

The following is a Company Announcement issued by 6PM HOLDINGS P.L.C., a company registered under the laws of Malta with company registration number C 41492 and having its registered office at 52, St. Christopher Street, Valletta VLT 1462, Malta (hereinafter the “Company”), pursuant to the Listing Rules issued by the Listing Authority.

**Quote**

Approval and publication of Annual Report and Audited Financial Statements

The Company announces that its Board of Directors has approved the Company’s Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> October 2020 by virtue of a resolution in writing signed by all of the Directors of the Company on 26<sup>th</sup> February 2021, pursuant to the articles of association of the Company.

The Board of Directors shall be recommending to the Annual General Meeting of the Company that no dividend be declared.

The Company notes that, in terms of Listing Rule 5.16.24, the Board of Directors has determined that the results set out in the aforesaid Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> October 2020 differ by more than ten percent (10%) from previously published forecast financial information. The variance threshold was breached as a result of the transfer in ownership of Idox Health Limited from the Company to Idox plc on 30<sup>th</sup> June 2020 for a consideration of £3,000,000. Results of Idox Health Limited had originally been included in the Company’s projections for FY20, although alongside the exit of its Maltese operations, the decision was taken to further rationalise the 6PM Group and harmonise with the wider Idox Group. Further detail is set out in said financial statements for the financial year ended 31<sup>st</sup> October 2020 published on the date hereof and available for viewing as detailed below.

The Company further announces that the Board of Directors resolved that the aforesaid Annual Report and Audited Financial Statements be submitted to the shareholders of the Company for their approval at the forthcoming Annual General Meeting scheduled to take place on Monday, 22<sup>nd</sup> March 2021 at 2<sup>nd</sup> floor, 1310 Waterside, Arlington Business Park, Theale, RG7 4SA, United Kingdom.

A copy of the Company’s Annual Report and Audited Financial Statements for the financial year ended 31<sup>st</sup> October 2020, as approved, is available for viewing below as an attachment to this announcement and at the Company’s registered office, and is also available for download from the following link on the Company’s website: <https://health.idoxgroup.com/investor-information/bond-issue-information>.

**Unquote**



Dr Luca Vella  
Company Secretary

26<sup>th</sup> February 2021

# **6PM Holdings p.l.c.**

ANNUAL REPORT & ACCOUNTS 2020

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## Company details

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

## Directors' report

For the year ended 31 October 2020

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### Directors' Report

The Directors present their report of the 6PM Group (the 'Group') for the year ended 31 October 2020.

### Principal Activities

The Group consists of a holding company, an entity that provides software development services and non-trading entities. 6PM Holdings p.l.c. (the Company) acts as a holding company.

### Results

The results for the year ended 31 October 2020 are shown in the Statements of Total Comprehensive Income on page 11.

The Group registered a loss after tax of £118,000 (2019: profit £1,571,000). The Company registered a profit after tax of £1,482,000 (2019 loss: £741,000).

The Group forms part of the wider Idox group and has undergone a process to consolidate and simplify its operations in FY20. Non-core and loss making operations were disposed of during the year, notably being the trade and assets of the emCare Business to Go plc and the sale of its shareholding in SIX-PM Health Solutions (Ireland) Limited. Ownership of Idox Health Limited was transferred to Idox plc from the Group for a consideration of £3,000,000 on 30 June 2020.

The Group expects to consolidate its operations further in FY21 with the reorganisation of its non-trading entities.

### Directors

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

Name	Executive/Non-executive/Independent Non-executive	Resigned/appointed
Mr David Meaden	Executive	
Mr Robert Grubb	Executive	
Mr Oliver Scott	Non-executive	resigned 11 August 2020
Mr Jeremy Millard	Independent Non-executive	resigned 15 September 2020
Mr Christopher Stone	Independent Non-executive	
Mrs Alice Cummings	Independent Non-executive	appointed 15 September 2020
Mr Philip Kelly	Independent Non-executive	appointed 11 August 2020

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

### Events after the End of the Reporting Period

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

### Risks and Uncertainties

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

### Going Concern

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

## Directors' report (continued)

For the year ended 31 October 2020

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### Going Concern (continued)

#### *Covid-19 pandemic impact on Going Concern assessment*

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

We remain cautious in respect of the ongoing impact of the Covid-19 pandemic but are confident we are fundamentally resilient to the challenges of the Covid-19 pandemic due to the Idox group's high recurring revenue base, its focus on public sector markets and the high proportion of staff that routinely work from home. The Idox group retains significant liquidity with cash and available committed bank facilities, and has strong headroom against financial covenants.

We continue to assess the impact of the Covid-19 pandemic on the business, taking actions to mitigate or limit the impacts on our organisation where we can and supporting our staff, customers and partners in dealing with the ongoing impacts.

### Future Developments

The Group expects to further simplify and consolidate in operations in FY21 with the reorganisation of its non-trading entities.

### Bondholders

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

### Auditors

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

### Disclosure of Information to the Auditor

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

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

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

Approved by the Board of Directors on 26 February 2021 and signed on its behalf by:



**Robert Grubb**  
Director



**David Meaden**  
Director

## Statement of Directors' Responsibilities

For the year ended 31 October 2020

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

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

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

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

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

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

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

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

Signed on behalf of the Board of Directors on 26 February 2021 by:



**Robert Grubb**  
Director



**David Meaden**  
Director

## Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance For the year ended 31 October 2020

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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 Listing Rules issued by the Listing Authority 5.94 and 5.97, the Company is hereby presenting a statement of compliance with the Code of Principles of Good Corporate Governance ("the Principles" or "the Code") for the year ended 31 October 2020, which details the extent to which the Principles have been adopted, as well as the effective measures taken by the Company to ensure compliance with these Principles. Other than as stated in Part Two below, the Company has fully implemented the Principles set out in the Code.

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

### Compliance with the Code

#### Principle 1 – The Board

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

In fulfilling its mandate, the Board assumes responsibility for:

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

#### Principle 2 – Chairman and Chief Executive

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

#### Principle 3 – Composition of the Board

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

The Board of the Company who served during the year is disclosed on page 3 of the Directors report.

Dr Luca Vella acted as secretary to the Board.

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

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

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

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

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

For the year ended 31 October 2020

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## **Principle 3 – Composition of the Board (continued)**

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

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

## **Principle 4 – The Responsibilities of the Board**

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

## **Principle 5 – Board Meetings**

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

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

## **Principle 6 – Information and Professional Development**

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

## **Principle 7 – Evaluation of the Board's Performance**

The Board and each of its committees perform an annual self-evaluation of their performance.

## **Principle 8 – Committees**

The Board delegates certain powers, authorities and discretions to the audit committee.

### *Audit Committee*

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

The audit committee comprised the following non-executive Directors throughout the reporting period:

Mr Christopher Stone	Independent non-executive Director
Mr Jeremy Millard	Independent non-executive Director (resigned 15 September 2020)
Mr Oliver Scott	Non-executive Director (resigned 11 August 2020)
Mr Philip Kelly	Independent non-executive Director (appointed 11 August 2020)
Mrs Alice Cummings	Independent non-executive Director (appointed 15 September 2020)

The audit committee met four times during the year.

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

## **Principles 9 and 10 - Relations with Shareholders and with the Market and Institutional Shareholders**

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

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

For the year ended 31 October 2020

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

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

### **Principle 11 - Conflicts of Interest**

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

### **Principle 12 - Corporate Social Responsibility**

The Company remains committed to be a responsible company and making a positive contribution to society and the environment. This helps the Group develop strong relationships with its stakeholders and create long-term value for society and its business where possible.

### **Part Two - Non-Compliance with the Code**

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

### **Principle 7 - Evaluation of the Board**

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

### **Principle 8 - Nomination Committee and Remuneration Committee**

The Memorandum and Articles of Association of the Company regulates the appointment of Directors. Article 55.1 of the Articles of Association provides that a member holding not less than 0.5% of the issued share capital of the Company having voting rights or a number of members who in the aggregate hold not less than 0.5% of the issued share capital of the Company having voting rights shall be entitled to nominate a fit and proper person for appointment as a Director of the Company. In addition, the Directors themselves or a committee appointed for the purpose by the Directors may make recommendations and nominations to the shareholders for the appointment of Directors at the next annual general meeting. Furthermore, in accordance with the provisions of 55.3 of the Articles of Association of the Company, in the event that the Board is of the opinion that none of the Directors appointed or elected in accordance with the provisions of these Articles is a non-executive independent Director competent in accounting and/or auditing as required by the 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 26 February 2021 and signed on its behalf by:



**Robert Grubb**  
Director



**David Meaden**  
Director

## Remuneration Statement

For the year ended 31 October 2020

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### 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. All Directors had service contracts with a subsidiary of the ultimate parent company in the period under review. No Director is entitled to any share option, profit sharing, pension benefit or any other remuneration and no other fees were payable to any of the Directors during the period under review.

### Remuneration Policy – Senior Executives

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

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

	<b>Total</b>
	<b>£</b>
Executive	767,152
Non-executive	160,598
Total	<u>927,750</u>

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

Signed on behalf of the Board of Directors on 26 February 2021 by:



**Robert Grubb**  
Director



**David Meaden**  
Director

## Remuneration Statement

For the year ended 31 October 2020

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### Statement by Directors

#### Pursuant to Listing Rule 5.64.1 - Share Capital Structure

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

#### Pursuant to Listing Rule 5.64.3 – Direct and Indirect Shareholdings

At 31 October 2020 all shares were held by Idox plc, save for one (1) ordinary share which, with effect from 18 September 2018, is held by Idox Software Ltd (Registration No: 2933889) (said 1 ordinary share was previously held by Calamatta Cuschieri Investment Services Limited A/c Clients Nominee), and there have been no changes in shareholding since that date to the date of authorisation of these financial statements.

#### Pursuant to Listing Rule 5.70.1 - Contracts of Significance

There were no loans between any of the Directors and company within the Group. Furthermore, there were no significant contracts between any of the Directors and any of the Group companies aside from normal contracts of employment.

#### Pursuant to Listing Rule 5.70.2 - Company Secretary and Registered Office

Dr Luca Vella  
Idox Business Centre,  
Triq-it-Torri,  
Swatar,  
Birkirkara,  
BKR 4012  
Malta

E-mail address: [companysecretary@idoxgroup.com](mailto:companysecretary@idoxgroup.com)

Signed on behalf of the Board of Directors on 26 February 2021 by:



**Robert Grubb**  
Director



**David Meaden**  
Director

## Consolidated Statements of Total Comprehensive Income

For the year ended 31 October 2020

	Note	Group Year ended 31 October 2020 £'000	Group Year ended 31 October 2019 £'000	Company Year ended 31 October 2020 £'000	Company Year ended 31 October 2019 £'000
Revenue		3,831	7,403	-	-
Cost of sales		(426)	(537)	-	-
<b>Gross profit</b>		3,405	6,866	-	-
Administrative and other expenses		(5,179)	(4,904)	(409)	(294)
Other operating income		461	145	-	17
		(1,313)	2,107	(409)	(277)
Finance income	7	3,064	87	2,561	-
Finance costs	7	(1,564)	(606)	(670)	(464)
<b>Profit / (loss) before taxation</b>	8	187	1,588	1,482	(741)
Tax expense	9	(305)	(17)	-	-
<b>(Loss) / profit after taxation</b>		(118)	1,571	1,482	(741)
<b>(loss) / profit for the financial year attributable to:</b>					
Owners of the parent		(118)	1,687	1,482	(741)
Non-controlling interest		-	(116)	-	-
		(118)	1,571	1,482	(741)
<b>Other comprehensive loss – items that may subsequently be reclassified to profit and loss:</b>					
Foreign exchange loss on consolidation		(221)	(121)	-	-
<b>Other comprehensive loss for the financial year, net of tax</b>		(221)	(121)	-	-
<b>Total comprehensive (loss) / profit for the financial year</b>		(339)	1,450	1,482	(741)
<b>Total comprehensive (loss) / profit for the financial year attributable to:</b>					
Owners of the parent		(339)	1,566	1,482	(741)
Non-controlling interest		-	(116)	-	-
		(339)	1,450	1,482	(741)
Basic earnings per share	10	(0.01)	0.08		
Diluted earnings per share	10	(0.01)	0.08		

## Consolidated Statements of Financial Position

For the year ended 31 October 2020

	Note	31 October 2020 £'000	31 October 2019 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	12	2	928
Property, plant and equipment	13	15	46
Investment in associate	20.2	19	19
Receivables	20.1	18	18
Deferred tax asset	15	-	8
		54	1,019
<b>Current assets</b>			
Inventories	16	-	77
Trade and other receivables	17	65	2,508
Cash and cash equivalents	18	354	462
		419	3,047
<b>Total assets</b>		473	4,066
<b>Current liabilities</b>			
Trade and other payables	19	(7,891)	(11,371)
Current tax liabilities		(8)	6
		(7,899)	(11,365)
<b>Non-current liabilities</b>			
Bonds in issue	20.3	(11,848)	(11,584)
<b>Total liabilities</b>		(19,747)	(22,949)
<b>Net liabilities</b>		(19,274)	(18,883)
<b>Equity</b>			
Share capital	23.1	4,151	4,151
Accumulated losses		(22,085)	(21,642)
Translation reserve	23.2	(1,340)	(1,304)
<b>Deficit attributable to owners of the parent</b>		(19,274)	(18,795)
Non-controlling interest		-	(88)
<b>Total deficit</b>		(19,274)	(18,883)

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2021 and were signed on its behalf by:



**Robert Grubb**  
Director



**David Meaden**  
Director

	<b>Note</b>	<b>31 October 2020 £'000</b>	<b>31 October 2019 £'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	1	23
Investment in associate	20.2	19	19
Receivables	20.1	18	18
		<u>38</u>	<u>60</u>
<b>Current assets</b>			
Trade and other receivables	17	4,237	2,825
Cash and cash equivalents	18	176	1
		<u>4,413</u>	<u>2,826</u>
<b>Total assets</b>		<u>4,451</u>	<u>2,886</u>
<b>Current liabilities</b>			
Trade and other payables	19	(249)	(430)
		<u>(249)</u>	<u>(430)</u>
<b>Non-current liabilities</b>			
Bonds in issue	20.3	(11,848)	(11,584)
<b>Total liabilities</b>		<u>(12,097)</u>	<u>(12,014)</u>
<b>Net liabilities</b>			
		<u>(7,646)</u>	<u>(9,128)</u>
<b>Equity</b>			
Share capital	23.1	4,151	4,151
Accumulated losses		(11,797)	(13,279)
<b>Total deficit</b>		<u>(7,646)</u>	<u>(9,128)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 February 2021 and were signed on its behalf by:



**Robert Grubb**  
Director



**David Meaden**  
Director

## Consolidated Statements of Changes in Equity

For the year ended 31 October 2020

	Share capital £'000	Accumulated losses £'000	Translation reserve £'000	Deficit attributable to owners of the parent £'000	Non-controlling interest £'000	Total £'000
<b>At 1 November 2018</b>	4,151	(22,737)	(1,183)	(19,769)	28	(19,741)
<b>Comprehensive profit/(loss) for the year:</b>						
Profit / (loss) for the year	-	1,687	-	1,687	(116)	1,571
IFRS 15 adjustment	-	(592)	-	(592)	-	(592)
Foreign exchange difference	-	-	(121)	(121)	-	(121)
<b>Total comprehensive profit/(loss) for the year</b>	-	1,095	(121)	974	(116)	858
<b>At 31 October 2019</b>	4,151	(21,642)	(1,304)	(18,795)	(88)	(18,883)
Loss) for the year	-	(118)	-	(118)	-	(118)
Reserve transfer	-	(325)	185	(140)	-	(140)
Disposal of investment	-	-	-	-	88	88
Foreign exchange difference	-	-	(221)	(221)	-	(221)
<b>Total comprehensive loss for the year</b>	-	(443)	(36)	(479)	88	(391)
<b>At 31 October 2020</b>	4,151	(22,085)	(1,340)	(19,274)	-	(19,274)

## Company Statements of Changes in Equity

For the year ended 31 October 2020

	<b>Share capital £'000</b>	<b>Accumulated losses £'000</b>	<b>Total £'000</b>
<b>At 1 November 2018</b>	4,151	(12,538)	(8,387)
<b>Comprehensive loss for the year:</b>			
Loss for the year	-	(741)	(741)
<b>Total comprehensive loss for the year</b>	-	(741)	(741)
<b>At 31 October 2019</b>	4,151	(13,279)	(9,128)
<b>Comprehensive profit for the year:</b>			
Profit for the year	-	1,482	1,482
<b>Total comprehensive profit for the year</b>	-	1,482	1,482
<b>At 31 October 2020</b>	4,151	(11,797)	7,646

## Statement of Cash Flows

For the year ended 31 October 2020

	Group Year ended 31 October 2020 £'000	Group Year ended 31 October 2019 £'000	Company Year ended 31 October 2020 £'000	Company Year ended 31 October 2019 £'000
<b>Cash flows from operating activities</b>				
Profit / (loss) before taxation	187	1,588	1,482	(741)
Finance income	7 (3,064)	(87)	(2,561)	-
Finance costs	7 1,564	606	670	464
IFRS 15 adjustment	-	(592)	-	-
Six-PM Health Solutions (Ireland) Ltd reclassification	-	83	-	-
Depreciation	8 49	49	-	-
Amortisation	261	499	-	-
Disposal of intangible assets	665	-	-	-
Loss on disposal of PPE	(24)	-	-	-
Adjusted profit / (loss) from operations before changes in working capital	(362)	2,146	(409)	(277)
Decrease in inventories	16 77	30	-	-
(Decrease) / increase in trade and other receivables	17 2,443	550	(1,412)	740
(Decrease) / increase in trade and other payables	19 (3,480)	(1,430)	55	156
<b>Cash flows from operations</b>	(1,322)	1,296	(1,766)	619
Income tax paid	(282)	(73)	-	-
<b>Net cash (outflow) / inflow from operating activities</b>	(1,604)	1,223	(1,766)	619
<b>Cash flows from investing activities</b>				
Deferred payments made for the acquisition of subsidiaries	1 -	(97)	23	(97)
Deferred payments received for the disposal of subsidiaries	-	18	-	17
Acquisition of intangible assets	12 -	(385)	-	-
Acquisition/disposal of property, plant and equipment	13 9	(57)	-	-
Gain on sales of investments	7 3,064	87	2,561	-
<b>Net cash outflow from investing activities</b>	3,073	(434)	2,584	(80)
<b>Cash flows from financing activities</b>				
Interest paid and other finance income	(1,537)	(681)	(643)	(539)
<b>Net cash outflow from financing activities</b>	(1,537)	(681)	(643)	(539)
<b>Net increase in cash and cash equivalents</b>	(68)	108	175	-
Cash and cash equivalents at beginning of year	462	307	1	1
Exchange gain / (loss) on cash and cash equivalents	(40)	47	-	-
<b>Cash and cash equivalents at end of year</b>	354	462	176	1
<b>Comprising:</b>				
Cash at bank	18 354	462	176	1
	354	462	176	1

#### 1. Nature of operations

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

#### 2. General information and statement of compliance with IFRS

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

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

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

The consolidated financial statements and the Company financial statements for the year ended 31 October 2020 (including comparatives) were approved and authorised for issue by the Board of Directors on 26 February 2021.

#### 3. Changes in accounting policies

##### International Financial Reporting Standards and Interpretations issued but not yet effective

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

- IFRIC 17 Insurance Contracts – effective for periods commencing on or after 1 January 2023.
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – effective for periods commencing on or after 1 January 2020.
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current - effective for periods commencing on or after 1 January 2022.
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds Before Intended Use - effective for periods commencing on or after 1 January 2022.
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract - effective for periods commencing on or after 1 January 2022.

##### Adoption of new and revised standards

- IFRS 16 'Leases' - the standard was adopted for the first time in the year ending 31 October 2020. The Group applied IFRS 16 on a modified retrospective basis from the date of initial application (1 November 2019), without restatement of comparative amounts.

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

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

#### 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.

In December 2019 the Group refinanced with the Royal Bank of Scotland plc, Silicon Valley Bank and Santander UK plc. The facilities, which comprise a revolving credit facility of £35,000,000, are committed until December 2022, with an option to extend this commitment for a further two years.

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

##### *Covid-19 pandemic impact on Going Concern assessment*

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

We remain cautious in respect of the ongoing impact of the Covid-19 pandemic but are confident we are fundamentally resilient to the challenges of the Covid-19 pandemic due to the Idox group's high recurring revenue base, its focus on public sector markets and the high proportion of staff that routinely work from home. The Idox group retains significant liquidity with cash and available committed bank facilities, and has strong headroom against financial covenants.

We continue to assess the impact of the Covid-19 pandemic on the business, taking actions to mitigate or limit the impacts on our organisation where we can and supporting our staff, customers and partners in dealing with the ongoing impacts.

As part of the preparation of our FY20 results, the Idox group has carefully assessed if any ongoing impact of the Covid-19 pandemic creates any material uncertainty in our going concern assessment. Detailed financial forecasting, as well as severe stress-testing in our financial modelling has been performed and have not identified any credible scenarios that would cast doubt on our ability to continue as a going concern.

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

##### 4.2 Basis of preparation

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

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

##### 4.3 Basis of consolidation

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

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

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

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

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.

#### 4.5 Foreign currency translation

##### Foreign currency transactions and balances

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

#### 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

Management assesses both legal paperwork and the underlying commercial specifics of transactions, alongside accounting standards, to determine revenue recognition treatment. This assessment could involve internal chartered accountants, internal legal staff, operational staff and professional advice where appropriate.

The adoption of IFRS 15 from 1 November 2018 has been a key revenue recognition consideration for the Group this period and going forward. The Group has prepared an underlying technical framework to substantiate current and ongoing judgements on revenue recognition.

Management exercise judgement over various elements of a contract, for example:

- the point at which the customer takes full control of any bundled software solution;
- an estimate of the value of the underlying elements of a bundled software solution; and
- whether it is appropriate to recognise revenue on certain contracts prior to an invoice being raised, where work has been completed and there is a high degree of certainty of the contract being completed, with the invoice raised and cash received.

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

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### 4.7 Revenue recognition (continued)

#### **Sale of goods**

Revenue from the sale of goods is recognised when a group entity sells a product to the customer.

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

#### **Sale of services**

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

### 4.8 Administrative and other expenses

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

### 4.9 Borrowing costs

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

### 4.10 Intangible assets

#### **Initial recognition**

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

#### **Developed software**

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

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

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

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

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

#### **Computer software and licences**

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

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

#### **Web page design**

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

#### **Agencies**

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

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### 4.10 Intangible assets (continued)

#### Subsequent measurement

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

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

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

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

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

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

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

Amortisation has been included within administrative and other expenses.

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

### 4.11 Property, plant and equipment

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

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

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

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

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

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

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

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

#### 4.12 Leased assets

##### Operating leases

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

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

#### 4.13 Impairment of intangible assets and property, plant and equipment

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

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

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

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

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

#### 4.14 Financial instruments

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

##### Financial assets

##### Classification

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

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

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

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

#### 4.14 Financial instruments (continued)

##### Recognition and derecognition

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

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

##### Measurement

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

- (a) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- (b) **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- (c) **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. From 1 November 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### Impairment

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

##### *Assets carried at amortised costs*

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

##### *Accounting policies applied until 31 December 2017*

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

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

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

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### 4.14 Financial instruments (continued)

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

#### **Trade and other receivables**

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

#### **Cash and cash equivalents**

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

#### **Financial liabilities and equity**

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

#### **Bond**

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

#### **Trade and other payables**

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

#### **Equity instruments**

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

### 4.15 Inventories

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

### 4.16 Income taxes

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

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

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

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

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### 4.16 Income taxes (continued)

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

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

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

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

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

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

### 4.17 Cash and cash equivalents

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

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

### 4.18 Equity, reserves and dividend payments

Equity comprises the following:

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

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

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

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### 4.19 Retirement benefits and short-term employee benefits

#### Retirement benefit plans

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

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

#### Short-term employee benefits

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

### 4.20 Provisions, contingent assets and contingent liabilities

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

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

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

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

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

### 4.21 Investment in subsidiaries

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

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

### 4.22 Investment in associates and joint ventures

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

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

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

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

***Significant management judgements***

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

***Recognition of service contract revenues***

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

***Capitalisation of internally developed software***

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

***Recognition of deferred tax assets***

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

***Estimation uncertainty***

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

***Impairment of non-financial assets***

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

***Useful lives of depreciable assets***

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

***Inventories***

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

***Business combinations***

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

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 5. Segmental reporting - Group

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

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

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

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

#### Operating segments

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

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

#### Year ended 31 October 2020

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 5. Segmental reporting – Group (continued)

#### Year ended 31 October 2019

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

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

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Malta	230	484

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

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 5. Segmental reporting – Group (continued)

##### Geographic segments

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

##### Year ended 31 October 2020

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

##### Year ended 31 October 2019

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

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:

	<b>Group</b>	<b>Group</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 October</b>	<b>31 October</b>
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	1,536	2,648
Social security costs	115	313
Pensions – defined contribution plans	48	51
	<u>1,699</u>	<u>3,012</u>

Remuneration to employees ceased after the date of transfer of ownership on 30 June 2020.

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 6. Employee remuneration

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

	<b>Group Year ended 31 October 2020</b>	<b>Group Year ended 31 October 2019</b>
Administrative	3	17
Operational	54	74
	<u>57</u>	<u>91</u>

There was no employee benefits' expense recognised by the Company during 2020 and 2019. The Company has no employees as at 31 October 2020.

#### 6.2 Key management personnel compensation

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

#### 7. Finance income/costs

Finance income for the year presented consist of the following:

	<b>Group Year ended 31 October 2020 £'000</b>	<b>Group Year ended 31 October 2019 £'000</b>	<b>Company Year ended 31 October 2020 £'000</b>	<b>Company Year ended 31 October 2019 £'000</b>
Gain on sale of investments	3,000	87	2,355	-
Inter group revenue	64	-	-	-
Inter group revenue	-	-	206	-
	<u>3,064</u>	<u>87</u>	<u>2,561</u>	<u>-</u>

**Finance costs** for the year presented consist of the following:

	<b>Group Year ended 31 October 2020 £'000</b>	<b>Group Year ended 31 October 2019 £'000</b>	<b>Company Year ended 31 October 2020 £'000</b>	<b>Company Year ended 31 October 2019 £'000</b>
Interest on bond securities	596	538	511	538
Effective interest rate adjustment	27	(75)	27	(75)
Other interest	350	143	132	1
Loss on disposal on subsidiaries	591	-	-	-
	<u>1,564</u>	<u>606</u>	<u>670</u>	<u>464</u>

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

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

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

	<b>Group Year ended 31 October 2020 £'000</b>	<b>Group Year ended 31 October 2019 £'000</b>	<b>Company Year ended 31 October 2020 £'000</b>	<b>Company Year ended 31 October 2019 £'000</b>
Depreciation on tangible assets	24	49	-	-
Depreciation on lease right of use assets	25	-	-	-
Amortisation	261	499	-	-

Directors' remuneration is disclosed in note 25.4.

Information on auditor's remuneration is as follows:

<b>Group</b>	<b>Year ended 31 October 2020 £'000</b>	<b>Year ended 31 October 2019 £'000</b>
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	36	88
Total fees payable to other auditors	37	75
Total fees payable to the parent Company's auditor for non-audit services	10	29

  

<b>Company</b>	<b>Year ended 31 October 2020 £'000</b>	<b>Year ended 31 October 2019 £'000</b>
Total remuneration payable to the Company's auditor for the audit of the Company's financial statements	22	18
Total fees payable to other auditors	7	12
Total fees payable to the Company's auditor for non-audit services	-	-

Other financial items consist of the following:

	<b>Group Year ended 31 October 2020 £'000</b>	<b>Group Year ended 31 October 2019 £'000</b>	<b>Company Year ended 31 October 2020 £'000</b>	<b>Company Year ended 31 October 2019 £'000</b>
(Gain)/Loss from exchange differences on receivables	(237)	17	-	-

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 9. Tax expense

The major components of tax (expense) income and the reconciliation of the expected tax income based on the domestic effective tax rate of the Company at 35% (2019: 35%) and the reported tax (expense) / income in profit or loss are as follows:

	<b>Group Year ended 31 October 2020 £'000</b>	<b>Group Year ended 31 October 2019 £'000</b>	<b>Company Year ended 31 October 2020 £'000</b>	<b>Company Year ended 31 October 2019 £'000</b>
<b>Profit / (loss) before taxation</b>	187	1,588	1,482	(741)
Expected tax (expense) / income	(66)	(556)	(518)	259
Factors affecting tax (expense) / income for the year:				
Accelerated capital allowances	-	11	-	-
International losses not recognised	(137)	(2)	-	-
Different tax rates in foreign jurisdictions	213	46	-	-
Disallowed income / (expenses)	(334)	(352)	518	(259)
Research and development credit	-	(1)	-	-
Group relief	53	806	-	-
Other timing differences	4	5	-	-
Adjustment to tax in prior periods	(38)	26	-	-
<b>Actual tax (expense) / income</b>	<b>(305)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>
	<b>Group Year ended 31 October 2020 £'000</b>	<b>Group Year ended 31 October 2019 £'000</b>	<b>Company Year ended 31 October 2020 £'000</b>	<b>Company Year ended 31 October 2019 £'000</b>
<b>Tax (expense) / income comprises:</b>				
Current tax income / (expense)	(305)	21	-	-
Deferred tax expense	-	(38)	-	-
<b>Tax (expense) / income</b>	<b>(305)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>

A deferred tax asset in respect of trading losses, unabsorbed capital allowances and group loss relief of £10,480,000 has not been recognised due to the uncertainty over timing of future profits (2019: £7,638,000). This unprovided deferred tax asset is recoverable against suitable future trading profits. Note 15 provides information on the deferred tax asset.

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 10. Earnings per share and dividends

##### Earnings per share - Group

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

	<b>Year ended 31 October 2020</b>	<b>Year ended 31 October 2019</b>
(Loss) / Profit attributable to equity holders of the Group (£'000)	(118)	1,687
Weighted average number of shares in issue	20,982,938	20,982,938
Basic earnings per share (£)	<u>(0.01)</u>	<u>0.08</u>

Diluted earnings per share is calculated by adjusting the average number of shares in issue during the year to assume conversion of all dilutive potential ordinary shares. The Group had no potentially dilutive shares in the year ended 31 October 2020 or the year ended 31 October 2019. Diluted earnings per share is therefore the same as basic earnings per share.

##### Dividends

During the year ended 31 October 2020, no dividends were paid to the equity shareholders of 6PM Holdings plc (year ended 31 October 2019: £Nil).

#### 11. Investments in subsidiaries

	<b>£'000</b>
<b>Cost</b>	
At 1 November 2019	7,481
Disposal of subsidiaries	<u>(22)</u>
<b>At 31 October 2020</b>	<u>7,459</u>
<b>Impairment</b>	
At 1 November 2019	<u>7,458</u>
<b>At 31 October 2020</b>	<u>7,458</u>
<b>Net book value</b>	
<b>At 31 October 2020</b>	<u>1</u>
At 31 October 2019	<u>23</u>

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 11. Investments in subsidiaries (continued)

#### Composition of the Group

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Registered address	Principal Activity	Place of incorporation and operation	% ownership held	
				31 October 2020	31 October 2019
6PM Limited	Idox Business Centre, Triq-it-Torri, Swatar, Birkirkara, BKR 4012 Malta	Healthcare IT solutions	Malta	99.99	99.99
Idox DOOEL	5,Vasil Gjorgov Street 1000 Skopje, Macedonia	Software development	Macedonia	100	100
6PM Infrastructure Ltd	Idox Business Centre, Triq-it-Torri, Swatar, Birkirkara, BKR 4012 Malta	IT services	Malta	100	100
6PM Agencies Ltd	Idox Business Centre, Triq-it-Torri, Swatar, Birkirkara, BKR 4012 Malta	Dormant	Malta	100	100
emCare360 Ltd**	Idox Business Centre, Triq-it-Torri, Swatar, Birkirkara, BKR 4012 Malta	Healthcare IT solutions	Malta	100	100
emCare Group Malta Limited**	Idox Business Centre, Triq-it-Torri, Swatar, 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.

Notes to the Accounts (continued)

For the year ended 31 October 2020

**12. Intangible assets - Group**

	<b>Computer software and licences £'000</b>	<b>Developed software £'000</b>	<b>Web page design £'000</b>	<b>Agencies £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
<b>At 1 November 2018</b>	417	6,700	43	340	7,500
Additions	-	385	-	-	385
Foreign exchange differences	(1)	(14)	-	2	(13)
<b>At 31 October 2019</b>	416	7,071	43	342	7,872
Additions	-	116	-	-	116
Transfer on novation of trade	(406)	(7,187)	(43)	(342)	(7,978)
<b>At 31 October 2020</b>	10	-	-	-	10
<b>Amortisation</b>					
<b>At 1 November 2018</b>	411	5,664	43	340	6,458
Charge for year	1	498	-	-	499
Foreign exchange differences	(1)	(14)	-	2	(13)
<b>At 31 October 2019</b>	411	6,148	43	342	6,944
Charge for year	2	259	-	-	261
Transfer on novation of trade	(406)	(6,407)	(43)	(342)	(7,198)
Foreign exchange differences	1	-	-	-	1
<b>At 31 October 2020</b>	8	-	-	-	8
<b>Net book value</b>					
<b>At 31 October 2020</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
At 31 October 2019	5	923	-	-	928

Amortisation is included within administrative and other expenses.

Wages capitalised amounted to £116,000 (2019: £381,000).

Notes to the Accounts (continued)

For the year ended 31 October 2020

**13. Property, plant and equipment - Group**

	<b>Furniture, fittings and equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
<b>At 1 November 2018</b>	2,781	183	2,964
Additions	57	-	57
Disposals	-	-	-
Six-PM Health Solutions (Ireland) Ltd reclassification	(70)	(13)	(83)
Foreign exchange differences	19	1	20
<b>At 31 October 2019</b>	2,787	171	2,958
Additions	9	-	9
Transfer on novation of trade	(2,709)	-	(2,709)
Disposals	-	(171)	(171)
Foreign exchange differences	7	-	7
<b>At 31 October 2020</b>	<u>94</u>	<u>-</u>	<u>94</u>
<b>Depreciation</b>			
<b>At 1 November 2018</b>	2,672	171	2,843
Charge for year	49	-	49
Foreign exchange differences	19	1	20
<b>At 31 October 2019</b>	2,740	172	2,912
Charge for year	24	-	24
Disposals	-	(172)	(172)
Transfer on novation of trade	(2,687)	-	(2,687)
Foreign exchange differences	2	-	2
<b>At 31 October 2020</b>	<u>79</u>	<u>-</u>	<u>79</u>
<b>Net book value</b>			
<b>At 31 October 2020</b>	<u>15</u>	<u>-</u>	<u>15</u>
At 31 October 2019	<u>47</u>	<u>(1)</u>	<u>46</u>

Depreciation is included within administrative and other expenses.

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 14. Leasing arrangements - Group

#### Operating leases – as lessee

Operating leases primarily relate to land and buildings.

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

	31 October 2020 £'000	31 October 2019 £'000
<b>Land and buildings</b>		
Within 1 year	-	97
2 - 5 years	-	174
After 5 years	-	33
	<u>-</u>	<u>304</u>
<b>Other</b>		

Total operating lease expense recognised during the year ended 31 October 2020 amounted to £60,000 (year ended 31 October 2019: £136,000).

### 15. Deferred tax asset

Analysis of recognised deferred tax balances:

	Group 31 October 2020 £'000	Group 31 October 2019 £'000	Company 31 October 2020 £'000	Company 31 October 2019 £'000
Opening balance	8	15	-	-
Opening IFRS 15 adjustment	-	31	-	-
Current year charge at 35%	-	(37)	-	-
Eliminated on transfer of trade	(8)	-	-	-
Origination and reversal of temporary differences	-	(1)	-	-
Closing balance	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>

Deferred income taxes are calculated on all temporary differences under the liability method under a principal tax rate of 35% (2019: 35%). The Directors consider the deferred taxation as at the end of the reporting period to be of a non-current nature.

### 16. Inventories - Group

	31 October 2020 £'000	31 October 2019 £'000
Goods held for resale	<u>-</u>	<u>77</u>
Amounts of inventories recognised as an expense during the year as cost of sales	<u>346</u>	<u>385</u>

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 17. Trade and other receivables

Trade and other receivables consist of the following:

	<b>Group 31 October 2020 £'000</b>	<b>Group 31 October 2019 £'000</b>	<b>Company 31 October 2020 £'000</b>	<b>Company 31 October 2019 £'000</b>
Trade receivables	-	1,620	-	-
Other receivables	32	31	18	18
Prepayments and contract receivables	33	857	6	5
Amounts owed by group companies	-	-	4,213	2,802
	<u>65</u>	<u>2,508</u>	<u>4,237</u>	<u>2,825</u>

The Directors consider the carrying value of trade and other receivables is approximate to its fair value. All the Group's and Company's trade and other receivables have been reviewed for indicators of impairment. The Group suffers a small incidence of credit losses. However, where management views that there is a significant risk of non-payment, a specific provision for impairment is made and recognised as a deduction from trade receivables. All trade receivables and the corresponding impairment provisions were transferred to Idox plc as part of the transfer of ownership of Idox Health Ltd on 30 June 2020.

	<b>Group 31 October 2020 £'000</b>	<b>Group 31 October 2019 £'000</b>	<b>Company 31 October 2020 £'000</b>	<b>Company 31 October 2019 £'000</b>
Impairment provision opening balance	31	40	-	-
Provisions added during the year	27	-	-	-
Provisions utilised during the year	(51)	-	-	-
Provision transferred during the year	(7)	(9)	-	-
Impairment provision closing balance	<u>-</u>	<u>31</u>	<u>-</u>	<u>-</u>

At the reporting date, the Group had no trade receivables that had not been settled at the contractual due date. The amounts, analysed by the length of time past due, are:

	<b>Group 31 October 2020 £'000</b>	<b>Group 31 October 2019 £'000</b>
Not more than 3 months	-	566
More than 3 months but not more than 6 months	-	647
More than 6 months but not more than 1 year	-	(9)
More than one year	-	3
	<u>-</u>	<u>1,207</u>

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 18. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	<b>Group</b> <b>31 October</b> <b>2020</b> <b>£'000</b>	<b>Group</b> <b>31 October</b> <b>2019</b> <b>£'000</b>	<b>Company</b> <b>31 October</b> <b>2020</b> <b>£'000</b>	<b>Company</b> <b>31 October</b> <b>2019</b> <b>£'000</b>
Cash at bank and in hand:				
GBP	176	56	176	1
EUR	126	388	-	-
MKD	52	18	-	-
Cash and cash equivalents	<u>354</u>	<u>462</u>	<u>176</u>	<u>1</u>

As at 31 October 2020 and 31 October 2019, no amounts were held by a third party in a bank deposit account.

### 19. Trade and other payables

Trade and other payables consist of the following:

	<b>Group</b> <b>31 October</b> <b>2020</b> <b>£'000</b>	<b>Group</b> <b>31 October</b> <b>2019</b> <b>£'000</b>	<b>Company</b> <b>31 October</b> <b>2020</b> <b>£'000</b>	<b>Company</b> <b>31 October</b> <b>2019</b> <b>£'000</b>
Trade payables	3	333	-	68
Accruals and contract liabilities	266	2,761	249	250
Amounts owed to group companies	6,875	6,977	-	-
Other payables	747	1,300	-	112
	<u>7,891</u>	<u>11,371</u>	<u>249</u>	<u>430</u>

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 20. Financial instruments

#### 20.1 Categories of financial assets and financial liabilities

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

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

<b>Group</b> <b>31 October 2019</b>		<b>Investment in</b> <b>Associate</b> <b>£'000</b>	<b>Loans and</b> <b>Receivables</b> <b>(amortised cost)</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
<b>Financial assets</b>				
Receivables		-	18	18
Other investment	a)	19	-	19
<b>Long-term financial assets</b>				
		19	18	37
<b>Short-term financial assets</b>				
Trade and other receivables	b)	-	2,389	2,389
Cash and cash equivalents		-	462	462
		-	2,851	2,851
		19	2,869	2,888

- 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

	<b>31 October</b> <b>2020</b> <b>£'000</b>	<b>31 October</b> <b>2019</b> <b>£'000</b>
<b>Financial liabilities</b>		
<b>Other liabilities (amortised cost):</b>		
Bonds in issue	11,848	11,584
Trade payables	3	333
Other payables	747	113
Income taxes	8	-
Amounts owed to group companies	6,875	6,977
Accruals	266	519
	<u>19,747</u>	<u>19,526</u>

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 20. Financial instruments (continued)

<b>Company</b>				
<b>31 October 2020</b>			<b>Investment in Associate</b>	<b>Loans and receivables (amortised cost)</b>
			<b>£'000</b>	<b>£'000</b>
				<b>Total</b>
				<b>£'000</b>
<b>Financial assets</b>				
Receivables			-	18
Other investment	a)		19	-
<b>Long-term financial assets</b>			19	18
<hr/>				
Receivables	b)		-	4,231
Cash and cash equivalents			-	176
<b>Short-term financial assets</b>			-	4,407
<hr/>				
			19	4,425
				4,444

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

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.

<b>Company</b>	<b>31 October 2020</b>	<b>31 October 2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial liabilities</b>		
<b>Other liabilities (amortised cost):</b>		
Bonds in issue	11,848	11,584
Other payables	-	112
Trade payables	-	68
Accruals	249	250
	<hr/>	<hr/>
	12,097	12,014

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

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 20. Financial instruments (continued).

#### 20.2 Investment in associate

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

	Group and Company	
	31 October 2020 £'000	31 October 2019 £'000
Investment in Javali LLC	19	19

The investment in associate relates to a 22.5% interest (31 October 2019: 22.5%) held by the Company in Javali LLC, a company incorporated in the state of Utah, United States of America.

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

#### 20.3 Bonds in issue

Bonds in issue are measured at amortised cost.

	Group and Company	
	31 October 2020 £'000	31 October 2019 £'000
<b>Non-current</b>		
130,000 bonds at €100 each	11,848	11,584

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

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

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

#### 20.4 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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 21. Financial instrument risk exposure and management

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

#### Risk management objectives and policies

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

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

#### 21.1 Market risk analysis

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

##### Foreign currency sensitivity

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

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

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

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

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

  

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

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

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 21. Financial instrument risk exposure and management (continued)

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

	Year ended 31 October 2020 Average	Year ended 31 October 2019 Average	As at 31 October 2020 Closing	As at 31 October 2019 Closing
EUR / GBP	0.8764	0.8844	0.9112	0.8930

The following table illustrates the sensitivity of the reported loss before tax and equity for the year ended 31 October 2020 to material exchange rate movements in the Pound relative to the Euro.

It assumes a +/- 10% change in the Pound relative to the closing rates for this currency employed in the year ended 31 October 2020.

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

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Profit before tax	1,242	1,160
Equity	1,242	1,160

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

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
Profit before tax	(1,242)	1,160
Equity	(1,242)	1,160

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

#### Interest rate sensitivity

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

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

At 31 October 2020 and 31 October 2019, the Group is exposed to changes in market interest rates through short-term bank overdrafts at variable interest rates and interest receivable on cash balances. The Group considers its exposure to interest rate risk to be immaterial.

#### 21.2 Credit risk

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

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 21. Financial instrument risk exposure and management (continued)

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

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

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>31 October</b>	<b>31 October</b>	<b>31 October</b>	<b>31 October</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	354	462	176	1
Long term receivables	18	18	18	18
Trade and other receivables	47	2,508	4,237	2,820
	<u>419</u>	<u>2,988</u>	<u>4,431</u>	<u>2,839</u>

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

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

At 31 October 2020 and 2019, the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. Further information regarding the impairment of trade receivables is disclosed in note 20.

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

#### 21.3 Liquidity risk

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

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

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

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

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

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 21. Financial instrument risk exposure and management (continued)

The tables below show the undiscounted cash flows on the Group's financial liabilities as at 31 October 2020 and 31 October 2019, based on their earliest possible contractual maturity (including interest payments where applicable):

#### At 31 October 2020

	<b>Total £'000</b>	<b>Within 1 year £'000</b>	<b>2-5 years £'000</b>	<b>Greater than 5 years £'000</b>
Trade payables	3	536	-	-
Accruals and contract liabilities	747	640	106	-
Amounts owed to group companies	6,875	6,343	-	-
Accruals	266	266	-	-
Bonds in issue	14,715	453	1,812	12,450
	<u>22,606</u>	<u>8,238</u>	<u>1,918</u>	<u>12,450</u>

#### At 31 October 2019

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

The tables below show the undiscounted cash flows on the Company's financial liabilities as at 31 October 2020 and 31 October 2019, based on their earliest possible contractual maturity:

#### At 31 October 2020

	<b>Total £'000</b>	<b>Within 1 year £'000</b>	<b>2-5 years £'000</b>	<b>Greater than 5 years £'000</b>
Accruals	249	249	-	-
Bonds in issue	14,715	453	1,812	12,450
	<u>14,964</u>	<u>702</u>	<u>1,812</u>	<u>12,450</u>

#### At 31 October 2019

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

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 22. Fair value measurement

#### 22.1 Fair value measurement of financial instruments

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

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended 31 October 2020 (2019: none).

There are no financial assets or liabilities measured at fair value on a recurring basis as at 31 October 2020 or 31 October 2019.

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

### 23. Equity

#### 23.1 Share capital

The total allotted share capital of the Company is:

<b>31 October 2020 and 2019</b>	<b>Authorised £'000</b>	<b>Issued and called up £'000</b>
25,000,000 ordinary shares of £0.20 each (20,982,938 of which have been issued and called up)	<u>5,000</u>	<u>4,151</u>

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

#### Rights and obligations

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

#### 23.2 Translation reserve

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

## Notes to the Accounts (continued)

### For the year ended 31 October 2020

#### 24. Capital management

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

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

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

	<b>Group</b> <b>31 October</b> <b>2020</b> <b>£'000</b>	<b>Group</b> <b>31 October</b> <b>2019</b> <b>£'000</b>	<b>Company</b> <b>31 October</b> <b>2020</b> <b>£'000</b>	<b>Company</b> <b>31 October</b> <b>2019</b> <b>£'000</b>
Deficit	(19,274)	(18,795)	(7,646)	(9,128)
Bonds in issue	11,848	11,584	11,848	11,584
Cash and cash equivalents	(354)	(462)	(176)	(1)
	<u>(7,780)</u>	<u>(7,673)</u>	<u>4,026</u>	<u>2,455</u>

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

#### 25. Related party transactions

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

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

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

##### 25.1 Group related party transactions

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

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

	<b>31 October</b> <b>2020</b> <b>£'000</b>	<b>31 October</b> <b>2019</b> <b>£'000</b>
<b>Amounts due from/ (payable to) related parties:</b>		
Idox Software Ltd	(9,875)	(6,977)
Idox plc	<u>3,000</u>	<u>-</u>

Related party transactions with Idox Software Ltd totalling £Nil were recognised as costs in the Group's statement of comprehensive income during the year ended 31 October 2020 (2019: £Nil).

## Notes to the Accounts (continued)

For the year ended 31 October 2020

### 25. Related party transactions (continued)

#### 25.2 Company related party transactions

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

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

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
<b>Amounts due from / (payable to) related parties:</b>		
6PM Limited	(423)	35
Idox Health Limited	-	3,206
6PM Infrastructure Ltd	116	108
6PM Agencies Ltd	137	128
Six-PM Health Solutions (Ireland) Ltd	-	18
Idox DOOEL	-	41
emCare Group Malta Limited	(347)	(226)
	<u>(517)</u>	<u>3,310</u>
	<b>Year ended 31 October 2020 £'000</b>	<b>Year ended 31 October 2019 £'000</b>
<b>Amounts due from / (payable to) to other group parties:</b>		
Idox Software Limited	1,730	(508)
Idox plc	3,000	-
	<u>4,730</u>	<u>(508)</u>

#### 25.4 Transactions with key management personnel

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

	Year ended 31 October 2020 £'000	Year ended 31 October 2019 £'000
<b>Remuneration of Directors:</b>		
Remuneration	928	556
Social security costs	117	72
Company pension contributions to defined contributions scheme	10	16
	<u>1,055</u>	<u>644</u>
<b>Remuneration of other key management personnel:</b>		
Remuneration	-	89
Social security costs	-	9
Company pension contributions to defined contributions scheme	-	2
	<u>-</u>	<u>100</u>
<b>Total</b>	<u>1,055</u>	<u>744</u>

No dividends on ordinary shares were paid to key management during 2020 and 2019.

## Notes to the Accounts (continued)

For the year ended 31 October 2020

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### **26. Ultimate controlling party**

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

### **27. Post-reporting date events**

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

### **28. Authorisation of financial statements**

These consolidated financial statements for the year ended 31 October 2020 (including comparatives) were approved by the Board of Directors on 26 February 2021.

## Opinion

We have audited the financial statements (the “financial statements”) of 6PM Holdings p.l.c. (the “Company”) and of the Group of which it is the parent, set out on pages 11 to 51, which comprise the statements of financial position as at 31 October 2020, and the statements of total comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 October 2020, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the “Act”).

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

The non-audit services that we have provided to the Company and to the Group, in the period from 1 November 2019 to 31 October 2020, are disclosed in note 8 to the financial statements.

## Emphasis of Matter – subsequent event COVID-19 pandemic

We draw attention to Note 4.1 to these financial statements, in which management has described the uncertainties associated with the impact of the COVID-19 pandemic on the Group’s operations and financial performance subsequent to the end of the reporting period. This matter is considered to be of fundamental importance to the understanding of the financial statements due to its nature and significance. Our opinion is not modified in respect of this matter.

## Our application of materiality

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

Materiality Measure	How we determined it	Overall Materiality £
Financial statement materiality	Being approximately 2% of revenue for period ending 31 October 2020	76,620

## Independent auditor's report (continued)

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

### Report on the audit of the financial statements

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We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £3,831 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Area	Reason	Audit Response
Revenue	<p>The Group revenue is significantly derived from a small number of high value contracts entered into with third parties and in some cases, judgements need to be exercised to determine part of the revenue.</p> <p>We considered revenue recognition as key audit matter since it is a key figure and because in previous years the procedures applied at year end of certain subsidiaries revealed a number of material items which were incorrectly accounted for as revenue and therefore had to be corrected.</p> <p>The Company and the Group's disclosures on its revenue recognition policy is presented in note 4.7 to the financial statements.</p>	<p>Our audit procedure to address the risk of material misstatement relating to revenue recognition included amongst others:</p> <ul style="list-style-type: none"><li>• Understanding and testing the design and operating effectiveness of the Group internal controls over recognition of revenues for the period under review.</li><li>• Performing walkthrough tests of the systems, process and controls for recognizing revenue from key revenue streams.</li><li>• Cut-off tests of revenue, on a sample basis, at the year-end were carried out to ensure the amounts recognized are accurate and recorded in the correct accounting period.</li><li>• Testing of the arithmetical accuracy of the workings and ensuring that these are supported by evidence and documentation.</li><li>• Evaluating the Company and the Group's revenue recognition policy and management's current year assessment in respect of accounting for revenue against relevant accounting standards and guidance.</li></ul> <p>Based on the audit work done we obtained sufficient audit evidence to support a significant percentage of the Group's revenue for the year ended 31 October 2020 and concluded that revenue is not materially mis-stated.</p>

## Independent auditor's report (continued)

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

### Report on the audit of the financial statements

Area	Reason	Audit Response
Going concern	<p>At balance sheet date, the Company and Group had net liabilities amounting to £7.6 million and £19.2 million respectively. Consequently, this warrants specific audit focus.</p> <p>As explained in note 4.1 – Going Concern, the Directors have obtained assurance that the majority shareholder of the Company will continue to support the Company and the Group financially on an ongoing basis, to enable them to meet their liabilities as and when they fall due.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"><li>• Evaluated management's assessment of the Company and Group ability to continue as a going concern, and considered whether management's assessment includes all relevant information of which we were aware as a result of the audit.</li><li>• Raised enquiries to management as to its knowledge of events or conditions beyond the period of management's assessment that may cast significant doubt on the Parent and Group's ability to continue as a going concern.</li><li>• Obtained written confirmation from the Idox plc, being major shareholder of the Company and the Group, that it will continue to support them to ensure that they will be able to meet their liabilities as they fall due in the ordinary course of business for the next 12 months.</li><li>• Assessed the financial strength of Idox plc and ensured that they have sufficient financial resources to support the Company and the Group as required.</li><li>• Assessed the adequacy of the disclosures made in note 4.1 - <i>Going concern</i>, of the financial statements.</li></ul> <p>Based on the audit work done we concluded that management's use of the going concern assumption in the preparation of the financial statements is appropriate.</p>

#### Other information

The Directors are responsible for the other information. The other information comprises (i) the Directors' Report, (ii) the Statement of Directors' Responsibilities, (iii) Statement by the Directors on the Financial Statements and Other Information included in the Annual Report, (iv) the Directors' Statement of Compliance with the Code of Principles of Good Corporate Governance, (v) Remuneration Statement and (vi) Other Disclosures in terms of the 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.

## Independent auditor's report (continued)

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

#### Report on the audit of the financial statements

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##### **Other information (continued)**

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

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

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and are properly prepared in accordance with the provisions of the Maltese Companies Act (Cap.386), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company and the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

##### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company or the Group to cease to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Company's and the Group's business and the overall economy.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Independent auditor's report (continued)

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

### Report on the audit of the financial statements

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

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

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

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

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

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

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

We also have responsibilities:

- under the Maltese Companies Act, Cap 386 to report to you if, in our opinion:
  - Adequate accounting records have not been kept or that proper returns adequate for our audit have not been received from branches not visited by us.
  - The financial statements are not in agreement with the accounting records and returns.
  - We have not received all the information and explanations we require for our audit.
  - Certain disclosures of Directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.
  -
- in terms of Listing Rules to review the statement made by the Directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

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

## Independent auditor's report (continued)

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

### Report on the audit of the financial statements

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#### **Appointment**

We were first appointed as auditors for the Company and the Group on 1<sup>st</sup> October 2019, for the financial period ended 31 October 2019. Our appointment has been renewed for the current financial year by shareholder resolution representing a total period of uninterrupted engagement appointment of 2 years.

The partner in charge of the audit resulting in this independent auditor's report is George Mangion for and on behalf of



#### **PKF Assurance (Malta) Limited**

Registered Auditors  
35, Mannarino Road  
Birkirkara  
BKR 9080  
Malta.

26<sup>th</sup> February 2021