as at 1 November 2019	1.9	150.3	-	4.2	13.8	17.3	(7.8)	179.7
Comprehensive loss for 2020								
Loss after tax	-	-	-	-	-	-	(22.8)	(22.8)
Total comprehensive loss for the year	-	-	-	-	-	-	(22.8)	(22.8)
Contributions by and distributions to owners								
Exercise of options	-	4.8	-	-	-	-	-	4.8
Issue of shares – placing	0.1	-	-	-	99.9	-	-	100.0
Cost of placing	-	-	-	-	-	-	(2.9)	(2.9)
Issue of shares – acquisition of subsidiary	-	-	-	(2.1)	2.1	-	-	-
Share-based payment – acquisition of subsidiary	-	-	-	-	-	15.6	-	15.6
Share-based payments – options and awards	-	-	-	-	-	13.9	-	13.9
Equity as at 31 October 2020	2.0	155.1	-	2.1	115.8	46.8	(33.5)	288.3
Comprehensive loss for 2021								
Loss after tax	-	-	-	-	-	-	(6.4)	(6.4)
Total comprehensive loss for the year	-	-	-	-	-	-	(6.4)	(6.4)
Contributions by and distributions to owners								
Exercise of options	-	4.2	-	-	-	-	-	4.2
Waiver of deferred shares	(1.1)	-	1.1	-	-	-	-	-
Issue of shares – acquisition of subsidiary	-	-	-	(2.1)	2.1	-	-	-
Share-based payments – acquisition of subsidiary	-	-	-	-	-	4.6	-	4.6
Share-based payments – options and awards	-	-	-	-	-	11.1	-	11.1
Equity as at 31 October 2021	0.9	159.3	1.1	-	117.9	62.5	(39.9)	301.8

The notes on pages 106 to 109 form part of these financial statements.

Notes forming part of the Company Financial Statements

for the year ended 31 October 2021

1 Accounting policies

The Company has applied the Group accounting policies consistently during the year.

Basis of preparation

The financial statements are for the year ended 31 October 2021. The financial statements of the Company have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

The accounting policies set out in note 1 of the consolidated financial statements have been applied in the preparation of these financial statements. Critical estimates associated with share-based payments are consistent with those disclosed in note 2 of the consolidated financial statements.

Investments in subsidiaries

The initial investment arising on the share for share exchange at the IPO was recognised at £nil in accordance with IAS 27.13 as Blue Prism Limited had net liabilities at the date of acquisition. Subsequent investments in subsidiary undertakings are stated at cost less any adjustments for impairment. In particular, share-based payments in the Company's shares in respect of employees of other Group companies are recognised as an investment in subsidiaries.

Impairment of financial assets

Impairment provisions for other receivables and amounts owed from Group companies are recognised based on the general impairment model within IFRS 9. Under the general approach, at each reporting date, the Group determines whether there has been a significant increase in credit risk since initial recognition and whether the receivable is credit impaired. This determines whether the receivable is in Stage 1, Stage 2 or Stage 3, which in turn determines the amount of ECL to be recognised i.e. 12-month ECL or Lifetime ECL.

2 Profit/(loss) for the year

As permitted by section 408 of the Companies Act 2006, the parent company has elected not to present its own income statement for the year. The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements.

3 Financial instruments – Risk Management

The use of financial instruments and capital is managed by the Board to reduce the financial risks being faced, which primarily relate to credit and liquidity.

Credit risk

Financial instruments which potentially expose the Company to credit risk consist primarily of cash, cash equivalents, short-term investments and amounts owing from Group undertakings. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. Cash equivalents are deposited only with independent major financial institutions with minimum rating credit of "A".

Amounts owing from Group undertakings are assessed for recoverability in accordance with IFRS 9 by reviewing scenarios through which the amounts could be recovered from the counterparties. In doing so, none of the inputs and assumptions associated with these scenarios was subject to a significant degree of sensitivity. The expected credit loss in the current and prior year is deemed immaterial and therefore no provision has been made.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and amounts owed by and due from Group undertakings. It is the risk that the Company will encounter difficulty in meeting its financial obligations, including balances due to wholly owned subsidiaries, as they fall due.

Financial instruments by category

Financial assets

	2021 £'m	2020 £'m
Amounts owed by Group undertakings	152.7	129.9
Other receivables	0.1	–
Cash and cash equivalents	80.8	103.8
Total financial assets	233.6	233.7

Financial liabilities

	2021 £'m	2020 £'m
Trade and other payables excluding other tax and social security	7.2	1.4
Contingent consideration	-	3.9
Total financial liabilities	7.2	5.3

Capital risk management

The Company manages its capital to ensure that it will be able to continue on a going concern basis while maximising its long-term return to shareholders. The Company is not exposed to any externally imposed capital requirements and has no borrowings.

4 Employees

The average number of employees employed by the company during the year was:

	2021 Number	2020 Number
Employees*	8	7
	8	7

*This includes five Non-Executive Directors (2020: three).

The remuneration payable to Directors of the company was consistent with that disclosed in note 7 to the consolidated financial statements.

5 Investment in subsidiaries

	2021 £'m	2020 £'m
Cost brought forward at 1 November	82.7	50.1
Contingent consideration shares - acquisition of subsidiary	4.6	15.6
Contingent consideration cash - acquisition of subsidiary	-	3.1
Share-based payments - options and awards	10.9	13.9
Cost carried forward at 31 October	98.2	82.7
Accumulated impairment brought forward at 1 November	22.8	-
Impairment charge during the year	-	22.8
Accumulated impairment carried forward at 31 October	22.8	22.8
Net book value at 31 October	75.4	59.9

Details of the Company's subsidiaries at 31 October 2021 are included in note 15 of the consolidated financial statements.

In the prior year an impairment charge of £22.8m was made against the investment in Blue Prism Cloud Limited. A value in use calculation was performed using a post-tax discount rate of 16% which equates to a pre-tax discount rate of 20%. The impairment charge reflects the valuation differences between the requirements of IAS 36 and the valuation model used as the time of the investment in Blue Prism Cloud Limited in July 2019.

The Company has issued a parent company guarantee over the liabilities of Blue Prism Cloud Limited, and will meet these obligations as they fall due.

Notes forming part of the Company Financial Statements continued

for the year ended 31 October 2021

6 Trade and other receivables

	2021 £'m	2020 £'m
Current trade and other receivables		
Amounts due from Group undertakings	2.7	-
Prepayments and other receivables	0.1	0.1
Total current trade and other receivables	2.8	0.1

	2021 £'m	2020 £'m
Non-current trade and other receivables		
Amounts due from Group undertakings	150.0	129.9
Total non-current trade and other receivables	150.0	129.9

At the start of the prior year, the Company converted the existing amounts due from Group undertakings, repayable on demand, to loans, repayable in full on the third anniversary of the loan inception. The Company charges interest to its subsidiaries on intercompany balances at a rate of LIBOR/EURIBOR +2%. Discussions are being undertaken on the ongoing interest rate reform. No decision on future rate has yet been made. See note 10 for a list of the outstanding amounts due from Group undertakings by counterparty.

The Company applies the general approach to measuring expected credit losses (ECL) on other receivables and amounts due from Group undertakings, which uses the three-stage approach for measuring the ECL. As a result of the above conversion of loans, the loan is in stage 1 and no additional ECL has been recognised in the current year on the grounds of materiality.

7 Trade and other payables

	2021 £'m	2020 £'m
Trade payables	2.2	0.1
Other payables	0.1	0.1
Accruals	4.9	1.3
Total trade and other payables	7.2	1.5

8 Contingent consideration

	2021 £'m	2020 £'m
Contingent consideration - cash	-	3.9
Total contingent consideration liability	-	3.9

9 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprises:

	2021 £'m	2020 £'m
Cash at bank available on demand	8.1	103.8
Short-term deposits - maturing within 3 months	72.7	-
Total cash and cash equivalents	80.8	103.8

10 Related party transactions

Blue Prism Group plc has a related party relationship with its subsidiaries and with its Directors and members of key management. There are no transactions with related parties who are not members of the Blue Prism Group. The remuneration paid to members of key management is disclosed within note 7 of the consolidated financial statements and remuneration of individual Directors is disclosed within the Directors' Report.

The following balances are due from wholly owned subsidiaries at the year end:

	2021 £'m	2020 £'m
Blue Prism Limited	150.0	122.8
Blue Prism Software Inc	-	0.4
Blue Prism Cloud Ltd	2.7	6.1
Blue Prism Cloud Inc	-	0.6
Gross amounts due from group undertakings	152.7	129.9

During the year, the Company had the following expenses recharged to wholly owned subsidiaries as follows:

	2021 £'m	2020 £'m
Blue Prism Limited	1.0	1.1
	1.0	1.1

11 Events after the reporting date

On 13 January 2022, the Company's shareholders approved the offer from SS&C Holdings Limited described in note 1 to the consolidated financial statements. The deal remains subject to customary closing conditions, including receipt of regulatory clearances and antitrust approvals. In anticipation of these, completion of the acquisition is expected during Q1 or Q2 of the 2022 calendar year. There is no accounting impact on these financial statements.

Company Information

Company number

09759493

Directors

Name

Jason Kingdon
Ijoma Maluza
Ken Lever
Chris Batterham
Rachel Mooney
Maurizio Carli
Murray Rode

Position

Chairman and Chief Executive
Chief Financial Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director (appointed 1 February 2021)
Non-Executive Director (appointed 1 February 2021)

Company Secretary

John Warrick

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