
6PM Holdings p.l.c.

Company Registration Number: C41492

ANNUAL REPORT & ACCOUNTS 2021

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Company details

| | |
|---------------------------------|--|
| Directors | Mr David John Meaden Mr Robert Grubb Mr Philip Kelly Mr Christopher Stone Mrs Alice Cummings |
| Company secretary | Dr Luca Vella |
| Registered office | 52, St Christopher Street Valetta, VLT1462 Malta |
| Country of incorporation | Malta |
| Registration number | C 41492 |
| Auditor | PKF Assurance (Malta) Limited 15, Level 3 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

For the year ended 31 October 2021

Directors' Report

The Directors present their report of 6PM Holdings p.l.c. ("the Company") and the Group for the year ended 31 October 2021.

Principal Activities

The Company's principal activity is the holding of investments and its subsidiary company is a non-trading entity. 6PM Holdings p.l.c. and its subsidiary together are referred to in these consolidated financial statements as "the Group"

Results

The results for the year ended 31 October 2021 are shown in the Statements of Total Comprehensive Income on page 11.

The Group registered a profit after tax of £16,000 (2020: loss: £118,000). The Company registered a profit after tax of £389,000 (2020: £1,482,000).

The Group forms part of the wider Idox group and during the financial year ended 31 October 2021 it completed its final steps to consolidate and simplify its operations. On 31 December 2020, the non-trading entities, 6PM Agencies Limited, 6PM Infrastructure Ltd, emCare360 Ltd and emCare Group Malta Limited merged into 6PM Limited.

The Group now consists of two non-trading entities, 6PM Holdings p.l.c and 6PM Limited.

Directors

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

| Name | Executive/Non-executive/Independent Non-executive |
|----------------------|--|
| Mr David John Meaden | Executive |
| Mr Robert Grubb | Executive |
| Mr Christopher Stone | Independent Non-executive |
| Mrs Alice Cummings | Independent Non-executive |
| Mr Philip Kelly | Independent Non-executive |

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

There are no material events occurring after the end of the reporting period.

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 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.

Going Concern

As required by Capital Markets Rule 5.62 issued by the Malta Financial Services 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.

Directors' report (continued)

For the year ended 31 October 2021

Going Concern (continued)

Covid-19 pandemic impact on Going Concern assessment

The Directors, having made suitable enquiries and analysis of the accounts, consider that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered the Group's budget, cash flow forecasts, available banking facility with appropriate headroom in facilities and financial covenants.

In December 2019 the Group had refinanced with the Royal Bank of Scotland plc, Silicon Valley Bank and Santander UK plc. The facilities, which comprise a revolving credit facility of £35,000,000, were extended during the year and are committed until June 2024.

The Directors continue to assess the impact of the Covid-19 pandemic on the business, taking actions to mitigate or limit the impacts on our organisation where we can and supporting our staff and partners in dealing with the ongoing impacts which are largely in respect of associated restrictions.

Bondholders

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

Auditors

A resolution proposing the appointment of auditor will be put to the shareholders at the annual general meeting.

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 26 January 2022 and signed on its behalf by:



Robert Grubb
Director

David Meaden
Director

Statement of Directors' Responsibilities

For the year ended 31 October 2021

The Companies Act, Cap 386 of the laws of Malta (the Act), requires the Directors to prepare financial statements for each financial year ended 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.

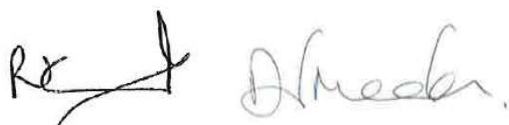
The Directors, through support from management, are responsible for ensuring that the Company and Group design, implement and maintain internal controls to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable 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 Capital Markets 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 26 January 2022 by:



Robert Grubb
Director

David Meaden
Director

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance For the year ended 31 October 2021

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 Capital Markets Rules issued by the Malta Financial Services Authority 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 2021, 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 Capital Markets Rule 5.101, the Company is exempt from the requirement to disclose the information prescribed by Capital Markets 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 year is disclosed on page 3 of the Directors report.

Dr Luca Vella acted as secretary to the Board.

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. The members of the 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 Capital Markets 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 their 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 their 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.

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

For the year ended 31 October 2021

Principle 3 – Composition of the Board (continued)

Each of the independent Directors hereby declares that they undertake to:

- maintain in all circumstances their independence of analysis, decision and action;
- not seek or accept any unreasonable advantages that could be considered as compromising their independence; and
- clearly express their opposition in the event that they find 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 to 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.

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 throughout the reporting period:

Mr Philip Kelly - Independent non-executive Director
Mrs Alice Cummings - Independent non-executive Director
Mr Christopher Stone - Independent non-executive Director

The audit committee met four times during the year.

In compliance with the Capital Markets Rule 5.118A, Mrs Alice Cummings is an independent, non-executive Director who is competent in accounting and/or auditing matters in view of her professional qualifications and her considerable experience in the business and financial 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.

Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance
(continued)
For the year ended 31 October 2021

Principles 9 and 10 - Relations with Shareholders and with the Market and Institutional Shareholders (continued)

In this regard and as communicated by means of a Company Announcement dated 7 April 2020, with a view to retaining appropriate communication with investors a new communication channel was established by the Company through which bondholders may address any concerns in connection with their investment in the Company's 5.1% unsecured bonds 2025 directly to the Company. Specifically, bondholders may forward any such queries to the Company via email on 6PMInvestors@idoxgroup.com or by following the link to the dedicated investor channel at: <https://health.idoxgroup.com/investors/>.

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 where possible.

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.

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 Capital Markets 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 26 January 2022 and signed on its behalf by:



Robert Grubb
Director



David Meaden
Director

Other Disclosures in Terms of Capital Markets Rules

For the year ended 31 October 2021

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 year under review, the aggregate remuneration of the Directors of the Group and of the Company was as follows:

| | Total |
|---------------|----------------|
| | £ |
| Executive | 769,071 |
| Non-executive | 170,000 |
| Total | <u>939,071</u> |

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

Signed on behalf of the Board of Directors on 26 January 2022 by:



Robert Grubb
Director



David Meaden
Director

Other Disclosures in Terms of Capital Markets Rules

For the year ended 31 October 2021

Statement by Directors

Pursuant to Capital Markets Rule 5.64.1 - Share Capital Structure

The Company's issued share capital of £4,196,587.60 is 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 Malta Financial Services 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 Capital Markets Rule 5.64.3 – Direct and Indirect Shareholdings

At 31 October 2021 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), and there have been no changes in shareholding since that date to the date of authorisation of these financial statements.

Pursuant to Capital Markets 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 Capital Markets Rule 5.70.2 - Company Secretary and Registered Office

Dr Luca Vella
52, St Christopher Street
Valetta, VLT1462
Malta

E-mail address: companysecretary@idoxgroup.com

Signed on behalf of the Board of Directors on 26 January 2022 by:



Robert Grubb
Director

David Meaden
Director

Consolidated Statements of Total Comprehensive Income

For the year ended 31 October 2021

| | Note | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|--|------|--|--|--|--|
| Revenue | | - | 3,831 | - | - |
| Cost of sales | | - | (426) | - | - |
| Gross profit | | - | 3,405 | | - |
| Administrative and other expenses | | 590 | (5,179) | 683 | (409) |
| Other operating income | | 96 | 461 | - | - |
| Operating profit / (loss) | | 686 | (1,313) | 683 | (409) |
| Finance income | 7 | 305 | 3,064 | 280 | 2,561 |
| Finance costs | 7 | (970) | (1,564) | (574) | (670) |
| Profit before taxation | 8 | 21 | 187 | 389 | 1,482 |
| Income tax charge | 9 | (5) | (305) | - | - |
| Profit / (loss) after taxation | | 16 | (118) | 389 | 1,482 |
| Profit / (loss) for the financial year attributable to: | | | | | |
| Owners of the parent | | 16 | (118) | 389 | 1,482 |
| Non-controlling interest | | - | - | - | - |
| | | 16 | (118) | 389 | 1,482 |
| Other comprehensive profit / (loss) – items that may subsequently be reclassified to profit and loss: | | | | | |
| Foreign exchange loss on consolidation | | 727 | (221) | - | - |
| Other comprehensive profit / (loss) for the financial year, net of tax | | 727 | (221) | - | - |
| Total comprehensive profit / (loss) for the financial year | | 743 | (339) | 389 | 1,482 |
| Total comprehensive profit / (loss) for the financial year attributable to: | | | | | |
| Owners of the parent | | 743 | (339) | 389 | 1,482 |
| | | 743 | (339) | 389 | 1,482 |
| Basic earnings per share | 10 | 0.00 | (0.01) | | |
| Diluted earnings per share | 10 | 0.00 | (0.01) | | |

Consolidated Statements of Financial Position

For the year ended 31 October 2021

| | Note | 31 October 2021 £'000 | 31 October 2020 £'000 |
|--------------------------------|------|-----------------------------|-----------------------------|
| Assets | | | |
| Non-current assets | | | |
| Intangible assets | 12 | - | 2 |
| Property, plant and equipment | 13 | - | 15 |
| Investment in associate | 17.2 | - | 19 |
| Receivables | 17.1 | - | 18 |
| | | <u>-</u> | <u>54</u> |
| Current assets | | | |
| Trade and other receivables | 14 | 32 | 65 |
| Cash and cash equivalents | 15 | 53 | 354 |
| | | <u>85</u> | <u>419</u> |
| Total assets | | <u>85</u> | <u>473</u> |
| Current liabilities | | | |
| Trade and other payables | 16 | (7,618) | (7,891) |
| Current tax liabilities | | - | (8) |
| | | <u>(7,618)</u> | <u>(7,899)</u> |
| Non-current liabilities | | | |
| Bonds in issue | 17.3 | (10,998) | (11,848) |
| Total liabilities | | <u>(18,616)</u> | <u>(19,747)</u> |
| Net liabilities | | <u>(18,531)</u> | <u>(19,274)</u> |
| Equity | | | |
| Share capital | 20.1 | 4,151 | 4,151 |
| Accumulated losses | | (22,069) | (22,085) |
| Translation reserve | 20.2 | (613) | (1,340) |
| Total deficit | | <u>(18,531)</u> | <u>(19,274)</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2022 and were signed on its behalf by:



Robert Grubb
Director



David Meaden
Director

| | Note | 31 October 2021 £'000 | 31 October 2020 £'000 |
|--------------------------------|------|-----------------------------|-----------------------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 11 | 1 | 1 |
| Investment in associate | 17.2 | - | 19 |
| Receivables | 17.1 | - | 18 |
| | | <u>1</u> | <u>38</u> |
| Current assets | | | |
| Trade and other receivables | 14 | 3,941 | 4,237 |
| Cash and cash equivalents | 15 | 38 | 176 |
| | | <u>3,979</u> | <u>4,413</u> |
| Total assets | | <u>3,980</u> | <u>4,451</u> |
| Current liabilities | | | |
| Trade and other payables | 16 | (239) | (249) |
| | | <u>(239)</u> | <u>(249)</u> |
| Non-current liabilities | | | |
| Bonds in issue | 17.3 | (10,998) | (11,848) |
| Total liabilities | | <u>(11,237)</u> | <u>(12,097)</u> |
| Net liabilities | | | |
| | | <u>(7,257)</u> | <u>(7,646)</u> |
| Equity | | | |
| Share capital | 20.1 | 4,151 | 4,151 |
| Accumulated losses | | (11,408) | (11,797) |
| Total deficit | | <u>(7,257)</u> | <u>(7,646)</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2022 and were signed on its behalf by:



Robert Grubb
Director

David Meaden
Director

Consolidated Statements of Changes in Equity

For the year ended 31 October 2021

| | 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 2019 | 4,151 | (21,642) | (1,304) | (18,795) | (88) | (18,883) |
| Comprehensive loss for the year: | | | | | | |
| Loss for the year | - | (118) | - | (118) | - | (118) |
| Reserve transfer | - | (325) | 185 | (140) | - | (140) |
| Disposal of investment | - | - | - | - | 88 | 88 |
| Foreign exchange difference | - | - | (221) | (221) | - | (221) |
| Total comprehensive loss for the year | - | (443) | (36) | (479) | 88 | (391) |
| At 31 October 2020 | 4,151 | (22,085) | (1,340) | (19,274) | - | (19,274) |
| Profit for the year | - | 16 | 727 | 743 | - | 743 |
| Total comprehensive profit for the year | - | 16 | 727 | 743 | - | 743 |
| At 31 October 2021 | 4,151 | (22,069) | (613) | (18,531) | - | (18,531) |

Company Statements of Changes in Equity

For the year ended 31 October 2021

| | Share capital £'000 | Accumulated losses £'000 | Total £'000 |
|--|------------------------------------|---|------------------------|
| At 1 November 2019 | 4,151 | (13,279) | (9,128) |
| Comprehensive profit for the year: | | | |
| Profit for the year | - | 1,482 | 1,482 |
| Total comprehensive profit for the year | - | 1,482 | 1,482 |
| At 31 October 2020 | 4,151 | (11,797) | (7,646) |
| Comprehensive profit for the year: | | | |
| Profit for the year | - | 389 | 389 |
| Total comprehensive profit for the year | - | 389 | 389 |
| At 31 October 2021 | 4,151 | (11,408) | (7,257) |

Consolidated Statement of Cash Flows

For the year ended 31 October 2021

| | Note | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|--|------|---|---|---|---|
| Cash flows from operating activities | | | | | |
| Profit before taxation | | 21 | 187 | 389 | 1,482 |
| Finance income | 7 | (305) | (3,064) | (280) | (2,561) |
| Finance costs | 7 | 970 | 1,564 | 574 | 670 |
| Depreciation of property, plant and equipment & lease right of use assets | 13 | 2 | 49 | - | - |
| Amortisation of intangible assets | 12 | - | 261 | - | - |
| Disposal of intangible assets | 17.2 | 19 | 665 | 19 | - |
| Gain/(loss) on disposal of PPE | | 14 | (24) | - | - |
| Adjusted profit / (loss) from operations before changes in working capital | | 721 | (362) | 702 | (409) |
| Decrease in inventories | | - | 77 | - | - |
| Increase / (decrease) in trade and other receivables | 14 | 51 | 2,443 | 314 | (1,412) |
| (Decrease) / increase in trade and other payables | 16 | (272) | (3,480) | (9) | 55 |
| Cash inflows / outflows) from operations | | 500 | (1,322) | 1,007 | (1,766) |
| Income tax paid | | (14) | (282) | - | - |
| Net cash inflow / (outflow) from operating activities | | 486 | (1,604) | 1,007 | (1,766) |
| Cash flows from investing activities | | | | | |
| Deferred payments made for the acquisition of subsidiaries | 1 | - | - | - | 23 |
| Acquisition/disposal of property, plant and equipment | 13 | 2 | 99 | - | - |
| Gain on sales of investments | 7 | (466) | 3,064 | (492) | 2,561 |
| Net cash (outflow) / inflow from investing activities | | (464) | 3,073 | (492) | 2,584 |
| Cash flows from financing activities | | | | | |
| Interest paid and other finance income | | (855) | (1,537) | (458) | (643) |
| Net cash outflow from financing activities | | (855) | (1,537) | (342) | (643) |
| Net (Decrease) /increase in cash and cash equivalents | | (833) | (68) | 57 | 175 |
| Cash and cash equivalents at beginning of year | | 354 | 462 | 176 | 1 |
| Exchange gain / (loss) on cash and cash equivalents | | 532 | (400) | (195) | - |
| Cash and cash equivalents at end of year | | 53 | 354 | 38 | 176 |
| Comprising: | | | | | |
| Cash at bank | 15 | 53 | 354 | 38 | 176 |
| | | 53 | 354 | 38 | 176 |

Notes to the Accounts

For the year ended 31 October 2021

1. Nature of operations

6PM Holdings p.l.c. (the "Company") and its subsidiary company (the "Group") is non-trading.

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 52, St Christopher Street, Valetta, VLT1462, 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 2021 (including comparatives) were approved and authorised for issue by the Board of Directors on 26 January 2022.

3. Changes in accounting policies

International Financial Reporting Standards and Interpretations issued but not yet effective

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:

- IFRS 17 Insurance Contracts – effective for periods commencing on or after 1 January 2023.
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current - effective for periods commencing on or after 1 January 2022.
- Amendments to IFRS 3 Reference to the Conceptual Framework – effective for periods commencing on or after 1 January 2022.
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds Before Intended Use - effective for periods commencing on or after 1 January 2022.
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract - effective for periods commencing on or after 1 January 2022.

Adoption of new and revised standards

There were no additional standards, amendments and interpretations that had a material impact on the Group's financial statements during the year.

4. Summary of accounting policies

4.1 Going concern

The Directors, having made suitable enquiries and analysis of the accounts, consider that the Idox Group ("Group") has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered the Group's budget, cash flow forecasts, available banking facility with appropriate headroom in facilities and financial covenants, and levels of recurring revenue.

In December 2019 the Group had refinanced with the Royal Bank of Scotland plc, Silicon Valley Bank and Santander UK plc. The facilities, which comprise a revolving credit facility of £35,000,000, were extended during the year and are committed until June 2024.

Idox along with most companies has been impacted by the Covid-19 pandemic, however the impact on our Group has in the main been limited to the initial disruption of the early stages of the emerging challenges in 2020, including restrictions on physical movement. We have largely seen our operations return to their pre-Covid 19 pandemic levels across our Group.

We remain cautious in respect of the ongoing impact of the Covid-19 pandemic and associated restrictions but are confident we are fundamentally resilient due to the Group's high recurring revenue base, its focus on public sector markets and the high

Notes to the Accounts (continued)

For the year ended 31 October 2021

4.1 Going concern (continued)

proportion of staff that routinely work from home. The Group retains significant liquidity with cash and available committed bank facilities and has strong headroom against financial covenants.

Therefore, this supports the going concern assessment for the business.

4.2 Statement of Compliance

The consolidated financial statements have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards as adopted by the EU and Companies Act, 1995, enacted in Malta.

4.3 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.

4.4 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 and balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same as unrealised gains, but only to the extent that there is no evidence of impairment.

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.

4.5 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.

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.

4.6 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

Notes to the Accounts (continued)

For the year ended 31 October 2021

4.6 Foreign currency transactions and balances (continued)

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.

4.7 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.

4.8 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.

4.10 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.

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.

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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

4.11 Property, plant and equipment (continued)

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.

4.13 Impairment of intangible assets, property, plant and equipment, investment in subsidiaries and associate

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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

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.

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:

- 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.
- 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.
- 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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

4.14 Financial instruments (continued)

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

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

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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 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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

4.15 Income taxes (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.

4.16 Equity, reserves and dividend payments

Equity comprises the following:

- Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.
- "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.

4.17 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.

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.

4.18 Investment in subsidiaries

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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.

4.19 Investment in associates

The results and assets and liabilities of associates 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.

4.20 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 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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

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

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

Year ended 31 October 2021

| | Licences and products | Services | Support and maintenance | Unallocated | Total |
|-----------------------------------|----------------------------------|-----------------|------------------------------------|--------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Administrative and other expenses | - | - | - | 590 | 590 |
| Other operating income | - | - | - | 96 | 96 |
| Finance income | - | - | - | 305 | 305 |
| Finance costs | - | - | - | (970) | (970) |
| Profit before tax | - | - | - | 21 | 21 |
| Segment assets | - | - | - | - | 85 |
| Segment liabilities | - | - | - | - | (18,616) |
| Depreciation and amortisation | - | - | - | - | 2 |
| Non-current assets | - | - | - | - | - |

Notes to the Accounts (continued)

For the year ended 31 October 2021

5. Segmental reporting – Group (continued)

Year ended 31 October 2020

| | Licences and products £'000 | Services £'000 | Support and maintenance £'000 | Unallocated £'000 | Total £'000 |
|---|-----------------------------------|-------------------|-------------------------------------|----------------------|----------------|
| Revenue | 1,354 | 220 | 2,257 | - | 3,831 |
| Gross profit | 1,203 | 196 | 2,006 | - | 3,405 |
| Administrative and other expenses | - | - | - | (5,179) | (5,179) |
| Other operating income | - | - | - | 461 | 461 |
| Inter-company revenue | - | - | - | 3,064 | 3,064 |
| Finance costs | - | - | - | (1,564) | (1,564) |
| Profit / (loss) before tax | 1,203 | 196 | 2,006 | (3,218) | 187 |
| Segment assets | - | - | - | 473 | 473 |
| Segment liabilities | - | - | - | (19,747) | (19,747) |
| Depreciation, amortisation and impairment | - | - | - | 310 | 310 |
| Non-current assets | - | - | - | 54 | 54 |

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 2021 £'000 | Year ended 31 October 2020 £'000 |
|-------|---|---|
| Malta | - | 230 |

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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

5. Segmental reporting – Group (continued)

Geographic segments

The Group operated 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 2021

| | Malta £'000 | Other EU £'000 | Other £'000 | Total £'000 |
|--------------------|----------------|-------------------|----------------|----------------|
| Revenue | - | - | - | - |
| Non-current assets | - | - | - | - |

Year ended 31 October 2020

| | Malta £'000 | Other EU £'000 | Other £'000 | Total £'000 |
|--------------------|----------------|-------------------|----------------|----------------|
| Revenue | 230 | 3,601 | - | 3,831 |
| Non-current assets | - | 18 | 36 | 54 |

6. Employee remuneration

6.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 |
|---------------------------------------|--|--|
| Wages and salaries | 43 | 1,536 |
| Social security costs | 22 | 115 |
| Pensions – defined contribution plans | - | 48 |
| | <u>65</u> | <u>1,699</u> |

To simplify operations in line with the wider Idox strategy, the Group was further restructured in 2021. No further staff costs will be incurred going forward.

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

| | Group Year ended 31 October 2021 | Group Year ended 31 October 2020 |
|----------------|---|---|
| Administrative | 1 | 3 |
| Operational | 19 | 54 |
| | <u>20</u> | <u>57</u> |

6.2 Key management personnel compensation

There are no key management personnel.

Notes to the Accounts (continued)

For the year ended 31 October 2021

7. Finance income/costs

Finance income for the year presented consist of the following:

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|------------------------------------|---|---|---|---|
| Gain on sale of investments | - | 3,000 | - | 2,355 |
| Inter group revenue | 189 | 64 | 164 | 206 |
| Effective interest rate adjustment | 116 | - | 116 | - |
| | <u>305</u> | <u>3,064</u> | <u>280</u> | <u>2,561</u> |

Finance costs for the year presented consist of the following:

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|------------------------------------|---|---|---|---|
| Interest on bond securities | 549 | 596 | 506 | 511 |
| Effective interest rate adjustment | - | 27 | - | 27 |
| Other interest | 310 | 350 | 68 | 132 |
| Loss on disposal on subsidiaries | 111 | 591 | - | - |
| | <u>970</u> | <u>1,564</u> | <u>574</u> | <u>670</u> |

8. Profit / (loss) before taxation

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

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|---|---|---|---|---|
| Depreciation on tangible assets | 2 | 24 | - | - |
| Depreciation on lease right of use assets | - | 25 | - | - |
| Amortisation | - | 261 | - | - |

Information on auditor's remuneration is as follows:

| Group | Year ended 31 October 2021 £'000 | Year ended 31 October 2020 £'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 | 26 | 36 |
| Total fees payable to other auditors | 5 | 37 |
| Total fees payable to the parent Company's auditor for non-audit services | <u>3</u> | <u>10</u> |

Notes to the Accounts (continued)

For the year ended 31 October 2021

8. Profit / (loss) before taxation (continued)

| Company | Year ended 31 October 2021 £'000 | Year ended 31 October 2020 £'000 |
|---|---|---|
| Total remuneration payable to the Company's auditor for the audit of the Company's financial statements | 26 | 22 |
| Total fees payable to other auditors | 5 | 7 |
| Total fees payable to the Company's auditor for non-audit services | <u>3</u> | <u>-</u> |

Other financial items consist of the following:

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|--|---|---|---|---|
| Gain from exchange differences on receivables/translation of euro bond | <u>773</u> | <u>237</u> | <u>-</u> | <u>-</u> |

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

9. Income tax

The major components of tax expense and the reconciliation of the expected tax income based on the domestic effective tax rate of the Company at 35% (2020: 35%) and the reported tax expense in profit or loss are as follows:

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|--|---|---|---|---|
| Profit before taxation | <u>21</u> | <u>187</u> | <u>389</u> | <u>1,482</u> |
| Expected tax expense | <u>(5)</u> | <u>(66)</u> | <u>(136)</u> | <u>(518)</u> |
| Factors affecting tax expense for the year: | | | | |
| International losses not recognised | - | (137) | - | - |
| Different tax rates in foreign jurisdictions | - | 213 | - | - |
| Disallowed (expenses) / income | - | (334) | 136 | 518 |
| Group relief | - | 53 | - | - |
| Other timing differences | - | 4 | - | - |
| Adjustment to tax in prior periods | - | (38) | - | - |
| Actual tax expense | <u>(5)</u> | <u>(305)</u> | <u>-</u> | <u>-</u> |

Notes to the Accounts (continued)

For the year ended 31 October 2021

9. Income tax (continued)

| | Group Year ended 31 October 2021 £'000 | Group Year ended 31 October 2020 £'000 | Company Year ended 31 October 2021 £'000 | Company Year ended 31 October 2020 £'000 |
|-------------------------------|---|---|---|---|
| Tax expense comprises: | | | | |
| Current tax expense | (5) | (305) | - | - |
| Tax expense | <u>(5)</u> | <u>(305)</u> | <u>-</u> | <u>-</u> |

A deferred tax asset in respect of trading losses, unabsorbed capital allowances and group loss relief of £9,898,000 has not been recognised due to the uncertainty over timing of future profits (2020: £10,480,000). This unprovided deferred tax asset is recoverable against suitable future trading profits.

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 2021 | Year ended 31 October 2020 |
|---|---|---|
| Profit / loss attributable to equity holders of the Group (£'000) | 16 | (118) |
| Weighted average number of shares in issue | 20,982,938 | 20,982,938 |
| Basic earnings per share (£) | <u>0.00</u> | <u>(0.01)</u> |

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 2021 or the year ended 31 October 2020. Diluted earnings per share is therefore the same as basic earnings per share.

Dividends

During the year ended 31 October 2021, no dividends were paid to the equity shareholders of 6PM Holdings plc (year ended 31 October 2020: £Nil).

Notes to the Accounts (continued)

For the year ended 31 October 2021

11. Investments in subsidiaries

| | £'000 |
|---------------------------|--------------|
| Cost | |
| At 1 November 2020 | 7,459 |
| Adjustment to prior year | (10) |
| Disposal of subsidiary | (4) |
| At 31 October 2021 | <u>7,445</u> |
| Impairment | |
| At 1 November 2020 | 7,458 |
| Adjustment to prior year | (10) |
| Disposal of subsidiary | (4) |
| At 31 October 2021 | <u>7,444</u> |
| Net book value | |
| At 31 October 2021 | <u>1</u> |
| At 31 October 2020 | <u>1</u> |

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 2021 | 31 October 2020 |
| 6PM Limited* | 52, St Christopher Street, Valetta, VLT1462, Malta | Healthcare IT solutions | Malta | - | 99.99 |
| Idox DOOEL** | 5,Vasil Gjorgov Street 1000 Skopje, Macedonia | Software development | Macedonia | - | 100 |
| 6PM Infrastructure Ltd* | 52, St Christopher Street, Valetta, VLT1462, Malta | IT services | Malta | - | 100 |
| 6PM Agencies Ltd* | 52, St Christopher Street, Valetta, VLT1462, Malta | Dormant | Malta | - | 100 |
| emCare360 Ltd* | 52, St Christopher Street, Valetta, VLT1462, Malta | Healthcare IT solutions | Malta | - | 100 |
| emCare Group Malta Limited* | 52, St Christopher Street, Valetta, VLT1462, Malta | Healthcare IT solutions | Malta | - | 100 |

* These subsidiaries merged with 6PM Limited on 30 December 2020

** Idox DOOEL was transferred to Idox plc ownership in February 2021.

Notes to the Accounts (continued)

For the year ended 31 October 2021

12. Intangible assets - Group

| | Computer software and licences £'000 | Developed software £'000 | Web page design £'000 | Agencies £'000 | Total £'000 |
|---------------------------------|---|---|--|---------------------------|------------------------|
| Cost | | | | | |
| At 1 November 2019 | 416 | 7,071 | 43 | 342 | 7,872 |
| Additions | - | 116 | - | - | 116 |
| Transfer on novation of trade | (406) | (7,187) | (43) | (342) | (7,978) |
| At 31 October 2020 | 10 | - | - | - | 10 |
| Disposals | (10) | - | - | - | (10) |
| At 31 October 2021 | - | - | - | - | - |
| Accumulated amortisation | | | | | |
| At 1 November 2019 | 411 | 6,148 | 43 | 342 | 6,944 |
| Charge for year | 2 | 259 | - | - | 261 |
| Transfer on novation of trade | (406) | (6,407) | (43) | (342) | (7,198) |
| Foreign exchange differences | 1 | - | - | - | 1 |
| At 31 October 2020 | 8 | - | - | - | 8 |
| Disposals | (8) | - | - | - | (8) |
| Charge for year | - | - | - | - | - |
| At 31 October 2021 | - | - | - | - | - |
| Net book value | | | | | |
| At 31 October 2021 | - | - | - | - | - |
| At 31 October 2020 | 2 | - | - | - | 2 |

Amortisation is included within administrative and other expenses.

Notes to the Accounts (continued)

For the year ended 31 October 2021

13. Property, plant and equipment - Group

| | Furniture, fittings and equipment | Motor Vehicles | Total |
|---------------------------------|--|---------------------------|------------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 November 2019 | 2,787 | 171 | 2,958 |
| Additions | 9 | - | 9 |
| Transfer on novation of trade | (2,709) | - | (2,709) |
| Disposals | - | (171) | (171) |
| Foreign exchange differences | 7 | - | 7 |
| At 31 October 2020 | 94 | - | 94 |
| Additions | 1 | - | 1 |
| Disposals | (95) | - | (95) |
| At 31 October 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| Accumulated depreciation | | | |
| At 1 November 2019 | 2,740 | 172 | 2,912 |
| Charge for year | 24 | - | 24 |
| Disposals | - | (172) | (172) |
| Transfer on novation of trade | (2,687) | - | (2,687) |
| Foreign exchange differences | 2 | - | 2 |
| At 31 October 2020 | 79 | - | 79 |
| Charge for year | 2 | - | 2 |
| Disposals | (81) | - | (81) |
| At 31 October 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| Net book value | | | |
| At 31 October 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 October 2020 | <u>15</u> | <u>-</u> | <u>15</u> |

Depreciation is included within administrative and other expenses.

Notes to the Accounts (continued)

For the year ended 31 October 2021

14. Other receivables

Other receivables consist of the following:

| | Group 31 October 2021 | Group 31 October 2020 | Company 31 October 2021 | Company 31 October 2020 |
|---|--------------------------------------|--------------------------------------|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Other receivables | 25 | 32 | - | 18 |
| Prepayments and contract receivables | 7 | 33 | 6 | 6 |
| Amounts owed by group/related companies | - | - | 3,935 | 4,213 |
| | <u>32</u> | <u>65</u> | <u>3,941</u> | <u>4,237</u> |

The Directors consider the carrying value of other receivables is approximate to its fair value. All the Group's and Company's other receivables have been reviewed for indicators of impairment.

15. Cash and cash equivalents

Cash and cash equivalents consist of the following:

| | Group 31 October 2021 | Group 31 October 2020 | Company 31 October 2021 | Company 31 October 2020 |
|---------------------------|--------------------------------------|--------------------------------------|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Cash at bank and in hand: | | | | |
| GBP | 38 | 176 | 38 | 176 |
| EUR | 15 | 126 | - | - |
| MKD | - | 52 | - | - |
| Cash and cash equivalents | <u>53</u> | <u>354</u> | <u>38</u> | <u>176</u> |

As at 31 October 2021 and 31 October 2020, no amounts were held by a third party in a bank deposit account.

16. Trade and other payables

Trade and other payables consist of the following:

| | Group 31 October 2021 | Group 31 October 2020 | Company 31 October 2021 | Company 31 October 2020 |
|-----------------------------------|--------------------------------------|--------------------------------------|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Trade payables | 8 | 3 | 8 | - |
| Accruals and contract liabilities | 231 | 266 | 231 | 249 |
| Amounts owed to group companies | 6,906 | 6,875 | - | - |
| Other payables | 473 | 747 | - | - |
| | <u>7,618</u> | <u>7,891</u> | <u>239</u> | <u>249</u> |

Related party payables are due to Idox Software Ltd and Idox plc. (see note 22.1).

Notes to the Accounts (continued)

For the year ended 31 October 2021

17. Financial instruments

17.1 Categories of financial assets and financial liabilities

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

| Group | | | Investment in | Loans and | |
|------------------------------------|----|--|----------------------|-------------------------|--------------|
| 31 October 2021 | | | Associate | Receivables | Total |
| | | | £'000 | (amortised cost) | £'000 |
| | | | | £'000 | £'000 |
| Financial assets | | | | | |
| Other investment | a) | | - | - | - |
| Long-term financial assets | | | | | |
| | | | - | - | - |
| Other receivables | b) | | - | 25 | 25 |
| Cash and cash equivalents | | | - | 53 | 53 |
| Short-term financial assets | | | | | |
| | | | - | 78 | 78 |
| | | | - | 78 | 78 |
| <hr/> | | | | | |
| Group | | | Investment in | Loans and | |
| 31 October 2020 | | | Associate | Receivables | Total |
| | | | £'000 | (amortised cost) | £'000 |
| | | | | £'000 | £'000 |
| Financial assets | | | | | |
| Receivables | | | - | 18 | 18 |
| Other investment | a) | | 19 | - | 19 |
| Long-term financial assets | | | | | |
| | | | 19 | 18 | 37 |
| Other receivables | b) | | - | 32 | 32 |
| Cash and cash equivalents | | | - | 354 | 354 |
| Short-term financial assets | | | | | |
| | | | - | 386 | 386 |
| | | | 19 | 404 | 423 |

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

| | 31 October | 31 October |
|--|-------------------|-------------------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Financial liabilities | | |
| Other liabilities (amortised cost): | | |
| Bonds in issue | 10,998 | 11,848 |
| Trade payables | 8 | 3 |
| Other payables | 473 | 747 |
| Income taxes | - | 8 |
| Amounts owed to group companies | 6,906 | 6,875 |
| Accruals | 231 | 266 |
| | <u>18,616</u> | <u>19,947</u> |

Notes to the Accounts (continued)

For the year ended 31 October 2021

17. Financial instruments (continued).

17.2 Investment in associate

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

| | Group and Company | |
|-----------------------|-----------------------------|-----------------------------|
| | 31 October 2021 £'000 | 31 October 2020 £'000 |
| At cost | 19 | 19 |
| Impairment | (19) | - |
| Net book value | <u>-</u> | <u>19</u> |

The investment in associate relates to a 22.5% interest (31 October 2020: 22.5%) held by the Company in Javali LLC, a company incorporated in the state of Utah, United States of America.

During 2021, the Directors deemed it prudent to fully impair the investment.

17.3 Bonds in issue

Bonds in issue are measured at amortised cost.

| | Group and Company | |
|----------------------------|-----------------------------|-----------------------------|
| | 31 October 2021 £'000 | 31 October 2020 £'000 |
| Non-current | | |
| 130,000 bonds at €100 each | <u>10,998</u> | <u>11,848</u> |

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.

17.4 Other financial instruments

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

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

Notes to the Accounts (continued)

For the year ended 31 October 2021

18. 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 17.1. 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.

18.1 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 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.

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 2021 | Short-term exposure | | | | Long-term exposure |
|-----------------------|---------------------|--------------|--------------|--------------|--------------------|
| | EUR £'000 | GBP £'000 | USD £'000 | MKD £'000 | EUR £'000 |
| Financial assets | 22 | 38 | - | - | - |
| Financial liabilities | - | (11,080) | -- | - | (11,446) |
| Net exposure | 22 | (11,042) | -- | - | (11,446) |

| 31 October 2020 | Short-term exposure | | | | Long-term exposure |
|-----------------------|---------------------|--------------|--------------|--------------|--------------------|
| | EUR £'000 | GBP £'000 | USD £'000 | MKD £'000 | EUR £'000 |
| Financial assets | 170 | 176 | - | 61 | - |
| Financial liabilities | (17) | (10,241) | - | (29) | (12,569) |
| Net exposure | 153 | (10,065) | - | 32 | (12,569) |

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

Notes to the Accounts (continued)

For the year ended 31 October 2021

18. Financial instrument risk exposure and management (continued)

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

| | Year ended 31 October 2021 Average | Year ended 31 October 2020 Average | As at 31 October 2021 Closing | As at 31 October 2020 Closing |
|-----------|---|---|--|--|
| EUR / GBP | 0.8715 | 0.8764 | 0.8547 | 0.9112 |

The following table illustrates the sensitivity of the reported loss before tax and equity for the year ended 31 October 2021 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 2021.

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 2021 £'000 | Year ended 31 October 2020 £'000 |
|-------------------|---|---|
| Profit before tax | 1,142 | 1,242 |
| Equity | 1,142 | 1,242 |

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 2021 £'000 | Year ended 31 October 2021 £'000 |
|-------------------|---|---|
| Profit before tax | (1,142) | (1,242) |
| Equity | (1,142) | (1,242) |

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'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 2020 and 31 October 2020, 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.

18.2 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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

18. Financial instrument risk exposure and management (continued)

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.

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 2021 £'000 | Group 31 October 2020 £'000 | Company 31 October 2021 £'000 | Company 31 October 2020 £'000 |
|---------------------------|--|--|--|--|
| Cash and cash equivalents | 53 | 354 | 38 | 176 |
| Long term receivables | - | 18 | - | 18 |
| Other receivables | 25 | 47 | 3,935 | 4,237 |
| | <u>78</u> | <u>419</u> | <u>3,973</u> | <u>4,431</u> |

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.

18.3 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 other receivables. The Group's cash resources, other receivables and continued support from the Idox Group ensure it has access to sufficient cash to meet its cash outflow requirements.

Notes to the Accounts (continued)

For the year ended 31 October 2021

18. 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 2021 and 31 October 2020, based on their earliest possible contractual maturity (including interest payments where applicable):

At 31 October 2021

| | Total £'000 | Within 1 year £'000 | 2-5 years £'000 | Greater than 5 years £'000 |
|---------------------------------|------------------------|------------------------------------|----------------------------|---|
| Trade payables | 8 | 8 | - | - |
| Other payables | 474 | - | 474 | - |
| Amounts owed to group companies | 6,906 | 6,906 | - | - |
| Accruals | 231 | 231 | - | - |
| Bonds in issue | 13,265 | 567 | 12,698 | - |
| | <u>20,884</u> | <u>7,712</u> | <u>13,172</u> | <u>-</u> |

At 31 October 2020

| | Total £'000 | Within 1 year £'000 | 2-5 years £'000 | Greater than 5 years £'000 |
|-----------------------------------|------------------------|------------------------------------|----------------------------|---|
| Trade payables | 3 | 3 | - | - |
| Accruals and contract liabilities | 747 | 640 | 107 | - |
| Amounts owed to group companies | 6,875 | 6,875 | - | - |
| Accruals | 266 | 266 | - | - |
| Bonds in issue | 14,868 | 604 | 14,264 | - |
| | <u>22,759</u> | <u>8,388</u> | <u>14,371</u> | <u>-</u> |

The tables below show the undiscounted cash flows on the Company's financial liabilities as at 31 October 2021 and 31 October 2020, based on their earliest possible contractual maturity:

At 31 October 2021

| | Total £'000 | Within 1 year £'000 | 2-5 years £'000 | Greater than 5 years £'000 |
|----------------|------------------------|------------------------------------|----------------------------|---|
| Accruals | 231 | 231 | - | - |
| Bonds in issue | 13,265 | 567 | 12,698 | - |
| | <u>13,496</u> | <u>798</u> | <u>12,698</u> | <u>-</u> |

At 31 October 2020

| | Total £'000 | Within 1 year £'000 | 2-5 years £'000 | Greater than 5 years £'000 |
|----------------|------------------------|------------------------------------|----------------------------|---|
| Accruals | 248 | 248 | - | - |
| Bonds in issue | 14,868 | 604 | 14,264 | - |
| | <u>15,116</u> | <u>852</u> | <u>14,264</u> | <u>-</u> |

Notes to the Accounts (continued)

For the year ended 31 October 2021

19. Fair value measurement

19.1 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 2021 (2020: none).

There are no financial assets or liabilities measured at fair value on a recurring basis as at 31 October 2021 or 31 October 2020.

Financial instruments measured at amortised cost for which the fair value is disclosed are detailed in notes 14, 16 and 19.

20. Equity

20.1 Share capital

The total allotted share capital of the Company is:

| 31 October 2021 and 2020 | Authorised £'000 | Issued and called up £'000 |
|--|-----------------------------|---|
| 25,000,000 ordinary shares of £0.20 each (20,982,938 of which have been issued and called up) | <u>5,000</u> | <u>4,151</u> |

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.

20.2 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.

Notes to the Accounts (continued)

For the year ended 31 October 2021

21. 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 | Group | Company | Company |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31 October | 31 October | 31 October | 31 October |
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Deficit | (18,531) | (19,274) | (7,258) | (7,646) |
| Bonds in issue | 10,998 | 11,848 | 10,998 | 11,848 |
| Cash and cash equivalents | (53) | (354) | (38) | (176) |
| | <u>(7,586)</u> | <u>(7,780)</u> | <u>(3,702)</u> | <u>4,026</u> |

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.

22. 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.

22.1 Group related party transactions

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

The amount due from / (payable to) related parties of the Group at the reporting date are as disclosed below:

| | 31 October | 31 October |
|--|-------------------|-------------------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Amounts due from/ (payable to) related parties: | | |
| Idox Software Ltd | (10,004) | (9,875) |
| Idox plc | <u>3,098</u> | <u>3,000</u> |

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 2021 (2020: £Nil).

Notes to the Accounts (continued)

For the year ended 31 October 2021

22. Related party transactions (continued)

22.2 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 2021 £'000 | Year ended 31 October 2020 £'000 |
|--|---|---|
| Amounts due from / (payable to) subsidiaries: | | |
| 6PM Limited | (1,051) | (423) |
| 6PM Infrastructure Ltd | - | 116 |
| 6PM Agencies Ltd | - | 137 |
| emCare Group Malta Limited | - | (347) |
| | <u>(1,051)</u> | <u>(517)</u> |
| | Year ended 31 October 2021 £'000 | Year ended 31 October 2020 £'000 |
| Amounts due from / (payable to) to other group parties: | | |
| Idox Software Limited | 1,888 | 1,730 |
| Parent company - Idox plc | 3,098 | 3,000 |
| | <u>4,986</u> | <u>4,730</u> |

22.3 Transactions with key management personnel

For the financial period under review, the aggregate remuneration of the Directors of the ultimate parent company were as follows:

| | Year ended 31 October 2021 £'000 | Year ended 31 October 2020 £'000 |
|---|---|---|
| Remuneration of Directors: | | |
| Remuneration | 946 | 928 |
| Social security costs | 115 | 117 |
| Company pension contributions to defined contributions scheme | 19 | 10 |
| Total | <u>1,080</u> | <u>1,055</u> |

23. 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.

Opinion

We have audited the accompanying financial statements of 6PM Holdings p.l.c. (the "Company") and of the Group of which it is the parent, set out on pages 11 to 44, which comprise the statements of financial position as at 31 October 2021, 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 accompanying financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 October 2021, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

To the best of our knowledge and belief, we declare that non-audit services we have provided to the company are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the Company and to the Group, in the period from 1 November 2020 to 31 October 2021, are disclosed in note 8 to the financial statements.

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.

Key audit matters (continued)

| Area | Reason | Audit Response |
|---------------|---|---|
| Going concern | <p>At balance sheet date, the Company and Group had net liabilities amounting to £7.3 million and £18.5 million respectively. Consequently, this warrants specific audit focus.</p> <p>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.</p> | <p>Our audit procedures included;</p> <ul style="list-style-type: none"> • 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 Idox plc, being the 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 - <i>Going concern</i>, of the financial statements. <p>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.</p> |

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 Capital Markets 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.

Other information (continued)

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.

Independent auditor's report (continued)

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

Report on the audit of the financial statements

Auditor's responsibilities for the audit of the financial statements (continued)

• 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

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

The Capital Markets Rules issued by the Malta Financial Services Authority (the "Capital Markets 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.

Capital Markets 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 6 to 8 has been properly prepared in accordance with the requirements of the Capital Markets Rules as issued by the Malta Financial Services 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.

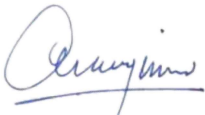
Report on other legal and regulatory requirements (continued)

- Certain disclosures of Directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

• in terms of Capital Markets 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 principal in charge of the audit resulting in this independent auditor's report is George Mangion for and on behalf of



PKF Assurance (Malta) Limited

Registered Auditors

15, Level 3

Mannarino Road

Birkirkara

BKR 9080

Malta

26th January 2022