6PM Holdings p.l.c.

Annual Report and Financial Statements
For the ten months ended 31 October 2017

Contents

Company Information

Directors	Ms Karen Cuschieri Mr Anthony Marshall Mr Michael Hakiel Mr Dean Bennett
Company secretary	Mr Luca Vella
Registered office	Idox Business Centre Triq it-Torri Swatar Birkirkara BKR 4012 Malta
Country of incorporation	Malta
Registration number	C 41492
Auditor	Grant Thornton Fort Business Centre Mriehel Bypass Birkirkara BKR 3000 Malta
Banker	HSBC Bank Malta p.l.c. Fleur-de-Lys Junction St.Venera SVR 1587 Malta
Legal adviser	GVZH Advocates 192, Old Bakery Street Valletta VLT 1455 Malta

Directors' Report

The Directors present their report of the 6PM Group (the 'Group') for the ten months ended 31 October 2017.

Principal Activities

The Group is a leading IT and software solutions group of companies delivering award winning healthcare products, as well as professional services and infrastructure enabling organisations to enhance and optimise efficiency. These include Product Solutions aimed at the UK National Health Services and IT services to a variety of other companies in diverse vertical markets. 6PM Holdings p.l.c. (the Company) acts as a holding company.

Results and Dividends

The results for the ten months ended 31 October 2017 are shown in the statements of total comprehensive income on page FS-1. The Group registered a loss after tax of GBP 5,845k (2016 loss – GBP 12,661k). The Company registered a loss after tax of GBP 807k (2016 loss – GBP 11,019k). In the circumstances the Directors feel that it is not prudent to declare a dividend.

2017 proved to be another challenging year for the Group. Idox plc acquired the Group on 3 February 2017. The post-acquisition integration process highlighted a number of issue and led to the Group incurring one-off legal, auditing and consulting costs to expedite discipline in the business. This required increased management time and resources to achieve the partial integration, which detracted attention from the core business.

Directors

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

Mr Nazzareno Vassallo	(resigned 25 March 2017)
Mr Ivan Bartolo	(resigned 31 January 2018)
Mr Hector Spiteri	(resigned 25 March 2017)
Mr Stephen Wightman	(resigned 22 September 2017)
Mr Robert Borg	(resigned 25 March 2017)
Mr Tonio Depasquale	(resigned 25 March 2017)
Mr Andrew Riley	(appointed 25 March 2017, resigned 23 February 2018)
Ms Jane Mackie	(appointed 25 March 2017, resigned 23 February 2018)
Ms Barbara Moorhouse	(appointed 25 March 2017, resigned 23 February 2018)
Mr Jeremy Millard	(appointed 25 March 2017, resigned 23 February 2018)
Ms Karen Cuschieri	(appointed 23 February 2018)
Mr Anthony Marshall	(appointed 23 February 2018)
Mr Michael Hakiel	(appointed 23 February 2018)
Mr Dean Bennett	(appointed 23 February 2018)

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 post balance sheet events.

Risks and Uncertainties

As evident from the Statements of Financial Position, the main risk for the Company and the 6PM Group is the eventuality that they become unable to fulfil their obligations to customers, creditors and bondholders. This risk is mitigated by the guaranteed support of the Idox Group which will allow the Company and the 6PM Group to honour all current and future liabilities.

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

Future Developments
Over the past year, 6PM Group has pursued its plans to fully integrate into the Idox Group as the 'Idox Health' division whilst sustaining business as usual. Significant progress has been achieved in this regard with expected synergies delivering results as can be witnessed by the positive financial outlook for 2018.

Whilst the integration of the various business functions is now nearing completion, Idox Health is still focused on its innovative approach, particularly in relation to its flagship products – iFIT and Lilie. These two products have continued to extend their scope over the past year with the introduction of iPharmacy, significant improvements in iAssets and the launch of the Group's virtual clinic solution. Making the Group's solutions available to customers through a secure hosted environment has also been one of the major achievements this year.

Going forward, concrete roadmaps are also in place for next year to provide the Group's customers with added business benefit through patient tracking and supporting the scan for safety strategy that most of the Group's customers are looking to adopt. In addition, capitalising on its experience in the UK market, Idox Health will also be exploring opportunities in health markets outside the UK in the coming months.

Bondholders
The Group aims to keep in touch with the bondholders in Malta by making the official Idox plc financial results available via the online investor web pages and direct communications.

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/she ought to have taken as a Director in order to make himself/herself 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 2 July 2018 and signed on its behalf by:

Karen Cuschieri Director	Dean Bennett Director

Statement of Directors' Responsibilities

The Companies Act, Cap 386 of the laws of Malta requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the profit or loss of the Group 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 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 Group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386.

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

The Directors, through oversight of management, are responsible for ensuring that the Group designs, implements and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

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

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

Pursuant to Listing Rule 5.68, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the Annual Report, and prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and results of the Company and its undertakings included in the consolidation taken as a whole, 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 2 July 2018 by:

Karen Cuschieri
Director

Dean Bennett
Director

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

6PM Holdings p.l.c. (the 'Company'), is committed to observing the principles of transparent, responsible corporate governance. The Board considers compliance with corporate governance principles to constitute an important means of maintaining the confidence of present and future shareholders, bondholders, creditors, employees, business partners and the public. Pursuant to the Malta Financial Services Authority Listing Rules 5.94 and 5.97, the Company is hereby presenting a statement of compliance with the Code of Principles of Good Corporate Governance ("the Principles" or "the Code") for the period ended 31 October 2017, 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.

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 supplements the executive management team in delivering sustainable added value for shareholders. It considers strategic issues, key projects and regularly monitors performance against delivery of the key targets of the business plan.

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

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

The Board of the Company who served during the period until 25 March 2017 was as follows:

Mr Nazzareno Vassallo	Non-executive
Mr Ivan Bartolo	Executive
Mr Stephen Wightman	Executive
Mr Hector Spiteri	Non-executive
Mr Robert Borg	Non-executive
Mr Tonio Depasquale	Non-executive

Dr Ivan Gatt LL.D acted as secretary to the Board of Directors.

From 25 March 2017 until 22 September 2017 the composition of the Board was as follows:

Mr Ivan Bartolo	Executive
Mr Stephen Wightman	Executive
Mr Andrew Riley	Non-executive
Ms Jane Mackie	Non-executive
Ms Barbara Moorhouse	Non-executive
Mr Jeremy Millard	Non-executive

Ms Jane Mackie acted as secretary to the Board.

Principle 3 – Composition of the Board (continued)

From 22 September 2017 until 31 January 2018 the composition of the Board was as follows:

Mr Ivan Bartolo	Executive
Mr Andrew Riley	Non-executive
Ms Jane Mackie	Non-executive
Ms Barbara Moorhouse	Non-executive
Mr Jeremy Millard	Non-executive

From 31 January 2018 until the 23 February 2018 the composition of the Board was as follows:

Mr Andrew Riley	Non-executive
Ms Jane Mackie	Non-executive
Ms Barbara Moorhouse	Non-executive
Mr Jeremy Millard	Non-executive

Ms Jane Mackie acted as secretary to the Board.

From 23 February 2018, the composition of the Board is as follows:

Ms Karen Cuschieri	Executive
Mr Anthony Marshall	Non-executive
Mr Michael Hakiel	Non-executive
Mr Dean Bennett	Non-executive

Mr Luca Vella acts as secretary to the Board.

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

For the purpose of Listing Rules 5.118 and 5.119, the non-executive directors are deemed independent. The Board believes that the independence of its Directors is not compromised because of long service or the provision of any other service to the group. Each Director is mindful of maintaining independence, professionalism and integrity in carrying out his duties, responsibilities and 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 its director's fee;
- Has close family ties with any of the Company's executive directors or senior employees;
- Has been within the last three years an engagement partner or a member of the audit team or past external auditor of the Company

Each of the directors hereby declares that he/she undertakes to:

- Maintain in all circumstances his/her independence of analysis, decision and action;
- Not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
- Clearly express his opposition in the event that he/she finds that a decision of the Board may harm the Company.

The Board also believes that the independence of its directors is not compromised because of long service or the provision of any other service to the group. Each director is mindful of maintaining independence, professionalism and integrity in carrying out his/her duties, responsibilities and providing judgement as a director of 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 and the remuneration committee. The role and competence of such committees is further described in Principle 8 hereunder.

Principle 5 – Board Meetings
The Board meets four times a year unless further meetings are required in accordance with the needs of the Company. The Board has a schedule of matters reserved for it to discuss.

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

Principle 6 – Information and Professional Development
The Company firmly believes in the professional development of all the members in the organisation. The CEO, appointed by the Board is responsible for establishing and implementing schemes which are aimed to maintain and recruit employees and management personnel. Furthermore, regular training exercises are held for the Group's employees to keep abreast of current technological trends and practices. Directors are encouraged to talk directly to any member of management regarding any questions or concerns the Directors may have. Senior management are invited to attend Board meetings from time to time when appropriate.

Principle 7 – Evaluation of the Board's Performance
The Board and each of its committees perform an annual self-evaluation of their performance through a series of questionnaires, the results of which are analysed accordingly.

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 Group's financial reports, its internal controls and in managing the Board's relationships with the external auditors.

Post-acquisition, pursuant to the foregoing changes to the Board of Directors of the Company, and in terms of Listing Rule 5.117, the Company announced that the audit committee was, effective 25 March 2017, composed of the following non-executive Directors:

Mr Andrew Riley	Non-executive Director
Ms Barbara Moorhouse	Independent non-executive Director
Mr Jeremy Millard	Independent non-executive Director

There were changes to the composition of the Board and the Company announced that the audit committee is, effective 23 February 2018, composed of the following non-executive Directors:

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

The present audit committee is chaired by Mr Anthony Marshall, whilst Mr Michael Hakiel and Mr Dean Bennett act as members. In compliance with the Listing Rule 5.118A, Mr Anthony Marshall is the independent, non-executive Director who is competent in accounting and/or auditing matters in view of his considerable experience in the business world.

The audit committee met four times throughout the year.

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 principal offices of the Company.

Principle 11 - Conflicts of Interest
Directors should always act in the best interests of the Company and its 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
6PM remains committed to being a responsible company and making a positive contribution to society and the environment. This helps the Group develop strong relationships with its stakeholders, and create long-term value for society and its business. The 6PM Group is committed to play a leading and effective role in the country's sustainable development whilst tangibly proving itself to be a responsible and caring citizen of the community in which it operates. The 6PM Group continues to support a number of different local initiatives aimed at improving the quality of life of the local communities it supports.

Part Two - Non-Compliance with the Code

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 exercises 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 Listing Rules relating to the composition of the audit committee, the Board shall, during the first Board meeting after the annual general meeting, appoint a person, who is independent and competent in accounting and/or auditing as a non-executive Director and shall appoint such person to the audit committee.

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

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

Approved by the Board of Directors on 2 July 2018 and signed on its behalf by:

Karen Cuschieri	Dean Bennett
Director	Director

Remuneration Statement

Remuneration Policy – Directors

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

Remuneration Policy – Senior Executives

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

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

	Salary	**Total**
	GBP	**GBP**
Executive	406,556	406,556
Non-executive	87,729	87,729
Total	**494,285**	**494,285**

This is further split as follows:

	GBP
Mr Nazzareno Vassallo	-
Mr Ivan Bartolo	202,101
Mr Stephen Wightman	143,373
Mr Hector Spiteri	-
Mr Robert Borg	883
Mr Tonio Depasquale	883
Mr Andrew Riley*	-
Ms Jane Mackie*	-
Ms Barbara Moorhouse*	-
Mr Jeremy Millard*	-
Mr Karen Cuschieri	61,082
Mr Anthony Marshall*	-
Mr Michael Hakiel*	-
Mr Dean Bennett	85,963

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

Signed on behalf of the Board of Directors on 2 July 2018 by:

Karen Cuschieri
Director

Dean Bennett
Director

Other Disclosures in Terms of the Listing Rules

Statement by Directors

Pursuant to Listing Rule 5.64.1 - Share Capital Structure
The Company's issued share capital is twenty million, nine hundred and eighty two thousand nine hundred and thirty eight (20,982,938) ordinary shares of GBP 0.20 each. 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 by Idox plc on 20 March 2017. Following receipt of the necessary approval from the Listing Authority on the 29 May 2017, the Company announced the discontinuance of the listing of all of the Company's issued share capital on the Official List of the Malta Stock Exchange effective from 27 July 2017. All shares in the Company have the same rights and entitlements and rank pari passu between themselves.

Pursuant to Listing Rule 5.64.3 – Direct and Indirect Shareholdings
At 31 October 2017 all shares were held by Idox plc, save for one (1) ordinary share which is held by Calamatta Cuschieri Investment Services Limited A/c Clients Nominee, and there have been no changes in shareholding since that date to the date of authorisation of the 2017 financial statements.

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

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

E-mail address: companysecretary@idoxgroup.com

Signed on behalf of the Board of Directors on 2 July 2018 by:

Karen Cuschieri Director	Dean Bennett Director

Statement of total comprehensive income

	Notes	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Revenue		6,874	7,122	-	-
Cost of sales		(3,423)	(3,471)	-	-
Gross profit		3,451	3,651	-	-
Administrative and other expenses		(8,854)	(14,188)	(70)	(8,918)
Other operating income		202	175	-	-
		(5,201)	(10,362)	(70)	(8,918)
Finance costs	7	(852)	(2,312)	(728)	(2,151)
Investment income	7	-	14	-	-
Loss before taxation	8	(6,053)	(12,660)	(798)	(11,069)
Tax income / (expense)	9	208	(1)	(9)	50
Loss after taxation		(5,845)	(12,661)	(807)	(11,019)
Loss for the financial period / year attributable to:					
Owners of the parent		(5,856)	(12,666)	(807)	(11,019)
Non-controlling interest		11	5	-	-
		(5,845)	**(12,661)**	**(807)**	**(11,019)**
Other comprehensive loss – items that may subsequently be reclassified to profit / loss:					
Foreign exchange loss on consolidation		(253)	(660)	-	-
Other comprehensive loss for the financial period / year, net of tax		(253)	(660)	-	-
Total comprehensive loss for the financial period / year		**(6,098)**	**(13,321)**	**(807)**	**(11,019)**
Total comprehensive loss for the financial period / year attributable to:					
Owners of the parent		(6,109)	(13,326)	(807)	(11,019)
Non-controlling interest		11	5	-	-
		(6,098)	(13,321)	(807)	(11,019)
Basic loss per share	10	(0.28)	(0.60)		
Diluted loss per share	10	(0.28)	(0.60)		

Consolidated statement of financial position

	Notes	31 October 2017 GBP'000	31 December 2016 GBP'000
Assets			
Non-current assets			
Intangible assets	14	1,376	2,162
Property, plant and equipment	15	194	1,440
Investment property	17	-	724
AFS financial asset	23	19	20
Receivables	23	53	80
Deferred tax asset	18	71	71
		1,713	4,497
Current assets			
Inventories	19	163	356
Trade and other receivables	20	3,372	2,690
Cash and cash equivalents	21	943	664
		4,478	3,710
Total assets		**6,191**	**8,207**
Current liabilities			
Trade and other payables	22	(13,829)	(7,992)
Bank borrowings	23	(966)	(2,520)
Current tax liabilities		(54)	(38)
		(14,849)	(10,550)
Non-current liabilities			
Bank borrowings	23	-	(480)
Bonds in issue	23	(11,238)	(10,975)
		(11,238)	(11,455)
Total liabilities		(26,087)	(22,005)
Net liabilities		**(19,896)**	**(13,798)**
Deficit			
Share capital	26	4,151	4,151
Accumulated losses		(22,954)	(17,098)
Translation reserve	26	(1,131)	(878)
Deficit attributable to owners of the parent		(19,934)	(13,825)
Non-controlling interest		38	27
Total deficit		**(19,896)**	**(13,798)**

The financial statements were approved by the Board of Directors and authorised for issue on 2 July 2018 and were signed on its behalf by:

Karen Cuschieri
Director

Dean Bennett
Director

Company statement of financial position

	Notes	31 October 2017 GBP'000	31 December 2016 GBP'000
Assets			
Non-current assets			
Investments in subsidiaries	12	23	23
AFS financial asset	23	19	20
Receivables	23	53	68
Deferred tax asset	18	-	9
		95	120
Current assets			
Trade and other receivables	20	4,130	4,767
Cash and cash equivalents	21	1	-
		4,131	4,767
Total assets		**4,226**	**4,887**
Current liabilities			
Trade and other payables	22	(579)	(696)
Current tax liabilities		(25)	(25)
		(604)	(721)
Non-current liabilities			
Bonds in issue	23	(11,238)	(10,975)
Total liabilities		(11,842)	(11,696)
Net liabilities		**(7,616)**	**(6,809)**
Deficit			
Share capital	26	4,151	4,151
Accumulated losses		(11,767)	(10,960)
Total deficit		**(7,616)**	**(6,809)**

The financial statements were approved by the Board of Directors and authorised for issue on 2 July 2018 and were signed on its behalf by:

Karen Cuschieri
Director

Dean Bennett
Director

Consolidated statement of changes in equity

For the period ended 31 October 2017

	Share capital GBP'000	Accumulated losses GBP'000	Translation reserve GBP'000	Deficit attributable to owners of the parent GBP'000	Non-controlling interest GBP'000	Total GBP'000
At 31 December 2016	4,151	(17,098)	(878)	(13,825)	27	(13,798)
Comprehensive loss for the period:						
Loss for the period	-	(5,856)	-	(5,856)	11	(5,845)
Foreign exchange difference	-	-	(253)	(253)	-	(253)
Total comprehensive loss for the period	-	(5,856)	(253)	(6,109)	11	(6,098)
At 31 October 2017	4,151	(22,954)	(1,131)	(19,934)	38	(19,896)

For the year ended 31 December 2016

	Share capital GBP'000	Accumulated losses GBP'000	Translation reserve GBP'000	Deficit attributable to owners of the parent GBP'000	Non-controlling interest GBP'000	Total GBP'000
At 31 December 2015	4,151	(4,432)	(218)	(499)	22	(477)
Comprehensive loss for the year:						
Loss for the year	-	(12,666)	-	(12,666)	5	(12,661)
Foreign exchange difference	-	-	(660)	(660)	-	(660)
Total comprehensive loss for the year	-	(12,666)	(660)	(13,326)	5	(13,321)
At 31 December 2016	4,151	(17,098)	(878)	(13,825)	27	(13,798)

Company statement of changes in equity

For the period ended 31 October 2017

	Share capital GBP'000	Accumulated losses GBP'000	Total GBP'000
At 31 December 2016	4,151	(10,960)	(6,809)
Comprehensive loss for the period:			
Loss for the period	-	(807)	(807)
Total comprehensive loss for the period	-	(807)	(807)
At 31 October 2017	4,151	(11,767)	(7,616)

For the year ended 31 December 2016

	Share capital GBP'000	Accumulated losses GBP'000	Total GBP'000
At 31 December 2015	4,151	59	4,210
Comprehensive loss for the year:			
Loss for the year	-	(11,019)	(11,019)
Total comprehensive loss for the year	-	(11,019)	(11,019)
At 31 December 2016	4,151	(10,960)	(6,809)

Statements of cash flows

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Cash flows from operating activities				
Loss before taxation	(6,053)	(12,660)	(798)	(11,069)
Investment income	-	(14)	-	-
Finance costs	852	2,312	728	2,151
Loss on disposal of investment property	364	-	-	-
Revaluation of investment property	-	(22)	-	-
Depreciation	1,329	237	-	-
Amortisation	662	669	-	-
Goodwill impairment	-	6,774	-	-
Impairment of intangible assets	361	461	-	-
Impairment of investments in associates	-	58	-	60
Impairment of investments in subsidiaries	-	-	-	7,452
Impairment of AFS financial assets	-	1,097	-	1,097
Loss on disposal of assets	-	28	-	-
Adjusted loss from operations before changes in working capital	(2,485)	(1,060)	(70)	(309)
Decrease in inventories	193	333	-	-
(Increase) / decrease in trade and other receivables	(673)	1,342	634	774
Increase in trade and other payables	6,027	2,787	76	106
Cash flows from operations	3,062	3,402	640	571
Income tax received / (paid)	223	(130)	-	2
Net cash inflow from operating activities	3,285	3,272	640	573
Cash flows from investing activities				
Cash acquired within business combinations	-	(438)	-	-
Deferred payments made for the acquisition of subsidiaries	(80)	(29)	(80)	(29)
Deferred payments received for the disposal of subsidiaries	17	3	17	3
Disposal of investment properties	360	-	-	-
Acquisition of intangible assets	(207)	(788)	-	-
Acquisition of property, plant and equipment	(59)	(198)	-	-
Interest received	-	14	-	-
Net cash inflow / (outflow) from investing activities	31	(1,436)	(63)	(26)
Cash flows from financing activities				
Repayment of bank borrowings	(823)	(498)	-	-
Repayment of other borrowings	-	(840)	-	-
Interest paid	(701)	(660)	(576)	(547)
Net cash outflow from financing activities	(1,524)	(1,998)	(576)	(547)
Net increase / (decrease) in cash and cash equivalents	1,792	(162)	1	-
Cash and cash equivalents at beginning of financial period / year	(1,525)	(253)	-	-
Exchange loss on cash and cash equivalents	(290)	(1,110)	-	-
Cash and cash equivalents at end of financial period / year	(23)	(1,525)	1	-

Statement of cash flows (continued)

	Note	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Comprising:					
Cash at bank	21	943	664	1	-
Bank overdrafts	23	(966)	(2,189)	-	-
		(23)	(1,525)	1	-

Notes to the financial statements

1. Nature of operations

The principal activity of 6PM Holdings p.l.c. (the "Company") and its subsidiary companies (the "Group") is IT and software solutions, delivering healthcare products, as well as professional services and infrastructure enabling organisations to enhance and optimise efficiency. These include Product Solutions aimed at the UK National Health Services and IT services to a variety of other companies in diverse markets.

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 and principal place of business is Idox Business Centre, Triq it-Torri, Swatar, Birkirkara, BKR 4012, Malta.

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 (GBP'000) which is also the functional currency of the Company.

The consolidated financial statements and the Company financial statements for the period ended 31 October 2017 (including comparatives) were approved and authorised for issue by the Board of Directors on 2 July 2018.

3. Changes in accounting policies

3.1 Change in accounting period

Following the acquisition of the Company by Idox plc, the Company's reporting date has been changed to align with that of the Idox Group. Accordingly, the financial statements are presented for the 10 month period to 31 October 2017, whereas the comparative year presented is the 12 months to 31 December 2016.

3.2 New and revised standards that are effective for annual periods beginning on or after 1 January 2017

The Group and the Company have not adopted any new standards or amendments that have a significant impact on the Group's or the Company's results or financial position.

3.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group and the Company

At the date of authorisation of the consolidated financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group and the Company.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of these consolidated financial statements, the following may have an impact going forward:

New/Revised International Financial Reporting Standards		Effective date: Annual periods beginning on or after:	EU adopted
IFRS 9	Financial Instruments	1 January 2018	Yes
IFRS 15	Revenue from Contracts with Customers	1 January 2018	Yes
IFRS 16	Leases	1 January 2019	Yes

Management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed below are not expected to have a material impact on the Group's and the Company's financial statements.

IFRS 9 'Financial Instruments'
The new standard for financial instruments (IFRS 9) introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage, the main areas of expected impact are as follows:

- the classification and measurement of the Group's and the Company's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed;
- an expected credit loss-based impairment will need to be recognised on the Group's and the Company's trade receivables and investments in debt-type assets currently classified as AFS, unless classified as at fair value through profit or loss in accordance with the new criteria;
- it will no longer be possible to measure equity investments at cost less impairment and all such investments will instead be measured at fair value. Changes in fair value will be presented in profit or loss unless the Group and the Company make an irrevocable designation to present them in other comprehensive income; and
- if the Group or the Company continues to elect the fair value option for certain financial liabilities, fair value movements will be presented in other comprehensive income to the extent those changes relate to the Group's or the Company's own credit risk.

IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

Management has started to assess the impact of the new Standard, and has identified that the following area could be affected:

- Contracts with multiple deliverables – The Group's core products, in particular iFIT and Lilie, require multiple deliverables including licences, hardware and consumables, professional services and after-sale support and maintenance. IFRS 15 introduces new guidance that will require the Group to evaluate the separability of multiple elements based on whether they are 'distinct'. A promised good or service is 'distinct' if both:
  - the customer benefits from the item either on its own or together with other readily available resources; and
  - it is 'separately identifiable' (i.e. the Group does not provide a significant service integrating, modifying or customising it).

The subsequent allocation of arrangement consideration to individual performance obligations is based on their relative stand-alone selling prices.

The Group's accounting policies are set out in detail in note 4. The Group is currently in the process of reviewing all its contracts to ascertain how the new requirements will impact the identification of distinct goods or services and the allocation of consideration to them.

IFRS 16 'Leases'
IFRS 16 will replace IAS 17 and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability.

Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine the impact the Group and the Company are in the process of:

- performing a full review of all agreements to assess whether any additional contracts will now become a lease under IFRS 16's new definition;
- deciding which transitional provision to adopt; either full retrospective application or partial retrospective application (which means comparatives do not need to be restated). The partial application method also provides optional relief from reassessing whether contracts in place are, or contain, a lease, as well as other reliefs. Deciding which of these practical expedients to adopt is important as they are one-off choices;

- assessing their current disclosures for operating leases as these are likely to form the basis of the amounts to be capitalised and become right-of-use assets;
- determining which optional accounting simplifications apply to their lease portfolio and if they are going to use these exemptions; and
- assessing the additional disclosures that will be required.

4. Summary of accounting policies

4.1 Going concern

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

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

4.2 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the fair valuation of investment property and in accordance with the significant accounting policies and measurement bases summarised below.

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

4.3 Basis of consolidation

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

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

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

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

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

4.4 Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.

4.5 Foreign currency translation

Functional and presentation currency

The presentation currency for the consolidated financial statements and the Company's financial statements is Great British pounds.

The Company's functional currency is Great British pounds.

Foreign currency transactions and balances

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

Foreign operations

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

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

4.6 Segment reporting

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

4.7 Revenue recognition

Revenue comprises amounts recognised in respect of goods and services supplied during the period, exclusive of value added tax and trade discounts.

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time of delivery when the costs incurred or to be incurred in respect of the transaction can be measured reliably and when the Group and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the provision of services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

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 Goodwill

Goodwill represents the future economic benefits arising from business combinations which are not individually identified and separately recognised.

Goodwill is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

4.11 Intangible assets

Initial recognition

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

Developed software

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

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

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

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

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

Computer software and licences

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

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

Web page design

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

Agencies

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

Subsequent measurement

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

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.

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

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

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

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

Amortisation has been included within administrative and other expenses.

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

4.12 Property, plant and equipment

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

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

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

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

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

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

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

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

4.13 Leased assets

Operating leases

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

4.14 Impairment of goodwill, intangible assets and property, plant and equipment

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the group that independent cash flows are monitored.

A cash-generating unit to which goodwill has been allocated 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 any goodwill 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.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

4.15 Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are recognised initially at cost and then using the fair value model.

Investment properties are revalued annually with resulting gains and losses recognised in profit or loss, and are included in the statement of financial position at their fair values.

4.16 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs except for those carried at fair value through profit or loss which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

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

Classification and subsequent measurement of financial assets
For the purpose of subsequent measurement of financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss (FVTPL);
- held-to-maturity (HTM) investments; and
- available-for-sale (AFS) financial assets.

The Group and the Company do not currently have any financials assets at FVTPL or HTM investments.

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administrative and other expenses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

AFS financial assets
AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's and the Company’s AFS financial assets include the investment in Javali LLC.

The investment in Javali LLC is measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably. Impairment charges are recognised in profit or loss.

Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss. Interest is calculated using the effective interest method and dividends are recognised in profit or loss within finance income.

For AFS investments impairment reversals are not recognised in profit loss and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities
The Group’s financial liabilities include trade and other payables, bank borrowings and bonds in issue. The Company’s financial liabilities include other payables and bonds in issue.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Trade and other payables are classified within current liabilities and are stated at their nominal value unless the effect of discounting is material in which case they are measured at amortised cost using the effective interest method.

Bank and other borrowings, including debt securities in issue, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method. Interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

Bank and other borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.17 Inventories

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

4.18 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.

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.

4.19 Cash and cash equivalents

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

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

4.20 Equity, reserves and dividend payments

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Translation reserve" represents the exchange differences arising from the translation of the financial statements of subsidiaries into the Group's presentational currency.
- "Accumulated losses" represent the accumulated losses attributable to equity shareholders.
- "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.

4.21 Retirement benefits and short-term employee benefits

Retirement benefit plans

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

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

Short-term employee benefits

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

4.22 Provisions, contingent assets and contingent liabilities

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

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

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of 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.

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

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

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

Significant management judgements

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

Recognition of service contract revenues

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

Capitalisation of internally developed software

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

Recognition of deferred tax assets

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

Estimation uncertainty

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

Impairment of non-financial assets and goodwill

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

Useful lives of depreciable assets

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

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

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

5. Segmental reporting - Group

IFRS 8 requires operating segments to be identified on the basis of 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.

5.1 Operating segments

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

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

Period ended 31 October 2017

	Licences and products GBP'000	Services GBP'000	Support and maintenance GBP'000	Unallocated GBP'000	Total GBP'000
Revenue	3,725	2,364	785	-	6,874
Gross profit	1,673	1,281	497	-	3,451
Administrative expenses	-	-	-	(8,854)	(8,854)
Other operating income	-	-	-	202	202
	1,673	1,281	497	(8,652)	(5,201)
Finance costs	-	-	-	(852)	(852)
Profit / (loss) before tax	1,673	1,281	497	(9,504)	(6,053)
Segment assets	-	-	-	6,191	6,191
Segment liabilities	-	-	-	(26,087)	(26,087)
Depreciation, amortisation and impairment	-	-	-	2,352	2,352
Non-current assets	-	-	-	1,712	1,712

Year ended 31 December 2016

	Licences and products GBP'000	Services GBP'000	Support and maintenance GBP'000	Unallocated GBP'000	Total GBP'000
Revenue	1,907	1,999	2,297	919	7,122
Gross profit	1,615	1,083	1,455	(502)	3,651
Administrative expenses	-	-	-	(14,188)	(14,188)
Other operating income	-	-	-	175	175
	1,615	1,083	1,455	(14,515)	(10,362)
Investment income	-	-	-	14	14
Finance costs	-	-	-	(2,312)	(2,312)
Profit / (loss) before tax	1,615	1,083	1,455	(16,813)	(12,660)
Segment assets	-	-	-	8,207	8,207
Segment liabilities	-	-	-	(22,005)	(22,005)
Depreciation, amortisation and impairment	-	-	-	1,367	1,367
Impairment of goodwill	-	-	-	6,774	6,774
Impairment of AFS asset	-	-	-	1,097	1,097
Non-current assets	-	-	-	4,497	4,497

All assets, liabilities, other income, administrative and other expenses are considered to be unallocated.

Revenue from Malta, being the Company's country of domicile, amounted to:

	Period ended 31 October 2017 GBP'000	Year ended 31 December 2016 GBP'000
Malta	4,487	4,477

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

5.2 Geographic segments

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

Period ended 31 October 2017

	Malta GBP'000	Other EU GBP'000	Other GBP'000	Total GBP'000
Revenue	4,487	2,386	-	6,874
Non-current assets	979	558	32	1,570

Year ended 31 December 2016

	Malta GBP'000	Other EU GBP'000	Other GBP'000	Total GBP'000
Revenue	4,477	2,638	7	7,122
Non-current assets	3,647	638	40	4,326

5.3 Information about major customers

The major customers are predominantly in the health sector in the UK, namely private and NHS hospitals.

6. Employee remuneration

6.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000
Wages and salaries	3,935	4,891
Social security costs	485	369
Pensions – defined contribution plans	18	19
	4,438	5,279

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

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000
Administrative	27	30
Operational	124	136
	151	166

There were no employee benefits expense recognised by the Company during 2017 and 2016. The Company has no employees during the reporting periods presented.

6.2 Key management personnel compensation

Remuneration expense for key management personnel are disclosed in note 28.4.

7. Finance costs and investment income

Finance costs for the period / year presented consist of the following:

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Interest on bond securities	479	560	479	560
Foreign exchange movement on bond securities	249	1,591	249	1,591
Interest on overdrafts	50	55	-	-
Interest on bank loans	18	48	-	-
Other interest	56	58	-	-
Total interest expense	852	2,312	728	2,151

Investment income for the period / year presented consist of the following:

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000
Interest income from cash and cash equivalents	-	14

8. Loss before taxation

The loss before taxation is stated after charging:

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Depreciation	1,329	237	-	-
Amortisation	662	669	-	-
Impairment of intangible assets	361	461	-	-
Impairment of goodwill	-	6,774	-	-
Impairment of AFS financial asset	-	1,097	-	1,097
Impairment of investment in subsidiaries	-	-	-	7,458

Directors' remuneration is disclosed in note 28.4.

Information on auditor's remuneration is as follows:

Group	Period ended 31 October 2017 GBP'000	Year ended 31 December 2016 GBP'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	110	119
Total fees payable to other auditors	23	27
Total fees payable to the parent Company's auditor for non-audit services	12	25

Company	Period ended 31 October 2017 GBP'000	Year ended 31 December 2016 GBP'000
Total remuneration payable to the Company's auditor for the audit of the Company's financial statements	35	12
Total fees payable to the Company's auditor for non-audit services	1	3

Other financial items consist of the following:

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
(Gain) / loss from exchange differences on loans and receivables	(117)	263	(4)	266

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

9. Tax income / (expense)

The major components of tax income / (expense) and the reconciliation of the expected tax income based on the domestic effective tax rate of the Company at 35% (2016: 35%) and the reported tax income / (expense) in profit or loss are as follows:

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Loss before taxation	(6,053)	(12,660)	(798)	(11,069)
Expected tax income	(2,119)	(4,431)	(279)	(3,874)
Factors affecting tax income for the period / year:				
Deferred tax not accounted for	1,132	1,743	279	789
Depreciation charges not deductible by way of capital allowances in determining taxable income	644	165	-	-
Different tax rates in foreign jurisdictions	(102)	46	-	-
Disallowed expenses	144	2,476	-	3,135
Withholding tax	(31)	-	-	-
Group relief	283	-	-	-
Adjustment to tax in prior periods	257	-	(9)	-
Actual tax income / (expense)	208	(1)	(9)	50

	Group Period ended 31 October 2017 GBP'000	Group Year ended 31 December 2016 GBP'000	Company Period ended 31 October 2017 GBP'000	Company Year ended 31 December 2016 GBP'000
Tax expense comprises:				
Current tax expense	(1,559)	(1,910)	(279)	(738)
Deferred tax expense:				
Origination and reversal of temporary differences	1,767	1,909	270	788
Tax income / (expense)	208	(1)	(9)	50

A deferred tax asset in respect of trading losses, unabsorbed capital allowances and group loss relief of GBP9,895,000 has not been recognised due to the uncertainty over timing of future profits (2016: GBP6,692,000). This unprovided deferred tax asset is recoverable against suitable future trading profits.

Note 18 provides information on the deferred tax asset.

10. Loss per share and dividends

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

	Period ended 31 October 2017	Year ended 31 December 2016
Loss attributable to equity holders of the Group (GBP'000)	(5,856)	(12,666)
Weighted average number of shares in issue	20,982,938	20,982,938
Basic loss per share (GBP)	(0.28)	(0.60)

Diluted loss per share is calculated by adjusting the average number of shares in issue during the period to assume conversion of all dilutive potential ordinary shares. The Group had no potentially dilutive shares in the period ended 31 October 2017 or the year ended 31 December 2016. Diluted loss per share is therefore the same as basic loss per share.

Dividends
During the period ended 31 October 2017, no dividends were paid to the equity shareholders of 6PM Holdings p.l.c. (Year ended 31 December 2016: GBPnil).

11. Business combinations

Acquisitions have been completed by the Group to increase scale, broaden its addressable market and widen the product offering.

Subsidiary acquired:

	Principal activity	Date of acquisition	Proportion of voting equity interest acquired (%)	Fair value of consideration transferred GBP'000
emCare360 Ltd (Malta)	Healthcare IT solutions	1 January 2016	50%*	406

*The Group previously held a 50% non-controlling interest in emCare360 Ltd. The business combination transaction on 1 January 2016 resulted in the Group acquiring control.

Fair value of consideration transferred:

	Year ended 31 December 2016 Acquisition of emCare360 Ltd GBP'000
Deferred consideration payable	406
Net value of previously held associate interest	(87)
Net consideration	319

The consideration for emCare360 Ltd was €549,501 (GBP405,587) payable in 60 equal monthly instalments. Deferred consideration is recognised within other payables.

Acquisition costs of GBP8,659 were expensed in relation to the acquisition of emCare360 Ltd during 2016.

	Year ended 31 December 2016 Acquisition of emCare360 Ltd GBP'000
Non-current assets	
Goodwill	546
Intangible assets	448
Plant and equipment	474
Current assets	
Inventories	143
Trade and other receivables	866
Cash and cash equivalents	1
Current liabilities	
Trade and other payables	(323)
Overdraft	(439)
Borrowings	(923)
Non-current liabilities	
Borrowings	(474)
	319

Goodwill arising on the acquisition of emCare360 Ltd was allocated to the Electronic & Mobile CGU (fully impaired in the year ended 31 December 2016).

	Year ended 31 December 2016 Acquisition of emCare360 Ltd GBP'000
Net cash outflow on acquisition of subsidiary	
Deferred consideration paid during the year	29
Plus: net overdraft balances acquired	438
Net cash outflow	467

Post-acquisition contribution

The acquired subsidiary made the following contributions to the Group's results for the year in which it was acquired, from its acquisition dates:

	Year ended 31 December 2016 Acquisition of emCare360 Ltd 1 January – 31 December 2016 **GBP'000**
Post-acquisition contribution to Group revenue	542
Post-acquisition contribution to Group profit	(196)
Total post-acquisition contribution	(196)

12. Investments in subsidiaries

12.1 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 2017	31 December 2016
6PM Limited	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Healthcare IT solutions	Malta	99.99	99.99
6PM Management Consultancy (UK) Ltd	2nd floor, 1310 Waterside, Arlington Business Park, Theale, Reading, RG7 4SA, United Kingdom	Healthcare IT solutions	UK	100	100
6PM Nearshore DOOEL	5,Vasil Gjorgov Street 1000 Skopje, Macedonia	Software development	Macedonia	100	100
6PM Infrastructure Ltd (formerly Compunet Ltd)	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	IT services	Malta	100	100
6PM Agencies Ltd	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Dormant	Malta	100	100
Six-PM Health Solutions (Ireland) Ltd	Unit H, L.E.D.P., Roxboro, Limerick, Ireland	Healthcare IT solutions	Ireland	70	70
Idox Health Limited	2nd floor, 1310 Waterside, Arlington Business Park, Theale, Reading, RG7 4SA, United Kingdom	Healthcare IT solutions	UK	100	100
emCare360 Ltd**	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Healthcare IT solutions	Malta	100	100
emCare Group Malta Limited**	Idox Business Centre, Triq it-Torri, Birkirkara BKR 4012, Malta	Healthcare IT solutions	Malta	100	100

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

	GBP'000
Cost	
At 1 January 2016	6,635
On acquisition of the emCare group	846
At 31 December 2016 and 31 October 2017	7,481
Impairment	
At 1 January 2016	-
Impairment of investments in subsidiaries	7,458
At 31 December 2016 and 31 October 2017	7,458
Net book value	
At 31 October 2017	23
At 31 December 2016	23
At 1 January 2016	6,635

12.2 Losing control over a subsidiary during the reporting period

On 22 February 2016, the Company disposed of its 100% interest in 6PM (Gibraltar) Limited by way of a liquidation. The liquidated business is considered immaterial to the Group's operations and as such is not separately disclosed as discontinued operations.

13. Goodwill - Group

	GBP'000
Cost	
At 1 January 2016	6,461
On acquisition of the emCare group	546
At 31 December 2016 and 31 October 2017	7,007
Impairment	
At 1 January 2016	233
Impairment of goodwill	6,774
At 31 December 2016 and 31 October 2017	7,007
Net book value	
At 31 October 2017	-
At 31 December 2016	-
At 1 January 2016	6,228

Other major assumptions are as follows:

Impairment review date	**2016** **%**
Discount rate	16.55%
Annual growth assumptions used to extrapolate 1 year budget forecast:	
- 2 – 5 years	0%

The 12-month forecast data is based on the most recent annual financial statements uplifted for management's best estimates of reasonable growth targets for the subsequent 12-month period.

Management's key assumption includes stable profit margins based on past experience in the market.

Discount rates are based on management's assessment of specific risks related to the CGU. Growth rates beyond the first year to the fifth year are based on economic data for the wider economy and represent a prudent expectation of growth.

The recoverable amounts for the Group's CGUs do not exceed their carrying amounts and the goodwill has been fully impaired.

14. Intangible assets - Group

	Computer software and licences	Developed software	Web page design	Agencies	Total
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
Cost					
At 1 January 2016	336	4,164	36	281	4,817
Additions on acquisition of subsidiary	-	448	-	-	448
Additions	9	779	-	-	788
Foreign exchange differences	56	715	6	47	824
At 31 December 2016	401	6,106	42	328	6,877
Additions	10	197	-	-	207
Foreign exchange differences	3	163	1	10	177
At 31 October 2017	414	6,466	43	338	7,261
Amortisation					
At 1 January 2016	336	2,677	36	-	3,049
Charge for year	-	669	-	-	669
Impairment	-	146	-	315	461
Foreign exchange differences	56	461	6	13	536
At 31 December 2016	392	3,953	42	328	4,715
Charge for period	2	660	-	-	662
Impairment	-	361	-	-	361
Foreign exchange differences	12	124	1	10	147
At 31 October 2017	406	5,098	43	338	5,885
Net book value					
At 31 October 2017	8	1,368	-	-	1,376
At 31 December 2016	9	2,153	-	-	2,162

Amortisation is included within administrative and other expenses.

Wages capitalised amounted to GBP207,000 (2016: GBP788,000).

15. Property, plant and equipment - Group

	Furniture, fittings and equipment GBP'000	Motor vehicles GBP'000	Total GBP'000
Cost			
At 1 January 2016	1,812	207	2,019
Additions	194	4	198
Additions on acquisition of subsidiary	468	6	474
Disposals	(173)	(56)	(229)
Foreign exchange differences	357	28	385
At 31 December 2016	2,658	189	2,847
Additions	59	-	59
Disposals	(4)	(4)	(8)
Foreign exchange differences	77	5	82
At 31 October 2017	2,790	190	2,980
Depreciation			
At 1 January 2016	1,057	126	1,183
Charge for year	214	23	237
Disposals	(172)	(29)	(201)
Foreign exchange differences	169	19	188
At 31 December 2016	1,268	139	1,407
Charge for period	1,290	39	1,329
Disposals	(4)	(4)	(8)
Foreign exchange differences	54	4	58
At 31 October 2017	2,608	178	2,786
Net book value			
At 31 October 2017	182	12	194
At 31 December 2016	1,390	50	1,440

Depreciation is included within administrative and other expenses.

As a result of the reassessment of the useful lives of assets determining shorter useful lives for depreciable assets than previously assessed, depreciation in the period has increased.

16. Leasing arrangements - Group

Operating leases – as lessee

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

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

	31 October 2017 GBP'000	31 December 2016 GBP'000
Land and buildings		
Within 1 year	157	180
2- 5 years	556	147
After 5 years	123	-
	836	327
Other		
Within 1 year	20	75
2- 5 years	10	80
	30	155

Total operating lease expense recognised during the period ended 31 October 2017 amounted to GBP164,672 (Year ended 31 December 2016: GBP139,200).

Operating leases – as lessor

The Group also leases out computer equipment under operating leases. The lease contracts for computer equipment are all non-cancellable for 3 years from the commencement of the lease.

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

	31 October 2017 GBP'000	31 December 2016 GBP'000
Computer equipment		
Within 1 year	16	48
2- 5 years	7	42
Total	23	90

17. Investment property - Group

Investment property related to a real estate property in Malta, which was owned to earn rentals and for capital appreciation.

The property was sold during the period under review.

Note 25.2 sets out how the fair value of the investment property has been determined.

Changes to the carrying value are as follows:

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000
Fair value at 1 January	724	602
Foreign exchange movements	-	100
Disposal	(724)	-
On revaluation	-	22
Total change in fair value	-	122
Carrying value	-	724

Based on an independent architect's valuation dated 8 April 2017, the fair value of the investment property stated at fair value is GBP723,687.

The investment property was leased out on an operating lease. Rental income earned by the Group from its investment property amounted to GBP21,419 (Year ended 31 December 2016: GBP27,024) and is included within revenue. Direct operating expenses are reported within administrative and other expenses.

Future minimum lease rentals for the year ended 31 December 2016 are as follows:

	Group 31 December 2016 GBP'000
Investment property	
Within 1 year	27
2- 5 years	22
Total	49

18. Deferred tax asset

Analysis of recognised deferred tax balances:

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000	Company 31 October 2017 GBP'000	Company 31 December 2016 GBP'000
Opening balance	71	(28)	9	(51)
Origination and reversal of temporary differences	-	99	(9)	60
Closing balance	71	71	-	9
Comprising:				
Deferred tax asset	71	71	-	9

19. Inventories - Group

	31 October 2017 GBP'000	31 December 2016 GBP'000
Goods held for resale	163	356

	31 October 2017 GBP'000	31 December 2016 GBP'000
Amounts of inventories recognised as an expense during the period as cost of sales	779	945

	31 October 2017 GBP'000	31 December 2016 GBP'000
Amounts of inventories impaired during the period	81	147

20. Trade and other receivables

Trade and other receivables consist of the following:

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000	Company 31 October 2017 GBP'000	Company 31 December 2016 GBP'000
Trade receivables	2,776	1,534	-	-
Other receivables	34	17	15	17
Prepayments and accrued income	562	1,139	-	-
Amounts owed by subsidiaries	-	-	4,115	4,750
	3,372	2,690	4,130	4,767

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

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

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000	Company 31 October 2017 GBP'000	Company 31 December 2016 GBP'000
Impairment provision at 1 January	-	-	-	-
Provision during the period	71			
Impairment provision at 31 October	71	-	-	-

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

Trade receivables past due but not impaired:	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000
Not more than 3 months	2,084	653
More than 3 months but not more than 6 months	243	61
More than 6 months but not more than 1 year	23	30
More than one year	1	55
	2,351	799

21. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000	Company 31 October 2017 GBP'000	Company 31 December 2016 GBP'000
Cash at bank and in hand:				
GBP	73	439	1	-
EUR	868	221	-	-
MKD	2	4	-	-
Cash and cash equivalents in the statement of financial position	943	664	1	-

As of 31 October 2017, no amounts were held by a third party in a bank deposit account (31 December 2016: GBP446,448 and €31,000).

22. Trade and other payables

Trade and other payables consist of the following:

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000	Company 31 October 2017 GBP'000	Company 31 December 2016 GBP'000
Trade payables	1,837	804	-	-
Accruals and deferred income	5,259	6,584	166	318
Related party payables	4,866	-	-	-
Other payables	1,867	604	413	378
	13,829	7,992	579	696

Related party payables are due to Idox Software Ltd (see note 28.1).

23. Financial instruments

23.1 Categories of financial assets and financial liabilities

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

Group **31 October 2017**	**Note**	**AFS (FV)** **GBP'000**	**Loans and receivables (amortised cost)** **GBP'000**	**Total** **GBP'000**
Financial assets				
Receivables		-	53	53
Other investment	a)	19	-	19
Long-term financial assets		19	53	72
Trade and other receivables	b)	-	3,156	3,156
Cash and cash equivalents		-	943	943
Short-term financial assets		-	4,099	4,099
		19	4,152	4,171

Group **31 December 2016**	**Note**	**AFS (FV)** **GBP'000**	**Loans and receivables (amortised cost)** **GBP'000**	**Total** **GBP'000**
Financial assets				
Receivables		-	80	80
Other investment	a)	20	-	20
Long-term financial assets		20	80	100
Trade and other receivables	b)	-	1,629	1,629
Cash and cash equivalents		-	664	664
Short-term financial assets		-	2,293	2,293
		20	2,373	2,393

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

Group

Financial liabilities	**31 October 2017** **GBP'000**	**31 December 2016** **GBP'000**
Other liabilities (amortised cost):		
Non-current bank borrowings	-	480
Bonds in issue	11,238	10,975
Overdrafts	966	2,189
Current bank borrowings	-	331
Trade payables	1,837	804
Other payables	360	376
Related party payables	4,866	-
Accruals	1,067	2,623
	20,334	17,778

Company **31 October 2017**	**Note**	**AFS (FV)** **GBP'000**	**Loans and receivables (amortised cost)** **GBP'000**	**Total** **GBP'000**
Financial assets				
Receivables		-	53	53
Other investment	a)	19	-	19
Long-term financial assets		19	53	72
Receivables	b)	-	4,130	4,130
Cash and cash equivalents			1	1
Short-term financial assets		-	4,131	4,131
		19	4,187	4,203

Company **31 December 2016**	**Note**	**AFS (FV)** **GBP'000**	**Loans and receivables (amortised cost)** **GBP'000**	**Total** **GBP'000**
Financial assets				
Receivables		-	68	68
Other investment	a)	20	-	20
Long-term financial assets		20	68	88
Receivables	b)	-	4,767	4,767
Short-term financial assets		-	4,767	4,767
		20	4,835	4,855

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

Company

Financial liabilities	**31 October 2017** **GBP'000**	**31 December 2016** **GBP'000**
Other liabilities (amortised cost):		
Bonds in issue	11,238	10,975
Other payables	413	376
Accruals	166	318
	11,817	11,669

A description of the Group's and the Company's financial instrument risks, including risk management objectives and policies is given in note 24.

The methods used to measure financial assets and liabilities reported at fair value are described in note 25.

23.2 AFS financial asset

The details and carrying amount of the AFS financial asset are as follows:

	Group and Company	
	31 October 2017	31 December 2016
	GBP'000	GBP'000
Investment in Javali LLC	19	20

The AFS investment relates to a 22.5% interest (31 December 2016: 22.5%) held by the Company in Javali LLC, a company incorporated in the state of Utah, United States of America.

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

23.3 Bank borrowings

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

	Group	Group
	31 October 2017	31 December 2016
	GBP'000	GBP'000
Bank overdrafts	966	2,189
Bank loans	-	811
Total	966	3,000
Comprising:		
Long term borrowings		
- within 2-5 years	-	480
- after 5 years	-	-
	-	480
Borrowings due within one year		
- bank overdraft	966	2,189
- bank loans	-	331
	966	2,520

Summary of borrowing arrangements:

At 31 October 2017, the Group had bank overdraft facilities of GBP966,000 (31 December 2016: GBP2,189,000). Overdrafts are secured against Group assets and bear interest at rates between 5.15% to 5.65% (31 December 2016: 5.15% to 5.65%).

Bank loans as at 31 December 2016 are held by subsidiaries of the Group and are secured against Group assets. Such loans are repayable in monthly instalments and bear interest at rates between 3.5% to 5.15%.

23.4 Bonds in issue

Bonds in issue are measured at amortised cost.

	Group and Company	
	31 October 2017 GBP'000	**31 December 2016 GBP'000**
130,000 bonds at €100 each	11,238	10,975
Comprising:		
Non-current	11,238	10,975

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 considered to be a reasonable approximation of fair value.

23.5 Other financial instruments

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

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

24. 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 23.1. 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.

24.1 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

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

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

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:

	Short-term exposure				Long-term exposure
	EUR	**GBP**	**USD**	**MKD**	**EUR**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**	**GBP'000**
31 October 2017					
Financial assets	1,314	2,771	8	7	53
Financial liabilities	(2,101)	(6,976)	(15)	(5)	(11,238)
Net exposure	(787)	(4,205)	(7)	2	(11,185)

	Short-term exposure			Long-term exposure
	EUR	**GBP**	**MKD**	**EUR**
	GBP'000	**GBP'000**	**GBP'000**	**GBP'000**
31 December 2016				
Financial assets	1,469	840	4	80
Financial liabilities	(5,222)	(1,076)	(25)	(11,455)
Net exposure	(3,753)	(236)	(21)	(11,375)

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

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

	Period ended 31 October 2017 Average	**Year ended 31 December 2016 Average**	**At 31 October 2017 Closing**	**At 31 December 2016 Closing**
EUR/GBP	0.8696	0.8227	0.8820	0.8562

The following table illustrates the sensitivity of the reported loss before tax and equity for the period ended 31 October 2017 to material exchange rate movements in the pound relative to the euro.

It assumes a +/- 10% change in GBP relative to the closing rates for this currency employed in the period ended 31 October 2017.

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

	GBP'000	
	Period ended 31 October 2017	**Year ended 31 December 2016**
Profit before tax	1,197	1,513
Equity	1,197	1,513

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

	GBP'000	
	Period ended 31 October 2017	**Year ended 31 December 2016**
Profit before tax	(1,197)	(1,513)
Equity	(1,197)	(1,513)

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

Interest rate sensitivity
The Group has taken out bank facilities to finance its operation as disclosed in note 23.3.

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

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

At 31 October 2017, 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.

24.2 Credit risk

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

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

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

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 2017 GBP'000	**Group 31 December 2016 GBP'000**	**Company 31 October 2017 GBP'000**	**Company 31 December 2016 GBP'000**
Cash and cash equivalents	943	664	1	-
Long term receivables	53	80	53	68
Trade and other receivables	3,156	1,629	4,133	4,767
	4,152	2,373	4,187	4,835

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 of the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

At 31 October 2017 and 31 December 2016, the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. Further information regarding the impairment of trade receivables is disclosed in note 20.

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

24.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company might be unable to meet its obligations. The Group and the Company manage its 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 that it has the ability to pay all of its liabilities as they fall due. The Group and the Company monitor levels of working capital to ensure that it can meet its 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 its cash resources and trade receivables. The Group's cash resources, trade receivables and continued support from the Idox Group ensure it has access to sufficient cash to meet its cash outflow requirements.

Group

The tables below show the undiscounted cash flows on the Group's financial liabilities as at 31 October 2017 and 31 December 2016, on the basis of their earliest possible contractual maturity:

At 31 October 2017

	Total GBP'000	Within 1 year GBP'000	Years 2-5 GBP'000	Greater than 5 years GBP'000
Trade payables	1,837	1,837	-	-
Other payables	360	360	-	-
Related party payables	4,866	4,866	-	-
Accruals	1,067	1,067	-	-
Bank overdrafts	966	966	-	-
Bonds in issue	16,147	585	2,341	13,221
	25,243	9,681	2,341	13,221

At 31 December 2016

	Total GBP'000	Within 1 year GBP'000	Years 2-5 GBP'000	Greater than 5 years GBP'000
Trade payables	804	804	-	-
Other payables	376	376	-	-
Accruals	2,623	2,623	-	-
Bank overdrafts	2,189	2,189	-	-
Bank loans	819	333	486	-
Bonds in issue	16,240	568	2,271	13,401
	23,051	6,893	2,757	13,401

Company

The tables below show the undiscounted cash flows on the Company's financial liabilities as at 31 October 2017 and 31 December 2016, on the basis of their earliest possible contractual maturity:

At 31 October 2017

	Total GBP'000	Within 1 year GBP'000	Years 2-5 GBP'000	Greater than 5 years GBP'000
Other payables	413	413	-	-
Accruals	166	166	-	-
Bonds in issue	16,147	585	2,341	13,221
	16,726	1,164	2,341	13,221

At 31 December 2016

	Total GBP'000	Within 1 year GBP'000	Years 2-5 GBP'000	Greater than 5 years GBP'000
Other payables	378	378	-	-
Accruals	318	318	-	-
Bonds in issue	16,240	568	2,271	13,401
	16,936	1,264	2,271	13,401

25. Fair value measurement

25.1 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); and
- 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 period ended 31 October 2017 (Year ended 31 December 2016: none).

There are no financial assets or liabilities measured at fair value on a recurring basis as at 31 October 2017 or 31 December 2016.

Financial instruments measured at amortised cost for which the fair value is disclosed are detailed in notes 20, 22 and 23.

25.2 Fair value measurement of non-financial instruments - Group

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2016:

31 December 2016	Level 1 GBP'000	Level 2 GBP'000	Level 3 GBP'000	Total GBP'000
Investment property:				
Office building in Malta	-	-	724	724

The Group's investment property was sold during 2017.

Fair value of the Group's investment property is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and audit committee at each reporting date.

Further information is set out below.

Office building in Malta

The fair values of the office building is estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rents, adjustments has been made to the estimated rental value.

The most significant input, which is unobservable, is the estimated rental value. The estimated fair value increases if the estimated rental increases. The overall valuations are sensitive to this assumption. The inputs used in the valuations at 31 December 2016 were:

	Malta
Rental value	€ 2,300 /sqm

No valuation was prepared at 31 October 2017 as the investment property was disposed during the period.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

Period ended 31 October 2017	**Investment property Malta GBP'000**
At 1 January 2017	724
Disposal proceeds	(360)
Loss recognised in profit or loss:	
Loss on disposal of investment property	(364)
At 31 October 2017	-
Total amount included in profit or loss for realised losses on Level 3 assets	(364)

Year ended 31 December 2016	**Investment property Malta GBP'000**
At 1 January 2016	602
Gains recognised in profit or loss:	
Increase in fair value of investment property	122
At 31 December 2016	724
Total amount included in profit or loss for unrealised gains on Level 3 assets	122

26. Equity

26.1 Share capital

The total allotted share capital of the Company is:

31 October 2017 and 31 December 2016	Authorised GBP'000	Issued and called up GBP'000
25,000,000 ordinary shares of GBP0.20 each (20,982,938 of which have been issued and called up)	5,000	4,151

Share capital amounts are presented net of transactions costs of GBP45,777 in all periods presented.

Rights and obligations

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

26.2 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.

27. Capital management

The Group's and the Company's capital management objectives are:

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

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

	Group 31 October 2017 GBP'000	Group 31 December 2016 GBP'000	Company 31 October 2017 GBP'000	Company 31 December 2016 GBP'000
Deficit	(19,934)	(13,825)	(7,616)	(6,809)
Bank borrowings and bonds in issue	12,204	13,975	11,238	10,975
Cash and cash equivalents	(943)	(664)	(1)	-
	(8,673)	(514)	3,621	4,166

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.

28. 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 12. As at 31 December 2016, the equity of the Company was quoted on the Malta Stock Exchange. The entire share capital of the Company was acquired by Idox plc on 9 March 2017.

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.

28.1 Group related party transactions

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

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

	31 October 2017 GBP'000	31 December 2016 GBP'000
Amounts payable to related party:		
Idox Software Ltd	4,866	-

Related party transactions with Idox Software Ltd totalling GBP828,000 were recognised as costs in the Group's statement of comprehensive income during the period ended 31 October 2017 (2016: GBPnil)

28.2 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:

	Period ended 31 October 2017 GBP'000	Year ended 31 December 2016 GBP'000
Amounts receivable from / (payable to) related parties:		
6pm Limited	3,590	4,225
6pm Management Consultancy UK Ltd	-	150
Idox Health Limited	266	168
6pm Infrastructure Ltd	100	103
6pm Agencies Ltd	119	104
Six-PM Health Solutions (Ireland) Ltd	18	-
6PM Nearshore DOOEL	54	-
emCare Group Malta Limited	(32)	-
Total	4,115	4,750

28.3 Transactions with associates and other related undertakings

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

	Period ended 31 October 2017 Related party activities GBP'000	Year ended 31 December 2016 Related party activities GBP'000
Sales:		
Related party transactions with:		
Other related parties	-	117
Cost of sales:		
Related party transactions with:		
Other related parties	828	17

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

28.4 Transactions with key management personnel

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

	Period ended 31 October 2017 GBP'000	Period ended 31 December 2016 GBP'000
Remuneration of Directors:		
Remuneration	347	226
Social security costs	21	26
	368	252
Remuneration of other key management personnel:		
Remuneration	842	926
Social security costs	65	98
Company pension contributions to defined contributions scheme	1	9
	908	1,033
Total	**1,276**	**1,285**

No dividends on ordinary shares were paid to key management during 2017 and 2016.

29. Ultimate controlling party

6PM Holdings p.l.c. is the parent Company of the Group. As at 31 December 2016, the equity of the Company was quoted on the Malta Stock Exchange. The entire share capital of the Company was acquired by Idox plc on 9 March 2017. The shares in the Company were then de-listed from the Malta Stock Exchange effective from 27 July 2017. Idox plc is therefore considered to be the ultimate controlling party.

30. Post-reporting date events

There are no material post balance sheet events.

31. Authorisation of financial statements

These consolidated financial statements for the period ended 31 October 2017 (including comparatives) were approved by the Board of Directors on 2 July 2018.

Independent auditor's report

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

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of 6PM Holdings p.l.c. (the "Company") and of the Group of which it is the parent, set out on pages FS-1 to FS-49, which comprise the statements of financial position as at 31 October 2017, and the statements of total comprehensive income, statements of changes in equity and statements of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 October 2017, and of their financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Basis for qualified opinion

Included with consolidated revenues and deferred income are amounts of GBP2.1 million and GBP1.2 million respectively reported in the financial statements of Idox Health Limited, a UK registered subsidiary of the Company. The audit evidence available was limited since management could not provide adequate supporting documentation for these amounts and there were no satisfactory alternative audit procedures that could be applied to ensure that these amounts are not materially misstated.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. In addition to the matter described in the Basis for qualified opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

1. **Revenue**

   Key audit matter

   A significant part of the Group's revenue is derived from a small number of high value contracts entered into with third parties. Revenue is recognised once a contract is signed and the related services and/or products are delivered. In those cases where the services are not fully completed by balance sheet date, the Group assesses the percentage of completion of the related works and estimates the amount of revenue that should be recognised in the financial statements.

As part of the year end accounts' closing of certain subsidiaries in the Group, a number of items were found to have been incorrectly accounted for as revenue and therefore revenue was reduced by GBP0.44 million.

We focussed on this area because revenue is a key figure and because of the of the significance of the adjustments passed in the financial statements for the current and the previous financial period. Furthermore, as explained above, the Group's revenue is derived from a small number of high value contracts and in some cases, judgement needs to be exercised to determine part of revenue.

How the key audit matter was addressed in our audit

We obtained an understanding of the methodology used by management to arrive at revenue for the period ended 31 October 2017. We tested the arithmetical accuracy of the workings and ensured that these were backed by supporting documentation. We also communicated with management and noted that they were able to provide satisfactory responses to our questions.

Based on the audit work done we obtained sufficient audit evidence to support a significant percentage of the Group's revenue for the period ended 31 October 2017. As explained in the Basis for qualified opinion section of our report a limitation of scope was encountered when testing revenue of Idox Health Limited.

2. Assessment of carrying amount of intangible assets

Key audit matter

During the period ended 31 October 2017 management carried out an assessment to establish whether intangible assets should continue to be recognised or if any part should be impaired.

On the basis of its assessment, management concluded that GBP0.36 million of intangible assets were impaired and this amount was recognised in the statement of total comprehensive income for the period ended 31 October 2017. Following the impairment, at 31 October 2017 the carrying amount of the Group's intangible assets amounted to GBP1.37 million.

We focussed on this area because of the significance of the amounts impaired during the current and the previous financial periods and of the carrying amount at 31 December 2017, and because the determination of whether elements of intangible assets are impaired involves complex and subjective judgements by the Directors about the future results of the relevant parts of the business.

How the key audit matter was addressed in our audit

We evaluated the suitability and appropriateness of the impairment methodology applied by management and reviewed and challenged the methodology applied and the underlying assumptions. We also communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions.

On the basis of our work we determined that management's decision to impair part of the intangible assets during the period ended 31 October 2017, and that no impairment of the remaining intangible assets was required, was reasonable.

3. Going concern

Key audit matter

At balance sheet date the Company and Group had net liabilities amounting to GBP7.6 million and GBP19.9 million respectively. Consequently, this warrants specific audit focus.

As explained in note 4.1 – Going Concern, the Directors have obtained assurance that the majority shareholder of the Company will continue to support the Company and the Group financially on an ongoing basis, to enable them to meet their liabilities as and when they fall due.

How the key audit matter was addressed in our audit

We obtained written confirmation from the majority shareholder of the Company that it will continue to support the Company and the Group to ensure that they will be able to meet their liabilities as they fall due and that they will continue operating as a going concern. We have also assessed the financial strength of the shareholder and ensured that they have sufficient financial resources to support the Company and the Group as required. We also assessed the adequacy of the disclosures made in note 4.1 - *Going concern*, of the financial statements.

Based on the audit work done we concluded that management's use of the going concern assumption in the preparation of the financial statements is appropriate.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

Responsibilities of 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 IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, 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's 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. The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the 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 Listing Rules issued by the Listing Authority (the "Listing Rules") require the Directors to prepare and include in their Annual Report a Statement of Compliance with the Code of Principles of Good Corporate Governance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

Listing Rules also require us, as the auditor of the Company, 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 8 to 12 has been properly prepared in accordance with the requirements of the Listing Rules.

Other matters on which we are required to report by exception

We also have responsibilities

- under the Companies Act, Cap 386 to report to you if, in our opinion:
  - adequate accounting records have not been kept
  - the financial statements are not in agreement with the accounting records
  - we have not received all the information and explanations we require for our audit.

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

Other than the effects of the limitation of scope explained in the Basis for qualified opinion section of our report, we have nothing to report to you in respect of these responsibilities.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.

Mark Bugeja (Partner) for and on behalf of
GRANT THORNTON
Fort Business Centre, Level 2
Mriehel Bypass
Birkirkara BKR 3000
Malta

2 July 2018