6PM Holdings p.l.c.

Annual Report and Financial Statements
For the year ended 31 October 2019

Contents

Company Information

Directors	Mr David Meaden	(appointed 7 March 2019)
	Mr Robert Grubb	(appointed 7 March 2019)
	Mr Oliver Scott	(appointed 7 March 2019)
	Mr Jeremy Millard	(appointed 7 March 2019)
	Mr Christopher Stone	(appointed 7 March 2019)
Company secretary	Dr Luca Vella	
Registered office	Idox Business Centre Triq-it-Torri, Swatar Birkirkara, BKR 4012 Malta	
Country of incorporation	Malta	
Registration number	C 41492	
Auditor	PKF Assurance (Malta) Limited 35 Mannarino Road Birkirkara BKR 9080 Malta	
Banker	HSBC Bank Malta p.l.c. Fleur-de-Lys Junction St. Venera SVR 1587 Malta	
Legal adviser	GVZH Advocates 192 Old Bakery Street Valletta VLT 1455 Malta	

Directors' Report

The Directors present their report of the 6PM Group (the 'Group') for the year ended 31 October 2019.

Principal Activities
The Group is an IT and software solutions group of companies delivering healthcare products, as well as professional services enabling organisations to enhance and optimise efficiency. These include Product Solutions aimed at the National Health Service. 6PM Holdings p.l.c. (the Company) acts as a holding company.

Results
The results for the year ended 31 October 2019 are shown in the Statements of Total Comprehensive Income on page FS-1.

The Group registered a profit after tax of £1,571,000 (2018: £207,000). The Company registered a loss after tax of £741,000 (2018 loss: £771,000).

FY19 was a transformational year for the Group. Review of business processes and introduction of revised sales governance procedures has led to an improvement in profitability. Senior appointments have assisted in re-aligning the Group's objectives. Reviews of all existing and new contracts has ensured all are competitively priced, risk assessed and helped identify additional revenue opportunities.

This has streamlined the customer portfolio and allowed the Group to identify and capitalise on delivering a more focused product and service offering. In addition some products have been decommissioned, with their services and functionality incorporated into existing products. This has led to a simplified and integrated offering, enhancing the Group's competitiveness in the market and contributed to a significant rise in net profit margin to 21.2% (2018: 2.2%).

Directors
The Directors of the Company who served during the year were:

Name	Resigned	Name	Appointed
Mr Anthony Marshall	7 March 2019	Mr David Meaden	7 March 2019
Mr Michael Hakiel	7 March 2019	Mr Robert Grubb	7 March 2019
Mr Dean Bennett	7 March 2019	Mr Oliver Scott	7 March 2019
Ms Lucienne Vassallo	7 March 2019	Mr Jeremy Millard	7 March 2019
		Mr Christopher Stone	7 March 2019

In accordance with the Company's articles of association the Directors of the Company shall be appointed by the shareholders in the annual general meeting.

Events after the End of the Reporting Period
Disposal of SIX-PM Health Solutions (Ireland) Limited
The Group agreed on 22 November 2019 to sell its shareholding in SIX-PM Health Solutions (Ireland) Limited, a medical-record scanning business based in Limerick, to its Managing Director for €1. During the year ended 31 October 2019 6PM Ireland Limited recorded revenues of €392,000 (2018: €587,000) and loss before tax on a standalone basis of €378,000 (2018: €12,000 loss).

Disposal of emCare Business
On 31 December 2019, the Group sold the trade and assets of its emCare business to Go plc, a telecoms business based in Malta, for a cash consideration of €100,000. During the year ended 31 October 2019 the emCare business recorded revenues of €317,000 (2018: €338,000) and profit before tax of €128,000 (2018: €115,000). Despite the profitability recorded in the business in FY18 and FY19, the business was anticipated to become loss-making for the foreseeable future.

Risks and Uncertainties
As evident from the Statements of Financial Position, the main risk for the Company and the Group is the eventuality that they become unable to fulfil their obligations to customers, creditors and bondholders. This risk is mitigated by the guaranteed support of the Idox Group which will allow the Company and the Group to honour all current and future liabilities.

Directors' Report (continued)

Going Concern

As required by Listing Rule 5.62 issued by the Listing Authority, and after due consideration of the Group's profitability, statement of financial position, capital adequacy, solvency and guarantee of support from the Idox Group, the Directors are satisfied that at the time of approval of the financial statements, the Group has adequate access to resources to continue to operate as a going concern for the foreseeable future.

Future Developments

Simplification

Our simplified account management and senior leadership structure, as well as collaboration initiatives with our customers has led to the development of clear product roadmaps for both *Lilie* and *iFIT.*

Core Products

With our market-leading *Lilie* product, we have identified several enhancements around statutory changes, such as Genitourinary Medicine Clinic Activity Dataset (GUMCAD) and Sexual and Reproductive Health Activity Data (SRHAD). We have also improved our active directory and patient banner in our HIV and Virtual Clinic modules. These developments have led to an increase in efficiency, a reduction in support costs, and led to a more user-friendly interface.

iFIT continues to cement its position in the industry, incorporating initiatives such as Scan4Safety, led by the Department of Health and Social Care (DHSC), into the product roadmap.

Outlook

With the combination of improved governance procedures led by our experienced management team, simplified communication channels through introduction of new technology, and development initiatives driven by our customer-focused account management network, the Group expect to capitalise further on its strong market position.

Bondholders

The Group aims to keep in touch with the bondholders in Malta by making the official Idox plc financial results available via the online investor web pages and by making the Company's financial results available via the online investor web pages as well as Company Announcements made by the Company in compliance with its ongoing listing obligations in terms of the Listing Rules.

Auditors

On 1 October 2019 Grant Thornton (Malta) were removed as auditors of 6PM Holdings plc and its subsidiary companies and were replaced by PKF Assurance (Malta) Limited who were appointed on 1 October 2019. This change was to harmonise the audit function across the Group.

Disclosure of Information to the Auditor

At the date of making this report, the Directors confirm the following:

- As far as each Director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware; and
- Each Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

A resolution proposing the appointment of the auditor of the Company and the Group will be submitted at the Annual General Meeting.

Approved by the Board of Directors on 28 February 2020 and signed on its behalf by:

Robert Grubb
Director

David Meaden
Director

Statement of Directors' Responsibilities

The Companies Act, Cap 386 of the laws of Malta (the Act), requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386 of the laws of Malta.

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

The Directors, through support from management, are responsible for ensuring that the Company and Group design, implement and maintain internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Management is responsible, with oversight from the Directors, for establishing a control environment and maintaining policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Company's and the Group's business. This responsibility includes maintaining controls pertaining to the Company's and the Group's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, management considers the risks that the financial statements may be materially misstated as a result of fraud.

Statement by the Directors on the Financial Statements and Other Information Included in the Annual Report

Pursuant to Listing Rule 5.68, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the Annual Report, and prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and results of the Company and its undertakings, and that this report includes a fair review of the development and performance of the business and position of the Company and its undertakings, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the Board of Directors on 28 February 2020 by:

Robert Grubb
Director

David Meaden
Director

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance

6PM Holdings p.l.c. (the 'Company') is committed to observing the principles of transparent, responsible corporate governance. The Board considers compliance with corporate governance principles to constitute an important means of maintaining the confidence of present and future shareholders, bondholders, creditors, employees, business partners and the public. Pursuant to the Malta Financial Services Authority Listing Rules 5.94 and 5.97, the Company is hereby presenting a statement of compliance with the Code of Principles of Good Corporate Governance ("the Principles" or "the Code") for the year ended 31 October 2019, which details the extent to which the Principles have been adopted, as well as the effective measures taken by the Company to ensure compliance with these Principles. Other than as stated in Part Two below, the Company has fully implemented the Principles set out in the Code.

The Board recognises that, in virtue of Listing Rule 5.101, the Company is exempt from the requirement to disclose the information prescribed by Listing Rules 5.97.1 to 5.97.3, 5.97.6 and 5.97.8.

Compliance with the Code

Principle 1 – The Board
The composition of the Board of Directors during the period ensures that the Company is led by individuals who have the necessary skills and diversity of knowledge. The Board considers strategic issues, key projects and regularly monitors performance against delivery of the key targets of the business plan.

In fulfilling its mandate, the Board assumes responsibility for:

- reviewing the Company's strategy on an on-going basis, as well as setting the appropriate business objectives;
- reviewing the effectiveness of the Company's system of internal controls;
- implementing an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve the Company's objectives;
- identifying and ensuring that significant risks are managed satisfactorily; and
- ensuring that Company policies are being rigorously observed.

Principle 2 – Chairman and Chief Executive
The roles of the Chairman and the Chief Executive, set out in writing and agreed by the Board, were held separately for the period to ensure that there was a clear distinction between the running of the Board and the executive responsibility for the running of the business of the Company.

Principle 3 – Composition of the Board
Consistent with prior periods, the number of Directors shall be not less than three (3) and not more than six (6) individuals. This range provides diversity of knowledge and experience without hindering effective discussion or diminishing individual accountability.

The Board of the Company who served during the period was as follows:

Name	Executive/Non-executive/Independent Non-executive	Resigned/appointed
Ms Lucienne Vassallo	Executive	Resigned 7 March 2019
Mr Anthony Marshall	Independent Non-executive	Resigned 7 March 2019
Mr Michael Hakiel	Independent Non-executive	Resigned 7 March 2019
Mr Dean Bennett	Non-executive	Resigned 7 March 2019
Mr Robert Grubb	Executive	Appointed 7 March 2019
Mr David Meaden	Executive	Appointed 7 March 2019
Mr Oliver Scott	Non-executive	Appointed 7 March 2019
Mr Jeremy Millard	Independent Non- executive	Appointed 7 March 2019
Mr Christopher Stone	Independent Non- executive	Appointed 7 March 2019

Dr Luca Vella acted as secretary to the Board.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance (continued)

The Board considers that, save for as indicated in Part Two of this Report, the independent non-executive Directors are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment. This is also applicable for the new members of the Board (detailed within the 'Company Information' section of this report on page 3). The members of the new Board have the balance of knowledge and experience as well as a strong non-executive presence to allow continued scrutiny of performance, strategy and governance.

For the purpose of Listing Rules 5.118 and 5.119, the independent non-executive directors are deemed independent. The Board believes that the independence of its Directors is not compromised because of long service or the provision of any other service to the group. Each Director is mindful of maintaining independence, professionalism and integrity in carrying out his duties, responsibilities, whilst providing judgement as a Director of the Company.

The Board considers that none of the independent Directors of the Company:

- is or has been employed in any capacity by the Company;
- has or has had, over the past three years, a significant business relationship with the Company;
- has received or receives significant additional remuneration from the Company in addition to his director's fee;
- has close family ties with any of the Company's executive directors or senior employees; and
- has been within the last three years an engagement partner or a member of the audit team or past external auditor of the Company.

Each of the independent Directors hereby declares that he undertakes to:

- maintain in all circumstances his independence of analysis, decision and action;
- not seek or accept any unreasonable advantages that could be considered as compromising his independence; and
- clearly express his opposition in the event that he finds that a decision of the Board may harm the Company.

Principle 4 – The Responsibilities of the Board

The Board has responsibility for overseeing the strategic planning process and reviewing and monitoring management's execution of the corporate and business plan. The Board delegates certain powers, authorities and discretions to the audit committee. The role and competence of such committee is further described in Principle 8 hereunder.

Principle 5 – Board Meetings

The Board meets in accordance with the requirements of the Company. The Board has a schedule of matters reserved for it to discuss.

Each Director is expected to attend all meetings of the Board and Board committees of which the Director is a member. The Board recognises that occasional meetings may need to be scheduled on short notice when the participation of a Director is not possible and that conflicts may arise from time that will prevent a Director from attending or participating in a regularly scheduled meeting. However, the Board expects that each Director will make every possible effort to keep such absences to a minimum.

Principle 6 – Information and Professional Development

The Company firmly believes in the professional development of all the members in the organisation. The CEO, appointed by the Board, is responsible for establishing and implementing schemes which are aimed to maintain and recruit employees and management personnel. Furthermore, regular training exercises are held for the Group's employees to keep abreast of current technological trends and practices. Directors are encouraged to talk directly to any member of management regarding any questions or concerns the Directors may have. Senior management are invited to attend Board meetings from time to time when appropriate.

Principle 7 – Evaluation of the Board's Performance

The Board and each of its committees perform an annual self-evaluation of their performance through a series of questionnaires, the results of which are analysed accordingly.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance (continued)

Principle 8 – Committees
The Board delegates certain powers, authorities and discretions to the audit committee.

Audit Committee
The audit committee's primary role is to support the main Board in terms of quality control of the Company's financial reports, its internal controls and in managing the Board's relationships with the external auditors.

The audit committee comprised the following non-executive Directors prior to their resignation on 7 March 2019:

Mr Dean Bennett	Non-executive Director
Mr Michael Hakiel	Independent non-executive Director
Mr Anthony Marshall	Independent non-executive Director

The audit committee met once during the year.

The new audit committee was appointed on 7 March 2019 and is chaired by Mr Jeremy Millard, whilst Mr Christopher Stone and Mr Oliver Scott act as members. In compliance with the Listing Rule 5.118A, Mr Jeremy Millard is the independent, non-executive Director who is competent in accounting and/or auditing matters in view of his considerable experience in the business world.

Principles 9 and 10 - Relations with Shareholders and with the Market and Institutional Shareholders
The Company is committed to having an open and communicative relationship with its bondholders and investors. The Board believes that bondholders should have an opportunity to send communications to the Board. Any communication from a bondholder to the Board generally or a particular Director should be in writing, signed, contain the number of bonds held in the sender's name and should be delivered to the attention of the company secretary at the registered office of the Company.

Principle 11 - Conflicts of Interest
Directors should always act in the best interests of the Company and its shareholders and investors. The procedures internally followed by the Board reflect how sensitive such situations, if and when they arise, are considered by the Company. In accordance with the provisions of the Articles of Association of the Company, any actual, potential or perceived conflict of interest must be immediately declared by a Director to the other members of the Board, who then (also possibly through a referral to the audit committee) decide on whether such a conflict exists. In the event that the Board perceives such interest to be conflicting with the Director's duties, the conflicted Director is required to leave the meeting and both the discussion on the matter and the vote, if any, on the matter concerned are conducted in the absence of the conflicted Director.

Principle 12 - Corporate Social Responsibility
The Company remains committed to be a responsible company and making a positive contribution to society and the environment. This helps the Group develop strong relationships with its stakeholders and create long-term value for society and its business. The Group is committed to play a leading and effective role in Malta's sustainable development whilst tangibly proving itself to be a responsible and caring citizen of the community in which it operates. The Group continues to support a number of different local initiatives aimed at improving the quality of life of the local communities it supports.

Part Two - Non-Compliance with the Code

Other than as stated below, the Company has fully implemented the principles set out in the Code.

Principle 7 - Evaluation of the Board
Even though the Board undertook a self-evaluation of its own performance, it did not appoint an ad hoc committee to carry out such evaluation. The Board believes that the outcome of such self-assessment exercise currently provides the deliverables needed.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance (continued)

Principle 8 - Nomination Committee and Remuneration Committee
The Memorandum and Articles of Association of the Company regulates the appointment of Directors. Article 55.1 of the Articles of Association provides that a member holding not less than 0.5% of the issued share capital of the Company having voting rights or a number of members who in the aggregate hold not less than 0.5% of the issued share capital of the Company having voting rights shall be entitled to nominate a fit and proper person for appointment as a Director of the Company. In addition, the Directors themselves or a committee appointed for the purpose by the Directors may make recommendations and nominations to the shareholders for the appointment of Directors at the next annual general meeting. Furthermore, in accordance with the provisions of 55.3 of the Articles of Association of the Company, in the event that the Board is of the opinion that none of the Directors appointed or elected in accordance with the provisions of these Articles is a non-executive independent Director competent in accounting and/or auditing as required by the Listing Rules relating to the composition of the audit committee, the Board shall, during the first Board meeting after the annual general meeting, appoint a person who is independent and competent in accounting and/or auditing as a non-executive Director and shall appoint such person to the audit committee.

The Board believes that the setting up of a nomination committee is currently not suited to the Company as envisaged by the spirit of the Code.

The Board believes that the setting up of a remuneration committee is currently not suited to the Company. Idox plc, the ultimate parent company, has a remuneration committee which devises the appropriate packages needed to attract, retain and motivate Directors and senior executives possessing the necessary expertise and skills required for the Company's ongoing operations and future strategies.

Approved by the Board of Directors on 28 February 2020 and signed on its behalf by:

Robert Grubb	**David Meaden**
Director	**Director**

Remuneration Statement

Remuneration Policy – Directors

In accordance with the provisions of the Articles of Association of the Company, the aggregate emoluments of all Directors and any increases thereto were determined by the shareholders in a general meeting. Save for the previous Chairman of the Company, all other Directors had service contracts with the Company in the period under review. No Director is entitled to any share option, profit sharing, pension benefit or any other remuneration and no other fees were payable to any of the Directors during the period under review.

Remuneration Policy – Senior Executives

The Board of Directors determines and establishes the overall remuneration policy for senior management. The current remuneration policy of the Company consists exclusively of fixed salaries, but senior executives are entitled to a bonus at the end of the year on the attainment of certain Key Performance Indicators (KPIs). The Board considers that the current remuneration policy adopted is fair and reasonable and enables the Company to attract, retain and motivate executives with the appropriate skills and qualities to ensure proper management. The contracts of employment of all senior executives are of an indefinite nature and are subject to statutory notice period. No senior executive is entitled to any payment upon termination.

For the financial period under review, the aggregate remuneration of the Directors of the Group and of the Company was as follows:

	Salary	**Total**
	£	**£**
Executive	371,799	371,799
Non-executive	184,135	184,136
Total	555,934	555,934

This is further split as follows:

	£
Mr David Meaden*	233,833
Mr Robert Grubb*	122,833
Mr Christopher Stone*	68,460
Mr Oliver Scott*	28,000
Mr Jeremy Millard*	36,964
Mr Anthony Marshall*	21,453
Mr Dean Bennett*	29,258
Ms Lucienne Vassallo	15,133

* The above noted directors were paid via Idox Software Limited for their services.

Signed on behalf of the Board of Directors on 28 February 2020 by:

Robert Grubb
Director

David Meaden
Director

Other Disclosures in Terms of the Listing Rules

Statement by Directors

Pursuant to Listing Rule 5.64.1 - Share Capital Structure
The Company's issued share capital £4,196,587.60 divided into twenty million, nine hundred and eighty-two thousand nine hundred and thirty-eight (20,982,938) ordinary shares of £0.20 each, all fully paid up. All the issued share capital of the Company form part of one class of ordinary shares in the Company, which were listed on the Malta Stock Exchange prior to the acquisition of all shares issued in the capital of the Company by Idox plc on 20 March 2017. Following receipt of the necessary approval from the Listing Authority on the 29 May 2017, the Company announced the discontinuance of the listing of all of the Company's issued share capital on the Official List of the Malta Stock Exchange effective from 27 July 2017. All shares in the Company have the same rights and entitlements and rank pari passu between themselves.

Pursuant to Listing Rule 5.64.3 – Direct and Indirect Shareholdings
At 31 October 2019 all shares were held by Idox plc, save for one (1) ordinary share which, with effect from 18 September 2018, is held by Idox Software Ltd (Registration No: 2933889) (said 1 ordinary share was previously held by Calamatta Cuschieri Investment Services Limited A/c Clients Nominee), and there have been no changes in shareholding since that date to the date of authorisation of these financial statements.

Pursuant to Listing Rule 5.70.1 - Contracts of Significance
There were no loans between any of the Directors and company within the Group. Furthermore, there were no significant contracts between any of the Directors and any of the Group companies aside from normal contracts of employment.

Pursuant to Listing Rule 5.70.2 - Company Secretary and Registered Office
Dr Luca Vella
Idox Business Centre
Triq it-Torri
Swatar
Birkirkara BKR 4012
Malta

E-mail address: companysecretary@idoxgroup.com

Signed on behalf of the Board of Directors on 28 February 2020 by:

Robert Grubb
Director

David Meaden
Director

Statements of Total Comprehensive Income

	Note	Group Year ended 31 October 2019 £'000	Restated Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Revenue		7,403	9,275	-	-
Cost of sales		(537)	(931)	-	-
Gross profit		6,866	8,344	-	-
Administrative and other expenses		(4,904)	(7,307)	(294)	(88)
Other operating income		145	226	17	-
		2,107	1,263	(277)	(88)
Intercompany revenue		87	-	-	-
Finance costs	7	(606)	(917)	(464)	(708)
Profit / (loss) before taxation	8	1,588	346	(741)	(796)
Tax (expense) / income	9	(17)	(139)	-	25
Profit / (loss) after taxation		1,571	207	(741)	(771)
Profit / (loss) for the financial year attributable to:					
Owners of the parent		1,687	217	(741)	(771)
Non-controlling interest		(116)	(10)	-	-
		1,571	207	(741)	(771)
Other comprehensive loss – items that may subsequently be reclassified to profit and loss:					
Foreign exchange loss on consolidation		(121)	(52)	-	-
Other comprehensive loss for the financial year, net of tax		(121)	(52)	-	-
Total comprehensive profit / (loss) for the financial year		1,450	155	(741)	(771)
Total comprehensive profit / (loss) for the financial year attributable to:					
Owners of the parent		1,566	165	(741)	(771)
Non-controlling interest		(116)	(10)	-	-
		1,450	155	(741)	(771)
Basic earnings per share	10	0.08	0.01		
Diluted earnings per share	10	0.08	0.01		

Consolidated Statement of Financial Position

	Note	31 October 2019 £'000	31 October 2018 £'000
Assets			
Non-current assets			
Intangible assets	12	928	1,042
Property, plant and equipment	13	46	121
Investment in associate	20.2	19	19
Receivables	20.1	18	36
Deferred tax asset	15	8	15
		1,019	1,233
Current assets			
Inventories	16	77	107
Trade and other receivables	17	2,508	3,059
Cash and cash equivalents	18	462	1,100
		3,047	4,266
Total assets		4,066	5,499
Current liabilities			
Trade and other payables	19	(11,371)	(12,899)
Bank borrowings	20.3	-	(793)
Current tax liabilities		6	(57)
		(11,365)	(13,749)
Non-current liabilities			
Bonds in issue	20.4	(11,584)	(11,491)
Total liabilities		(22,949)	(25,240)
Net liabilities		(18,883)	(19,741)
Equity			
Share capital	23.1	4,151	4,151
Accumulated losses		(21,642)	(22,737)
Translation reserve	23.2	(1,304)	(1,183)
Deficit attributable to owners of the parent		(18,795)	(19,769)
Non-controlling interest		(88)	28
Total deficit		(18,883)	(19,741)

The financial statements were approved by the Board of Directors and authorised for issue on 28 February 2020 and were signed on its behalf by:

Robert Grubb
Director

David Meaden
Director

Company Statement of Financial Position

	Note	31 October 2019 £'000	31 October 2018 £'000
Assets			
Non-current assets			
Investments in subsidiaries	11	23	23
Investment in associate	20.2	19	19
Receivables	20.1	18	36
		60	78
Current assets			
Trade and other receivables	17	2,825	3,565
Cash and cash equivalents	18	1	1
		2,826	3,566
Total assets		2,886	3,644
Current liabilities			
Trade and other payables	19	(430)	(540)
		(430)	(540)
Non-current liabilities			
Bonds in issue	20.4	(11,584)	(11,491)
Total liabilities		(12,014)	(12,031)
Net liabilities		(9,128)	(8,387)
Equity			
Share capital	23.1	4,151	4,151
Accumulated losses		(13,279)	(12,538)
Total deficit		(9,128)	(8,387)

The financial statements were approved by the Board of Directors and authorised for issue on 28 February 2020 and were signed on its behalf by:

Robert Grubb
Director

David Meaden
Director

Consolidated Statement of Changes in Equity

For the year ended 31 October 2019

	Share capital £'000	Accumulated losses £'000	Translation reserve £'000	Deficit attributable to owners of the parent £'000	Non-controlling interest £'000	Total £'000
At 1 November 2018	4,151	(22,737)	(1,183)	(19,769)	28	(19,741)
Comprehensive profit / (loss) for the year:						
Profit / (loss) for the year	-	1,687	-	1,687	(116)	1,571
IFRS 15 adjustment	-	(592)	-	(592)	-	(592)
Foreign exchange difference	-	-	(121)	(121)	-	(121)
Total comprehensive profit / (loss) for the year	-	1,095	(121)	974	(116)	858
At 31 October 2019	4,151	(21,642)	(1,304)	(18,795)	(88)	(18,883)

For the period ended 31 October 2018

	Share capital £'000	Accumulated losses £'000	Translation reserve £'000	Deficit attributable to owners of the parent £'000	Non-controlling interest £'000	Total £'000
At 1 November 2017	4,151	(22,954)	(1,131)	(19,934)	38	(19,896)
Comprehensive profit / (loss) for the year:						
Profit / (loss) for the year	-	217	-	217	(10)	207
Foreign exchange difference	-	-	(52)	(52)	-	(52)
Total comprehensive profit / (loss) for the year	-	217	(52)	165	(10)	155
At 31 October 2018	4,151	(22,737)	(1,183)	(19,769)	28	(19,741)

Company Statement of Changes in Equity

For the year ended 31 October 2019

	Share capital £'000	Accumulated losses £'000	Total £'000
At 1 November 2018	4,151	(12,538)	(8,387)
Comprehensive loss for the year:			
Loss for the year	-	(741)	(741)
Total comprehensive loss for the year	-	(741)	(741)
At 31 October 2019	4,151	(13,279)	(9,128)

For the year ended 31 October 2018

	Share capital £'000	Accumulated losses £'000	Total £'000
At 1 November 2017	4,151	(11,767)	(7,616)
Comprehensive loss for the year:			
Loss for the year	-	(771)	(771)
Total comprehensive loss for the year	-	(771)	(771)
At 31 October 2018	4,151	(12,538)	(8,387)

Statements of Cash Flows

	Note	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Cash flows from operating activities					
Profit / (loss) before taxation		1,588	346	(741)	(796)
Finance costs		606	917	464	708
IFRS 15 adjustment		(592)	-	-	-
Six-PM Health Solutions (Ireland) Ltd reclassification		83	-	-	-
Depreciation		49	116	-	-
Amortisation		499	536	-	-
Adjusted profit / (loss) from operations before changes in working capital		2,233	1,915	(277)	(88)
Decrease in inventories		30	56	-	-
Decrease in trade and other receivables		550	313	740	567
(Decrease) / increase in trade and other payables		(1,430)	(707)	156	187
Cash flows from operations		1,383	1,577	619	666
Income tax paid		(73)	(79)	-	-
Net cash inflow from operating activities		1,310	1,498	619	666
Cash flows from investing activities					
Deferred payments made for the acquisition of subsidiaries		(97)	(97)	(97)	(97)
Deferred payments received for the disposal of subsidiaries		18	17	17	17
Acquisition of intangible assets	12	(385)	(197)	-	-
Acquisition/disposal of property, plant and equipment	13	(57)	(44)	-	-
Net cash outflow from investing activities		(521)	(321)	(80)	(80)
Cash flows from financing activities					
Interest paid		(681)	(795)	(539)	(586)
Net cash outflow from financing activities		(681)	(795)	(539)	(586)
Net increase in cash and cash equivalents		108	382	-	-
Cash and cash equivalents at beginning of year		307	(23)	1	1
Exchange gain / (loss) on cash and cash equivalents		47	(52)	-	-
Cash and cash equivalents at end of year		462	307	1	1
Comprising:					
Cash at bank	18	462	1,100	1	1
Bank overdraft	20.3	-	(793)	-	-
		462	307	1	1

Notes to the Financial Statements

1. Nature of operations

The principal activity of 6PM Holdings p.l.c. (the "Company") and its subsidiary companies (the "Group") is IT and software solutions, delivering healthcare products, as well as professional services enabling organisations to enhance and optimise efficiency.

2. General information and statement of compliance with IFRS

6PM Holdings p.l.c. is a public limited liability company incorporated and domiciled in Malta. Its registered office is Idox Business Centre, Triq-it-Torri, Swatar, Birkirkara, BKR 4012, Malta, and its principal place of business is in the United Kingdom.

The consolidated financial statements of the Group and the Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and in accordance with the Companies Act, 1995, Cap.386.

The financial statements are presented in thousands of Great British pounds (£'000) which is also the functional currency of the Company.

The consolidated financial statements and the Company financial statements for the year ended 31 October 2019 (including comparatives) were approved and authorised for issue by the Board of Directors on 28 February 2020.

3. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 January 2019

At the date of authorisation of these financial statements, the following new standards, amendments and interpretations to existing standards have been published. These are mandatory for forthcoming financial periods, but which the Group has not adopted early. These are not expected to have a material impact on the Group's consolidated financial statements:

- IFRIC 23 - Uncertainty over Income Tax Treatments – Effective for periods commencing on or after 1 January 2019.

- IFRS 16 - Leases – effective for periods commencing on or after 1 January 2019. IFRS 16 presents new requirements for the recognition, measurement, presentation and disclosure of leases. The standard provides that lessees will be required to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. The standard is applicable to the Group for the period beginning 1 November 2019. There is no impact on FY20.

Adoption of new and revised standards

IFRS 15 - Revenue from Contracts with Customers - The standard was adopted for the first time in the year ending 31 October 2019. The Group applied IFRS 15 on a cumulative effect basis from the date of initial application (1 November 2018), without restatement of comparative amounts. The adoption of IFRS 15 does not alter the total contract value, the timing of cash flows or the Group's ability to pay dividends.

3. Changes in accounting policies (continued)

IFRS 15 provides a single, principles-based five-step model to be applied to all sales contracts, based on the transfer of control of goods and services to customers. The Group has undertaken a review of all the services and products the businesses provide, and the main types of commercial arrangements used with each service and product. Both the UK and the overseas businesses are impacted by IFRS 15 and the most significant impact of implementing the standard is as follows:

- Software licence revenue: Under previous accounting policies revenue from software licences was mainly recognised as the licences are issued to the customers. For bundled contracts this results in the revenue for software licences being recognised earlier than it would be under IFRS 15 as software licences do not meet the criteria of being a distinct performance obligation. IFRS 15 resulted in the software licence fees in bundled contracts being combined with other promises in the contract, specifically implementation services, and recognised over the implementation term. This resulted in a delay in revenue previously recognised and an increase in contract liabilities going forward. There was no change to the net contract values.

- Hardware revenue: Under previous accounting policies revenue from hardware was mainly recognised as the hardware is issued to the customers. For bundled contracts this resulted in the revenue for hardware being recognised earlier than it would be under IFRS 15 as hardware does not meet the criteria of being a distinct performance obligation. IFRS 15 resulted in the hardware fees in bundled contracts being combined with other promises in the contract, specifically implementation services, and recognised over the implementation term. This resulted in a delay in revenue previously recognised and an increase in contract liabilities going forward. There was no change to the net contract values.

- Contract obtaining assets: Under previous accounting policies sales commissions associated with individual contracts were recognised when contracts are signed or invoiced. Under IFRS 15, because they are instrumental to obtaining the contract and are expected to be recovered, these costs are capitalised and amortised over the life of the contract, but only where the duration of the contract on which the commissions is based lasts for more than one year and the value of the commission is of a material nature.

- Quantitative impact: The following table summarises the entries arising from the adoption of IFRS 15 for the Group

	£000
Deferral of revenues previously reported	(610)
Eliminate discounting of contract receivables balances greater than one year	(13)
Associated deferred tax	31
IFRS 15 impact	**(592)**

The impact of adoption of IFRS 15 on our financial statements for the year ended 31 October 2019 was as follows:

	Restated 2018 £000	**IFRS 15 Impact £000**	**Opening balance 2019 £000**
Contract receivables	751	(88)	663
Deferred tax asset	15	31	46
Contract liabilities	2,725	(536)	(2,189)
Retained earnings	(22,737)	592	(22,145)

IFRS 9 - Financial Instruments: The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014 and is effective for accounting periods commencing on or after 1 January 2018. Amongst others, it replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The standard also introduces a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. This generally results in accelerating provisions for impairment as compared to IAS 39.

3. Changes in accounting policies (continued)

Notwithstanding this change in recognising impairment, the Group qualifies for the simplifications afforded in IFRS 9 in recognising impairment losses, by estimating the expected credit loss using a provisions matrix. An assessment of the impact of moving from fair value to expected credit loss scenarios regarding trade debtors was carried out and the results analysed. It was concluded that the impact was not material on the financial statements and there was not a significant increase in the credit risk relative to the date of initial recognition.

Restatement of comparative figures

There has been a reallocation of £2,261,000 between Cost of Sales and Administrative expenses in the FY18 comparatives. This adjustment aligns with the Idox Group policy and ensures margins are more representative.

Consolidated Statement of Comprehensive Income	**31 October 2018**
	£000
Profit before tax as originally presented	346
Restatement of:	
Cost of sales	(2,261)
Administrative expenses	2,261
Profit before tax as restated	346

4. Summary of accounting policies

4.1 Going concern

As evident from the statements of financial position, the main risk for the Group is that it becomes unable to fulfil its obligations to customers, creditors and bond holders. This risk is mitigated by the guaranteed support of the Idox Group which will allow the Group to honour all current and future liabilities.

It was announced on 19 December 2019 that the Group had refinanced with the Royal Bank of Scotland plc, Silicon Valley Bank and Santander UK plc. The new facilities, which comprise a revolving credit facility of £35,000,000 and £10,000,000 accordion facility, are committed until December 2022, with an option to extend this commitment for a further two years

As required by Listing Rule 5.62, and after due consideration of the Group's and the Company's profitability, statements of financial positions, capital adequacy, solvency and guarantee of support from Idox Group, the Directors are satisfied that at the time of approval of the financial statements, the Group and Company have adequate access to resources to continue to operate as a going concern for the foreseeable future.

4.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the significant accounting policies and measurement bases summarised below.

The Directors consider that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

4.3 Basis of consolidation

The consolidated financial statements incorporate the results of 6PM Holdings p.l.c. and the entities that it controls (its subsidiaries).

A subsidiary is a company controlled directly by the Company. Control is achieved where the Company has the power over the investee, rights to variable returns and the ability to use the power to affect the investee's returns.

Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of total comprehensive income from the effective date of control until the date that control ceases. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

4. Summary of accounting policies (continued)

Non-controlling interests in the net assets of Group subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

4.4 Business combinations

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. Any adjustment to the cost of the combination contingent on future events is measured at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration that are the result of additional information obtained after the acquisition date about facts and circumstances that existed at the acquisition date and that qualify as measurement period adjustments are adjusted against the cost of acquisition; all other subsequent changes in the fair value of contingent consideration are accounted for in accordance with the relevant IFRSs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

Non-controlling interests are measured initially either at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on acquisition-by-acquisition basis.

Acquisition-related costs are expensed as incurred.

4.5 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions by Group companies are recorded in their functional currencies at the exchange rate at the date of the transaction. Monetary assets and liabilities have been translated at rates in effect at the reporting date, with any exchange adjustments being charged or credited to profit or loss. These are generally included within operating profit/loss except in the case of significant exchange differences arising on investing or financing activities, which are classified within investment income, investment losses or finance costs as appropriate and in the case of exchange gains and losses arising on intra-group balances of a capital nature, are recognised within the translation reserve.

Foreign operations

On consolidation, the assets and liabilities of the subsidiaries with a functional currency other than Great British pounds are translated into the Group's presentational currency at the exchange rate at the reporting date and the income and expenditure account items are translated at the average rate for the period. The exchange difference arising on the translation from functional currency to presentational currency of subsidiaries is classified as other comprehensive income and is accumulated within equity in the translation reserve.

The balance of the foreign currency translation reserve relating to a subsidiary that is disposed of, or partially disposed of, is recognised in profit or loss at the time of disposal.

4.6 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been identified as the Board of Directors, at which level strategic decisions are made.

4. Summary of accounting policies (continued)

4.7 Revenue recognition

Revenue comprises amounts recognised in respect of goods and services supplied during the period, exclusive of value added tax and trade discounts.
The group recognises revenue from the following major sources:

- Software licence revenue
- Hardware revenue
- Contract obtaining assets

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when or as it satisfies a performance obligation by transferring control of a promised good or service to the customer. Where work has been completed but the performance obligation has not been fully satisfied, the income has been accrued and included in contract receivable in the Statement of Financial Position.

Sale of goods
Revenue from the sale of goods is recognised when a group entity sells a product to the customer.
Sales are recognised when control of the products has been transferred, being when the products are delivered to the buyer, the buyer has full discretion over the products, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Sale of services
Revenue from provision of services is partly recognised at a point in time when transferring control of the contracted service to the customer and partly is recognised over time, on a systematic basis based on the period consumed as a proportion to the contractual period.

4.8 Administrative and other expenses

Administrative and other expenses are recognised in profit or loss upon utilisation of the goods or services or as incurred.

4.9 Borrowing costs

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

4 Summary of accounting policies (continued)

4.10 Intangible assets

Initial recognition
An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Developed software
Expenditure on research activities is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

Computer software and licences
Separable computer software assets and licences are classified as intangible assets.

In determining the classification of an asset that incorporates both intangible and tangible elements, judgement is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified together with the hardware cost within property, plant and equipment and accounted for accordingly.

Web page design
Development costs in relation to web page design are recognised on the same basis as for developed software described above.

Agencies
Agencies represent the rights over a number of brands which enhance the future earning capacity of the Group.

Subsequent measurement
The useful lives of intangible assets are assessed as finite, with the exception of agencies which are considered to have an indefinite useful life and are therefore subject to annual impairment review.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in total comprehensive income as administrative expenses.

4. Summary of accounting policies (continued)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Amortisation is calculated on a straight-line basis over the estimate useful life of the asset as follows:

• Developed software	5 years
• Computer software and licences	5 years
• Web page design	5 years

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing.

Amortisation has been included within administrative and other expenses.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

4.11 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management.

Motor vehicles, furniture, fittings and other equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset’s carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are expensed in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated on a straight-line basis as follows:

• Motor vehicles	4 years
• Furniture, fittings and other equipment	2-4 years

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed.

Each asset’s estimated useful life has been assessed with regard to its own physical life limitations and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all plant and equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in total comprehensive income within other income or other expenses.

4.12 Leased assets

Operating leases

All the Group’s leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. Summary of accounting policies (continued)

4.13 Impairment of intangible assets and property, plant and equipment

All assets are tested for impairment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

A cash-generating unit is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of goodwill, if any, allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset’s or cash-generating unit’s recoverable amount exceeds its carrying amount.

An impairment loss is recognised as an expense immediately.

Where an impairment loss on other non-financial assets subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in profit or loss immediately.

4.14 Financial instruments

Financial assets and financial liabilities are recognised on the Group’s balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial assets

Classification

From 1 November 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. The Group’s financial assets are classified at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held-for-trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

4. Summary of accounting policies (continued)

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

Measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(a) **Amortised cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(b) **FVOCI**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

(c) **FVPL**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. From 1 November 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment

From 1 November 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Assets carried at amortised costs

For financial assets carried at amortised costs, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit or loss.

Accounting policies applied until 31 December 2017

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 October 2018, the Group classified its financial assets, other than investment in subsidiary, in the following categories: loans and receivables and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables
(b) Financial Assets at fair value through profit or loss (FVTPL)
(c) Held to maturity (HTM) investments
(d) Available for sale (AFS) Investments

4. Summary of accounting policies (continued)

Financial assets are classified according to the substance of the contractual arrangements entered into.

Trade and other receivables
Trade receivables do not carry any interest and are initially stated at their fair value, as reduced by appropriate credit losses for estimated irrecoverable amounts. All receivables are considered for impairment. A credit loss entry against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of those receivables. The loss allowance is determined as the difference between the assets carrying value and the present value of estimated future cash flows.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and on deposit with a maturity of 3 months or less from inception and are subject to an insignificant risk of changes in value.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its financial liabilities.

Bond
Bonds in issue are recorded initially at fair value, net of direct transaction costs. The bonds are subsequently carried at their amortised cost and finance charges are recognised in profit or loss over the term of the instrument using an effective rate of interest.

Trade and other payables
Trade and other payables are not interest-bearing, these are initially stated at their fair value and subsequently at amortised cost.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4.15 Inventories
Inventories are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving items. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of production overheads based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

4.16 Income taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's and the Company's liability for current tax is calculated using rates and laws that have been enacted or substantively enacted by the end of reporting period date.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's and the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

4. Summary of accounting policies (continued)

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. No deferred tax is recognised on initial recognition of goodwill.

Deferred tax liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries where the Group and the Company are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries where it is probable that taxable profit will be available against which the temporary difference can be utilised, and it is probable that the temporary difference will reverse in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax liabilities are provided in full and are not discounted.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from inception.

Bank overdrafts that are repayable on demand and form an integral part of the Group's or the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and are presented in current liabilities on the statement of financial position.

4.18 Equity, reserves and dividend payments

Equity comprises the following:

- "share capital" represents the nominal value of equity shares issued;
- "translation reserve" represents the exchange differences arising from the translation of the financial statements of subsidiaries into the Group's presentational currency;
- "accumulated losses" represent the accumulated losses attributable to equity shareholders; and
- "non-controlling interest" represents the share of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

4. Summary of accounting policies (continued)

4.19 Retirement benefits and short-term employee benefits

Retirement benefit plans
The Group contributes towards pensions in accordance with local legislation in the countries concerned.

Under IFRS these are classified as defined contribution plans. Related costs are recognised as an expense in the period in which they are incurred.

Short-term employee benefits
Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

4.20 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group or the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group and the Company are virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.21 Investment in subsidiaries

Investment in subsidiaries is included in the company's statement of financial position at cost less any impairment loss that may have arisen. Income from investment is recognised only to the extent of distributions received by the company from post-acquisition profits. Distributions received in excess of such profits are regarded as a recovery of the investment and are recognised as a reduction of the cost of the investment.

At the end of each reporting period, the company reviews the carrying amount of its investment in subsidiaries to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investment is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in profit or loss.

4.22 Investment in associates and joint ventures

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

4. Summary of accounting policies (continued)

4.23 Significant management judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions and accounting estimates are subject to regular review. Any revisions required to accounting estimates are recognised in the period in which the revisions are made including all future periods affected.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group and the Company that have the most significant effect on the financial statements.

Recognition of service contract revenues

Determining when to recognise revenues from after-sales services requires an understanding of both the nature and timing of the services provided and the customers' pattern of consumption of those services, based on historical experience and knowledge of the market.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of these depreciable assets.

Inventories

Management estimates the net realisable values of inventories, considering the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Business combinations

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

5. Segmental reporting - Group

IFRS 8 requires operating segments to be identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Information reporting to the Group's chief operating decision maker (the Board of Directors) for the purpose of resource allocation and assessment performance is focussed on the service provided. The Group's reportable segments under IFRS 8 are therefore as follows:

- licences and products;
- services; and
- support and maintenance.

Information regarding the Group's reportable segments is presented below.

Operating segments

Group revenue represents the amount receivable for goods sold and services rendered during the year, net of any indirect taxes.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

Year ended 31 October 2019

	Licences and products £'000	Services £'000	Support and maintenance £'000	Unallocated £'000	Total £'000
Revenue	3,203	667	3,533	-	7,403
Gross profit	2,970	619	3,277	-	6,866
Administrative expenses	-	-	-	(4,904)	(4,904)
Other operating income	-	-	-	145	145
Inter-company revenue	-	-	-	87	87
Finance costs	-	-	-	(606)	(606)
Profit / (loss) before tax	2,970	619	3,277	(5,278)	1,588
Segment assets	-	-	-	4,066	4,066
Segment liabilities	-	-	-	(22,949)	(22,949)
Depreciation and amortisation	-	-	-	548	548
Non-current assets	-	-	-	1,019	1,019

5. Segmental reporting – Group (continued)

Year ended 31 October 2018
Reinstated

	Licences and products £'000	Services £'000	Support and maintenance £'000	Unallocated £'000	Total £'000
Revenue	5,033	860	3,382	-	9,275
Gross profit	3,301	564	2,218	2,261	8,344
Administrative expenses	-	-	-	(7,307)	(7,307)
Other operating income	-	-	-	226	226
Finance costs	-	-	-	(917)	(917)
Profit / (loss) before tax	3,301	564	2,218	(5,737)	346
Segment assets	-	-	-	5,499	5,499
Segment liabilities	-	-	-	(25,240)	(25,240)
Depreciation, amortisation and impairment	-	-	-	652	652
Non-current assets	-	-	-	1,233	1,233

All assets, liabilities, other income, administrative and other expenses are unallocated.
Revenue from Malta, being the Company's country of domicile, amounted to:

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Malta	484	5,913

Segment revenue above is generated from external customers. The accounting policies of the reportable segments have been consistently applied and are the same as the Group accounting policies. Segment profit represents the operating profit by each segment without allocation of administrative expenditure, finance costs and income taxes. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. Segmental reporting – Group (continued)

Geographic segments

The Group operates in three geographic areas – Malta, other EU and other. The Group's revenue from external customers and information about its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) by geographical location are detailed below.

Year ended 31 October 2019

	Malta £'000	Other EU £'000	Other £'000	Total £'000
Revenue	484	6,919	-	7,403
Non-current assets	1	999	19	1,019

Year ended 31 October 2018

	Malta £'000	Other EU £'000	Other £'000	Total £'000
Revenue	5,913	3,362	-	9,275
Non-current assets	739	468	26	1,233

Customers are predominantly in the health sector in the UK, namely private and NHS hospitals.

6. Employee remuneration

6.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000
Wages and salaries	2,648	3,967
Social security costs	313	403
Pensions – defined contribution plans	51	31
	3,012	4,401

6. Employee remuneration

The average number of employees during the year were as follows:

	Group Year ended 31 October 2019	Group Year ended 31 October 2018
Administrative	17	12
Operational	74	114
	91	126

There was no employee benefits' expense recognised by the Company during 2019 and 2018. The Company has no employees during the reporting periods presented.

6.2 Key management personnel compensation

Remuneration expense for key management personnel are disclosed in note 25.4.

7. Finance costs and investment income

Finance costs for the year presented consist of the following:

	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Interest on bond securities	538	517	538	517
Foreign exchange movement on bond securities	-	191	-	191
Effective interest rate adjustment	(75)	-	(75)	-
Interest on overdraft	-	31	-	-
Other interest	143	178	1	-
Total interest expense	606	917	464	708

8. Profit / (loss) before taxation

The profit / (loss) before taxation is stated after charging:

	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Depreciation	49	116	-	-
Amortisation	499	536	-	-

Directors' remuneration is disclosed in note 25.4.

Information on auditor's remuneration is as follows:

Group	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Total remuneration payable to the parent Company's auditor (in respect of the undertakings included in the consolidation) for the audit of the consolidated financial statements	88	88
Total fees payable to other auditors	75	78
Total fees payable to the parent Company's auditor for non-audit services	29	23

Company	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Total remuneration payable to the Company's auditor for the audit of the Company's financial statements	18	22
Total fees payable to other auditors	12	-
Total fees payable to the Company's auditor for non-audit services	-	2

Other financial items consist of the following:

	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Loss from exchange differences on receivables	17	12	-	142

These other financial items have been recognised within other income and administrative and other expenses.

9. Tax expense

The major components of tax (expense) income and the reconciliation of the expected tax income based on the domestic effective tax rate of the Company at 35% (2018: 35%) and the reported tax (expense) / income in profit or loss are as follows:

	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Profit / (loss) before taxation	1,588	346	(741)	(796)
Expected tax (expense) / income	(556)	(121)	259	279
Factors affecting tax (expense) / income for the year:				
Deferred tax not accounted for	-	46	-	-
Accelerated capital allowances	11	-	-	-
International losses not recognised	(2)	-	-	-
Depreciation charges not deductible by way of capital allowances in determining taxable income	-	52	-	-
Different tax rates in foreign jurisdictions	46	164	-	-
Disallowed expenses	(352)	(313)	(259)	(279)
Research and development credit	(1)	-	-	-
Group relief	806	-	-	-
Other timing differences	5	-	-	-
Adjustment to tax in prior periods	26	33	-	25
Actual tax (expense) / income	(17)	(139)	-	25

	Group Year ended 31 October 2019 £'000	Group Year ended 31 October 2018 £'000	Company Year ended 31 October 2019 £'000	Company Year ended 31 October 2018 £'000
Tax (expense) / income comprises:				
Current tax income / (expense)	21	(83)	-	25
Deferred tax expense	(38)	(56)	-	-
Tax (expense) / income	(17)	(139)	-	25

A deferred tax asset in respect of trading losses, unabsorbed capital allowances and group loss relief of £7,638,000 has not been recognised due to the uncertainty over timing of future profits (2018: £4,407,000). This unprovided deferred tax asset is recoverable against suitable future trading profits. Note 15 provides information on the deferred tax asset.

10. Earnings per share and dividends

Earnings per share - Group
Basic earnings per share is based on the total profit after tax for the year attributable to the owners of the parent and the weighted average number of shares in issue during the year.

	Year ended 31 October 2019	Year ended 31 October 2018
Profit attributable to equity holders of the Group (£'000)	1,687	217
Weighted average number of shares in issue	20,982,938	20,982,938
Basic earnings per share (£)	0.08	0.01

Diluted earnings per share is calculated by adjusting the average number of shares in issue during the year to assume conversion of all dilutive potential ordinary shares. The Group had no potentially dilutive shares in the year ended 31 October 2019 or the year ended 31 October 2018. Diluted earnings per share is therefore the same as basic earnings per share.

Dividends
During the year ended 31 October 2019, no dividends were paid to the equity shareholders of 6PM Holdings plc (year ended 31 October 2018: £Nil).

11. Investments in subsidiaries

	£'000
Cost	
At 1 November 2017	7,481
At 31 October 2018 and 2019	7,481
Impairment	
At 1November 2017	7,458
At 31 October 2018 and 2019	7,458
Net book value	
At 31 October 2019	23
At 31 October 2018	23

11. Investments in subsidiaries (continued)

Composition of the Group

Details of the Company's subsidiaries are as follows:

Name of subsidiary	**Registered address**	**Principal activity**	**Place of incorporation and operation**	**% ownership held**	
				31 October 2019	**31 October 2018**
6PM Limited	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Healthcare IT solutions	Malta	99.99	99.99
6PM Management Consultancy (UK) Ltd	2nd floor, 1310 Waterside, Arlington Business Park, Theale, Reading, RG7 4SA, United Kingdom	Healthcare IT solutions	UK	100	100
Idox DOOEL	5,Vasil Gjorgov Street 1000 Skopje, Macedonia	Software development	Macedonia	100	100
6PM Infrastructure Ltd	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	IT services	Malta	100	100
6PM Agencies Ltd	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Dormant	Malta	100	100
Six-PM Health Solutions (Ireland) Ltd	Unit H, L.E.D.P., Roxboro, Limerick, Ireland	Healthcare IT solutions	Ireland	70	70
Idox Health Limited	2nd floor, 1310 Waterside, Arlington Business Park, Theale, Reading, RG7 4SA, United Kingdom	Healthcare IT solutions	UK	100	100
emCare360 Ltd**	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Healthcare IT solutions	Malta	100	100
emCare Group Malta Limited**	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Healthcare IT solutions	Malta	100	100

** emCare Group Malta Limited is held indirectly by the Group, being a 100% owned subsidiary of emCare360 Ltd.

12. Intangible assets - Group

	Computer software and licences	Developed software	Web page design	Agencies	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 November 2017	414	6,466	43	338	7,261
Additions	-	197	-	-	197
Foreign exchange differences	3	37	-	2	42
At 31 October 2018	417	6,700	43	340	7,500
Additions	-	385	-	-	385
Foreign exchange differences	(1)	(14)	-	2	(13)
At 31 October 2019	416	7,071	43	342	7,872
Amortisation					
At 1 November 2017	406	5,098	43	338	5,885
Charge for year	2	534	-	-	536
Foreign exchange differences	3	32	-	2	37
At 31 October 2018	411	5,664	43	340	6,458
Charge for year	1	498	-	-	499
Foreign exchange differences	(1)	(14)	-	2	(13)
At 31 October 2019	411	6,148	43	342	6,944
Net book value					
At 31 October 2019	5	923	-	-	928
At 31 October 2018	6	1,036	-	-	1,042

Amortisation is included within administrative and other expenses.

Wages capitalised amounted to £381,000 (2018: £197,000).

13. Property, plant and equipment - Group

	Furniture, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 November 2017	2,790	190	2,980
Additions	44	-	44
Disposals	(70)	(8)	(78)
Foreign exchange differences	17	1	18
At 31 October 2018	2,781	183	2,964
Additions	57	-	57
Disposals	-	-	-
Six-PM Health Solutions (Ireland) Ltd reclassification	(70)	(13)	(83)
Foreign exchange differences	19	1	20
At 31 October 2019	2,787	171	2,958
Depreciation			
At 1 November 2017	2,608	178	2,786
Charge for year	116	-	116
Disposals	(70)	(8)	(78)
Foreign exchange differences	18	1	19
At 31 October 2018	2,672	171	2,843
Charge for year	49	-	49
Foreign exchange differences	19	1	20
At 31 October 2019	2,740	172	2,912
Net book value			
At 31 October 2019	46	-	46
At 31 October 2018	109	12	121

Depreciation is included within administrative and other expenses.

14. Leasing arrangements - Group

Operating leases – as lessee

Operating leases primarily relate to land and buildings and computer equipment.

The Group's non-cancellable operating lease commitments are as follows:

	31 October 2019 £'000	31 October 2018 £'000
Land and buildings		
Within 1 year	97	194
2 - 5 years	174	622
After 5 years	33	64
	304	880
Other		
Within 1 year	-	60
2 - 5 years	-	6
	-	66

Total operating lease expense recognised during the year ended 31 October 2019 amounted to £135,501 (year ended 31 October 2018: £201,234).

Operating leases – as lessor

The Group also leases out computer equipment under operating leases. The lease contracts for computer equipment are all non-cancellable for 3 years from the commencement of the lease. All equipment leases were terminated during the year to 31 October 2019.

The Group's future minimum lease rentals are as follows:

	31 October 2019 £'000	31 October 2018 £'000
Computer equipment		
Within 1 year	-	7
2- 5 years	-	-
Total	-	7

15. Deferred tax asset

Analysis of recognised deferred tax balances:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Opening balance	15	71	-	-
Opening IFRS 15 adjustment	31	-	-	-
Current year charge at 35%	(37)	-	-	-
Origination and reversal of temporary differences	(1)	(56)	-	-
Closing balance	8	15	-	-
Comprising:				
Deferred tax asset	8	15	-	-

Deferred income taxes are calculated on all temporary differences under the liability method under a principal tax rate of 35% (2018: 35%). The directors consider the deferred taxation as at the end of the reporting period to be of a non-current nature.

16. Inventories - Group

	31 October 2019 £'000	31 October 2018 £'000
Goods held for resale	77	107

	31 October 2019 £'000	31 October 2018 £'000
Amounts of inventories recognised as an expense during the year as cost of sales	385	399

17. Trade and other receivables

Trade and other receivables consist of the following:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Trade receivables	1,620	2,076	-	-
Other receivables	31	38	18	18
Prepayments and contract receivables	857	945	5	-
Amounts owed by subsidiaries	-	-	2,802	3,547
	2,508	3,059	2,825	3,565

The Directors consider the carrying value of trade and other receivables is approximate to its fair value.

All the Group's and Company's trade and other receivables have been reviewed for indicators of impairment. The Group suffers a small incidence of credit losses. However, where management views that there is a significant risk of non-payment, a specific provision for impairment is made and recognised as a deduction from trade receivables.

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Impairment provision opening balance	40	71	-	-
Provision during the year	(9)	(31)	-	-
Impairment provision closing balance	31	40	-	-

At the reporting date, the Group has certain trade receivables that have not been settled at the contractual due date but are not considered to be impaired. The amounts, analysed by the length of time past due, are:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000
Not more than 3 months	566	1,017
More than 3 months but not more than 6 months	647	99
More than 6 months but not more than 1 year	(9)	130
More than one year	3	28
	1,207	1,274

18. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Cash at bank and in hand:				
GBP	56	83	1	1
EUR	388	1,015	-	-
MKD	18	2	-	-
Cash and cash equivalents	462	1,100	1	1

As at 31 October 2019 and 31 October 2018, no amounts were held by a third party in a bank deposit account.

19. Trade and other payables

Trade and other payables consist of the following:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Trade payables	333	817	68	8
Accruals and contract liabilities	2,761	3,783	250	221
Related party payables	6,977	6,649	-	-
Other payables	1,300	1,650	112	311
	11,371	12,899	430	540

Related party payables are due to Idox Software Ltd (see note 25.1).

20. Financial instruments

20.1 Categories of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

Group **31 October 2019**		**Investment in Associate** **£'000**	**Loans and Receivables (amortised cost)** **£'000**	**Total** **£'000**
Financial assets				
Receivables		-	18	18
Other investment	a)	19	-	19
Long-term financial assets		19	18	37
Trade and other receivables	b)	-	2,389	2,389
Cash and cash equivalents		-	462	462
Short-term financial assets		-	2,851	2,851
		19	2,869	2,869

Group **31 October 2018**		**Investment in Associate** **£'000**	**Loans and Receivables (amortised cost)** **£'000**	**Total** **£'000**
Financial assets				
Receivables		-	36	36
Other investment	a)	19	-	19
Long-term financial assets		19	36	55
Trade and other receivables	b)	-	2,866	2,866
Cash and cash equivalents		-	1,100	1,100
Short-term financial assets		-	3,966	3,966
		19	4,002	4,021

a) Includes an equity investment carried at cost less impairment charges because fair value cannot be determined reliably.
b) These amounts only represent trade and other receivables that are financial assets.

Group

Financial liabilities	**31 October 2019** **£'000**	**31 October 2018** **£'000**
Other liabilities (amortised cost):		
Bonds in issue	11,584	11,491
Overdraft	-	793
Trade payables	333	817
Other payables	113	311
Related party payables	6,977	6,649
Accruals	519	1,030
	19,526	21,091

20. Financial instruments (continued)

Company **31 October 2019**		**Investment in Associate** **£'000**	**Loans and receivables (amortised cost)** **£'000**	**Total** **£'000**
Financial assets				
Receivables		-	18	18
Other investment	a)	19	-	19
Long-term financial assets		19	18	37
Receivables	b)	-	2,820	2,820
Cash and cash equivalents		-	1	1
Short-term financial assets		-	2,821	2,821
		19	2,839	2,858

Company **31 October 2018**		**Investment in Associate** **£'000**	**Loans and receivables (amortised cost)** **£'000**	**Total** **£'000**
Financial assets				
Receivables		-	36	36
Other investment	a)	19	-	19
Long-term financial assets		19	36	55
Receivables	b)	-	3,565	3.565
Cash and cash equivalents		-	1	1
Short-term financial assets		-	3,566	3.566
		19	3,602	3,621

a) Includes an equity investment carried at cost less impairment charges because fair value cannot be determined reliably.
b) These amounts only represent other receivables that are financial assets.

20. Financial instruments (continued)

Company	**31 October 2019**	**31 October 2018**
Financial liabilities	**£'000**	**£'000**
Other liabilities (amortised cost):		
Bonds in issue	11,584	11,491
Other payables	113	311
Trade payables	68	8
Accruals	250	221
	12,015	12,031

A description of the Group's and the Company's financial instrument risks, including risk management objectives and policies is given in note 21.

The methods used to measure financial assets and liabilities reported at fair value are described in note 22.

20.2 Investment in associate

The details and carrying amount of the investment in associate are as follows:

	Group and Company	
	31 October 2019	**31 October 2018**
	£'000	**£'000**
Investment in Javali LLC	19	19

The investment in associate relates to a 22.5% interest (31 October 2018: 22.5%) held by the Company in Javali LLC, a company incorporated in the state of Utah, United States of America.

Due to lack of available market data, the fair value of the Group's and the Company's investment in this entity cannot be reliably measured. Therefore, it has been stated at cost less impairment charges.

20.3 Bank borrowings

Bank borrowings are measured at amortised cost and include the following financial liabilities:

	Group	**Group**
	31 October 2019	**31 October 2018**
	£'000	**£'000**
Borrowings due within one year:		
Bank overdraft	-	793

Summary of borrowing arrangements:

At 31 October 2019, the Group had bank overdraft facilities of £Nil (2018: £793,000). Overdrafts were secured against Group assets with interest at rates between 5.15% to 5.65%.

20. Financial instruments (continued)

20.4 Bonds in issue

Bonds in issue are measured at amortised cost.

	Group and Company	
	31 October 2019	31 October 2018
	£'000	**£'000**
Non-current		
130,000 bonds at €100 each	11,584	11,491

The bonds were issued in 2015 totalling €13,000,000 at a nominal value of €100 each bearing interest at 5.1% per annum. They are redeemable at par value in 2025. Interest on the bonds is paid annually in arrears in July each year.

The bonds are listed on the Official Companies List of the Malta Stock Exchange.

The carrying amount of bonds is a reasonable approximation of fair value.

20.5 Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

21. Financial instrument risk exposure and management

The Group and the Company are exposed to various risks in relation to financial instruments. The Group's and the Company's financial assets and liabilities by category are summarised in note 20.1. The main types of risks are market risk, credit risk and liquidity risk.

Risk management objectives and policies

This note describes the Group's and the Company's objectives, policies and process for managing those risks and the methods used to measure them.

The Group and the Company do not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group and the Company are exposed are described below.

21.1 Market risk analysis

The Group and the Company are exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's sales transactions are carried out in Great British Pounds. Exposures to currency exchange rates arise from the Group's minority of sales in euro and purchases which are predominantly denominated in euro. The Group and the Company also hold bank borrowings and debt securities issued in euro.

Foreign currency exposure tends to be on the payment side and is mainly in relation to the Great British pound strength relative to the euro or US dollar. This transactional risk is considered manageable and is monitored by the Group. The Group and the Company do not enter into forward exchange contracts to mitigate the exposure to foreign currency risk.

21. Financial instrument risk exposure and management (continued)

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below.

The amounts shown are those reported to key management translated into GBP at the closing rate:

31 October 2019	**Short-term exposure**				**Long-term exposure**
	EUR	**GBP**	**USD**	**MKD**	**EUR**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Financial assets	622	2,685	8	31	18
Financial liabilities	(652)	(8,184)	(9)	27	(11,584)
Net exposure	(30)	(5,499)	(1)	58	(11,566)

31 October 2018	**Short-term exposure**				**Long-term exposure**
	EUR	**GBP**	**USD**	**MKD**	**EUR**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Financial assets	2,351	1,591	8	16	36
Financial liabilities	(1,607)	(7,962)	(26)	(4)	(11,491)
Net exposure	744	(6,371)	(18)	12	(11,455)

The Group reports in Great British pounds (GBP) but has significant revenues and particularly costs as well as assets and liabilities that are denominated in euros (EUR).

The table below sets out the prevailing exchange rates in the ears reported.

	Year ended 31 October 2019 Average	**Year ended 31 October 2018 Average**	**As at 31 October 2019 Closing**	**As at 31 October 2018 Closing**
EUR / GBP	0.8844	0.8838	0.8930	0.8878

The following table illustrates the sensitivity of the reported loss before tax and equity for the year ended 31 October 2019 to material exchange rate movements in the Pound relative to the Euro.

It assumes a +/- 10% change in the Pound relative to the closing rates for this currency employed in the year ended 31 October 2019.

21. Financial instrument risk exposure and management (continued)

If the pound had strengthened against the euro by 10%, the impact, in £ terms, on these consolidated financial statements would have been:

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Profit before tax	1,160	1,071
Equity	1,160	1,071

If the pound had weakened against the euro by 10%, the impact, in £ terms, on these consolidated financial statements would have been:

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Profit before tax	(1,160)	(1,071)
Equity	(1,160)	(1,071)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is representative of the Group's exposure to currency risk.

Interest rate sensitivity
The Group has taken out bank facilities to finance its operation as disclosed in note 20.3.

The Group's and the Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually at fixed rates.

Management monitors the movement in interest rates and, where possible, mitigates material movements in such rates by restructuring the Group's financing structure.

At 31 October 2019 and 31 October 2018, the Group is exposed to changes in market interest rates through short-term bank overdrafts at variable interest rates and interest receivable on cash balances. The Group considers its exposure to interest rate risk to be immaterial.

21.2 Credit risk
Credit risk is the risk that a counterparty fails to discharge an obligation to the Group or Company. The Group and the Company are exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc.

The Group and the Company do not have a significant concentration of risk, with exposure spread over a number of third parties.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

21. Financial instrument risk exposure and management (continued)

The Group's and Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Cash and cash equivalents	462	1,100	1	1
Long term receivables	18	36	18	36
Trade and other receivables	2,508	2,866	2,820	3,565
	2,988	4,002	2,839	3,602

The Group and the Company continuously monitor defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

The Group's and the Company's management consider that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

At 31 October 2019 and 2018, the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. Further information regarding the impairment of trade receivables is disclosed in note 20.

In respect of trade and other receivables, the Group's main group of counterparties are within the NHS in the UK, however as UK government bodies the risk of default is considered to be minimal. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

21.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company might be unable to meet their obligations. The Group and the Company manage liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls.

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group and the Company can meet liabilities as they fall due, and ensuring adequate working capital using bank borrowing arrangements.

In managing liquidity risk, the main objective of the Group and the Company is therefore to ensure they have the ability to pay all liabilities as they fall due. The Group and the Company monitor levels of working capital to ensure that they can meet liability payments as they fall due.

The Group and the Company consider expected cash flows from financial assets in assessing and managing liquidity risk, in particular their cash resources and trade receivables. The Group's cash resources, trade receivables and continued support from the Idox Group ensure it has access to sufficient cash to meet its cash outflow requirements.

21. Financial instrument risk exposure and management (continued)

The tables below show the undiscounted cash flows on the Group's financial liabilities as at 31 October 2019 and 31 October 2018, based on their earliest possible contractual maturity:

At 31 October 2019

	Total £'000	Within 1 year £'000	2-5 years £'000	Greater than 5 years £'000
Trade payables	333	333	-	-
Other payables	113	97	16	-
Related party payables	6,977	6,977	-	-
Accruals	519	519	-	-
Bank overdraft	-	-	-	-
Bonds in issue	15,162	592	2,368	12,202
	23,104	8,518	2,384	12,202

At 31 October 2018

	Total £'000	Within 1 year £'000	2-5 years £'000	Greater than 5 years £'000
Trade payables	817	817	-	-
Other payables	311	311	-	-
Related party payables	6,649	6,649	-	-
Accruals	1,030	1,030	-	-
Bank overdraft	793	793	-	-
Bonds in issue	15,661	589	2,354	12,718
	25,261	10,189	2,354	12,718

The tables below show the undiscounted cash flows on the Company's financial liabilities as at 31 October 2019 and 31 October 2018, based on their earliest possible contractual maturity:

At 31 October 2019

	Total £'000	Within 1 year £'000	2-5 years £'000	Greater than 5 years £'000
Trade payables	68	68	-	-
Other payables	113	97	16	-
Accruals	250	250	-	-
Bonds in issue	15,162	592	2,368	12,202
	15,593	1,007	2,384	12,202

At 31 October 2018

	Total £'000	Within 1 year £'000	2-5 years £'000	Greater than 5 years £'000
Trade payables	8	8	-	-
Other payables	311	311	-	-
Accruals	221	221	-	-
Bonds in issue	15,661	589	2,354	12,718
	16,201	1,129	2,354	12,718

22. Fair value measurement

22.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended 31 October 2019 (2018: none).

There are no financial assets or liabilities measured at fair value on a recurring basis as at 31 October 2019 or 31 October 2018.

Financial instruments measured at amortised cost for which the fair value is disclosed are detailed in notes 17, 19 and 20.

23. Equity

23.1 Share capital

The total allotted share capital of the Company is:

31 October 2019 and 2018	**Authorised**	**Issued and called up**
	£'000	**£'000**
25,000,000 ordinary shares of £0.20 each (20,982,938 of which have been issued and called up)	5,000	4,151

Share capital amounts are presented net of transactions costs of £45,777 in all years presented.

Rights and obligations

Ordinary shares carry one vote per share and carry a right to dividends.

23.2 Translation reserve

The translation reserve arises on consolidation of subsidiaries' financial statements presented in currencies other than Great British Pounds as an exchange difference arises on translation for consolidation.

24. Capital management

The Group's and the Company's capital management objectives are:
- to ensure the Group's and the Company's ability to continue as a going concern; and
- to provide long-term returns to shareholders by pricing products and services commensurately with the level of risk.

The Group and the Company define and monitor capital on the basis of the carrying amount of equity plus its outstanding borrowings, less cash and cash equivalents as presented on the face of the statement of financial position and as follows:

	Group 31 October 2019 £'000	Group 31 October 2018 £'000	Company 31 October 2019 £'000	Company 31 October 2018 £'000
Deficit	(18,795)	(19,769)	(9,128)	(8,386)
Bank borrowings and bonds in issue	11,584	12,284	11,584	11,491
Cash and cash equivalents	(462)	(1,100)	(1)	(1)
	(7,673)	(8,585)	2,455	3,104

The Board of Directors monitors the level of capital as compared to the Group's and the Company's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares or adjusting the level of debt.

25. Related party transactions

6PM Holdings p.l.c. is the parent Company of the Group and the parent Company of the undertakings described in note 11. The Group's related parties include its associates, key management and others as described below.

Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received. The terms and conditions do not specify the nature of the consideration to be provided in settlement.

All related party transactions were made on an arm's length basis.

25.1 Group related party transactions

The related party transactions of the Group relate to cash flows and trading transactions.

The amount due to related parties of the Group at the reporting date are as disclosed below:

	31 October 2019 £'000	31 October 2018 £'000
Amounts payable to related parties:		
Idox Software Ltd	(6,977)	(6,649)

Related party transactions with Idox Software Ltd totalling £Nil were recognised as costs in the Group's statement of comprehensive income during the year ended 31 October 2019 (2018: £2,380,005).

25. Related party transactions (continued)

25.2 Company related party transactions

The related party transactions of 6PM Holdings p.l.c., the Company, solely relate to cash flows on related party payables and receivables. There are no related party trading transactions to be disclosed.

The amounts due from / (payable to) subsidiaries of the Company at the reporting date are as disclosed below:

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Amounts receivable from / (payable to) related parties:		
6PM Limited	35	3,129
Idox Health Limited	3,206	273
6PM Infrastructure Ltd	108	104
6PM Agencies Ltd	128	123
Six-PM Health Solutions (Ireland) Ltd	18	18
Idox DOOEL	41	41
emCare Group Malta Limited	(226)	(134)
	3,310	3,554

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Amounts payable to other group parties:		
Idox Software Limited	(508)	(6)

25.3 Transactions with associates and other related undertakings

During the financial year, in addition to transactions with key management personnel and guarantees provided for Group bank facilities, the Group entered into transactions with related parties as follows:

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Sales:		
Related party transactions with:		
Other related parties	-	-
Cost of sales:		
Related party transactions with:		
Other related parties	-	2,380

No expense has been recognised in any period presented for impairment of receivables in respect of amounts due from related parties.

25. Related party transactions (continued)

25.4 Transactions with key management personnel

Total remuneration received by the Directors of the Company and other key management personnel are as follows:

	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Remuneration of Directors:		
Remuneration	556	554
Social security costs	72	50
Company pension contributions to defined contributions scheme	16	12
	644	616
Remuneration of other key management personnel:		
Remuneration	89	594
Social security costs	9	60
Company pension contributions to defined contributions scheme	2	2
	100	656
Total	744	1,272

No dividends on ordinary shares were paid to key management during 2019 and 2018.

26. Ultimate controlling party

6PM Holdings p.l.c. is the parent Company of the Group and is solely owned by Idox plc. Therefore, Idox plc is the ultimate controlling party.

27. Post-reporting date events

Disposal of Six-PM Health Solutions (Ireland) Limited

The Group agreed on 22 November 2019 to sell its shareholding in Six-PM Health Solutions (Ireland) Limited, a medical-record scanning business based in Limerick, to its Managing Director for €1. During the year ended 31 October 2019 Six-PM Health Solutions (Ireland) Limited recorded revenues of €392,000 (2018: €587,000) and loss before tax on a standalone basis of €378,000 (2018: €12,000 loss).

Disposal of emCare Business

On 31 December 2019, the Group sold the trade and assets of its emCare business to Go plc, a telecoms business based in Malta, for cash consideration of €100,000. During the year ended 31 October 2019 emCare business recorded revenues of €317,000 (2018: €338,000) and profit before tax of €128,000 (2018: €115,000). Despite the profitability recorded in the business in FY18 and FY19, the business was anticipated to become loss-making for the foreseeable future.

28. Authorisation of financial statements

These consolidated financial statements for the year ended 31 October 2018 (including comparatives) were approved by the Board of Directors on 28 February 2020.

Independent auditor's report

To the shareholders of 6PM Holdings p.l.c.

Report on the audit of the financial statements

Opinion

We have audited the financial statements (the "financial statements") of 6PM Holdings p.l.c. (the "Company") and of the Group of which it is the parent, set out on pages FS-1 to FS-45, which comprise the statements of financial position as at 31 October 2019, and the statements of total comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 October 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Our opinion in our audit of the financial statements is consistent with our additional report to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. 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.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, either individually or in aggregate, could reasonably be expected to influence the economic decisions of users that are taken on the basis of the financial statements. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements. The application of these key considerations gives rise to the following level of materiality, the quantum and purpose of which is tabulated below.

Materiality Measure	How we determined it	Overall Materiality £
Financial statement materiality	Being approximately 2% of revenue for period ending 31 October 2019	150,000

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £7,800 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We reassessed materiality at the end of the audit and did not find it necessary to revise our planning materiality.

As part of designing our audit, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company and of the Group, the accounting processes and controls, and the industry in which the Company and the Group operates.

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. 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.

Area	Reason	Audit Response
Revenue	A significant part of the Group's revenue is derived from a small number of high value contracts entered into with third parties, and some cases, judgement needs to be exercised to determine part of revenue. Revenue is measured based on the consideration specified in the contract with a customer. The group recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service to the customer. In previous years the procedures applied at year end for the closing of the accounts of certain subsidiaries in the Group revealed a number of material items which were incorrectly accounted for as revenue and therefore had to be corrected. We focused on this area because revenue is a key figure and because of the significance of the adjustments that were found to be necessary at the completion stage of the financial statements in previous financial periods.	Our audit procedures included; • Obtaining an understanding and evaluating the implementation of controls and the methodology established by management to calculate revenue recognised for the year under review. • Performance of walkthrough of the systems, processes and controls for recognizing revenue from key revenue streams. • Testing the arithmetical accuracy of the workings and ensuring that these are supported by evidence and documentation. • Performing cut-off testing on revenue at the year end, on a sample basis whether the amounts recognised are accurate and recorded in the correct accounting period. • Evaluating the Company and the Group's revenue recognition policy and management's current year assessment in respect of accounting for revenue against relevant accounting standards and guidance taking cognisance of the adoption of IFRS 15 Revenue from contracts with customers. Based on the audit work done we obtained sufficient audit evidence to support a significant percentage of the Group's revenue for the year ended 31 October 2019 and concluded that revenue is not materially mis-stated.

Area	Reason	Audit Response
Going concern	At balance sheet date, the Company and Group had net liabilities amounting to £9.1 million and £18.8 million respectively. Consequently, this warrants specific audit focus. As explained in note 4.1 – Going Concern, the Directors have obtained assurance that the majority shareholder of the Company will continue to support the Company and the Group financially on an ongoing basis, to enable them to meet their liabilities as and when they fall due.	Our audit procedures included; • Evaluated management's assessment of the Company and Group ability to continue as a going concern, and considered whether management's assessment includes all relevant information of which we were aware as a result of the audit. • Raised enquiries to management as to its knowledge of events or conditions beyond the period of management's assessment that may cast significant doubt on the Parent and Group's ability to continue as a going concern. • Obtained written confirmation from the Idox plc, being major shareholder of the Company and the Group, that it will continue to support them to ensure that they will be able to meet their liabilities as they fall due in the ordinary course of business for the next 12 months. • Assessed the financial strength of Idox plc and ensured that they have sufficient financial resources to support the Company and the Group as required. • Assessed the adequacy of the disclosures made in note 4.1 - *Going concern*, of the financial statements. Based on the audit work done we concluded that management's use of the going concern assumption in the preparation of the financial statements is appropriate.

Other matter

The financial statements of the Company and of the Group for the year ended 31 October 2018, were audited by another auditor who expressed a qualified opinion on those statements on the 20 February 2019, on the basis that, no adequate supporting documentation could be provided by management on the consolidated revenue and deferred income for the period ending 31 October 2017, which as a result, could have a consequential effect on the group's results for the year ended 31 October 2018.

Other information

The Directors are responsible for the other information. The other information comprises (i) the Directors' Report, (ii) the Statement of Directors' Responsibilities, (iii) Statement by the Directors on the Financial Statements and Other Information included in the Annual Report, (iv) the Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance, (v) Remuneration Statement and (vi) Other Disclosures in terms of the Listing Rules, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, including the Directors' Report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' Report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' Report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the Directors and those charged with governance for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and are properly prepared in accordance with the provisions of the Maltese Companies Act (Cap.386), 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 Company and the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 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.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Report on other legal and regulatory requirements

Matters on which we are required to report by the Act, specific to public interest entities

Pursuant to article 179B(1) of the Act, we report under matters not already reported upon in our 'Report on the Audit of the Financial Statements':

- We were first appointed to act as statutory auditors by the board of directors on 1 October 2019 for the financial year ended 31 October 2019.
- We have not provided any of the prohibited services as set out in the Accountancy Profession Act (Cap. 281).

Report on the Statement of Compliance with the Code of Principles of Good Corporate Governance

The Listing Rules issued by the Malta Listing Authority (the "Listing Rules") require the Directors to prepare and include in their Annual Report a Statement of Compliance with the Code of Principles of Good Corporate Governance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

Listing Rules also require us, as the auditor of the Company and of the Group, to include a report on the Statement of Compliance with the Code of Principles of Good Corporate Governance prepared by the Directors.

We read the Statement of Compliance with the Code of Principles of Good Corporate Governance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance with the Code of Principles of Good Corporate Governance cover all risks and controls, or form an opinion in the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance with the Code of Principles of Good Corporate Governance set out on pages 7 to 10 has been properly prepared in accordance with the requirements of the Listing Rules as issued by the Malta Listing Authority.

Other matters on which we are required to report by exception under the Companies Act

We also have responsibilities:

- under the Maltese Companies Act, Cap 386 to report to you if, in our opinion:
  - Adequate accounting records have not been kept or that proper returns adequate for our audit have not been received from branches not visited by us.
  - The financial statements are not in agreement with the accounting records and returns.
  - We have not received all the information and explanations we require for our audit.

- in terms of Listing Rules to review the statement made by the Directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

The engagement partner on the audit resulting in this independent auditor's report is George M Mangion.

George M Mangion (Partner) for and on behalf of
PKF Assurance (Malta) Limited
35, Mannarino Road
Birkirkara
BKR 9080
Malta

28th February 2020