

IDOX PLC

ANNUAL REPORT & ACCOUNTS 2024

Company Number: 03984070

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Company Registration Number: 03984070

Strategic Report - Financial and Operational Highlights

For the year ended 31 October 2024

Idox plc (AIM: IDOX), a leading supplier of specialist information management software and geospatial data solutions to the public and asset intensive sectors, is pleased to report its financial results for the year ended 31 October 2024.

Financial highlights

Reconciliations between adjusted and statutory earnings are contained on page 116.

Revenue

- Revenue increased by 20% to £87.6m (2023: £73.3m), driven by growth in the Land, Property & Public Protection (LPPP) division, including a full year's contribution from Emapsite.
- Recurring revenue¹ increased by 20% to £54.5m (2023: £45.5m), accounting for 62% of the Group's total revenue (2023: 62%).

Profit: Adjusted

- Adjusted² EBITDA increased by 7% to £26.1m (2023: £24.5m).
- Adjusted² EBITDA margin was as anticipated at 30%, principally driven by mix changes (2023: 33%).
- Adjusted³ diluted EPS stable at 2.61p (2023: 2.62p).

Profit: Statutory

- Statutory operating profit increased by 7% to £10.0m (2023: £9.3m).
- Statutory operating profit margin was 11% (2023: 13%).
- Statutory profit before tax increased by 3% to £8.1m (2023: £7.8m).
- Statutory diluted EPS decreased by 7% to 1.15p (2023: 1.23p).

Cash and debt

- Net debt⁴ at 31 October 2024 was £9.9m (2023: £14.7m).
- Cash generated from operating activities before taxation was up 26% at £25.2m (2023: £20.1m) and represented 97% of Adjusted EBITDA (2023: 82%).
- Free cashflow⁵ generation was up 27% at £11.6m (2023: £9.1m).
- Extension of banking facilities completed in October 2024, providing the Group with significantly increased resources to fund strategic M&A ambitions: £75m revolving credit facility and £45m accordion through to October 2027.

Dividend

- Proposed final dividend increased by 17% to 0.7p per share (2023: 0.6p), reflecting our strong financial position and our confidence in the future.

For the year ended 31 October 2024

Operational highlights:

- Record full year order intake up 23% on FY23 to £102m, reflecting our high-quality customer base and providing good visibility into FY25, including recently announced contract wins with North Yorkshire Council and Malta.
- Strong performances in LPPP through our local Government, Cloud and geospatial capabilities. Good performance in Communities aided by the successful delivery of UK election services in 2024. An overall stable revenue performance in Assets.
- Recent acquisition strategy coupled with existing capabilities has created a strong geospatial offering which leaves the Group well placed for further growth opportunities in this sector through the leadership of a newly appointed head of geospatial.
- Further investment with Board and senior appointments in People, and Revenue & Strategy functions to support our well established divisional structure.
- Continued investment and growth in India based operations providing increased levels of services, support and customer satisfaction.

David Meaden, Chief Executive Officer of Idox said:

“We are pleased to have delivered a strong performance in 2024, featuring a 20% growth in revenue and increased Adjusted EBITDA. We have made an encouraging start to FY25, with trading in line with the Board’s expectations.

Our most recent acquisition, Emapsite, has added significant scale and expertise to our existing geospatial data capabilities, and has performed well in the year. We continue to be excited by the growth opportunities available in this sector, adding to our existing market leading public software capabilities. We continue to evaluate the opportunity for further acquisitions to enhance our offering and are optimistic on the pipeline as we move into 2025.

The Group’s longer-term outlook remains positive and gives the Board confidence in Idox’s continued ability to deliver profitable managed growth and sustainable cash generation, and in turn significant ongoing shareholder returns.”

Alternative Performance Measures (APMs)

The Group uses these APMs, which are not defined or specified under International Financial Reporting Standards, as this is in line with the management information requested and presented to the decision makers in our business; and is consistent with how the business is assessed by our debt and equity providers.

¹ Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year, rolling contract or highly repeatable services. These services include Support & Maintenance, SaaS fees, Hosting services, and some Managed service arrangements which involve a fixed fee irrespective of consumption (the Group’s recurring revenue is disclosed on page 82).

² Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is defined as earnings before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs (see page 116 for reconciliation).

³ Adjusted EPS excludes amortisation on acquired intangibles, restructuring, financing, impairment, share option and acquisition costs (see page 116 for reconciliation).

⁴ Net debt is defined as the aggregation of cash, bank borrowings and long-term bond (see page 116 for reconciliation). This differs from a similar measure under IFRS, which would also include lease liabilities as debt. The definition used is consistent with that used within the Group’s banking arrangements.

⁵ Free cashflow is defined as net cashflow from operating activities after taxation less capital expenditure and lease payments (see page 116 for reconciliation).

Introduction

I am very pleased to be able to report a positive set of results to all of our shareholders and other stakeholders for the financial year ended 31 October 2024. This is the sixth year in a row that we have grown revenues, recurring revenues and Adjusted EBITDA, with good cash generation. This is an excellent track record delivered by the whole Idox team. The business has maintained its trajectory of improving our core, organic metrics whilst continuing with a very focused acquisition programme. Whilst we did not complete any new acquisitions in the year, those that were completed in prior periods have contributed very strongly to our performance this year, allowing us to deliver revenue growth of 20%, and good growth in profits. Our Adjusted EBITDA margin dipped slightly as we worked through the integration of our acquisitions, but all the acquisitions that we have made have grown our addressable market so that we can continue to find new growth opportunities, whilst continuing to benefit from the solid foundations of our strong core market positions. This strength is evidenced through our recurring revenue, our margins, and cash generation.

This year we have made some changes to our Board composition. As the business is developing, we felt the need for greater levels of executive exposure to, and contribution at, the Board level, and we were therefore very pleased to appoint Jonathan Legdon, our Chief Operating Officer, to the Board in October 2024. This was an opportunity for him to broaden his experience, and for the Board to ensure an even greater focus on the very important operating metrics in the business. At the same time, we wanted to make sure that we were enhancing the specific experience of the Non-Executive Board members in the market areas that are becoming increasingly important to us, in particular the geospatial technology and support services area. I was therefore very pleased to be able to announce the appointment of Mark Milner to our Board in July 2024. Mark has excellent direct relevant experience in this market, which we expect to be an important contributor to the next phase of Idox growth. These changes enhance the level of challenge and debate in our Boardroom, with the intention of supporting our Executive team in their drive to build the business. We have also continued to ensure that the other Non-Executive Directors (NEDs) and I engage directly with shareholders on a regular basis, taking on board their feedback and ensuring that their views are reflected in the direction of the business. We have also engaged independent external advisors to review our Board practices and our remuneration policies.

As mentioned, we did not complete any further acquisitions in 2024, but following the acquisition of Emapsite in August 2023, we have been focused on integration and ensuring that the business works well in our structure. Emapsite is an excellent business, and their offerings dovetail well with those of our previous acquisitions and our original capabilities in the geospatial data management space. The acquisitions of Aligned Assets, thinkWhere, exeGesIS, LandHawk and now Emapsite have put Idox in a very strong position to build exciting new revenue streams around our core assets in property data management. The market opportunity created by the combination of these capabilities is large, and it will be a major focus of investment for the Group in the years to come. As mentioned above, we have strengthened our Board with this focus in mind.

Performance towards achieving our internal goal of 35% Adjusted EBITDA margin dipped as we worked through the integration of Emapsite. We still have some improvements to come in that area through the benefits of the integration of our previous acquisitions, but we are also making a big effort to ensure that we are seeing appropriate levels of return on our continuing investment in product development. As a business with strongly differentiated IP at its heart, continuous investment in innovation and development is essential, but we recognise the need to ensure excellent return on investment (RoI) for those investments. However, revenue growth of 20%, with recurring revenue up 20% over the period, delivering a 7% increase in full year Adjusted EBITDA is a pleasing set of results. To be able to deliver such a strong core performance whilst at the same time increasing the addressable market opportunity is an excellent performance. We will continue to target further acquisitions to allow us to continue to leverage the platform that we have created through our operational investments.

Like nearly every business, Idox is continuing to work on creating the optimal working pattern for our colleagues in the post-covid world. We strive to make sure that we have the right blend of home and office work, and essential and non-essential travel, that allows our colleagues to be efficient but also continue to benefit from the lifelong development and learning opportunities that are an important part of corporate, office life. Employers need to work hard and creatively to enable appropriate new ways of working that meet all these new requirements without allowing a drop in the most important thing, excellent customer service. I have been impressed by the continuing positive attitudes and behaviours of all our colleagues at Idox, which have enabled this ongoing strong performance. We will continue to work to ensure that we maintain the right blend of work experience that meets our colleagues needs whilst also ensuring the continuous development of our skills and capabilities.

For the year ended 31 October 2024

Cultural development is an essential part of this value. It is not only important for the employees themselves that we create a strong and thriving culture, where all of our colleagues feel valued and appreciated, but it is also an essential component in delivering value to our customers. It is clear to me that customers know when they are supported by an organisation that has a strong and positive culture, and indeed cultural alignment can be a very strong driver of customer satisfaction. At Idox, customer satisfaction remains very strong, and this is driven by the fact that we have a very clear set of shared values, that hold quality, customer value, owning commitments and “doing the right thing” as essential and non-negotiable elements of the Idox experience. It is with these values in mind that we continue to develop talent within the business creating an environment where growth and innovation is a natural output of our work together.

Group strategy

The Group continued its focus on providing digital solutions and services to the LPPP public sector customers in the United Kingdom, complemented by our Assets & Communities sectors servicing customers across the world. However, we are increasingly focused on the broader geospatial data market. The key to our success is to ensure we deliver better user results and productivity improvements for customers through focusing on usability, functionality and application of integrated digital and increasingly cloud-based technologies and solutions. The identification of attractive acquisition opportunities that can enhance the Group’s scale and capabilities, and the integration of completed acquisitions, is a key part of management focus and effort.

Board

There have been two additions to the Board in FY24, as reported above. I consider the effectiveness of the Board, which includes the contributions of the individual Board members, throughout the annual governance cycle. The current Board members are operating collectively and effectively to govern the business in an efficient and productive manner.

The additions to the Board were made to make sure that it develops in line with the evolving needs of the business. I am satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence, and knowledge to the Group. The two new additions bring significant enhancement to these capabilities, and I believe that we have a balanced and effective Board, however, I intend to keep this balance under review and continued assessment.

Corporate governance

We are cognisant of the important responsibilities we have in respect of corporate governance and shaping our culture to be consistent with our objectives, strategy, and business model which we set out in our Strategic Report and our description of Principal Risks and Uncertainties. The Group is committed to conducting its business fairly, impartially, in an ethical and proper manner, and in full compliance with all laws and regulations. In conducting our business, integrity is the foundation of all Company relationships, including those with customers, suppliers, communities, and employees.

Dividends

The Board has proposed an increased final dividend of 0.7p (2023: 0.6p) for FY24. Subject to approval at the AGM, the final dividend will be paid on 17 April 2025 to shareholders on the register as at 4 April 2025. This decision was reached after a full consideration of the continuing growth opportunities before the business, our strong financial position and our confidence in the future.

Summary and outlook

The financial results of the last year reflect the increasing quality of the Idox business. We operate in attractive markets, with strong market positions and insights, and we have every confidence that we can continue the excellent progress we have seen in FY24. The changes that we have made in the last few years, to the team, our structure, systems, and processes have delivered a major improvement in our financial performance. As a result, we have enjoyed improved stability in performance and confidence for the future, based on strongly improving orderbooks and levels of recurring revenue. We have some continuing work to do to improve our margins towards the targets that we have set for ourselves, and that will be a specific focus for the next period. On top of this, we can now point to exciting growth opportunities in the geospatial data markets. I am delighted to have had the opportunity to work with all my Idox colleagues during a period of such tremendous improvement and I look forward to continuing that work in delivering growing value to all our stakeholders.

Strategic Report – Chair’s Statement (continued)

For the year ended 31 October 2024

Idox stakeholders are fortunate that such a talented group of people have chosen Idox as a place they want to work. Their expertise and diligence have continued to deliver the support and value that our customers expect, and I am pleased to extend my thanks to all of them.

Chris Stone

Chair

27 January 2025

Strong progress

The Chair has referenced our continued progress, and I am pleased to reflect on a year where we have delivered growth in revenue, Adjusted EBITDA, operating profit and improved cash generation.

Idox operates in attractive core markets which provide significant opportunities for growth in the long term. As a result, the business benefits from the strong foundations of recurring revenue, solid margins and differentiated value.

Our adherence to the Four Pillars of Revenue, Margins, Simplification and Communication remains steadfast and we continue to grow both organically and by complementary acquisitions that expand our software and data capabilities.

We ensure a disciplined approach to capital allocation in support of this goal, ensuring that our R&D expenditure is targeted in the right areas and that we maintain a rigorous approach to ensuring that acquisitions are complementary, adding to our existing product portfolio as well as extending the addressable markets we can reach.

We remain a consistent ‘rule of 40’ business, where our Adjusted EBITDA margin plus revenue growth percentages exceed 40% and this will continue to be at the forefront of our thinking over the coming years.

During the year we completed the integration of the Emapsite business acquired in 2023. The business grew well in the year and has demonstrated the benefit of adding further geospatial and data capabilities to our extensive product and service portfolio. The acquisition has also provided us with access to wider and faster growing private sector markets that can benefit directly from Idox product and data insights gained from the planning and property markets.

The team at Emapsite has integrated well with the overall Group and we are pleased to have such a strong, innovative team as part of our dynamic Company.

New opportunities

Client retention remains strong and plans to modernise and improve planning regulations, to improve national infrastructure and to build more homes will continue to drive the adoption of cloud-based services across Local Authorities. We see that there will be significant opportunities to manage the processes of building that infrastructure as well as monitoring the management of those assets once completed. This alongside the desperate need for effective Special Educational Needs and Disabilities (SEND) services in social care and a desire to improve the efficiency of our health service, will continue to offer substantial opportunities for Idox in the coming years.

The new Government’s desire to derive the benefits of a digitised economy should also present an array of opportunities moving forward. We believe we are well placed to help our markets navigate the technology and change activities necessary. This will involve helping Local Authorities to drive efficiency, effectiveness and public engagement through digital channels. It will also open new opportunities within the supporting Land and Property eco-system with information and software which allows them to drive revenue growth whilst also managing their business risks and improving their efficiency. We believe the next decade will bring significant opportunities for Idox to provide software and data that connect the wider eco-system of local authorities, planners, private developers, land agents, construction companies, estate agents, conveyancers and others who need to access land and property data and processes.

We are aware that these changes have been identified by successive Governments and that the capacity and resources available to drive change in the Local Government sector are limited. Many Local Authorities are facing near term funding challenges, and we are focussed on providing the best usable technology and value for money solutions that deliver improved automation, insight, and efficiency in their operations. We remain engaged and willing partners to drive the necessary improvements with our clients and to provide the capacity and resources necessary to drive their digital success.

Scaling operations

We are leaders in our chosen markets and respected providers of management software that provides data insights to some of the most essential sectors in the world. As the Chair has indicated, we continue to look diligently for businesses that would add scale to our operations and allow us to leverage existing investments in sales and marketing, software development and operations and we retain substantial resources at our disposal for such activity with a revolving credit facility and accordion of £75m and £45m, respectively. We are appreciative of the insight and support we receive from our banking partners HSBC Innovation Bank, NatWest and Santander and for their efforts in support of our goals during the year.

Our people

The Chair has referenced some of the significant executive additions to the business made during the year. At an operational level we continue to refine our model and to bring our teams together in ways that allow for greater collaboration and knowledge-sharing. We have continued to develop our centre of excellence in Pune, India and see this as a significant part of our operations as we develop the Group moving forward. We have established a strong participative engagement model with all our people across Idox and we aim to support their aspirations to progress at whatever level that may take, be it in deepening their skill sets, developing their leadership capabilities, providing progression opportunities and supporting them with any specific need they may have. We prioritise communication and engagement across the Group. Our CEO Broadcasts are a significant part of that pillar and continue to be very well attended. Similarly, our development and product teams operate several ‘show and tell’ events during the year to share best practice, inform their colleagues of progress and of lessons learned during new technology use and deployment.

Our ‘Be Heard’ survey, aimed at making Idox an inclusive workplace allowing everyone to be their best selves has also been well supported and shaped much of our thinking in areas such as work support and recruitment practice. Alongside our Workplace Wellbeing team and Idox Elevate, the networks that have come together to support Pride@Idox and Neurodiversity@Idox are designed to raise awareness of the issues faced by these communities, share learning and understanding of how to be inclusive to those that identify as such, and to provide a safe space for colleagues to converse confidentially. I am especially grateful to our colleagues that commit their time to these activities. They enrich our business and provide great examples of how to have a positive impact at work.

Outlook

We are pleased to have delivered a strong performance in 2024, featuring a 20% growth in revenue and increased Adjusted EBITDA. We have made an encouraging start to FY25, with trading in line with the Board’s expectations.

Our most recent acquisition, Emapsite, has added significant scale and expertise to our existing geospatial data capabilities, and has performed well in the year. We continue to be excited by the growth opportunities available in this sector, adding to our existing market leading public software capabilities. We continue to evaluate the opportunity for further acquisitions to enhance our offering and are optimistic on the pipeline as we move into 2025.

The Group’s longer-term outlook remains positive and gives the Board confidence in Idox’s continued ability to deliver profitable managed growth and sustainable cash generation, and in turn significant ongoing shareholder returns.

David Meaden

Chief Executive Officer
27 January 2025

Investment case

Our specialist software solutions and geospatial data services, built on insight, power the performance of Government and industry, driving productivity and a better experience for everyone.

Over the year, Idox has shown that we are built for longevity. As market leaders, we continue to strive for more, providing value to our customers, colleagues and shareholders. As our portfolio of products and services grow, we are excited to create more opportunity and build on our strong foundations.

Market leadership

Our long-term partnerships providing software and geospatial data solutions to improve the customer's processes, and meet future challenges on the horizon, bolster our resilient nature.

Honing our expertise

As we continue to build a superior portfolio of products and services for our customers, our approach to growth continues to accelerate. Combining the capability we have in-house with the knowledge and offering of acquired businesses allows us to bring new products, services and capabilities to market.

Future focused

Using transformational M&A we continue to develop our geospatial offering and build on our market-leading public sector software, enhancing our offerings to our customers and markets.

Financial stability

Our disciplined approach to finance ensures that we are resilient. With solid recurring revenue, robust order book and strong governance coupled with our focus on the future, we pride ourselves on being a stable business.

Investment in people

Aiming for Idox to maintain itself as an employer of choice, allowing our people to fulfil career aspirations and attracting the best talent the marketplace has to offer.

Value-led business

We are committed to doing the right thing for our people, communities and planet. Our focus from a sustainability standpoint is to continue to develop better practices to support responsible growth and impact on all these areas.

Strong foundations, focus on the future

Built on four pillars, our business model centres around enhancing our offering through acquiring and developing valuable software IP rights in our chosen markets. We remain committed to future proofing and enhancing our products and capabilities, creating further value for our stakeholders.

Fortifying the foundations

With a proven track record of over 30 years working for the Public Sector, we are experts in providing solutions that accommodate highly complex rules, regulations and legislative requirements. Our collaborative approach aims to enhance existing processes, create efficiencies, and address challenges on the horizon. As we have focused on securing robust product offerings in our core product range, we have provided a solid basis on which growth and innovation can flourish successfully. In addition, we have continued to build our geospatial capabilities and are excited by the future opportunities in this area.

Cultivating our future trajectory

As we continue to invest in and acquire geospatial technology, our future focus is to drive how we can anticipate and lead on potential opportunities. Given the vast network of customers and partners within our network who regularly access and make use of land and property data, our focus is bringing together our new capabilities to create innovative solutions that benefit our stakeholders both in terms of capability and profitability. Find out more in the Chief Executives review, page 6.

Four pillars

The four pillars remain a constant in our approach to strategy and form the platform on which we build and operate Idox.

Revenue	Margins	Simplification	Communication
We undertake activities that help create revenue expansion and growth.	We are continually working on improving the efficiency of the products and solutions we are selling.	Creating efficiency and cohesion by streamlining our processes, consolidating our activities, and creating centralised approaches to our working practices.	Communication is a key part of all that we do. We believe in open communication with our people, investors, and customers.

DRIVE, the core values taking us forward

Our values guide us in our daily working life and help form our approach to business.

Dynamic	Responsibility	Integrity	Valued	Excellence
We actively shape our future.	We own our commitments.	We do the right thing, in the right way.	Our people and their contributions are significant.	We are passionate about quality.

How we operate

As we refine and develop our new capabilities, our operational approach has developed to build a divisional structure. Within this, our ability to develop the talent within the business and recognise potential risks and opportunities has developed.

Key Performance Indicators

Key financial performance indicators measure our effectiveness of executing our stated business model to deliver our strategy and therefore build value for shareholders and other stakeholders.

These are monitored on an ongoing basis by management and are set out below. Analysis of these figures is contained within the financial review section of the strategic report on pages 28 to 31.

	2024	2023	Measure
Revenue			
<i>Group Revenue</i>	<i>£87.6m</i>	<i>£73.3m</i>	<i>Revenue received from provision of goods and services.</i>
<i>Recurring Revenue</i>	<i>£54.5m</i>	<i>£45.5m</i>	<i>This is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year, rolling contract or highly repeatable services. These services include Support & Maintenance, SaaS fees, Hosting services, and some Managed service arrangements, which involve a fixed fee irrespective of consumption.</i>
Profitability ratios			
<i>Adjusted EBITDA</i>	<i>£26.1m</i>	<i>£24.5m</i>	<i>Profit before interest, tax, depreciation, amortisation, restructuring costs, acquisition costs, impairment, financing costs and share option costs (see page 116 for reconciliation).</i>
<i>Adjusted EBITDA margin</i>	<i>30%</i>	<i>33%</i>	<i>Profit before interest, tax, depreciation, amortisation, restructuring costs, acquisition costs, impairment, financing costs and share option costs as a percentage of revenue.</i>
<i>Adjusted diluted EPS</i>	<i>2.61p</i>	<i>2.62p</i>	<i>Adjusted diluted EPS excludes amortisation on acquired intangibles, impairment, acquisition costs, restructuring costs, financing costs and share option costs (see page 116 for reconciliation).</i>
Cash indicators			
<i>Free Cash flow</i>	<i>£11.6m</i>	<i>£9.1m</i>	<i>Net cashflow from operating activities after taxation less capital expenditure and lease payments (see page 116 for reconciliation).</i>
<i>Net Debt</i>	<i>(£9.9m)</i>	<i>(£14.7m)</i>	<i>The aggregation of cash, bank borrowings and long-term bond (see page 116 for reconciliation).</i>

Alternative Performance Measures

Where relevant, adjusted measures of profit have been used alongside statutory definitions. These items are excluded from statutory measures of profit to present a measure of cash earnings from operating activities on an ongoing basis. This is in line with management information requested and presented to the decision makers in our business; and is consistent with how the business is assessed by our debt and equity providers:

- depreciation;
- amortisation from acquired intangible assets;
- impairment;
- restructuring costs;
- acquisition and financing costs; and
- share option costs.

Alternative performance measures may not be comparable between companies due to differences in how they are calculated. See page 116 for reconciliations of the alternative performance measures.

Non-financial Indicators

In addition to the financial indicators, the Group has established employee related KPIs recognising our employees are central to the Group’s efforts. Measurement of our ability to attract and retain the best talent is important to understand our performance in delivering our strategy and creating value for shareholders and other stakeholders. Additionally, we also monitor non-financial KPIs around our customers and suppliers.

	<u>Continuing operations</u>		
	<u>2024</u>	<u>2023</u>	
Employees			
<i>Attrition</i>	11.00%	11.46%	
<i>Average tenure (leavers)</i>	3.0 years	3.5 years	
<i>Recruitment at senior management positions (Female:Male)</i>	34:66	N/A	<i>No recruitment at this level in FY23</i>
<i>Internal promotions (Female:Male)</i>	46:54	41:59	
Customers and suppliers			
<i>Number of customers</i>	2,051	2,017	<i>(excluding PAYG customers)</i>
<i>Number of active suppliers</i>	499	551	

Idox practices an integrated management system centred around gaining and retaining ISO accreditations. These are internally and externally audited annually to ensure compliance. The current list of ISO accreditations held are noted below:

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- ISO 22301:2019 – Business Continuity Management System
- ISO 27001:2013 – Information Security Management System
- ISO 45001:2018 – Occupational Health & Safety Management System

During the year Idox was fully accredited with Cyber Essentials Plus, demonstrating our ongoing commitment to cyber security and protection protocols.

The reason for the measurement of non-financial indicators is to understand how attractive our/competitor colleagues see us as an employer, and attrition and tenure combined give a good indication of this alongside an indication of career progression and trends relating to specific job groups/specialisms in the marketplace. As we work closely with our employee led groups, we continue to learn about what is important to different groups of existing or potential colleagues and this has driven us to the additional indicators.

NPS

During the year we have considered ways in which we can increase the participation of our people in providing constructive feedback as to their overall experience of working at Idox. Our previous survey ‘Be heard’ covered a number of areas which we felt were important to our teams, but feedback has been that the survey method fails to deliver a comprehensive forum to debate and understand the priorities for staff or engagement mechanisms allowing constructive participation from team members that wish to make a positive impact on enriching people experiences at Idox. We are running a number of focus groups early in 2025 in order that we can gather a full and representative view from the widest section of our teams possible and will update the relevant NPS measures in due course.

Strategic report – Chief Operating Officer’s review

For the year ended 31 October 2024

Our core values and our four pillars guide our business operations and strategy, this structural approach has generated stability and steady growth. Together with strong operational controls and focussed management teams, this provides a strong platform from which we can securely look to accelerate growth in FY25.

To reach our ambitious goals we have taken the opportunity to further enhance our leadership teams and fully equip the business for continued expansion and growth.

We have spent time and great care in finding the best individuals for key posts across the Group. The appointment of Ian Churchill in April 2024 as Chief Revenue & Strategy Officer demonstrates a strong push towards our innovation-led growth plan. His experience as a CEO in software businesses across the private sector lends serious backing to our developmental strategies.

Since August 2024, Trace Durning has been guiding our employee proposition to even greater heights as Head of Organisational Development and Design. Powerful, dynamic frameworks for colleagues to succeed and grow are vital to Idox’s character as a business, and Trace brings vast experience and expertise in driving strategic transformation and change to enhance who we are as a Company and an employer.

Most recently, Alex Wrottesley – a highly respected voice in the geospatial industry with a strong background in establishing organisations within that sector – was appointed to lead our geospatial capabilities. Since joining us in September, Alex has already drawn from experiences in pioneering geospatial firms and technologies to lead this fast-growing section of our business and to position Idox as a major force in the wider geospatial arena.

These new appointments are in line with broader organisational changes to both allow new key personnel to better execute their visions, and to grant colleagues greater capacity to collaborate, exchange knowledge, generate ideas, and improve our offering.

For example, we have centralised our People & Talent, Communications, and Digital Marketing to function as a single unit to boost the central operations that reach into every corner of the business, delivering operational improvements and cost optimisation. Under Alex we have combined all of our geospatial talent from across Idox, including Emapsite, Exegesis, thinkWhere and Landhawk to provide a fertile space for building exciting new innovations, creating streamlined operations and facilitating fluid cooperation across all of our geospatial platforms.

Artificial intelligence (AI) is one of the biggest topics in tech right now, and our approach to it is both optimistic and responsible. An interdisciplinary AI Committee comprising of product innovators, engineers, legal, and creative professionals have developed an AI policy alongside a confirmed list of approved AI tools to safeguard data and practices. Employees have been encouraged to experiment with AI integration, particularly now the Company has signed up for a corporate account with Tricentis and will continue to provide feedback upon which we can sculpt and fashion the most innovative but secure usage of cutting-edge technologies into our working processes. We are excited about the opportunities that AI and Machine Learning brings to both our software user experience and data services over the coming years.

We continued to invest into our India based operations in 2024, this included opening a new larger office in Pune, strengthening the local management teams and investing in our people and operations. We believe this continued investment in India is important to our overall growth strategy and customer focus, helping to improve the availability of our services, services resilience and improving customer satisfaction.

Sales and contract wins

A key measure of our forward momentum and provision of future revenues for the Group is our order intake, which in FY24 showed continued growth and delivered over £102m in orders, exceeding our in-year Revenues by 15% and an improvement on our prior year by over 23%.

We continued to see high volumes of order intake across the markets that we serve, and in particular, new business wins and new revenue from existing customers, which made more up than a third of contract wins. There were a number of notable deals throughout FY24, these included:

For the year ended 31 October 2024

In LPPP, Idox have partnered with North Yorkshire County Council to deliver a services consolidation project worth £2.4m that will transform eight Planning authority systems together into a single service provision, delivering significant improvements for local people, communities and businesses across the County. This is a clear example of the extensive experience Idox has in supporting Local Government reorganisation across the UK. In the past we have assisted many other customers through technology and service improvement to help adopt a unitary model from the existing District/County two tier systems, including Shropshire, Cornwall, Durham Bedfordshire and Northumberland.

Within LPPP, our geospatial businesses have continued to deliver an impressive growth trajectory throughout FY24, showing that the collective skills, capabilities and resources of the combined team offers the market a truly unique proposition. New customers, Wales & West Utilities and Property Risk Inspection (Nationwide) are utilising our Data and Mapping services in contracts worth £1.1m and £0.65m, respectively, and international customers Natuurmonumenten and Staatsbosbeheer extended access to our Geospatial - Countryside Management Solutions.

Our Communities Division, amongst other wins secured a £2.5m contract extension for the Electoral Commission Malta that will see Idox deliver Software and Services for the next five years.

In 2024, the Assets Division confirmed longer-term agreements with Wood Group and CRNL in North America in contracts worth \$1.6m & \$1.4m respectively. Additionally, a contract was agreed worth \$0.8m to help Oxy Inc to consolidate its operations onto our highly successful McLaren Enterprise platform, work that was commenced in FY24 and will complete in 2025.

Markets

Our strong market positions provide an important platform from which Idox can offer unparalleled insights and influence in decision making and policy setting. Meeting regularly with The Department for Education (DfE) & National Association of Family Information Services (NAFIS) regarding SEND & Social Care matters, BASHH (The British Association for Sexual Health and HIV), the NHS and UK Health and Security Agency, these important partnerships help drive sustainable long-term change and improvements to the industry and directly to citizens across the UK.

We work with Ministry of Housing, Communities and Local Government (MHCLG) across several areas, most notably in the Open Digital Planning Group reviewing planning reform and its impacts both nationally and locally. As the market leading solutions provider in the historic environment Sector, we are also instrumental in delivering the objectives of the Levelling Up and Regeneration Act for conservation and improved planning processes. Given the MHCLG’s remit, our relationships extend to the UK Election Groups, regarding execution and future reforms, in addition to the devolved Election bodies in Welsh Government, Scottish Government and the Electoral Office of Northern Ireland.

We also maintain strong connections and attendance across industry groups connected to our markets including the Geospatial Commission, Natural England, Historic England, Local Authority Building Control, and the Institute of Licensing & the Chartered Trading Standards Institute.

Communication

We continue to execute and evolve an open communications strategy. Transparency of leadership is evident throughout the year. Regular CEO broadcasts to keep all employees up to date with wider Company movements, while Breakfast with the Board provides colleagues with the chance to meet executives face-to-face in a safe space for regular dialogue, questions, and queries.

Workplace Wellbeing sessions populate our yearly calendars, interspersed with guest speakers to share knowledge and experience on a range of social topics. There is continual interaction between groups, departments, and teams around essential issues that matter to us all.

To help our internal communication channel and provide a platform where we can inform and celebrate with colleagues our successes, I provide a regular monthly blog of content from across the business, including contract wins, project successes, interesting software developments and innovations.

Strategic report – Chief Operating Officer’s review (continued)

For the year ended 31 October 2024

The employees of Idox increasingly constitute a community, using our internal social platform, through Idox sponsors. This community engages in facilitating key groups to encourage and support colleagues:

- Workplace Wellbeing
- Pride @ Idox
- Diversity, Equity, Inclusion and Belonging
- Neurodiversity
- Elevate – Building gender equality at all levels of Idox

Our communities are further enriched with special interest groups bringing colleague communities together (including photography, knitting and even a group to serve the armchair historians of Idox).

Reflection

The past year has delivered a strong order intake performance, growing revenues and Adjusted EBITDA, delivering on our expectations for 2024 and creating a robust and effective platform for our continued growth aspiration for 2025. We have made key strategic investments in our people and services, and continue to promote an inclusive, professional development-centric culture. We are excited by the significant opportunities we see in the coming year, and we are confident in our capacity to execute against them.

Jonathan Legdon

Chief Operating Officer
27 January 2025

Strategic report – Section 172 and stakeholder engagement

For the year ended 31 October 2024

Introduction

Our organisation engages with a wealth of stakeholders on a daily basis. Our aim is to establish cooperative and transparent relationships that foster connection built on mutual understanding and respect.

The Directors confirm that during the year, they have conducted themselves in a manner which promotes the long-term success of the Group and of the key stakeholders. The Group considers the interests of these stakeholders when long-term decisions are made as set out in Section 172 of the Companies Act 2006.

We recognise the importance of working together with our stakeholders to attain collective goals and create positive outcomes for all parties involved. We use the following approaches to engage with our stakeholders:

Key stakeholder	Method of engagement
<i>Shareholders</i>	Direct meetings Supporting equity research Market communications
<i>Employees</i>	All employee annual events Quarterly senior broadcasts Appraisal cycle Executive team sponsored senior leader engagement Annual employee surveys and feedback requests Employee led groups sponsored and supported by senior advocates
<i>Customers</i>	Marketing Account management Technical services and on-going support
<i>Suppliers</i>	Account management
<i>Local communities</i>	Indirect individual employee interaction via charity work and events
<i>Banking partners</i>	Regular direct meetings with existing and prospective providers of finance

The Group continues to engage with its key stakeholders, and the Board incorporates the outcomes of these engagements in its principal decision making. The following table details this for the main operational and strategic topics facing the Group:

Strategic report – Section 172 and stakeholder engagement (continued)

For the year ended 31 October 2024

Topic	Stakeholder engagement	Outcome of engagement	Principal decisions
<i>Long-term strategy of the Group</i>	Shareholders, employees, customers and local communities	A corporate strategy that is focused, clear and regularly articulated and re-enforced. This should be supported by a meaningful capital allocation to support strategic goals.	<p>The Board continues to assess the best strategic direction of the Group to build overall value and establish a credible path to continued growth in recurring revenues, Adjusted EBITDA and cash generation. This includes appropriate consideration of the Group’s M&A strategy, and reference to its continued ESG commitments. The Board has concluded in the year that our current strategy remains sound and well supported by our business model and the markets we address.</p> <p>In addition, the Board has reviewed the budget in respect of the year ending 31 October 2025 in detail and debated which investment and spending decisions will have the biggest impact on our strategy.</p>
<i>Performance of the Group</i>	Shareholders, employees and banking partners	The Group should continue to set itself stretching but realistic financial targets, and adjust pace and quantum of investment if required to meet these targets.	<p>The performance of the Group is reviewed in detail by the senior management team on a monthly basis and further reviewed by the Board at every Board meeting.</p> <p>These financial and operational reviews typically involve presentation of management reports with extensive qualitative and quantitative detail, analysis through to discussion to understand any variances to forecast performance, and agreeing of adaptive actions as the situation dictates.</p>
<i>Financing and capital</i>	Shareholders, employees, customers, suppliers and banking partners	<p>The Group should utilise debt facilities where available to maximise earnings potential, but be cautious where leverage (Net debt / Adjusted EBITDA) exceed 1.5. Beyond this, either equity financing or reducing investment plans should be considered.</p> <p>Cash generation should remain a priority of the business, and declaration of a dividend is a sign of financial health in addition to providing shareholders a return.</p>	<p>The capital structure is regularly considered as a standing agenda item included in the finance section of the Board’s regular meetings. The CEO and CFO regularly meet existing and prospective investors and banking partners to gauge likely sources and costs of funding and associated longer-term trends.</p> <p>The Group’s levels of financing, and its capital allocation policy are discussed at the Board’s regular meetings.</p> <p>The Group completed the extension of its revolving credit facility and accordion, £75m and £45m respectively, through to October 2027.</p> <p>There is intention to pay a final dividend of 0.7 pence in respect of the year ended 31 October 2024 and to continue to progress incrementally beyond that depending on cash, earnings affordability, and appropriate deployment of resources.</p>

Topic	Stakeholder engagement	Outcome of engagement	Principal decisions
<i>Employees and culture</i>	Local communities, shareholders and employees	<p>Idox should attract and retain the best talent to grow profitably.</p> <p>Idox should create a socially-aware, culturally strong, and fair ethos for employees, investing in them beyond financial rewards.</p>	<p>The Group continue to work with colleagues to offer an inclusive and positive work culture where career aspirations can be fulfilled.</p> <p>Employee-led groups, such as Pride@Idox and Neurodiversity@Idox have, in addition to our well-established initiatives, endured to help drive more inclusivity and understanding across the business. While we continue to work on how we become more equitable, senior leaders are committed to advocating and supporting progress.</p> <p>Recognising the multiple generations in our organisation, the evolution of our colleague experience journey for the year ahead has plans for the introduction of an Early Careers employee led group.</p> <p>CEO Broadcasts continue to ensure our leadership team are regularly visible and communicating to our people as well as providing opportunities for feedback and discussion.</p> <p>We are in the process of replacing our 'Be Heard survey with a number of focus groups to raise participation and engagement on the experience of working at Idox and supporting activities seen as priorities by our teams.</p> <p>The Board continues to monitor our approach to culture, its impact on our people and employee churn metrics more generally and takes actions where appropriate.</p>
<i>Risk, governance and internal control environments</i>	Shareholders, employees, customers, suppliers, local communities and banking partners	As a PLC with a public sector customer base and banking partners, Idox should strive for the best risk management and governance framework commensurate with its scale.	<p>The Board actively monitors and discusses the risks facing the Group, appetite level for each type of risk, and the measures in place to manage these risks.</p> <p>The Group has an internal control function and have appointed an external specialist firm to perform a rolling program of health checks of the control environment. Improvement action plans are compiled based on the feedback received and progress is tracked and reported to the Board.</p>

Local communities

Environmental

The Group recognises the importance of environmental protection and is committed to operating its business responsibly and in compliance with all legal requirements. It is the Group’s declared policy to operate with and to maintain good relations with all regulatory bodies. In support of this policy, the Group operates an Environmental Management System which is included in the accreditation to BS EN ISO 14001:2015. The Group participates in the Energy Saving Opportunities Scheme (ESOS) and meets the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations.

For the year ended 31 October 2024

Set out on page 21 are our climate-related financial disclosures consistent with all of the TCFD (now disbanded and operated by the IFRS Foundation) recommendations and recommended disclosures. Our disclosures are made in line with the four TCFD recommendations and the 11 recommended disclosures set out in figure 4 of Section C of the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the TCFD. The International Sustainability Standards Board approved IFRS 1 General Requirements of the Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures in June 2023 for application for annual reporting periods beginning on or after 1 January 2024. The Company will apply these standards for the year ended 31 October 2025.

Our business model of software development and deployment has significantly lower consumption than most other industries which require creation of physical product or regular transport of either goods or employees. We nonetheless recognise we as a business have our part to play in reducing carbon emissions in all our communities.

While there is no supplier training, we prefer to work with suppliers and other parties who have ISO 14001 accreditation.

We pro-actively manage office-based consumption and seek to minimise the impact on the environment by limiting travel of our people. As we continue to support colleagues to work from home, we continually assess and review our office footprint. We are mindful that managing environmental impact is a collective effort and therefore, seek to promote climate change awareness through our management teams and colleagues at all opportunities.

See further details on our Environmental reporting on page 24 and 42.

Social

At Idox, we believe that creating social value within the communities we serve is crucial. We encourage our employees to participate in volunteering and charitable activities. We promote and sponsor charitable efforts through our monthly newsletter, Inside Idox, as well as hosting regular charitable events both virtually and in-person.

We strive to engage in opportunities that improve the lives of underrepresented groups and local communities through employee resource groups and volunteering days. As a Group, we are committed to making positive Environmental, Social and Governance impacts, and we recognize our potential to influence change for the better. For more information about our approach and activities, please refer to page 19.








This report was approved by the Board of Directors and authorised for issue. Signed on its behalf by:

David Meaden
Chief Executive Officer
27 January 2025

Responsibility drives the ways in which we operate as a business. A diverse range of policies, practices, and opportunities within the company demonstrate just how much the very functioning and character of Idox relies on doing business the right way.

Our structured approach, working to support the UN Sustainable Development Goals (SDGs), has four main areas of focus, which we consider the most relevant to Idox:

Our four areas of commitment

	Our people	Our community
The aim	To build a diverse and inclusive workforce who feel supported and encouraged to excel in their career and life at Idox.	To support and enable our local communities to achieve more through the use of our products and using our knowledge base to educate and support individuals.
The UN SDGs we support	    	  
	Our environment	Our organisational responsibility
The aim	As a naturally low emission business, we are committed to improving our environmental performance and enabling our customers to do so.	To be a responsible employer, supplier, and overall business.
The UN SDGs we support	 	

Exploring our four areas of commitment

Our people

We have continued to evolve an inclusive and welcoming work environment. Our continuing response to our DEI survey, extensive training, and championing of employee-led initiatives strengthen our position as a genuinely responsible employer who provides space for all colleagues to be their entire selves at work.

Diversity, Equality and Inclusion (DEI)

Our DEI approach is centred around creating an environment that celebrates diversity and ensures equality and inclusion for all employees. We believe in fostering a workplace where individuals can bring their authentic selves to work without fear of discrimination or prejudice. Our initiatives are designed to address various aspects of diversity, including but not limited to gender identity, sexual orientation, religion, ethnicity, neurodiversity, and disability status.

Since January 2024, we have implemented and built upon several initiatives aimed at fostering a workplace where all employees feel valued, respected, and included. An ongoing campaign – aimed at Fostering Belonging – is led by a number of key focus areas:

- In 2024, we have prioritised the development of inclusive leadership practices throughout our organisation. Leaders have been equipped with the skills and knowledge to create environments where diverse perspectives are welcomed, valued, and actively sought out. By fostering a culture of inclusivity at all levels of leadership, we set the tone for a workplace where everyone feels seen, heard, and appreciated;
- We are enhancing cultural competence and awareness among our people. This includes mandatory training on topics such as race equality, unconscious bias, and intercultural communication. By increasing awareness and understanding of different cultural backgrounds and experiences, we can continue to develop an inclusive and respectful workplace;

For the year ended 31 October 2024

- We have actively promoted allyship and advocacy as key components of our DEI strategy in 2024. Employees have been, and will continue to be, encouraged to actively support and advocate for their colleagues from underrepresented groups, both within and outside of the workplace. By fostering a culture of allyship, we can create a sense of collective responsibility for creating an inclusive environment where everyone feels a sense of belonging and support;
- Throughout 2024, we prioritised regular feedback and evaluation mechanisms to assess the effectiveness of our DEI initiatives in fostering a sense of belonging. This has included conducting our annual DEI survey, focus groups, and one-on-one conversations with employees to gather insights and feedback on their experiences within the organisation. By actively listening to our employees and responding to their feedback, we can continuously iterate and improve our DEI efforts to better meet the evolving needs of our workforce. Our DEI strategy in 2024 has been guided by these essential areas, further transforming our business into a place where employees feel valued, respected, and empowered to thrive;
- We have several well-established in-house DEI groups, including Pride@Itox, Neurodiversity@Itox, and an Employee Voice Network. These groups serve as safe spaces for employees to discuss issues related to LGBTQ+ rights, neurodiversity, and overall workplace inclusion;
- Our Elevate programme focuses on nurturing talent and creating opportunities for underrepresented groups within the organisation. Through this initiative, we aim to provide support and resources to individuals who may face barriers to advancement due to systemic inequalities;
- Building on insights from our Dare to Be Different Survey, we introduced mandatory training modules on diversity and inclusion intelligence, allyship, unconscious bias, and microaggressions. These modules aim to enhance awareness and promote inclusive behaviours across the organisation; and
- We actively engage with our DEI communities to raise awareness of issues affecting marginalized groups. Alongside our Workplace Wellbeing Team, these support networks provide a platform for open dialogue and confidential discussions.

We have worked in partnership with Autistica to register the company on the Neurodiversity Employers Index (NDEI). Feedback generated via a survey open to all colleagues fed our application to the NDEI, leading to a Bronze Award presented in Q4 2024 that acknowledges our efforts to build an authentic neuroinclusive culture.

Our gender pay gap report was published in 2024, which outlined a decrease in the gender pay gap of 7.19% and a further report will be available in April 2025 which we anticipate will reflect the ongoing dedication we have to being a fair employer. As a major software organisation, we feel a great responsibility to champion the work of women in STEM. We are always on the lookout for opportunities to champion the female leaders of technology who work within our business: for example, in line with International Women in Engineering Day, we conducted and published an in-depth interview with Gemma Watters, illustrating her journey from computing student to QA Lead for Itox Cloud. This was undertaken to ensure internal and external audiences appreciate the enormous impact women have – and will continue to have – on the work we do.

Our benefits, opportunities, and platforms create a holistic, overarching system of support and encouragement that enriches colleagues' professional and, where appropriate, personal lives.

The People team continue to reassess the onboarding process in partnership with colleagues across the organisation, particularly those recently joined, to ensure a smoother, easier transition for new employees as they start their journey in the business. Regular Workplace Wellbeing sessions are held to highlight issues that can and do affect our employees. For example, a session in May in line with Mental Health Awareness Week drew attention to the problems any of us can face in our daily lives and connected colleagues with the abundant resources available to them. In September, extraordinary accounts from employees personally affected by cancer were delivered through a live session in conjunction with MacMillan Cancer Support.

When disorder spread across the UK in June, communications were disseminated to remind all colleagues of access to mental health first-aiders across our employee base. They were also directed towards platforms such as the Employee Assistance Programme which offers several avenues of support 24/7.

We continue to see an increase in engagement and communication from employee-led initiative groups Pride@Itox and Neurodiversity@Itox. Pride month has been marked and celebrated internally (as well as externally): this year, members of Pride@Itox composed and published a series of personal reflections on our internal Viva Engage platform.

Strategic report – Responsible business (continued)

For the year ended 31 October 2024

Panel discussions have also been undertaken within the year by Pride@Itox and Neurodiversity@Itox, recordings of which are made available to all colleagues.

In 2024, our Leading Together program rewarded another group of future leaders for their committed engagement to developing their communication, team-building, and coaching skills. A year of self-improvement and workshops guided by experts has helped this past year's group reach their fullest potential – as they go into the next year equipped to better lead themselves, their teams, and the business, we look forward to welcoming a new cohort.

Colleagues set up and host Lunch & Learn sessions to share knowledge and information about their respective areas. Development show & tells provide a platform for talented software engineers to both share their work and to place it in wider socio-historical context: as in June, when .NET Developer Luke Hunter marked the 70th anniversary of computing icon Alan Turing's passing.

Our community

As part of our people initiatives, we recognise the importance of creating socially responsible and valuable opportunities for our teams to give back to communities. Each year we offer colleagues one day paid volunteering leave as well as providing opportunities to support charities and causes throughout the year. This year we set up a volunteer bulletin which is circulated regularly to draw employees' attention to local volunteering opportunities. Our charitable giving from our colleagues in 2024 included MacMillan Cancer Support through coffee mornings held at our office locations; and participation in the Save the Children for the Christmas Jumper day campaign.

As a Company with strong, long-lasting ties to the public sector, we consider social value to be a key part of the overall services and packages we deliver. The capacity to deliver social value is typically mandatory for public sector contracts, but we further consider the doing of business for public good to be a core pillar of our Company identity.

Our tenders with local authorities give us the chance to deliver local social value contributions. Our approach is intentionally flexible so we can offer communities and governmental areas what they need most, which ensures we deploy our resources where it will make the greatest impact: while in some locations we have support meals for school-age children outside term time, in others we can offer volunteering days through our Paid Volunteering scheme.

Our My Funding Central platform through which small charities can access to save them £50 per annum and guide them towards funding opportunities worth upwards of £10,000. Charities and voluntary bodies with incomes of less than £1million are the core users, and organisations with incomes below £30,000 per annum can use it without the need for payment. We currently have 2,295 groups accessing the database free of charge.

Our environment

[Governance: The organisation's governance around climate-related risks and opportunities](#)

We have well established structures of governance with the Board (including the Audit Committee) and Executive Management Team (EMT) all having defined roles within this structure.

The Board has set a target to achieve net zero by 2040 with reduction based on a three-step approach to carbon emissions. Our strategy is to eliminate emissions, where this is not practical, we will prioritise reducing the emissions impact of our activities and finally, we will offset emissions that cannot be eliminated or further reduced by engaging in a compensating carbon offset programme. The Board receives an annual written and verbal update on progress which is used to assess the effectiveness of the strategy and to set further interim performance objectives.

The EMT (Led by the Chief Operating Officer) has established an ESG Committee which meets quarterly to review all aspects of our ESG activities. The ESG reviews performance of the business against the overall reduction target and also assesses performance against each item of the emissions scope as shown in the section on metrics below.

The ESG Committee is provided with data about emissions which is collated by the Itox Central Services team from records such as electricity bills, travel expenses claims and recycling records. The data is then independently checked before being reported. Some data is only available on a quarterly or half yearly basis.

The ESG Committee reports data and information about the emission reduction initiatives it is sponsoring and monitoring half yearly to the EMT. This management team reviews the effectiveness of the initiatives in achieving progress against the agreed strategy and targets and provides the written and verbal reports to the Board.

Strategic report – Responsible business (continued)

For the year ended 31 October 2024

Climate related risks and opportunities form a key and integral component of our overall corporate governance.

Strategy: The actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.

Principal climate-related risks and opportunities	Impact(s) on Idox	Impact type(s)	Idox response(s)
Business interruption due to severe weather events.	Local office closures; key employees unavailable; key project delivery delayed.	Business Operational	ISO 22301 accredited Business Continuity Management System; remote project support model established.
Failure to address increased legislation, regulation or general expectation.	Additional operational and reporting complexity; potential negative sentiment with key stakeholders.	Business Operational; Strategy	Annual review of scope of responsibilities and ability of our structures and processes to adapt.
Climate-related plans, actions or statements not considered adequate for some public procurement or key suppliers.	Inability to tender for some opportunities, supply chain risk.	Financial; Business Operational	Monitor tender requirements and adjust initiatives and / or messages if necessary.
Climate-related plans, actions or statements not considered adequate for some investors.	Reduced ability to attract a range of investors to support strategic objectives.	Strategy; Financial	Ensure climate action plan remains in line with best practices and recognised disclosure standards.
Increased investment in renewable energy production.	Increased opportunities for FusionLive product in both construction and operation of new facilities.	Financial	Actively promote and market FusionLive to both Engineering, Procurement and Construction (EPC) and Architecture, Engineering and Construction (AEC) markets.
Impact assessment of climate change.	Increased opportunities for use of geospatial data to predict risks and impacts.	Financial	Further develop and market geospatial products and data services to banking, insurance and finance, energy infrastructure and land & property markets.

These risks are likely to impact Idox over the medium term and longer term, with the medium term being the next five years, and the longer term beyond that. The company has already demonstrated it can withstand longer periods of disruption (notably from the Covid impact on working patterns and locations) which gives us considerable resilience if weather related events become more extreme and frequent. The technical provision to adapt to increased work from home, or at alternate locations, has already been implemented and tested through the pandemic response.

Idox current commitments are in line with, or in excess of, the demands of current legislation or the expectations of customers and investors. It is likely that expectations from the Board, Management Team and other stakeholders on action will increase but it is not likely that the cost of meeting these expectations would be material given our relatively small carbon footprint. In addition, the Group has increased the scope and depth of its recording and reporting in relation to climate-related risks.

In the short term there are some opportunities to reduce our carbon footprint further, for example moving to greener energy tariffs once current commitments expire, further promoting the salary sacrifice Electric Vehicle scheme, a continual reassessment of recycling policies and practices and the realisation of efficiencies identified in the Energy Savings Opportunity Scheme.

Strategic report – Responsible business (continued)

For the year ended 31 October 2024

Whilst these risks are considered relatively straightforward to mitigate the impacts shown in the table above recognise that some risks could have an impact on revenue opportunities and on access to capital. Given the relative ease of mitigation complex scenario planning is not considered appropriate but the potential costs of mitigations are considered in financial planning. None of the risks on page 22 are expected to have a material financial impact on the Group.

Risk Management: The processes used by the organisation to identify, assess, and manage climate-related risks.

Idox has a comprehensive risk management strategy and supporting processes which are aligned with our governance approach. Climate-related risks form part of the overall risk management regime.

Climate-related risks are not assessed and managed in isolation from other material risks to the business. Our approach to risk management is described in the principal risks and uncertainties on pages 32 to 37 where the risks in the table above are also shown and the relative significance of climate related and other risks is discussed.

Climate-related risks continue to feature in our thinking when considering the overall strategy of the Group, annual planning cycles and medium term business plans.

Metrics and Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Working within the three scopes of the Greenhouse Gas Protocol (GHG), Idox has committed to achieving net zero carbon emissions by 2040. Across the business we will have a three-step approach to carbon emissions. Our main priority is to eliminate emissions, where this is not practical, we will prioritise reducing the emissions impact of our activities and finally, we will offset emissions that cannot be eliminated or further reduced by engaging in a compensating carbon offset programme.

In line with the GHG, Idox has identified that financial year 2019 is an appropriate baseline year for assessing carbon reduction.

Whilst no specific climate related targets are built into remuneration policies, the Remuneration Committee considers the overall performance of the Group when setting remuneration structures.

Strategic report – Responsible business (continued)

For the year ended 31 October 2024

The table below shows the total gross GHG emissions in tonnes of CO₂ (tCO₂e):

Emissions Scope		Year ended 31 October 2019 (Baseline year)	Year ended 31 October 2023	Year ended 31 October 2024	Current year change from prior year	Current year change from baseline
1. Direct	Fuel - Gas	14	-	-	-	(100%)
	Fuel - Oil	16	9	4	(56%)	(75%)
	Passenger vehicles	10	10	7	(30%)	(30%)
2. Indirect - Electricity	Electricity Use	121	70	73	4%	(40%)
3. Indirect - Other	Business Travel - Air	92	92	94	2%	2%
	Business Travel - Hotel	52	26	23	(12%)	(56%)
	Business Travel - Land	16	16	12	(25%)	(25%)
	Business Travel Mileage	303	49	60	22%	(80%)
	Waste Disposal Batteries	4	-	-	-	(100%)
	Waste Disposal Electrical Items	66	53	18	(66%)	(73%)
	Waste Disposal Paper etc	37	29	19	(34%)	(49%)
Total gross emissions		731	354	310	(12%)	(57%)

Information regarding activities which generate emissions is gathered throughout the year (activity data) and is converted into a measure of CO₂ using UK Government Greenhouse gas conversion factors. An internal peer review is performed on the numbers above and we aim to continue to improve the methods of data collection going forward to ensure we maintain a robust approach to our GHG reporting.

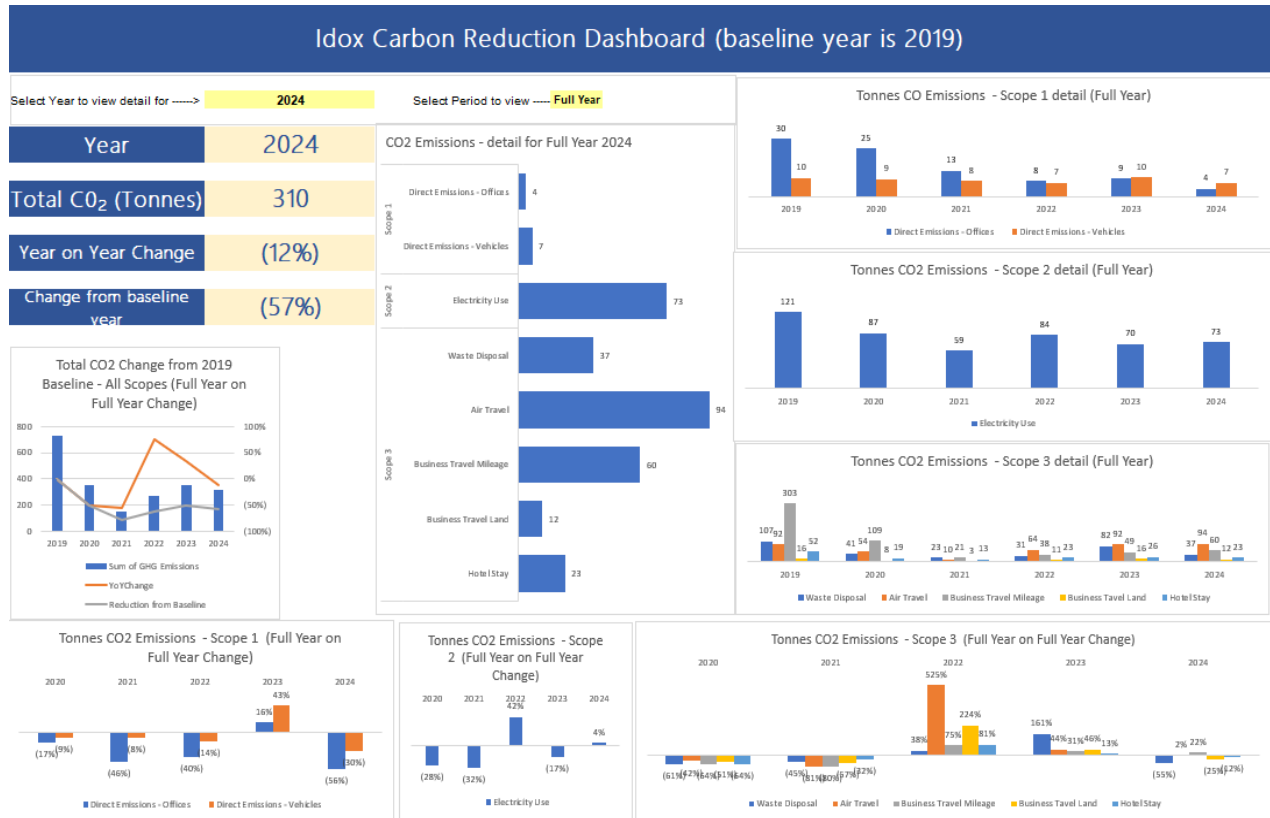
Awareness of our environmental impact, the initiatives we are taking to reduce it and the positive impact everyone in Idox can, and is making, has been maintained. Ensuring employees are aware of their impact, especially in reducing travel and choosing public transport.

Uptake of the salary sacrifice Electric Vehicle (EV) Scheme has been pleasing with 25 employees having chosen this option. Available to all UK based employees, our aim is to provide more people an affordable route to EV usage, thus creating a positive impact on emissions.

Strategic report – Responsible business (continued)

For the year ended 31 October 2024

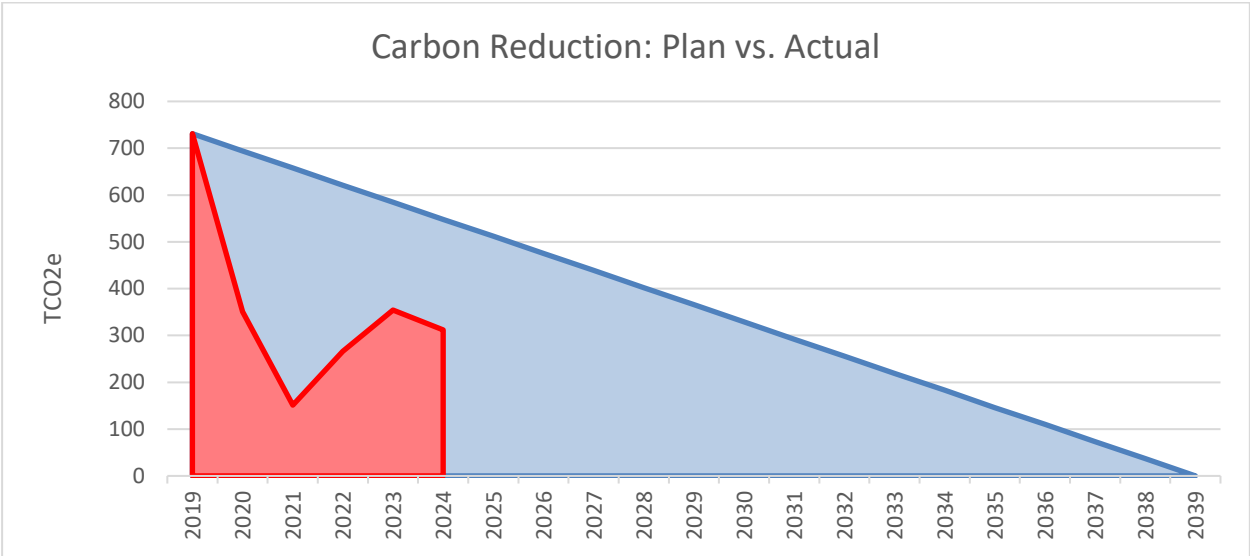
Our Carbon Reduction Dashboard highlights the progress we have made since our baseline year, specifically within the three scopes. The dashboard is maintained and published on a quarterly basis, providing detailed information on our monitoring activities.



Underpinning all our environmental protection and impact reduction initiatives is an Environmental Management System accredited to BS EN ISO 14001:2015. This enables us to actively assess the effectiveness of the process employed across the business and adjust as necessary.

Emissions from electricity use in our offices has increased from 70 tonnes in 2023 to 73 tonnes in 2024 as a result of our office space increasing in the year with the full impact of the Emapsite acquisition. The major decrease in emissions from waste disposal (82 tonnes in 2023 to 37 tonnes in 2024) reflects the large recycling of unused electrical items and the recycling of significant paper records exercises that were carried out in the prior year. Air travel and vehicle mileage also show some increases as the hybrid model of working has further matured and additional in person collaboration has returned. Feedback from staff has indicated this has had a very positive impact in reducing feelings of isolation that some have experienced with predominantly home working. Many of the changed working practices that we introduced in 2021, and which have positively impacted our carbon emissions, have been retained with emissions in 2024 being 57% down on the baseline year.

To meet our 2040 net carbon zero goal, we aim to achieve a 30% decrease in carbon emissions at the end of our 3-year plan period to 31st October 2025 compared with 2019 (representing a reduction of about 219 tonnes of CO₂ emissions in 2025 compared with 2019). The results in 2024 demonstrate we are on track to achieve this aim.



Our organisational responsibility

Idox is committed to providing equal pay and opportunities for all. As a Living Wage employer, we are committed to providing well paid career opportunities. In addition, we are committed to developing and growing our internal talent. Having had a number of colleagues complete our Leading Together programme, we have upskilled colleagues, ready for leadership roles and career progression.

We continue to review and update recruitment policies, in collaboration with Idox Elevate, to ensure processes are fair for all.

Through our Compliance Services team, which includes an internal control function, Idox proactively reviews business progress and ensures scrutiny of operational adherence as well as maintaining reliable controls across the Group.

Idox continues to build on our culture of integrity with regular communications to our teams to ensure that we maintain well governed processes and procedures. Our workplace policies help maintain and work to the professional standards we strive for. This includes multilingual copies of our Whistleblowing Policy, Gifts and Hospitality Policy and International Business Policy.

Each year, our colleagues undertake Bribery and Corruption training and Information Security training to help us to understand the risks to the business and ourselves. These also form part of the onboarding process and help ensure integrity and security for our people and business alike.

Non-financial and sustainability information statement

The information presented here and throughout these financial statements (cross referenced in the below table), complies with the requirements of sections 414CA and 414CB of the Companies Act 2006 to provide information on certain non-financial matters.

Theme	Reference
Principal risks	Pages 32 to 37
Business model	Page 9
Non-financial KPIs	Page 11
Environmental, social, employee and human right matters	Pages 15 to 18 and 40
Anti-corruption and bribery matters	Pages 26 and 40
Diversity matters	Pages 19 to 21
SECR	Pages 24 to 26
CFD	Pages 21 to 23

Financial review

I am pleased to report that Idox has delivered strong revenue growth in FY24 as well as good improvement in Adjusted EBITDA and cash generation.

The following table sets out the revenues and Adjusted EBITDA for each of the Group's segments from its continuing activities:

	2024	2023	Variance	
	£000	£000	£000	%
Revenue				
- LPPP	55,264	43,413	11,851	27%
- Assets	14,893	14,845	48	0%
- Communities	17,442	15,019	2,423	16%
- Total	<u>87,599</u>	<u>73,277</u>	<u>14,322</u>	<u>20%</u>
Revenue split				
- LPPP	63%	59%		
- Assets	17%	20%		
- Communities	20%	21%		
- Total	<u>100%</u>	<u>100%</u>		
Adjusted EBITDA*				
- LPPP	16,854	13,885	2,969	21%
- Assets	3,299	4,199	(900)	(21%)
- Communities	5,898	6,366	(468)	(7%)
- Total	<u>26,051</u>	<u>24,450</u>	<u>1,601</u>	<u>7%</u>
Adjusted EBITDA margin				
- LPPP	30%	32%		
- Assets	22%	28%		
- Communities	34%	42%		
- Total	<u>30%</u>	<u>33%</u>		

Strategic report – Financial review (continued)

For the year ended 31 October 2024

Revenues

	2024	2023 ¹	Variance	
	£000	£000	£000	%
Revenues				
- Recurring (LPPP)	34,898	26,214	8,684	33%
- Recurring (Assets)	9,418	9,692	(274)	(3%)
- Recurring (Communities)	10,158	9,622	536	6%
- Total recurring	54,474	45,528	8,946	20%
- Non-recurring (LPPP)	20,366	17,199	3,167	18%
- Non-recurring (Assets)	5,475	5,153	322	6%
- Non-recurring (Communities)	7,284	5,397	1,887	35%
- Total non-recurring	33,125	27,749	5,376	19%
- Total continuing revenue	87,599	73,277	14,322	20%
- Recurring*	62%	62%		
- Non-recurring**	38%	38%		

¹ The 2023 recurring and non-recurring figures have been represented in order to allocate some Emapsite revenues as recurring within the LPPP segment. The decision was made in FY23 to include all Emapsite revenues as non-recurring as a prudent measure until we better understood the nature of the revenue streams following their acquisition in August 2023. This has resulted in a re-presentation of £1.9m from non-recurring to recurring.

* Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year, rolling contract or highly repeatable services. These services include Support & Maintenance, SaaS fees, Hosting services, and some Managed Service arrangements, which involve a fixed fee irrespective of consumption.

** Non-Recurring revenue is defined as revenues without any formal commitment from the customer to recur on an annual basis.

Revenue from continuing operations for the Group increased 20% in the year to £87.6m (2023: £73.3m). LPPP was up 27% for the year at £55.3m (2023: £43.4m) and benefitted from a full year contribution from Emapsite as well as good growth from our Local Government and Cloud solutions. Assets has remained broadly flat with revenue of £14.9m (2023: £14.8m) and Communities has increased 16% to £17.4m (2023: £15.0m) largely driven by the increase in provision of services around the UK General Election in July 2024.

Recurring revenues for the year increased 20% from £45.5m to £54.5m and represented 62% (2023: 62%) of the total continuing revenue. Within LPPP, recurring revenue increased 33% to £34.9m (2023: £26.2m). Good growth in recurring revenue across all areas was supported by the full year impact of the Emapsite acquisition. The recurring revenues in Assets reduced 3% to £9.4m (2023: £9.7m) with growth in our asset tracking solutions partially offsetting a small reduction in the other solutions. Recurring revenues in Communities improved 6% to £10.2m (2023: £9.6m), driven by growth in the Databases and Lilie solutions.

Non-recurring revenues for the year increased 19% to £33.1m (2023: £27.7m). Non-recurring revenue in LPPP increased by 18% to £20.4m (2023: £17.2m), primarily driven by a strong in year customer contract renewals, cloud transitions in the year and the full year impact of Emapsite. In Assets, non-recurring revenue was up 6% to £5.5m (2023: £5.2m) with increases in all solutions apart from EIM which was flat in the year. As expected, non-recurring revenue in Communities was up 35% to £7.3m (2023: £5.4m) having been driven by the UK General Election.

Adjusted EBITDA increased by 7% to £26.1m (2023: £24.5m), delivering a reduced Adjusted EBITDA margin of 30% (2023: 33%), driven by the impact of mix changes in the integration of Emapsite into the Group.

Profit before taxation

The statutory profit before tax was £8.1m (2023: £7.8m). The following table provides a reconciliation between Adjusted EBITDA and statutory profit before taxation for continuing operations.

	2024 £000	2023 £000	Variance	
			£000	%
Adjusted EBITDA	26,051	24,450	1,601	7%
Depreciation	(1,854)	(1,636)	(218)	13%
Amortisation – software licences and R&D	(6,115)	(5,697)	(418)	7%
Amortisation – acquired intangibles	(4,052)	(3,622)	(430)	12%
Restructuring costs	(302)	(378)	76	(20%)
Acquisition costs	(1,156)	(746)	(410)	55%
Financing costs	(67)	(396)	329	(83%)
Share option costs	(2,491)	(2,631)	140	(5%)
Net finance costs	(1,950)	(1,524)	(426)	28%
Profit before taxation	8,064	7,820	244	3%

Restructuring costs were £0.3m (2023: £0.4m). The restructuring costs in the year are associated with simplifications of the Group structure and a capital reduction exercise.

Acquisition costs of £1.2m (2023: £0.7m) related to due diligence on a potential acquisition opportunity, which ended during the year and finalisation fees associated with the acquisition of Emapsite and LandHawk, with all payments associated with the acquisitions completed. The prior year acquisition costs were in relation to the acquisition of Emapsite during the year and finalisation fees associated with the acquisition of Aligned Assets and exeGesIS.

Financing costs of £67k (2023: £396k) relate to the annual fee for the Group's revolving credit facility (RCF) and extensions related costs. The prior year costs incurred related to the refinancing of the Group's RCF.

Share option costs of £2.5m (2023: £2.6m) relate to the accounting charge for awards made under the Group's Long-term Incentive Plan, in accordance with IFRS 2 – Share-based Payments.

Net finance costs have increased to £2.0m (2023: £1.5m). Increased bank interest payable due to an increased interest rate environment was the main factor for the increase in the year.

The Group continues to invest in developing innovative technology solutions across the portfolio and has capitalised development costs of £7.9m (2023: £7.6m). The increase in the year is due to the full year impact of the FY23 acquisitions.

Taxation

The effective tax rate (ETR) on a statutory basis for the year was 34.78% (2023: 28.6%).

The difference between the statutory rate of 25% and the ETR of 34.78% was driven largely by expenses and international losses not deductible for tax purposes, adjustments in respect of prior years and the application of the statutory rate of 25% relating to deferred tax on acquired intangibles. The ETR on an adjusted basis moved from 25% to 26% and was driven by expenses and international losses not deductible for tax purposes.

Earnings per share and dividends

Adjusted basic earnings per share for continuing operations was 2.63p (2023: 2.65p) and adjusted diluted earnings per share remained stable at 2.61p (2023: 2.62p). Basic earnings per share for the year was down 7% at 1.16p (2023: 1.24p) and the diluted earnings per share was down 7% at 1.15p (2023: 1.23p).

The Board proposes a final dividend of 0.7p per share (2023: 0.6p), which represents a total dividend for the year of 0.7p per share (2023: 0.6p), at a total cost of £3.2m (2023: £2.7m).

Balance sheet and cash flows

The Group's net assets have increased to £78.3m compared to £73.3m as at 31 October 2023. The constituent movements are detailed in the Group's consolidated Statement of Changes in Equity: which are summarised as follows:

	12 months to 31 October 2024 £000
Total Equity as per FY23 Financial Report	73,277
Share option movements	2,533
Equity dividends paid	(2,756)
Profit for the year	5,259
Exchange gains on translation of foreign operations	(33)
Total Equity as per FY24 Financial Report	<u>78,280</u>

The Group continued to have good cash generation in the year. Cash generated from operating activities before taxation was up 26% at £25.2m (2023: £20.1m), and as a percentage of Adjusted EBITDA increased to 97% (2023: 82%). The Group generally continues to have high levels of adjusted EBITDA to cash conversion.

Free cashflow for the year was up 27% at £11.6m (2023: £9.1m). Free cashflow has increased in the year due to the improved profitability.

	2024 £000	2023 £000
Net cashflow from operating activities after taxation	21,108	18,599
Capitalisation and purchase of tangible and intangible assets	(8,686)	(8,522)
Lease payments	(782)	(936)
Free cashflow	<u>11,640</u>	<u>9,141</u>

The Group ended the year with net debt of £9.9m (2023: £14.7m). Net debt comprised cash of £11.7m less bank borrowings of £10.8m and the Maltese listed bond of £10.8m, which is due for repayment in July 2025 and will be paid out of existing facilities. We ended the year with a net debt to Adjusted EBITDA ratio of 0.4 times (2023: 0.6 times) with significant headroom against the Group's financial covenants.

In October 2024 the Group extended its loan agreement with National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75m and a £45m accordion and are committed until October 2027. The Group retains significant liquidity with cash and available committed bank facilities and significant financial resources to deploy into new M&A opportunities.

Anoop Kang
Chief Financial Officer
27 January 2025

Responsibility for risk

Risk identification and management strategy is a key responsibility of the Board, which holds overall accountability for the Group's risk management. Furthermore, the Audit Committee specifically considers risk as part of the audit cycle.

Risk management processes and internal control procedures are established across all levels of the Group and are managed by the Executive Directors along with dedicated expert professionals in the business. We integrate our Risk Assessment procedures into monthly business reviews.

Risk management and internal controls offer reasonable, though not absolute, protection against risk. We recognize that risk is inherent in nearly every activity. Risk appetite is not fixed and is regularly evaluated by the Board to ensure it remains aligned with the Group's goals and strategy.

The Executive Management regularly provides the Audit Committee with a risk management dashboard. This reflects the Risk Register and offers oversight of key elements of the risk environment in a dynamic and real-time manner, including new/emerging/mitigated risks, key risk indicators, and risk probability distributions, fraud risk considerations, as well as updates on the Group's rolling internal controls health checks programme.

Climate related risks, as set out in the Responsible Business section above, are managed as part of a single, Group, risk management process for the business such that these risks have equal importance and prominence in that process.

Our Risk appetite:

- is strategic and is related to the pursuit of organisational objectives;
- forms an integral part of corporate governance;
- guides the allocation of resources;
- guides the organisation's infrastructure, supporting its activities related to recognising, assessing, responding to, and monitoring risks in pursuit of organisational objectives;
- influences the organisation's attitudes towards risk;
- is applied against all material risks in the business to determine whether mitigations are sufficient for residual risks to be closed or accepted;
- is multi-dimensional, including when applied to the pursuit of value in the short-term and the longer term of the strategic planning cycle; and
- requires effective monitoring of the risk itself and of the organisation's continuing risk appetite.

Embedding the risk management culture

Across the Group, risk management undergoes continuous review, with improvements implemented whenever identified. This effort is supported by ongoing training and guidance from risk representatives at divisional and business unit levels, sharing of best practices, gap analysis, and internal benchmarking. Effective training and communication are crucial in fostering a culture that enhances the integration of risk management processes and procedures throughout the organisation. A stronger, more deeply ingrained risk management culture ultimately promotes long-term value creation for all stakeholders.

Strategic report – Principal risks and uncertainties (continued)

For the year ended 31 October 2024

Principal Risks and Uncertainties

The principal risks involved in delivering the Group’s strategy are actively managed and monitored against our risk appetite. Climate related risks are assessed and managed within the risk management structure described above but are reported in the environmental section of this report in line with the Task force for Climate-Related Financial Disclosures recommendations (prior to it being disbanded).

Risk	Principal risks	Management of risks	Change in assessment of risk in the period
<i>Political</i>	<p>The Group has a large customer base in Local Government and other public sector bodies. A change in either policy or spending priorities by the current or a future Government could materially impact the Group.</p>	<p>A diversified geographic footprint and sector focus reduces the risk of exposure due to adverse country or sector specific conditions.</p> <p>Our favoured revenue model is for high levels of recurring revenue to establish a stable base of contracted or highly visible revenues to react to any such changes in a more strategic timeframe.</p> <p>Our development priorities are to ensure we remain at the heart of our customer’s operations, delivering cost efficiencies and value for money whatever the political environment.</p>	<p>The UK has seen a high degree of political uncertainty during the period which has delayed decision-making in areas relevant to our business.</p> <p>With a new Government in place, still working through their strategy at the time of writing this, we recognise there may be some changes to the environments in which we operate, however, we consider we have lower risk than other commercial organisations because our products remain essential to supporting customers to do more with what they have, and we have not identified any of our solutions considered discretionary and therefore potentially subject to funding challenges for our public sector customers.</p>
<i>Economic environment</i>	<p>Our performance is affected by the economic cycles of the markets in which we operate.</p>	<p>A diversified customer base across a varied number of industries reduces the risk of exposure due to adverse economic conditions.</p> <p>We remain cognisant of the wider geo-political environment and consider any impact on our chosen markets, both to reduce risk but also to capitalise on any opportunities that may arise.</p> <p>One of the main impacts of the economic environment on our business is inflation which we seek to manage via indexation clauses in our customer engagements and managing costs fairly.</p>	<p>We remain cognisant of the macro-economic pressures but are confident we are well placed given the measures we have taken in recent times.</p> <p>Consistent with the prior year, we consider ourselves to have lower risk than our peers in our chosen markets given our increased focus and financial stability.</p> <p>Inflation rates have been lowered and stabilised this year. Continued focus on indexation and prudent cost control.</p>

Strategic report – Principal risks and uncertainties (continued)

For the year ended 31 October 2024

Risk	Principal risks	Management of risks	Change in assessment of risk in the period
<i>Climate related</i>	<p>Business interruption due to severe weather events.</p> <p>Failure to address increased legislation, regulation or general expectation.</p> <p>Climate-related plans, actions or statements not considered adequate for some public procurement, key suppliers or investors.</p>	<p>Idox has made itself much less reliant on office-based working with a fully developed and implemented remote working model. We also have an ISO 22301 accredited Business Continuity Management System which addresses unavailability of key resources and personnel for any reason including arising from climate related risks.</p> <p>We are in continual dialogue with our stakeholders about what they consider best practice. We monitor the climate related requirements in Tenders and the scoring of our responses to ensure we are meeting expectations.</p> <p>We track emerging legislative and regulatory requirements with the support of our advisors.</p>	<p>Commitments to reporting our climate targets and progress have increased both in relation to corporate reporting (including additional guidance from the Financial Reporting Council in relation to this Annual Report) and to customers.</p> <p>Customers are increasingly adopting the Cabinet Office Carbon Reduction Plan Guidance which is consistent with our published targets and data.</p>
<i>Acquisitions</i>	<p>The Group has a stated ambition for acquisitions as part of its growth strategy.</p> <p>Given the complexity of acquiring and integrating independent businesses into the Group, acquisitions and associated restructuring may not achieve the anticipated returns for the Group.</p>	<p>Focus is placed on ensuring management reporting lines are clear, operational functions of acquired entities are supported, enhanced and integrated into wider Group functions as appropriate, and the potential for upsell and cross-sell across the Group’s portfolio of products is maximised.</p> <p>We have project plans and track restructuring projects to their business case to ensure that actions match anticipated returns.</p>	<p>We continue to actively seek opportunities for potential acquisitions during the period and have identified narrow acquisition criteria that will maximise chances of success for both an acquired business and the wider Group.</p> <p>The EMT continues to work with our dedicated team to identify targets, assess associated risk and ensure appropriate assurance is in place before proceeding to completing an acquisition.</p> <p>We consider the Group to continue to have lower risk, as assessed in the previous period, in respect of acquisitions.</p>

Strategic report – Principal risks and uncertainties (continued)

For the year ended 31 October 2024

Risk	Principal risks	Management of risks	Change in assessment of risk in the period
<i>Technological development</i>	<p>The Group risks being outclassed by competitor products that have increased capabilities if the Group fails to deliver continued product development, including digital innovations.</p>	<p>We strive to invest in quality assurance and research and development to deliver quality products into our chosen markets.</p> <p>In recent years we have invested significantly in increasing our capability in the delivery of digital and cloud-based solutions.</p> <p>Our acquisitions of Aligned Assets, thinkWhere, exeGesIS, LandHawk and most recently, Emapsite has brought additional capability in modern technology to the Group, notably in the fast-growing geospatial area and allowed us to bring these individual businesses under a single umbrella with significant scale.</p> <p>Our matrix structure allows us to operate in the markets in which we choose to deliver and deliver benefits across the whole group.</p> <p>Our approach to micro services allows the development and utilisation in multiple areas across the group. An example is our geospatial capabilities.</p>	<p>Idox Cloud is having significant success in the market. We have continued to make improvements to PlanTech offerings, including utilising the geospatial capabilities from the acquisitions made over the last three years.</p> <p>The Emapsite acquisition has brought further modern technologies and platforms that we are utilising elsewhere in the Group.</p> <p>In our wider Group, we have continued to perform assessments to consider the status of our products and any further work required against revenue and market opportunities, and adjusted development plans accordingly.</p> <p>As a result, we consider the Group to have lower risk from technological development than in previous periods.</p>

Strategic report – Principal risks and uncertainties (continued)

For the year ended 31 October 2024

Risk	Principal risks	Management of risks	Change in assessment of risk in the period
<p><i>Ability to sell effectively</i></p>	<p>The Group has deep experience of selling our broad portfolio of products both to secure new business and to retain, renew and expand existing customers.</p> <p>It is imperative we have effective sales and marketing models, methodologies and techniques to effectively realise our investments in software products and to recover the direct costs of associated delivery and obtain sufficient margin to meet indirect costs and that this is done in a profitable and cash generative way.</p>	<p>The Group has strong controls to support its sales teams in selling effectively.</p> <p>These include upfront business approval controls to ensure we are only bidding for work that has a suitable opportunity for a profitable, cash reward, and review controls to ensure once we are committed with a customer, the agreed terms are achieved.</p>	<p>The Group continues to see significant benefit in terms of broader and deeper customer insight resulting from the use of a Group-wide CRM.</p> <p>We continue to improve the functionality and adoption of our CRM across the business including the implementation of a Configure Price Quote system.</p> <p>We continue to recognise that there is a strong link between market opportunity and our ability to exploit both with product either ready or on our development roadmap and have organised our sales infrastructure to realise this.</p> <p>We consider the Group risks in respect of selling have further reduced because of the continued investment in capabilities of the Group.</p>
<p><i>Capital structure</i></p>	<p>The Group has borrowings in the form of bank debt and a listed Bond following prior period acquisitions.</p> <p>It is key that our capital structure is appropriately managed to ensure we can meet all obligations as they fall due, to ensure we have sufficient headroom to execute our strategy by being able to fund organic and inorganic investments, and ultimately to deliver cash returns for our investors.</p>	<p>We perform regular reviews of short, medium and long-term cash forecasting to ensure our anticipated levels of cash are sufficient to meet both near-term requirements and longer-term strategic objectives.</p> <p>We carefully manage cash receipts and payments with customers and suppliers to ensure cash is delivered in line with agreed obligations.</p>	<p>We retain regular and detailed dialogue with our lenders.</p> <p>The Group continues to generate good cashflows, reducing leverage and improving headroom against facilities.</p> <p>Whilst interest rates have decreased during the year, this has had a limited impact on our interest charges given our low levels of debt. The Group’s net debt has decreased year on year and leverage remains below 1 and we consider the Group to have an appropriate capital structure.</p>

Strategic report – Principal risks and uncertainties (continued)

For the year ended 31 October 2024

Risk	Principal risks	Management of risks	Change in assessment of risk in the period
<i>Cyber risk</i>	<p>We operate systems that maintain our confidential data and in some cases that of our customers.</p> <p>An information security breach or cyber-attack could result in loss or theft of data, content or intellectual property.</p>	<p>We have cyber data protection and security policies in place and regularly review the effectiveness of these policies.</p> <p>There is an enterprise-wide data security programme and defined incident management processes, including those for employees to report security breaches.</p> <p>The company operates a mandatory program of awareness training for all employees to ensure an appropriate level of understanding of cyber-security.</p> <p>The Group is now accredited to the UK Government based Cyber Essentials Plus standard and operates an ISO 27001 accredited Information Security Management System.</p>	<p>Whilst we are satisfied with our actions in the period to mitigate cyber risk, we remain cognisant that, it is by nature a constantly evolving risk and we continue to review our processes and approaches on an ongoing basis.</p> <p>We have updated our Information Security Management System and the associated accreditation to the latest standard ISO27001:2022.</p> <p>Our assessment of this risk has not changed during the year.</p>

Chris Stone *Non-Executive Chair*

Chris Stone was appointed Non-Executive Chair on 22 November 2018. Chris is the Chair of NCC Group plc and was Chair of CityFibre plc until its sale. He has held numerous non-executive director and chief executive roles of listed and private equity backed technology companies, including being CEO of Northgate Information Solutions plc, from 1999 to 2011 where he led the transformation of the business from a small domestic player to a global leader. From 2013 to 2016, Chris was CEO of Radius Worldwide, a provider of software and services to support high growth companies establish and manage international operations.

David Meaden *Chief Executive Officer*

David Meaden was appointed Chief Executive on 1 June 2018. Prior to joining Idox, David held the position of Chief Executive at Northgate Public Services, a FTSE 250 company, and led the business through its successful sale to Cinven in 2014. David has a degree in Business Studies from the University of Huddersfield.

Anoop Kang *Chief Financial Officer*

Anoop Kang was appointed Chief Financial Officer on 16 March 2022. Prior to joining Idox, Anoop began his career at Deloitte LLP, before moving to Balfour Beatty plc in 2010. At Balfour Beatty, Anoop performed a number of senior roles, including Finance Director of their rail division and Head of Investor Relations, before becoming Group Financial Controller of Kier Group plc. Subsequently, Anoop was appointed as Group CFO of Cambian Group plc and then Logistics Development Group plc. He is a fellow of the Institute of Chartered Accountants of England and Wales.

Jonathan Legdon *Chief Operating Officer*

Jonathan Legdon, the Group's Chief Operating Officer, was appointed to the Board on 25 October 2024. Prior to joining Idox, Jonathan led NGA UK & Ireland, a leading provider of HR & Payroll solutions in the UK, as Managing Director and later CEO, successfully guiding the company through its sale to Bain Capital in 2018. Jonathan's strong background in Sales & Marketing and his expertise in driving organisational change have been key to his success.

Alice Cummings *Non-Executive Director*

Alice Cummings was appointed as Non-Executive Director on 14 April 2020. Alice is Vice-Chair of Cottsway Housing Association, Non-Executive Director and Chair of the Audit and Assurance Committee at Curo Housing Association and an Independent Non-Executive Director, Chair of the Audit and Risk Committee and Member of the Remuneration Committee of South Staffordshire Water plc. She was previously Group CFO for over seven years at the InHealth Group, the healthcare services and solutions business, where she had responsibilities for risk management, digital and IT, people services and commercial teams. During her career, she also spent over 16 years in commercial, operational and financial roles with the AEA Group, a main market listed environmental, energy efficiency and data management consultancy, ultimately as Group CFO. She is a qualified FCA, having started her career with PricewaterhouseCoopers. She is the Chair of the Audit Committee.

Phil Kelly *Non-Executive Director*

Phil Kelly was appointed as Non-Executive Director on 29 March 2019. Phil has served as a non-executive director of several listed and private companies in the software and related services sector, and was a non-executive director of Castleon Technology plc between 2014 and 2020. Prior to that he had over 25 years' experience as the Chief Executive of private and publicly quoted software companies supplying the commercial and public sectors in the UK, Europe and the USA. Phil had previously worked for Digital Equipment Corporation and 3i Consultants. He has an Economics degree from the University of Leicester and a Master's Degree in Business Administration from Cranfield University. He is the Chair of the Remuneration Committee.

Mark Milner *Non-Executive Director*

Mark Milner was appointed as Non-Executive Director on 29 July 2024. Mark is Chief Executive Officer of Wilmington plc, having joined them in 2019. Prior to this, he held various senior roles at Landmark Information Group and DMGT plc, including Chief Executive Officer of its property information division from 2013 to 2018. His career highlights include significant achievements in turnarounds, mergers, acquisitions, innovation launches, and the implementation of next-generation and disruptive digital and data strategies.

Directors' report

For the year ended 31 October 2024

The Directors submit their report and audited financial statements for the year ended 31 October 2024.

Results and dividends

The Group's audited financial statements for the year ended 31 October 2024 are set out on pages 67 to 107. The Group's profit for the year after tax amounted to £5.5m (2023: £5.6m). The Directors have paid a dividend of 0.6p per share in the first half of the 2024 financial year, in respect of the year ended 31 October 2023. The Directors propose a dividend of 0.7p per share to be paid in respect of the year ended 31 October 2024.

Future developments

Further information in relation to future developments has been disclosed in the Strategic Report as permitted by The Companies Act 2006, S414c(11).

Research and development activities

Further information in relation to research and development activities has been disclosed in the Strategic Report as permitted by The Companies Act 2006, S414c(11).

Engagement with suppliers, customers and others

Further information in relation to engagement with suppliers, customers and others has been disclosed in the Strategic Report as permitted by The Companies Act 2006, S414c(11).

Directors and their interests

The Directors who served during the year and their beneficial interests (including those of their immediate families) in the Company's 1p ordinary share capital were as follows:

	Number of shares	
	31 October 2024	1 November 2023
C Stone	936,377	936,377
D Meaden	1,453,219	1,119,207
P Kelly	105,263	105,263
J Legdon	854,852	N/A
A Cummings	-	-
A Kang	11,562	-
M Milner	-	N/A

In addition to the shareholdings listed above, certain Directors have been granted options over ordinary shares. Full details of these options are given in the remuneration section on pages 44 to 45.

Details of the Directors' service contracts can be found in the remuneration section on pages 44 to 45.

Insurance for Directors and officers

The Group has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report. Directors' and officers' liability insurance with an indemnity limit of up to £10m has been purchased in order to minimise the potential impact of proceedings against Directors in respect of claims that fall within the policy cover provided.

Substantial shareholdings

As at 31 October 2024, the Company was aware of the following interests in 3% or more of its issued share capital:

Shareholder	Number of shares	% Holding
Octopus Investments	62,317,959	13.54
Long Path Partners	55,903,975	12.15
Canaccord Genuity Wealth Management	46,672,797	10.14
Soros Fund Management	46,569,351	10.12
Investec Wealth & Investment	39,306,063	8.54
Gresham House Asset Management	29,971,896	6.51
Herald Investment Management	24,150,201	5.25
Lombard Odier Investment Managers	22,278,333	4.84

Transaction in own shares

During the year, the Group did not purchase any of its own ordinary shares.

During the year no share option exercises were satisfied using treasury shares.

See note 22 for shares held in trust by the Group.

Health, safety and environmental policies

The Group recognises and accepts its responsibilities for health, safety and the environment ('H,S&E') and has a team which provides advice and support in this area. The team members regularly attend external H,S&E courses and internal reviews are performed on a regular basis to ensure compliance with best practice and all relevant legislation.

Anti-slavery and human trafficking

Pursuant to Section 54 of the Modern Slavery Act 2015, the Group has published a Slavery and Human Trafficking Statement for the year ended 31 October 2024. The Statement sets out the steps that the Group has taken to address and reduce the risk of slavery and human trafficking occurring within its own operations and its supply chains. This statement can be found on the Group's corporate website: <https://www.idoxgroup.com/about-us/corporate-responsibility/>.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned.

In the event of members of our employees becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled employees should, as far as possible, be identical with that of other employees.

Employee consultation

The Group has a number of measures in place to promote two-way feedback and to consult with employees. Idox Voice, our employee engagement initiative, facilitates any necessary consultation with employees.

Colleagues at Idox are encouraged to share views and suggestions on our work environment, business performance and policies. We have numerous internal communication channels, which act as a platform to hear these views, including regular CEO Broadcasts, employee engagement surveys and a range of employee resource groups. This year, we continued the Employee Lounges initiative, which is focused on feedback and discussion on life at Idox as part of a smaller group setting. We have also launched a new Speak Up function, which allows employees to share any concerns they may have at work that cannot be addressed through our usual routes of resolution. The aim is to make the process of speaking up about any concerns easier, whilst continuing to support and guide colleagues to uphold the Idox DRIVE values.

These initiatives work alongside our information sharing platforms, which include a Group-wide Teams site and intranet, that provide timely and relevant news to all.

An Employee Share Investment Trust is in place to provide UK-based employees with a tax efficient way of investing in the Company. The Company purchases matching shares (Xtra shares), which become the property of the employee after a three-year vesting period.

Financial risk management objectives and policies

The Group uses various financial instruments which include cash, equity investments, bank loans and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, exchange rate risk, price risk and interest rate risk. The Directors review these risks on an ongoing basis. This policy has remained unchanged from previous years. Further information on financial risk management is disclosed in note 21 of the Group accounts.

Credit Risk

The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore, from its trade receivables.

In order to manage credit risk, management review the debt ageing on an ongoing basis, together with the collection history and third-party credit references where appropriate.

Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs through cash management and availability of borrowing facilities and by investing cash assets safely and profitably.

Exchange Rate Risk

The Group monitors its exposure to exchange rate risk on an ongoing basis. The Group has limited exposure to foreign exchange risk as a result of natural hedges arising between sales and cost transactions.

Cash Flow and Interest Rate Risk

The Group's bank borrowings bear interest at rates linked to SONIA. On an ongoing basis, the Board reviews the SONIA rate and discuss whether it is considered necessary to set up hedges to protect against interest rate movements.

Going concern

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

In October 2024 the Group extended its loan agreement with National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75,000,000 and a £45,000,000 accordion and are committed until October 2027. The Group retains significant liquidity with cash and available committed bank facilities and has strong headroom against financial covenants.

As part of the preparation of our FY24 results, the Group has performed detailed financial forecasting, as well as severe stress-testing in our financial modelling, but have not identified any credible scenarios that would cast doubt on our ability to continue as a going concern. Although the bond is repayable in the next year, there are sufficient existing funding available to repay this, therefore, will have limited impact on the overall funding structure of the Group.

The Group has performed sensitivity analysis of financial modelling to identify what circumstances could lead to liquidity challenges. This forecasting has demonstrated that the Group would only breach its banking covenants in the most severe of circumstances which are not considered credible.

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

Greenhouse Gas (GHG) Emissions Reporting

Idox seeks to minimise the impact of our operations on the environment and is committed to reducing its greenhouse gas (GHG) emissions. Key sources of energy, primarily electricity to power our offices, are monitored by the Group to allow us to be continually mindful of our energy consumption. The Group applies a set of global environmental standards to all of our activities and our environmental and energy management systems are certified to ISO 14001. These certifications provide a framework against which we have developed comprehensive environmental procedures and monitoring systems. These processes have allowed us to measure our environmental performance and focus our activities on delivering improvements.

The table below shows the total gross GHG emissions in tonnes of CO₂e in the year ended 31 October 2024:

	Usage	tCO ₂ e
Scope 1 – Emissions from combustion of oil (L)	1,516	4
Scope 1 – Emissions from use of passenger vehicles (mi)	11,995	7
Scope 2 – Emissions from purchased electricity (kWh)	350,848	73
Scope 3 – Emissions from business travel – air (mi)	489,293	94
Scope 3 – Emissions from business travel – hotel (kWh)	1,640	23
Scope 3 – Emissions from business travel – land (mi)	196,717	12
Scope 3 – Emissions from business travel – mileage (mi)	217,708	60
Scope 3 – Emissions from waste disposal – electrical items (t)	863	18
Scope 3 – Emissions from waste disposal – paper etc. (t)	1,106	19
Total gross emissions (tCO₂e)		310
Total revenue (£000)		87,599
Carbon Intensity Ratio (tCO₂e/£000)		0.0035

The following table shows the comparative figures for the year ended 31 October 2023:

	Usage	tCO ₂ e
Scope 1 – Emissions from combustion of oil (L)	3,715	9
Scope 1 – Emissions from use of passenger vehicles (mi)	25,096	10
Scope 2 – Emissions from purchased electricity (kWh)	354,310	70
Scope 3 – Emissions from business travel – air (mi)	598,462	92
Scope 3 – Emissions from business travel – hotel (kWh)	1,489	26
Scope 3 – Emissions from business travel – land (mi)	269,456	16
Scope 3 – Emissions from business travel – mileage (mi)	173,955	49
Scope 3 – Emissions from waste disposal – electrical items (t)	2,475	53
Scope 3 – Emissions from waste disposal – paper etc. (t)	1,355	29
Total gross emissions (tCO₂e)		354
Total revenue (£000)		73,277
Carbon Intensity Ratio (tCO₂e/£000)		0.0048

Methodology

Scope 1, include direct emissions from the combustion of oil and gas noted in litres and cubic metres respectively and company owned passenger vehicles mileage, converting these values to tCO₂e using Department of Energy conversion factors. Scope 2, indirect emissions, include consumption of purchased electricity in kWh, converting these values to tCO₂e using Department of Energy conversion factors. Scope 3 emissions relates to business travel (per above categorisations) in miles and waste disposal in tonnes, converting these values to tCO₂e using Department of Energy conversion factors.

Using an operational approach, the Group identified its population to ensure that all activities and facilities are being recorded and reported in line with the mandatory GHG protocol corporate accounting and reporting standard. Relevant data is analysed and used to calculate the GHG for the Group. Emissions are calculated as activity data multiplied by emissions factor (sourced from Government greenhouse gas reporting conversion factors).

The Group uses total turnover to calculate the intensity ratio as this allows emissions to be monitored over time taking into account changes in the size of the Group. This factor provides the greatest degree of accuracy and is the metric best aligned to business growth.

Energy Efficiency

The Group monitors the energy efficiency of its operations to ensure continued compliance with ISO 50001:2011 as the basis for its energy management arrangements.

For more detail on how the Board have had regard to the environment in key strategic decisions in the year, see our Stakeholder Engagement report on pages 15 to 18.

Auditor

A resolution to reappoint Deloitte LLP and to authorise the Directors to agree their remuneration will be placed before the forthcoming Annual General Meeting of the Company.

Statement of disclosure to Auditor

So far as each person who was a Director at the date of approving these financial statements is aware, there is no relevant audit information of which the Group's auditor is unaware. Additionally, each Director has taken all the necessary steps, that they ought to have taken as a Director in order to make themselves aware of all relevant audit information and to establish that the Group's auditor is aware of this information.

This report was approved by the Board of Directors and authorised for issue. Signed on its behalf by:

David Meaden
Chief Executive Officer
27 January 2025

Corporate governance report

For the year ended 31 October 2024

Idox has a Remuneration Committee. Terms of Reference for this Committee are available at <https://www.idoxgroup.com/investors/corporate-governance/>.

Phil Kelly was appointed as Chair of the Remuneration Committee on his appointment as a Director on 29 March 2019.

The Group's remuneration policies and the application of these policies to the Board and Senior Management Team during the year are set out in the sections below.

Remuneration policy

The policy of the Group is to set levels of remuneration to attract, retain and motivate Executive Directors and other key senior employees. The packages are designed to be competitive in value to those offered to the Directors of similar sized public companies in related sectors. It is the Board's policy to align the long-term interests of managers with those of our shareholders in the granting of options and other equity awards.

The components of the Executive Directors' remuneration packages are currently a basic salary, bonus, money purchase pension contributions and benefits in kind. The benefits include private medical cover and life cover. The bonus elements are dependent on the Executive Directors achieving performance criteria set out by the Remuneration Committee. In addition, the Group operates a Long-term Incentive Plan (LTIP) for the Executive Directors and other key senior employees.

Following constructive discussions with several institutional shareholders during FY22, the Remuneration Committee carried out a full review of the LTIP scheme. This was carried out with advice and guidance from external specialist executive compensation advisors with a focus to ensure the resulting scheme would both incentivise management and comply with recognised best practice.

Consequently, a revised LTIP scheme was implemented with Board approval on 01 September 2023. The new LTIP scheme takes shareholder feedback into consideration and is intended to reflect market expectations in terms of performance conditions and vesting criteria. Awards have been granted under the new LTIP scheme to Executive Directors and other senior employees.

Directors' remuneration

2024	Basic salary and fees 2024	Bonus 2024	Benefits in kind 2024	Total 2024	Pension 2024
	£000	£000	£000	£000	£000
Executive Directors					
David Meaden	388	243	-	631	-
Anoop Kang	306	189	2	497	-
Jonathan Legdon*	5	4	-	9	-
Non-Executive Directors					
Chris Stone	110	-	-	110	-
Phil Kelly	50	-	-	50	-
Alice Cummings	50	-	-	50	-
Mark Milner*	12	-	-	12	-
	921	436	2	1,359	-

* Jonathan Legdon was appointed to the board on 25 October 2024 and Mark Milner was appointed on 29 July 2024.

Directors' remuneration (continued)

2023	Basic salary and fees 2023	Bonus 2023	Benefits in kind 2023	Total 2023	Pension 2023
	£000	£000	£000	£000	£000
Executive Directors					
David Meaden	387	241	-	628	-
Anoop Kang	293	180	1	474	-
Non-Executive Directors					
Chris Stone	103	-	-	103	-
Phil Kelly	40	-	-	40	-
Alice Cummings	40	-	-	40	-
	863	421	1	1,285	-

The amounts in respect of pension represent money purchase pension contributions.

Non-Executive Directors

The Board reviews the remuneration of the Chair and Non-Executive Directors on a regular basis.

Service contracts

The Executive Directors have entered into service contracts with the Group that are terminable by either party on no less than six months prior notice.

Share options

The Directors believe it is important to incentivise key management and employees.

The following options have been granted to the Directors over ordinary 1p shares in the Company:

Director	Type	At start of year	Granted	Exercised	Lapsed	At end of year	Exercise price	Exercise date from	Exercise date to
C Stone	1	585,500	-	-	-	585,500	1p	Mar 2019	Mar 2029
D Meaden	1	933,962	-	(622,640)	-	311,322	0p	Feb 2022	Feb 2031
	1	463,235	-	-	-	463,235	0p	Feb 2023	Feb 2032
	2	1,711,213	-	-	-	1,711,213	0p	Nov 2025	Nov 2032
	2	-	566,251	-	-	566,251	0p	Nov 2026	Nov 2033
J Legdon	1	424,528	-	(283,018)	-	141,510	0p	Feb 2022	Feb 2031
	1	330,882	-	-	-	330,882	0p	Feb 2023	Feb 2032
	2	1,344,524	-	-	-	1,344,524	0p	Nov 2025	Nov 2032
	2	-	444,912	-	-	444,912	0p	Nov 2026	Nov 2033
A Kang	1	735,294	-	-	-	735,294	0p	Apr 2023	Apr 2032
	2	1,283,409	-	-	-	1,283,409	0p	Nov 2025	Nov 2032
	2	-	440,058	-	-	440,058	0p	Nov 2026	Nov 2033
Totals		7,812,547	1,451,221	(905,658)	-	8,358,110			

¹ pre-FY23 LTIP

² new LTIP

The pre-FY23 £Nil cost Directors' options vest evenly over the three years from issue, with the date exercisable from noted in the table above being the date at which the first third of the options are available to exercise. The other pre-FY23 options have no vesting conditions and are fully exercisable from the dates noted in the table above.

The £Nil cost Directors' options granted under the new LTIP scheme will ordinarily vest three years after the grant date subject to the grantee's continued service and achievement of the necessary performance criteria and are exercisable for seven years thereafter. The performance criteria that apply to the awards consists of three elements: (1) up to 50% of the award is subject to the Company's absolute total shareholder return, (2) up to 25% of the award is subject to the achievement of adjusted diluted earnings per share growth, and (3) up to 25% of the award is subject to the Company's revenue performance, all of which will be measured over a 3-year performance period.

The mid-market price of the Company's shares at close of business on 31 October 2024 was 60.20p and the low and high share prices during the year were 54.20p and 69.00p, respectively.

The Company recognised total expenses of £2,491,042 (2023: £2,631,398) related to equity-settled, share-based payment transactions during the year in respect of all Directors and employees, of which £2,491,042 (2023: £2,631,398) related to the LTIP share option scheme. Note 23 of the Group accounts contains full disclosure of the Company's share options.

Directors' share interests

The Directors' shareholdings in the Company are listed in the Directors' Report on page 39.

Corporate governance

Idox has adopted the QCA Corporate Governance Code (the "Code") on a comply or explain basis. Further Information on that can be found within the Compliance Statement published on our website: <https://www.idoxgroup.com/wp-content/uploads/Idox-Plc-Corporate-Governance-Code.pdf>. Where Idox chooses not to comply with the Code it will explain such choices in the context of the business.

Board of Directors

Subject to the Articles of Association, UK legislation and any directions given by special resolution, the business of the Group is managed by the Board. The Code requires the Group to have an effective Board whose role is to develop strategy and provide leadership to the Group as a whole. It sets out a framework of controls that allows for the identification, assessment and management of risk. Additionally, it ensures the Board takes collective responsibility for the success of the Group.

The Board's main roles are to provide leadership to the management of the Group, determine the Group's strategy and ensure that the agreed strategy is implemented. The Board takes responsibility for approving potential acquisitions and disposals, major capital expenditure items, disposals, annual budgets, annual reports, interim statements and Group financing matters.

The Board appoints its members and those of its principal Committees, following the recommendations of the Nomination Committee. The Board reviews the financial performance and operation of the Group's businesses. The Board regularly reviews the identification, evaluation and management of the principal risks faced by the Group, and the effectiveness of the Group's systems of internal control.

The Board considers the appropriateness of its accounting policies on an annual basis. The Board believes that its accounting policies, in particular in relation to income recognition and research and development, are appropriate and that any changes to such accounting policies are discussed with its Auditors.

Financial results with comparisons to budget and forecast results are reported to the Board on a regular basis, together with a commercial report on operational issues. Significant variances from budget or strategy are discussed at Board meetings and actions set in place to address them.

Board and committee meetings are scheduled in line with the financial calendar of the Group. The timing of meetings ensures the latest operating data is available for review and that appropriate time and focus can be given to matters under consideration. The Board met seven times throughout the year for principal Board meetings to discuss a formal schedule of business. The Board is supported by an Executive Management Team, and is supported by qualified Executive, senior and finance management teams.

Role of Chair and Chief Executive Officer

The Code requires that there should be a clear division of responsibilities between the running of the Board and the Executive responsible for the Group's business, to ensure that no one person has unrestricted powers of decision.

The Chair is responsible for the leadership of the Board, ensuring its effectiveness and setting its agenda. Once strategic and financial objectives have been agreed by the Board, it is the CEO's responsibility to ensure they are delivered upon. To facilitate this, the CEO regularly meets the EMT which additionally comprises business division directors and senior members of the management team. The day-to-day operations of the Group are managed by the EMT.

Composition of and appointments to the Board

The Code requires that there should be a balance of Executive and Non-Executive Directors and when appointing new Directors to the Board, there should be a formal, rigorous and transparent procedure.

The Board comprises the Non-Executive Chair, the CEO, the CFO, the COO and three Non-Executive Directors. Short biographies of the Directors are given on page 38.

The Board considers Chris Stone, Alice Cummings, Phil Kelly and Mark Milner as independent.

The Board is satisfied with the balance between Executive and Non-Executive Directors and will continue to review this position in the coming years. The Board considers that its composition is appropriate in view of the size and requirements of the Group's business and the need to maintain a practical balance between Executive and Non-Executive Directors.

Each member of the Board brings different skills and experience to the Board and the Board Committees. The Board is satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence and knowledge to the Group.

The Code requires that the Board undertakes a formal annual evaluation of its own performance and that of its Committees and Directors. The Non-Executive Chair continually works with each Non-Executive Director to assess their individual contribution and to assess that their contribution is relevant and effective, they have sufficient time to commit to the role, and where relevant, they have maintained their independence.

The Board continues to annually review its composition, to ensure there is adequate diversity to allow for its proper functioning and that the Board works effectively together as a unit.

When a new appointment to the Board is made, consideration is given to the particular skills, knowledge and experience that a potential new member could add to the existing Board composition. The Nomination Committee may elect to engage external recruitment agencies, with appropriate consideration being given, in regard to Executive appointments, to internal and external candidates. Before undertaking the appointment of a Non-Executive Director, the Chair establishes that the prospective Director can give the time and commitment necessary to fulfil their duties, in terms of availability both to prepare for and attend meetings and to discuss matters at other times.

There have been two additions to the Board in FY24. The effectiveness of the Board, which includes the contributions of the individual Board members, throughout the annual governance cycle is regularly considered. The current Board members are operating collectively and effectively to govern the business in an efficient and productive manner.

The additions that we made to the Board were made to make sure that the Board evolves in line with the evolving needs of the business bringing a balance of skills, experience, independence, and knowledge to the Group. The two new additions bring significant enhancement to these capabilities.

Board committees

The Audit Committee has been established to look after specific areas of the Board's responsibilities. The Audit Committee is chaired by Alice Cummings and at present includes Phil Kelly and Mark Milner. The Report of the Audit Committee can be found on pages 53 to 56.

The Remuneration Committee is chaired by Phil Kelly and at present includes Alice Cummings and Mark Milner.

The Remuneration Committee has overall responsibility for making recommendations to the Board, of the remuneration packages of the Executive Directors. The Committee's key responsibilities include:

- making recommendations to the Board on any changes to service contracts;
- approving and overseeing any share related incentive schemes within the Group;
- ensuring that remuneration is in line with current industry practice; and
- ensuring remuneration is both appropriate to the level of responsibility and adequate to attract and / or retain Directors and employees of the calibre required by the Group.

The Nomination Committee includes Chris Stone, Alice Cummings, Mark Milner and Phil Kelly as members.

The Nomination Committee has overall responsibility for making recommendations to the Board, of the composition of the Board.

The Nomination Committee's key responsibilities include:

- reviewing the size, composition and structure required of the Board and making recommendations to the Board with regard to any changes;
- identifying and nominating, for approval by the Board, candidates to fill Board vacancies as they arise;
- giving full consideration to succession planning for Directors; and
- vetting and approving recommendations from the Executive Directors for the appointment of senior Executives.

The Audit Committee met four times in the year, the Remuneration Committee met two times in the year and the Nomination Committee met two times in the year.

Re-election

Under the Code, Directors should offer themselves for re-election at regular intervals. Additionally, under the Group's Articles of Association, at least one third of the Directors who are subject to retirement by rotation are required to retire and may be proposed for re-election at each Annual General Meeting. New Directors, who were not appointed at the previous Annual General Meeting, automatically retire at their first Annual General Meeting and if eligible, can seek re-appointment.

Two of the Directors are due to retire by rotation and seek re-election at the next Annual General Meeting.

The new Directors appointed since the last AGM, Mark Milner and Jonathan Legdon, will automatically retire at the Annual General Meeting and will seek re-appointment.

Internal control

The Board takes responsibility for establishing and maintaining reliable systems of control in all areas of operation. These systems of control, especially of financial control, can only provide reasonable but not absolute assurance against material misstatement or loss. The Board remains committed to a continuous programme to make improvements in controls, processes and reporting. An internal control function within the Compliance Services team is responsible for taking the rolling health check programme forward throughout the Group. This provides independent scrutiny of operational adherence, to ensure the Group remains best placed to suitably mitigate risks that emerge as the Group's operations evolve. A Process Improvement Partner within the Compliance Services team helps to support continuous improvement across all departments, reflecting the Group's commitment to designing, improving and maintaining reliable controls across the Group.

In July 2022, the Group appointed Johnston Carmichael LLP to support the evolution of its internal control framework across key operational areas over the next 3 years. As part of this rolling health check programme, three reports were presented to the Audit Committee during the financial year 2024. These reports cover a wide variety of operational areas including Lead to Order, Order to Cash and Procure to Pay. The reports contain observations and findings focused on the Group's internal control environment and provide detailed recommendations for addressing any control gaps and making improvements. Key stakeholders review the reports and then action plans for each area are drawn up, with timescales and priorities. The Compliance Services team support this activity, offering independent advice, challenge and guidance and tracking progress against the plan to maximise the benefit to the internal control environment. Progress against the action plans is regularly reported to the Audit Committee who also review the reports as they are finalised.

There were no high or very high control environment issues raised as part of the health checks conducted during financial year 2024.

The Audit Committee has continued to maintain a close dialogue with Management and the Group's external auditors in FY24 and the resulting audit process to ensure the extensive operational reviews performed by the Management team have been thorough and the resulting accounting has been appropriate. In addition, the Audit Committee have worked closely with the Management team as part of their efforts to upgrade processes and controls throughout the Group and have provided assurance that improvements identified by the health checks have been completed on a timely and effective basis.

The key matters relating to the system of internal control are set out below:

- Idox has established an operational management structure with clearly defined responsibilities and regular performance reviews;
- the Group operates a comprehensive system for reporting financial and non-financial information to the Board, including review of strategic plans and annual budgets;
- on a monthly basis, financial results are monitored in detail against budgets, forecasts and other performance indicators with action dictated accordingly at each meeting;
- a structured approval process is maintained for sales order-to-cash and procurement purchase-to-pay processes based on assessment of risk and value delivered; and
- sufficient resource is focused to maintain and develop internal control procedures and information systems, especially in financial management.

Improvements in process and internal controls made in the previous financial year have been maintained and enhanced this year. This includes the requirement for all new business to be approved based on size and risk before presentation to the customer, formal bid reviews for material contracts, balance sheet and cash flow forecasting, and detailed monthly business reviews. Acquired companies are migrated across to these processes in a controlled way to minimise risk while maintaining business as usual within the operational teams involved.

As part of the Board's commitment to continuous improvement, other enhancements introduced this year include:

- The Configure, Price, Quote (CPQ) functionality introduced in previous years into our Customer Relationship Management (CRM) system has been further enhanced this year and provides a strong base for the Group's Lead to Order process and internal controls. It automates business approval, minimises manual interactions and provides system-based controls in areas such as price book management, lead to order processes, customer insight, reporting granularity and robustness of routine reporting.
- With Salesforce, PSA and Agresso we have three strong enterprise solutions which together provide a number of systematic preventative controls as well as the ability to implement further detective controls in the form of checks and balances using the rich reporting capabilities.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, and that this process has been in place for the year under review and up to the date of approval of the Annual Report and Accounts. This process is regularly reviewed by the Board.

Information and Development

The Code requires that the Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

The Chair is responsible for ensuring that all the Directors continually update their skills, knowledge and familiarity with the Group in order to fulfil their role on the Board and the Board's Committees. Updates dealing with changes in legislation and regulation relevant to the Group's business are provided to the Board by external advisors, the CFO, the Company Secretary and in-house legal advisors.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring its procedures are properly complied with and that the discussions and decisions are appropriately minuted. Directors may seek independent professional advice at the Group's expense in furtherance of their duties as Directors. Training on matters relevant to their role is available to all Board Directors. New Directors are provided with an induction in order to introduce them to the operations and management of the business.

Investor relations

Idox is committed to open communication with all its shareholders. The Directors hold regular meetings with institutional shareholders to discuss and review the Group's activities and objectives. Communication with private shareholders is principally through the Annual General Meeting, where participation is encouraged and where the Board is available to answer questions. Idox maintains up-to-date information on the Investor Relations section of its website <https://www.idoxgroup.com/investors/>.

The CEO and CFO meet institutional investors after publication of the annual and interim results, on an ongoing basis, as required.

The Directors also undertake consultation on certain matters with major shareholders from time to time. Through these consultations, the Group maintains a regular dialogue with institutional shareholders. Feedback is reported to the Board so that all Directors develop an understanding of the views of major shareholders.

Trading updates and press releases are issued as appropriate and the Group's Nominated Advisor (NOMAD) provides briefings on shareholder opinion and compiles independent feedback from investor meetings. The Annual General Meeting is used by the Directors to communicate with both institutional and private investors.

Every shareholder has access to a full annual report each year end and an interim report at the half year end. Care is taken to ensure that any price sensitive information is released to all shareholders, institutional and private, at the same time in accordance with London Stock Exchange requirements.

Idox strives to give a full, timely and realistic assessment of its business in all price-sensitive reports.

AIM rule compliance report

Idox is quoted on AIM, London Stock Exchange's international market for smaller growing companies. Idox complies with the AIM Rules, in particular AIM Rule 31 which requires the following:

- sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- seek advice from the NOMAD regarding its compliance with the Rules whenever appropriate and take that advice into account;
- provide the NOMAD with any information it reasonably requests in order for the NOMAD to carry out its responsibilities under the AIM Rules for Nominated Advisers, including any proposed changes to the Board and provision of draft notifications in advance;
- ensure that each of the Directors accepts full responsibility, collectively and individually, for compliance with the AIM rules; and
- ensure that each Director discloses without delay all information which the Group needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the Director or could with reasonable diligence be ascertained by the Director.

Directors' responsibilities statement

For the year ended 31 October 2024

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have chosen to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 27 January 2025 and is signed on its behalf by:

David Meaden
Chief Executive Officer

Anoop Kang
Chief Financial Officer

Report of the Audit Committee

For the year ended 31 October 2024

Dear Shareholder

I am pleased to present the report of the Audit Committee for the year ended 31 October 2024.

The report provides insights on the Committee's work and sets out how the Committee has fulfilled its responsibilities in relation to a wide range of financial matters including ensuring that the financial performance of the Group is adequately measured and controlled, correctly represented, reported to and understood by the Board alongside oversight of risk management and internal controls and the effectiveness of the external audit.

The Audit Committee is a committee of the Board comprised of three Non-Executive Directors. The Company Secretary is also the Secretary of the Audit Committee. The Committee is chaired by myself and held four scheduled meetings during the year. The Audit Committee invites the Group's and listed subsidiary's Auditors, Head of Compliance Services and other senior managers to attend its meetings as appropriate. The Group's Auditor has attended all of the four scheduled meetings. By invitation, the meetings are also attended by the Group CEO, Group CFO and from 29 July 2024, the Chair of the Board. The Committee carries out its activities for Idox plc, its major subsidiary undertakings, and the Group as a whole.

Committee members

Alice Cummings (Chair)

Chris Stone (until 29 July 2024)

Phil Kelly

Mark Milner (from 29 July 2024)

The Audit Committee members are considered to have sufficient, recent, and relevant financial and commercial experience to discharge their duties as set out on page 38.

The Committee is provided with sufficient resources to perform its duties including support, as necessary, from the Executive Directors, senior managers, finance and legal team members, external professional firms and the external audit firms for the Group and listed subsidiary. The Committee can obtain, at the Group's expense, outside legal or other professional advice on any matters within its terms of reference.

Roles and responsibilities

The Audit Committee has a wide remit, The Terms of Reference were reviewed by the Board during the year and minor updates relating to the responsibilities for internal controls and internal audit were made. Its key roles and responsibilities include reviewing and advising the Board on:

- the integrity and assurance of the financial statements of the Group, including its annual and interim reports, results announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and the key judgements that they contain;
- the appointment and remuneration of the Group's and listed subsidiary's Auditors and their effectiveness in line with the requirements of the QCA Corporate Governance Code;
- the content of the Group's and listed subsidiary's Auditors' transparency reports, concerning Auditor independence in providing both audit and non-audit services;
- the scope, performance and effectiveness of other internal control functions and the Group's Auditor's assessment thereon;
- the nature and extent of non-audit services provided by the Group's Auditor to ensure that their independence and objectivity is maintained;
- changes to accounting policies and procedures;
- decisions of judgement affecting financial reporting, compliance with accounting standards and with the Companies Act 2006;
- risk management processes, including the risk management framework, risk appetite statement and the principal strategic and operational risks;
- internal controls, including financial delegations, internal control findings highlighted by management or the internal controls health checks (including monitoring of the implementation of recommendations) and assurance reports and external audits; and
- the Group's procedures for responding to allegations of wrongdoing including those made by whistle-blowers.

Report of the Audit Committee (continued)

For the year ended 31 October 2024

The Audit Committee's updated terms of reference can be found on the Group's website.

Audit Committee activities in the financial year ended 2024

The Committee considered the following standing items on its agenda during the year:

- reviewed the Interim Accounts and the Annual Report and Accounts in the context of being fair, balanced and understandable including related announcements and market updates;
- for each of the Group's Auditor and the listed subsidiary's Auditor, received and considered, as part of the review of the Annual Report and Accounts, reports from the Auditor in respect of the audit plan for the year, risk factors and assurance levels for the audit, and the results of the annual audit including the scope of the annual audit, the approach to be adopted by the Auditor to address and conclude upon key estimates and other key audit areas, the basis on which the materiality is assessed, the terms of engagement and fees for the Auditor, the additional matters for disclosure, the extent of any errors or corrections required to the accounts, the letter of representation to the Auditor and an on-going assessment of the impact of future accounting developments for the Group;
- considered the effectiveness and independence of the external auditors;
- considered the level and value of non-audit services;
- considered the key audit matters;
- considered the internal controls health check reports with their tracked action plans for controls and assurance improvements;
- considered the risk framework, risk appetite statement, risk register and principal risks to the Group;
- considered the effectiveness of the Group's risk management and internal control systems including resourcing the key internal control processes ensuring that the finance and operational teams are appropriately trained and qualified, including taking external specialist advice;
- considered the key accounting and internal control policies;
- considered the policies, risk assessment and reporting for any wrongdoing, fraud and whistleblowing;
- considered management's key judgements; and
- reviewed the budget and forecasting process including stress testing and sensitivity analysis.

The Committee discussed and took papers from Management and in some cases external advisors on other matters that are not on the standing agenda including the proposal of dividends and the selection and appointment of the Auditor for the Indian subsidiary and the report to that company's Board at the completion of the annual audit process.

Risk management

The Audit Committee has responsibility for assessing and challenging the robustness of the risk management and internal control environment. It receives reports and risk registers from management in order to carry out this review. Risk Management is discussed at least twice a year at the Committee and the Board's Appetite for Risk is discussed at least annually and in meetings following where risk factors change or there are significant emerging risks.

The Committee reviews a standing risk management dashboard and report from the senior managers providing insight over the key elements of the risk environment including new/mitigated or tolerated risks, key risk indicators, trend analysis and emerging risks.

The Committee has received reports from Johnston Carmichael, managed through the internal control and compliance function, on the health checks of the following key internal controls as year three of a three-year rolling program:

- Lead to Order;
- Order to Cash; and
- Procure to Pay.

The Committee has also followed up the action trackers for the recommendations from the year one and year two phases of reports from Johnston Carmichael:

Report of the Audit Committee (continued)

For the year ended 31 October 2024

There were no high or very high control environment issues raised as part of the year three health checks. All actions have been compiled into a controls and assurance plan and are regularly reviewed by the Committee.

The rolling program has been agreed for the next three years with three additional controls being included; Environmental and Social, Customer Support Services and Talent Management and Retention.

The Committee can therefore confirm that it has conducted its annual review of the system of risk management and internal control covering material financial, operational and compliance controls.

Effectiveness of the Auditor

The Committee continues to monitor and assess the work of the Group's and listed subsidiary's Auditors to ensure that they demonstrate appropriate challenge and curiosity in discussions with the Committee and therefore remain effective. Effectiveness is also considered by liaising directly with the Group's Auditor on significant matters including without the Executive Directors being present where any matters of concern can be raised and discussed openly. The Committee also discusses the quality and value for money of the audit process for all Group entities with the Executive Directors and senior finance and operational staff.

In addition to the matters above, this assessment considered periodic reviews by the Financial Reporting Council ("FRC") of the audits carried out by Deloitte and the Deloitte audit team's contribution to the Audit Committee's discussions. This conclusion was supported by the receipt in 2024 of a report from the FRC on their review of the Deloitte audit of the Idox plc Annual Report for the year ended 31 October 2023. The FRC concluded that only limited improvements were required to the audit, all of which the external auditors have addressed in the 2024 audit.

The Committee is satisfied with the effectiveness of the Group's and listed subsidiary's Auditors in performing their audit for the year ended 31 October 2024.

Independence and objectivity of the Auditor

The current auditor, Deloitte LLP, was appointed on 19 June 2018. The audit for the financial year ended 31 October 2024 is the seventh consecutive year end for the firm. The Audit Committee consider the appointment of the Auditor annually prior to recommending the appointment of the Auditor to the Board at the Idox Annual General Meeting. The Committee has agreed with Deloitte LLP that they will continue in post for the next financial year and that the current audit partner, who is in his second year of the Group's audit, remains independent for the Group's audit for the year ended 31 October 2024. This is consistent with the FRC's requirements around the rotation of the audit partner. The Committee continues to monitor the work of the Auditor to ensure that the Auditor's objectivity and independence is not compromised by it undertaking inappropriate non-audit work. There were no such services for the year ended 31 October 2024.

Auditor objectivity was safeguarded by the Committee considering several factors:

- an appraisal of the standing and experience of the audit partner;
- receiving an overview from Deloitte LLP of the policies and procedures in place to safeguard auditor objectivity and independence including annual confirmation by all professionals of compliance with independence policies and procedures;
- reviewing the annual confirmation from Deloitte LLP of its independence to the Committee confirming in particular that no partners or staff held any financial interests in the Idox Group and that its ethics policies are consistent with the requirements of the FRC's ethical standard;
- the periodic review by the FRC in 2024;
- using a different firm to perform internal controls health checks with the Head of Compliance Services during the year; and
- using a number of different firms to provide other non-audit services including tax compliance services, tax advice, risk management, transfer pricing risk assessments, internal control reviews and banking advisory services during the year.

During the year the fees paid to the Group's Auditor were £331,000 (2023: £350,000) for Group and subsidiary audit services, £Nil (2023: £Nil) for interim audit services, and £Nil (2023: £Nil) for non-audit services.

Report of the Audit Committee (continued)

For the year ended 31 October 2024

I would like to thank Deloitte for their work as the Group's Auditor. The audit team's approach with their experience acting for public listed companies has been valuable.

Significant matters in relation to financial statements

Revenue Recognition	<p>This is a key issue in all audits. The Committee reviews the Group's revenue recognition policies and principles to ensure that they are compliant with current accounting standards and applied consistently for each of the different revenue streams. This includes the mechanism used to determine the milestones and performance obligations as part of the Group's Business Approval Form process. As part of this work, the Committee has challenged and reviewed analyses of some specific multi-year contracts prepared by Management to confirm that the appropriate treatment for contract revenue recognition and recoverability of the associated work in progress balances has been recorded.</p> <p>The Committee has also considered some specific control observations made by the external auditor, which were not pervasive issues, and are satisfied that appropriate steps are being put in place to remediate these.</p>
Carrying value of Goodwill and Intangible Assets	<p>The Group recognises intangible assets acquired as part of business combinations. These include, Goodwill, Customer relationships, Trade names and Software, which are recorded at fair value at the date of acquisition. The determination of these fair values is based upon Management's judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate cost of capital. Management estimates the expected useful lives of intangible assets and charges amortisation on those assets accordingly.</p> <p>The Committee monitors the intangible carrying value for any indications of impairment and impairment test calculations carried out by management to support decisions to not impair goodwill. The recoverable amount is determined based upon value-in-use and fair value less costs to sell calculations. The value-in-use method requires the calculation of future cash flows and the choice of a suitable discount rate to calculate the present value of these cash flows. Pre-tax discount rates have been applied and are based on WACC calculations performed and supplied by independent valuation specialists.</p> <p>The Audit Committee has considered Management's assessments of value-in-use, as well as fair value less costs to sell for the Assets operating segment, of operating segments including intangible assets at the reporting date. This included considering a range of sensitivities applied to future cash flows, EBITDA multiples and the discount factors. The Committee has through its work confirmed that no impairment charge is required.</p>

Reporting responsibilities

The Committee makes whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.

The Committee ensures that it gives due consideration to laws and regulations, the provisions of the QCA Corporate Governance Code, the requirements of the UK Listing Authority's Listing Rules, Prospectus and Disclosure and Transparency Rules, the AIM Rules for Companies and any other applicable rules as appropriate. The Committee also oversees any investigation of activities which are within its terms of reference.

I am satisfied that the Committee has satisfactorily discharged its duties in the year in accordance with its terms of reference.

Alice Cummings

Chair of the Audit Committee
27 January 2025

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Idox plc (the 'parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent Company balance sheets;
- the consolidated and parent Company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 29 to the Group financial statements, and the related notes 1 to 15 to the parent Company financial statements .

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Revenue recognition; and
- Valuation of goodwill and intangible assets;

Within this report, key audit matters are identified as follows:

 Similar level of risk to prior year

Materiality

The materiality that we used for the Group financial statements was £780,000, which was determined on the basis of Adjusted EBITDA, normalised for restructuring costs and share-based payments which are recurring expenses.

Scoping

The components subject to audit or specific audit procedures represent substantially all of the Group's total revenue, adjusted EBITDA and net assets.

Significant changes in our approach

Following the acquisition of Emapsite Limited in August 2023, which now makes up a more significant portion of the Group's revenue, and Adjusted EBITDA due to a full year impact on the consolidated income statement, we have extended our scope to include all Emapsite significant accounts. Otherwise, our approach is consistent with the previous year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the relevant controls over the Directors' process for evaluating the Group's ability to continue as a going concern ;
- Evaluating the Group's financing facilities, through assessing their nature, repayment terms and covenants;
- Assessing the appropriateness of forecasted cash flows, including assumptions made, and forecast covenant compliance under the base case and breakeven scenarios;
- Evaluating assumptions and the value of headroom in the forecasts by performing independent recalculations, sensitivity analysis and stress tests;
- Assessing the sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management; and
- Assessing the appropriateness of the going concern disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue Recognition 

Key audit matter description

The Group generated £87.6m of revenue (2023: £73.3m) during the year. The Group provides specialist software solutions. Each business segment has its own revenue recognition policies (refer to note 1 accounting policies) depending on the nature of the revenue (recurring or non-recurring) and underlying contractual arrangements.

Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year or rolling contract. These services include support and maintenance, software-as-a-service ("SaaS") fees, hosting services, and managed service arrangements which involve a fixed fee irrespective of consumption. Non-recurring revenue is defined as revenues without any formal commitment from the customer to recur on an annual basis.

Management judgement is required around the timing of when performance obligations are met, as well as for the application of principles set out in IFRS 15 Revenue from contracts with customers with regards to the measurement of revenue recognised and transaction price allocation as part of the initial accounting treatment, particularly where unbundling is required. Given that this judgement could be the subject of management bias with regards to the allocation of revenues to up-front provision of licenses, we identified this as a potential area susceptible to fraud.

Our key audit matter has been focussed on evaluating whether the revenue recognised in the period is in line with the contractual agreement and appropriately assessed under IFRS 15 principles, particularly in relation to the over-time / point-in-time judgment associated with new and significant contracts, defined as those with statistically significant total contract value.

Further details are provided in strategic report on page 29 and note 2 of the financial statements.

How the scope of our audit responded to the key audit matter

- The audit procedures we performed in respect of this matter included:
- Obtaining an understanding of and testing the operating effectiveness of relevant controls over the approval and recording of revenue;
 - Testing of new, and statistically significant, contracts to supporting evidence to assess whether they were accounted for in line with the Group's revenue recognition policy and IFRS 15, including the appropriate identification of performance obligations, and the judgments made around whether revenue should be recorded over time or at a point in time;
 - Assessing the appropriateness of the transaction price allocation when unbundling was required, as per IFRS;
 - Perform a reconciliation between revenue recognised and new order report to address the risk relating to completeness and cut-off of revenue; and
 - Assessing the appropriateness of disclosures in the financial statements.

5.1. Revenue Recognition  (continued)

Key observations Based on the work performed we are satisfied that the revenue was appropriately recognised.

5.2. Valuation of goodwill and intangible assets 

Key audit matter description The Group has goodwill of £61.6m (2023: £61.6m) and other intangible assets of £45.0m (2023: £47.2m) as at 31 October 2024. As required by IAS 36 Impairment of assets, the Directors perform an impairment review for all goodwill balances on an annual basis, and for other intangible assets whenever an indication of impairment is identified. For further details, refer to accounting policies in note 1 of the financial statements.

The Directors' assessment of recoverable amount is based on the higher of value-in-use and fair value less cost to sell. The value-in-use calculation incorporates projections of future operating cash flows, discount rates, long term growth rates, and other cash outflows such as capital expenditure and corporate cost allocations.

The Directors engaged an external expert to determine the Group's weighted average cost of capital (WACC), adjusted to be in line with that of a market participant, which is then used to determine the discount rates for each segment.

The valuation of goodwill and intangible assets has been identified as a key audit matter as a result of the quantitative significance of the balances and the application of judgement and estimation in performing impairment reviews and relevant assumptions.

Our key audit matter is focussed on the Assets operating segment, as it is the most sensitive to changes in assumptions, in particular the forecast cash flows and the discount rates applied to the cash flows, when recoverable value is assessed using Value in Use. In the current year, the Assets operating segment has generated cash flows lower than budgeted, and lower than those generated in the prior year. Additionally, in the current year, management determined the standalone EBITDA and appropriate EBITDA multiple for the Assets operating segment, in order to estimate an appropriate fair value less cost to sell. There is significantly more headroom when assessing the recoverable amount of the Assets operating segment under the fair value less cost to sell approach than there is from value in use. Therefore, the Directors have concluded that there is no impairment required to the Assets operating segment in the current year. Further details are provided in the Audit Committee Report on page 56, note 1 and note 11 of the financial statements.

How the scope of our audit responded to the key audit matter The audit procedures we performed in respect of this matter included:

- Obtaining an understanding of the relevant controls including management's review control over the budgeting process and impairment assessment;
- Performing sensitivity analysis on the key assumptions based on comparison to readily available economic data and industry data;
- Challenging management's identification of operating segments and determining whether testing goodwill at this level complied with the requirements of IAS 36;
- Assessment of the appropriateness of disclosures in the financial statements; and
- Assessment of the competence, capability and objectivity of management's expert.

5.2. Valuation of goodwill and intangible assets  (continued)

How the scope of our audit responded to the key audit matter	<p>More specifically in relation to the Assets operating segment:</p> <ul style="list-style-type: none"> • Challenging management's assessment of the forecast cashflow assumptions used in determining value in use (including sensitivity analysis, agreeing to order book where available and comparison to historical forecasts and actuals); • Challenging management's calculation of standalone EBITDA, particularly relating to the allocation of central corporate costs, for the Assets segment in the determination of fair value less cost to sell; and • With the assistance of our valuations specialists, performed an independent assessment of a reasonable discount rate (in relation to value-in-use); and in respect of fair value less cost to sell, independently performing an analysis of comparable companies' and comparable transaction EBITDA multiples.
Key observations	Based on the work performed we concluded that the valuation of goodwill and intangible assets was appropriate, as well as the disclosures in the financial statements.

6. Our application of materiality

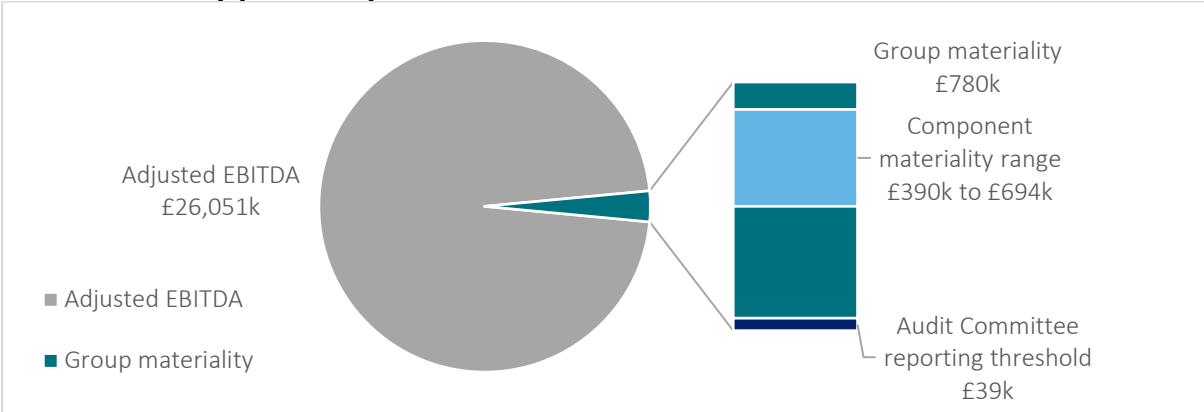
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£780,000 (2023: £752,000)	£646,000 (2023: £263,000)
Basis for determining materiality	3% of Adjusted EBITDA (2023: 3% Adjusted EBITDA). Adjusted EBITDA is defined as EBITDA, normalised for restructuring costs and share-based payments as recurring expenses.	Parent Company materiality is determined at 1% of parent Company net assets.
Rationale for the benchmark applied	We have used adjusted EBITDA as the benchmark for our determination of materiality after considering the important metrics of the business for different stakeholder groups.	As this is the ultimate holding company for the Group, the key balances are investments held, external borrowings and intercompany balances.

6.1. Materiality (continued)



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	Parent Company performance materiality has been capped at 70% of parent Company materiality (2023: 70%).
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: our risk assessment, including our assessment of the Group’s overall control environment and the fact we relied on controls associated with certain material revenue streams; the continuation of stable trading performance; and the level of corrected and uncorrected misstatements identified in the prior year audit.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £39,000 (2023: £37,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment through discussions with finance, IT and commercial teams and performing walkthroughs of processes across these areas, including Group wide controls, and assessing the risks of material misstatement at the Group level. All work was performed by the Group engagement team.

Group operates globally with material revenues being generated in the United Kingdom, the United States of America, and Europe. Revenues are split across the following operating segments: Assets; Communities; and Land, Public and Public Protection (LPPP).

On a legal entity basis, the significant components to the Group are Idox Plc and Idox Software Ltd. These components were audited to materiality levels applicable to each entity which was lower than Group materiality. In addition, we identified non-significant components where specified audit procedures have been performed by the Group audit team in relation to material account balances. The components subject to audit or specified audit procedures represent substantially all of the Group's total revenue, adjusted EBITDA and net assets. The remaining non-significant components were subject to analytical reviews. At a Group level, we also tested the consolidation process.

7.2. Our consideration of the control environment

With the involvement of our IT specialist, we obtained an understanding of the relevant IT environment and relevant General IT Controls (GITCs). Whilst not relying on these GITCs, we did test and rely on certain manual revenue controls.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group continues to develop its assessment of the potential impacts of climate-related risks, including climate change, as outlined on pages 24 and 42. We have read the disclosures in relation to climate change made in the other information within the annual report and ascertained whether the disclosures are materially consistent with the financial statements and our knowledge from our audit.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of those charged with governance, management, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified revenue recognition as a key audit matter related to the related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internally prepared control reports and reviewing correspondence with HMRC ;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Pratt, CA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
27 January 2025

Consolidated statement of comprehensive income

For the year ended 31 October 2024

	Note	2024 £000	2023 £000
Continuing operations			
Revenue	2	87,599	73,277
Cost of sales		(24,517)	(16,036)
Gross profit		63,082	57,241
Administrative expenses		(53,068)	(47,897)
Operating profit		10,014	9,344
Analysed as:			
Earnings before depreciation, amortisation, restructuring, acquisition costs, impairment, financing costs and share option costs			
	2	26,051	24,450
Depreciation	3	(1,854)	(1,636)
Amortisation	3	(10,167)	(9,319)
Restructuring costs	3	(302)	(378)
Acquisition costs	5	(1,156)	(746)
Financing costs		(67)	(396)
Share option costs	23	(2,491)	(2,631)
Finance income	6	69	219
Finance costs	6	(2,019)	(1,743)
Profit before taxation		8,064	7,820
Income tax charge	8	(2,805)	(2,238)
Profit for the year attributable to the owners of the parent		5,259	5,582
Other comprehensive loss for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange movements on translation of foreign operations net of tax		(33)	(45)
Other comprehensive loss for the year, net of tax		(33)	(45)
Total comprehensive income for the year		5,226	5,537
Total comprehensive income for the year attributable to owners of the parent		5,226	5,537
Earnings per share attributable to owners of the parent during the year			
From continuing operations			
Basic	9	1.16p	1.24p
Diluted	9	1.15p	1.23p

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated balance sheet

As at 31 October 2024

	Note	2024 £000	2023 £000
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,064	1,339
Intangible assets	11	106,564	108,785
Right-of-use-assets	24	1,893	1,333
Deferred tax assets	12	2,656	2,541
Other receivables	14	1,154	1,201
Total non-current assets		<u>113,331</u>	<u>115,199</u>
Current assets			
Trade and other receivables	14	21,488	21,451
Cash and cash equivalents	15	11,660	14,824
Total current assets		<u>33,148</u>	<u>36,275</u>
Total assets		<u>146,479</u>	<u>151,474</u>
LIABILITIES			
Current liabilities			
Trade and other payables	16	10,290	8,058
Deferred consideration	17	-	869
Current tax payable		738	1,422
Other liabilities	17	24,553	26,828
Provisions	18	491	589
Lease liabilities	24	613	220
Bonds in issue	19	10,808	-
Total current liabilities		<u>47,493</u>	<u>37,986</u>
Non-current liabilities			
Deferred tax liabilities	12	6,738	7,519
Lease liabilities	24	1,310	958
Other liabilities	17	1,878	2,236
Bonds in issue	19	-	11,207
Borrowings	20	10,780	18,291
Total non-current liabilities		<u>20,706</u>	<u>40,211</u>
Total liabilities		<u>68,199</u>	<u>78,197</u>
Net assets		<u>78,280</u>	<u>73,277</u>
EQUITY			
Called up share capital	22	4,602	4,562
Capital redemption reserve	1	-	1,112
Share premium account	1	23	41,558
Share option reserve		6,849	5,841
Other reserves		9,397	9,165
ESOP trust		(558)	(526)
Foreign currency translation reserve		161	194
Retained earnings		57,806	11,371
Total equity attributable to the owners of the parent		<u>78,280</u>	<u>73,277</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 January 2025 and are signed on its behalf by:

David Meaden
Chief Executive Officer

Anoop Kang
Chief Financial Officer

The accompanying accounting policies and notes form an integral part of these financial statements.

Company name: Idox plc

Company number: 03984070

Consolidated statement of changes in equity

As at 31 October 2024

	Called up share capital £000	Capital redemption reserve £000	Share premium account £000	Treasury reserve £000	Share option reserve £000	Other reserves £000	ESOP trust £000	Foreign currency translation reserve £000	Retained earnings £000	Total £000
Balance at 1 November 2022	4,525	1,112	41,556	(594)	4,816	8,745	(466)	239	7,483	67,416
Issue of share capital	37	-	2	-	-	-	-	-	-	39
Share option costs	-	-	-	-	2,611	-	-	-	-	2,611
Exercise / lapses of share options	-	-	-	594	(1,586)	-	-	-	994	2
ESOP trust	-	-	-	-	-	-	(60)	-	-	(60)
Reallocation of deferred consideration share exercise costs	-	-	-	-	-	420	-	-	(420)	-
Equity dividends paid	-	-	-	-	-	-	-	-	(2,268)	(2,268)
Transactions with owners	37	-	2	594	1,025	420	(60)	-	(1,694)	324
Profit for the year	-	-	-	-	-	-	-	-	5,582	5,582
Other comprehensive loss										
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	(45)	-	(45)
Total comprehensive (loss) / income for the year	-	-	-	-	-	-	-	(45)	5,582	5,537
Balance at 31 October 2023	4,562	1,112	41,558	-	5,841	9,165	(526)	194	11,371	73,277
Issue of share capital	40	-	23	-	-	-	-	-	-	63
Share option costs	-	-	-	-	2,270	-	-	-	-	2,270
Exercise / lapses of share options	-	-	-	-	(1,262)	-	-	-	1,262	-
Deferred tax on share options	-	-	-	-	-	232	-	-	-	232
ESOP trust	-	-	-	-	-	-	(32)	-	-	(32)
Capital reduction (see note 1)	-	(1,112)	(41,558)	-	-	-	-	-	42,670	-
Equity dividends paid	-	-	-	-	-	-	-	-	(2,756)	(2,756)
Transactions with owners	40	(1,112)	(41,535)	-	1,008	232	(32)	-	41,176	(223)
Profit for the year	-	-	-	-	-	-	-	-	5,259	5,259
Other comprehensive loss										
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	(33)	-	(33)
Total comprehensive (loss) / income for the year	-	-	-	-	-	-	-	(33)	5,259	5,226
Balance at 31 October 2024	4,602	-	23	-	6,849	9,397	(558)	161	57,806	78,280

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 31 October 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Profit for the year before taxation		8,064	7,820
Adjustments for:			
Depreciation of property, plant and equipment	10	984	957
Depreciation of right-of-use assets	24	870	679
Amortisation of intangible assets	11	10,167	9,319
Acquisition / disposal finalisation costs		131	379
Finance income		(69)	(216)
Finance costs		1,869	1,532
Movement on debt issue costs		150	(238)
Research and development tax credit		(450)	(522)
Share option costs	23	2,491	2,631
Profit on disposal of fixed assets		14	-
Decrease / (increase) in receivables		10	(3,325)
Increase in payables		977	1,048
Cash generated by operations		<u>25,208</u>	<u>20,064</u>
Tax paid		<u>(4,100)</u>	<u>(1,465)</u>
Net cash from operating activities		<u>21,108</u>	<u>18,599</u>
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	25	(2,393)	(14,105)
Purchase of property, plant and equipment		(726)	(895)
Purchase / capitalisation of intangible assets		(7,946)	(7,627)
Finance income	6	69	80
Net cash used in investing activities		<u>(10,996)</u>	<u>(22,547)</u>
Cash flows from financing activities			
Interest paid		(1,719)	(1,439)
Loan drawdowns	20	-	39,706
Loan related costs		(506)	(169)
Loan repayments	20	(7,706)	(30,000)
Principal lease payments	20	(782)	(936)
Equity dividends paid	7	(2,756)	(2,268)
Issue of own shares		(165)	(185)
Net cash (outflows) / inflows from financing activities		<u>(13,634)</u>	<u>4,709</u>
Net movement in cash and cash equivalents		<u>(3,522)</u>	<u>761</u>
Cash and cash equivalents at the beginning of the year			
		14,824	13,864
Exchange gains on cash and cash equivalents		358	199
Cash and cash equivalents at the end of the year	15	<u>11,660</u>	<u>14,824</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

1 ACCOUNTING POLICIES

General information

Idox plc is a leading supplier of software and services for the management of Local Government and other organisations. The Company is a public limited company, limited by shares, which is listed on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is Unit 5, Woking 8, Forsyth Road, Woking, Surrey, GU21 5SB. The registered number of the Company is 03984070. There is no ultimate controlling party.

The financial statements are prepared in pounds sterling.

Basis of preparation

These financial statements have been prepared in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities.

These financial statements are available on the Group's website: <https://www.idoxgroup.com/investors/financial-reporting/>.

As set out on page 41 in the Directors' Report, the financial statements have been prepared on a going concern basis.

Going concern

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

In October 2024 the Group extended its loan agreement with National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75,000,000 and a £45,000,000 accordion and are committed until October 2027. The Group retains significant liquidity with cash and available committed bank facilities and has strong headroom against financial covenants.

As part of the preparation of our FY24 results, the Group has performed detailed financial forecasting, as well as severe stress-testing in our financial modelling, but have not identified any credible scenarios that would cast doubt on our ability to continue as a going concern. Although the bond is repayable in the next year, there are sufficient existing funding available to repay this, therefore, will have limited impact on the overall funding structure of the Group.

The Group has performed sensitivity analysis of financial modelling to identify what circumstances could lead to liquidity challenges. This forecasting has demonstrated that the Group would only breach its banking covenants in the most severe of circumstances which are not considered credible.

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

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:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current - effective for periods commencing on or after 1 January 2024.
- Amendments to IAS 21 Lack of Exchangeability – effective for periods commencing on or after 1 January 2025.

1 ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards

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

Amendments to IAS 12 International Tax Reform - Pillar Two Model Rules - effective for periods beginning on or after 1 January 2023, came into effect in the year, however, pillar 2 is not applicable to Idox.

Critical judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not easily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements (not involving estimation)

Management considers the following items to be critical judgements (apart from those involving estimations) that were made in the process of applying the Group's accounting policies in the reporting period that are deemed to have the most significant effect on the amounts recognised in financial statements:

Development costs

Judgement is exercised in the expenditure that is capitalised or alternatively expensed as research. This is governed by the Group's capitalisation policy, which describes the nature and type of costs that should be capitalised to ensure consistency across the Group. Creation and application of this Group capitalisation policy requires judgement in how IFRS is applied to Idox in describing which expenditure qualifies for capitalisation as well as the thresholds that are applied.

The recognition requirements of development costs are reviewed quarterly. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each review. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

Capitalised development is reviewed on an individual project basis and management will select the most appropriate rate of amortisation for each asset. Amortisation is typically 5 years depending on the future revenue projected for each individual asset.

See note 11 for further information.

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 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.

The underlying technical framework is used to inform and support areas of judgement, of the type mentioned in these examples. See note 17 for further information on contract liabilities.

1 ACCOUNTING POLICIES (CONTINUED)

Key sources of estimation uncertainty

Management does not consider there to be any other items to involve key assumptions and other key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Other estimates

Goodwill is tested annually for impairment in accordance with IAS 36 Impairment of Assets. The impairment assessment is based on assumptions in relation to future cash flows expected to be generated by cash generating units, together with appropriate discounting of the cash flows; with an additional fair value less cost to sell analysis being performed for the Assets operating segment. The assessment of the carrying value of goodwill could be included as a critical accounting estimate given the significance of the remaining carrying value of goodwill and the inherent level of estimation uncertainty required to undertake impairment testing, however, we do not believe this to be a key source of estimation uncertainty due to the level of sensitivity testing performed and no impairment noted. The key assumptions in estimating the carrying value of goodwill are discount rate, long-term growth rate and short-term growth rates; as well as (for the Assets operating segment only) comparable market EBITDA multiples and a buyer's view on EBITDA to apply to this multiple. Information on key assumptions and sensitivity analysis are included in note 11.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 October each year. Under IFRS 10, control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its powers over the investee. As each of the subsidiaries are 100% wholly owned, the Group has full control over each of its investees.

All inter-company transactions are eliminated on consolidation.

Acquisition costs are expensed as incurred. For all acquisitions, the Group will perform a fair value review of all property, plant and equipment, intangible assets, and accrued and deferred balances to align accounting policies with the Group.

Alternative performance measures

Where relevant, adjusted measures of profit have been used alongside statutory definitions. These items are excluded from statutory measures of profit to present a measure of cash earnings from underlying activities on an ongoing basis, see page 116 for more details. This is in line with management information requested and presented to the decision makers in our business; and is consistent with how the business is assessed by our debt and equity providers:

- depreciation;
- amortisation on acquired intangible assets;
- impairment;
- restructuring costs;
- acquisition and financing costs; and
- share option costs.

Alternative performance measures may not be comparable between companies due to differences in how they are calculated. Another limitation is that APMs exclude depreciation and amortisation of intangibles, but do not similarly exclude the related revenue generated by these assets.

1 ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue represents the income arising in the course of an entity's ordinary activities, net of value added tax and after eliminating sales within the Group.

The Group derives its revenue from the following revenue streams:

Software (Initial Licence Fee)

Revenue from Initial Licence Fees (whether in respect of a perpetual or term licence granted) is recognised on delivery and passing of full control of the software to the customer.

For licence fees (Initial Licence Fees and Recurring Licence Fees) where the customer's control of our software is dependent on associated services such as non-recurring services which may be essential for the customer to use the software, the revenue from software licence fees will be recognised over the course of the service provision in line with delivery of agreed performance obligation milestones as control of the whole solution is progressively transferred to the customer.

Non-Recurring: Services

Revenue from non-recurring services is recognised over the course of the service provision in line with delivery of agreed performance obligation milestones as control of the environment is progressively transferred to the customer.

Non-Recurring: Hardware

Revenue on hardware is recognised when control of the asset is passed to the customer which typically occurs on delivery.

Recurring: Software (Recurring Licence Fee and Support & Maintenance)

Revenue from Recurring Licence Fee (typically in respect of a term licence granted) is recognised on delivery and passing of full control of the software to the customer as described for Software (Initial Licence Fee). In order to achieve this, anticipated licence fees from future recurring invoicing are typically 'unbundled' from the Support & Maintenance element and accrued until the invoicing occurs.

Revenue from Support & Maintenance is recognised evenly across the support and maintenance period, in line with the pattern of how we deliver the services and how they are consumed by the customer.

Recurring: Managed Services

Revenue from recurring managed services is recognised evenly across the managed service period, in line with the pattern of how we deliver the services and how they are consumed by the customer.

Recurring: Hosting

Revenue from recurring hosting is recognised evenly across the hosting period, in line with the pattern of how we deliver the services and how they are consumed by the customer.

Software as a Service (SaaS)

Fees from SaaS arrangements typically combine software licencing, support & maintenance, managed services and hosting into a single subscription payable by the customer for provision of a holistic service rather than delivery of constituent parts. Revenues from SaaS are recognised evenly across the period of contract for provision of the service, in line with the pattern of how we deliver the services and how they are consumed by the customer.

1 ACCOUNTING POLICIES (CONTINUED)

Contract revenue, receivables and liabilities

Long-term contracts for software solutions often contain multiple elements such as software, support, services, hosting and/or managed services.

Where there is a need to unbundle a software solution into its constituent elements, software industry benchmarks are applied.

Recognition of revenue on the software and services elements of longer-term contracts will be driven by IFRS 15 treatment whereby revenue is recognised in line with agreed delivery performance obligation milestones as control passes to the customer. The remaining elements will be considered distinct performance obligations with revenue recognised over the course of the contract.

Contract receivables are recognised when performance obligations are discharged under a contractual arrangement to the customer but have not been invoiced. Once the invoicing does occur a trade receivable is recognised, and the contract receivable is derecognised.

Contract liabilities arise when invoicing occurs in advance of performance obligations being discharged. The revenue associated with the invoicing is deferred until such time as the performance obligation is delivered.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Board of Directors.

Subsidiary Audit Exemption

Idox Software Limited (02933889), Idox Trustees Limited (04111557), EIM Group Ltd (14035375), LandHawk Software Services Limited (11973310), and Emapsite.com Limited (03931726) are exempt from the provisions of Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

Goodwill

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. If the fair values of the identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Operating segments to which goodwill has been allocated are tested for impairment biannually. 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.

Goodwill is carried at cost less accumulated impairment losses. Unallocated goodwill on acquisitions relates mainly to workforce valuation, synergies and economies of scale obtained on combining acquisitions with existing operations.

Goodwill written off to reserves prior to the date of transition to IFRS remains in reserves. There is no re-instatement of goodwill that was amortised prior to transition to IFRS. Goodwill previously written off to reserves is not written back to profit or loss on subsequent disposal.

1 ACCOUNTING POLICIES (CONTINUED)

Other intangible assets

Intangible assets with a finite useful life are amortised to the consolidated statement of comprehensive income on a straight-line basis over their estimated useful lives, which are reviewed on an annual basis. Amortisation commences when the asset is available for use. The residual values of intangible assets are assumed to be zero.

(i) Research and development

Expenditure on research (or the research phase of an internal project) is recognised in profit or loss in the period in which it is incurred. Development costs incurred are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed in profit or loss as incurred. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Amortisation commences upon completion of the asset.

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

Amortisation is calculated using the straight-line method over a period of up to 5 years.

(ii) Customer relationships

Customer relationships represent the purchase price of customer lists and contractual relationships purchased on the acquisition of subsidiaries. These relationships are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over a period of 20, 10 or 5 years.

(iii) Trade names

Trade names represent the named intangible asset recognised on the acquisition of these trade names are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over a period of between 5 and 20 years.

(iv) Software

Software represents the purchase price of developed products either acquired as part of the acquisition of subsidiaries or procured directly from a vendor. The software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over a period of between 3 and 10 years.

(v) Order backlog

Order backlog includes the managed service contracts and subscription deferred revenue purchased on the acquisition of subsidiaries. Amortisation on the managed service deferred revenue is calculated based on the weighting and length of each contract purchased. Amortisation on the subscription deferred revenue is calculated using the straight-line method over a period up to 5 years.

1 ACCOUNTING POLICIES (CONTINUED)

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (operating segments). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

Goodwill is allocated to those operating segments that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or operating segments that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually.

All other individual assets or operating segments 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 assets or operating segments carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use based on an internal discounted cash flow evaluation. Impairment losses recognised for operating segments, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill.

Any remaining impairment loss is charged pro rata to the other assets in the operating segments. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged to the statement of comprehensive income using the following rates and bases so as to write off the cost or valuation of items of property, plant and equipment over their expected useful lives. The rates that are generally applicable are:

- Computer hardware 25% and 50% straight line
- Fixtures, fittings and equipment 25% straight line
- Library books and journals 33.3% straight line

Useful economic lives and residual values are reviewed annually.

Employee benefits

Defined contribution pension plans

Contributions paid to pension plans of employees are charged to the statement of comprehensive income in the period in which they become payable.

Employee Share Investment Trust

The cost of Xtra shares purchased are amortised using the straight-line method over a period of 3 years and is included in share option costs.

Share-based payment transactions

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee.

This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the statement of comprehensive income with a corresponding credit to the share option reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to reserves.

1 ACCOUNTING POLICIES (CONTINUED)

Reserves

Equity comprises the following:

- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Capital redemption reserve" represents when the entire deferred ordinary share capital was bought in exchange for one ordinary 1p share.
- "Other reserves" arose as a result of:
 - A Group reconstruction that occurred on 17 November 2000. This represents the issued share capital and share premium account of £1.5m in the Company's subsidiary undertaking, Idox Software Limited;
 - Share premium arising on consideration shares issued on the acquisition of 6PM Holdings plc of £4.7m and Halarose Holdings Limited of £1.4m; and
 - The merger relief reserve of £1.6m arising as a result of the purchase of Aligned Assets Limited and LandHawk Software Services Limited.
 - Deferred tax on share options of £0.2m arising as a result of the deferred tax movement being larger than the IFRS2 charge.
- "Share options reserve" represents shares to be issued on potential exercise of those share options that have been accounted for under "IFRS 2 Share Based Payments".
- "ESOP trust" represents share capital purchased to satisfy the obligation of the employee share scheme. Purchased shares are classified within the ESOP trust reserve and the cost of shares purchased are presented as a deduction from total equity.
- "Retained earnings" represents retained profits.
- "Treasury reserve" represents shares repurchased by the Company to be held for redistribution as share options. The cost of treasury shares is debited to the Treasury reserve.
- "Foreign currency translation reserve" represents exchange gains and losses on translation of foreign operations.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is charged to profit or loss except where it relates to tax on items recognised in other comprehensive income or directly in equity, in which case it is charged to equity or other comprehensive income.

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

In addition, tax losses available to be carried forward as well as other income credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

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 other comprehensive income or equity in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity.

Deferred tax assets and liabilities with the same authority are presented net within the statement of financial position. Deferred tax assets and liabilities with different authorities are presented gross within the statement of financial position. The deferred tax liability was recognised as a result of fair value uplifts on acquired intangibles and is therefore recognised on consolidation. This cannot be directly offset by any deferred tax assets in future tax returns.

1 ACCOUNTING POLICIES (CONTINUED)

Research and development tax credits

The UK tax regime permits additional tax relief for qualifying expenditure incurred on research and development. The Research and Development Expenditure Credit (RDEC) Scheme has been adopted, which permits a tax credit of 20% of qualifying expenditure for companies classified as large. The Group is considered large for research and development tax credit purposes owing to a headcount of over 500. The RDEC credit is included in administration expenses within the consolidated statement of comprehensive income.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. This expense is presented within administration expenses in the statement of comprehensive income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at a single discount rate (incremental borrowing rate) to a portfolio of leases with reasonably similar characteristics.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments; and
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

1 ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Impairment policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. We have not applied the expedient.

Dividend distributions

Interim dividends in respect of equity shares are recognised in the financial statements in the period in which they are paid.

Final dividends in respect of equity shares are recognised in the financial statements in the period that the dividends are formally approved.

Foreign currency translation

The functional and presentation currency of Idox plc and its United Kingdom subsidiaries is the pound sterling (£). Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

In the consolidated financial statements, the assets and liabilities of non-sterling functional currency subsidiaries, are translated into pound sterling at the rate of exchange ruling at the balance sheet date. The results of non-sterling functional currency subsidiaries are translated into pound sterling using average rates of exchange.

Exchange adjustments arising are taken to the foreign currency translation reserve and reported in other comprehensive income. There is no tax impact on these adjustments.

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.

The Group has a hold-to-collect business model in respect of financial assets held at amortised cost. The objective of the 'hold to collect' business model is, in most cases, to hold financial assets to collect their contractual cash flows, rather than with a view to selling the assets to generate cash flows.

Financial assets

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

Trade and other receivables

The entity always recognises lifetime expected credit losses (ECL) for trade receivables, and contract assets, and ECL are estimated using a provision matrix based on the Group's historical credit loss experience.

Trade receivables do not carry any interest and are initially recognised at the amount determined by applying IFRS 15 and other receivables are initially recognised at fair value, as reduced by appropriate credit losses for estimated irrecoverable amounts.

Notes to the accounts (continued)

For the year ended 31 October 2024

1 ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on deposit with a maturity of three 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.

Bank borrowings

Interest-bearing bank loans are recorded initially at fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, are recognised in profit or loss over the committed term, excluding any optional extensions of the instrument using an effective rate of interest. On exercise of the extension option, any associated fees are capitalised to the carrying amount of the liability and amortised over the remaining term of the liability.

Bonds in issue

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.

Capital reduction

During the year, Idox plc performed a capital reduction process in order to cancel £41,558,000 from the share premium account and £1,112,000 from the capital redemption reserve which was subsequently transferred to retained earnings. The copy of the order confirming the cancellation of the share premium account and capital redemption reserve was approved by the High Court and registered by the Registrar of Companies for England and Wales on 9th May 2024.

2 SEGMENTAL ANALYSIS

During the year ended 31 October 2024, the Group was organised into three operating segments, which are detailed below.

IFRS 8 Operating Segments requires the disclosure of reported segments in accordance with internal reports provided to the Group's chief operating decision maker. The Group considers its Board of Directors to be the chief operating decision maker and therefore has aligned the segmental disclosures with the monthly reports provided to the Board of Directors.

- Land, Property & Public Protection (LPPP) – delivering specialist information management solutions and services to the public sector.
- Assets – delivering engineering document management and control solutions to asset intensive industry sectors.
- Communities (COMM) – delivering software solutions to clients with social value running through their core.

Segment revenue comprises sales to external customers and excludes gains arising on the disposal of assets and finance income. Segment profit reported to the Board represents the profit earned by each segment before the allocation of taxation, Group interest payments and Group acquisition costs. The assets and liabilities of the Group are not reviewed by the chief operating decision maker on a segment basis. The Group does not place reliance on any specific customer and has no individual customer that generates 10% or more of its total Group revenue.

Notes to the accounts (continued)

For the year ended 31 October 2024

2 SEGMENTAL ANALYSIS (CONTINUED)

The segment revenues by geographic location are as follows:

	2024 £000	2023 £000
Revenues from external customers		
United Kingdom	80,032	64,905
USA	4,141	4,926
Rest of Europe	2,312	2,481
Rest of World	1,114	965
	<u>87,599</u>	<u>73,277</u>

Revenues are attributed to individual countries on the basis of the location of the customer.

The segment revenues by type are as follows:

	2024 £000	2023 £000
Revenues by type		
Recurring revenues – LPPP	34,898	26,214
Recurring revenues – Assets	9,418	9,692
Recurring revenues – Communities	10,158	9,622
Recurring revenues	<u>54,474</u>	<u>45,528</u>
Non-recurring revenues – LPPP	20,366	17,199
Non-recurring revenues – Assets	5,475	5,153
Non-recurring revenues – Communities	7,284	5,397
Non-recurring revenues	<u>33,125</u>	<u>27,749</u>
	<u>87,599</u>	<u>73,277</u>
Revenue from sale of goods (hardware and software)	71,820	43,190
Revenue from rendering of services	15,779	30,087
	<u>87,599</u>	<u>73,277</u>

Recurring revenue is income generated from customers on an annual contractual basis. Recurring revenue amounts to 62% (2023: 62%) of revenue from continued operations, which is revenue generated annually from sales to existing customers.

All revenues are recognised over the period of the contract, unless the only performance obligation is to licence or re-licence a customer's existing user without any further obligations, in which case the revenue is recognised upon completion of the obligation.

All contracts are issued with commercial payment terms without any unusual financial or deferred arrangements and do not include any amounts of variable consideration that are constrained.

The Group's total outstanding contracted performance obligations at 31 October 2024 was £96,792,000 (2023: £68,198,000) and it is anticipated that 73% of this will be recognised as revenue in FY25 and 14% in FY26.

Notes to the accounts (continued)

For the year ended 31 October 2024

2 SEGMENTAL ANALYSIS (CONTINUED)

The segment results by business unit for the year ended 31 October 2024:

	LPPP £000	Assets £000	Communities £000	Total £000
Revenue	55,264	14,893	17,442	87,599
Earnings before depreciation, amortisation, restructuring, acquisition costs, impairment, financing costs and share option costs	16,854	3,299	5,898	26,051
Depreciation	(600)	(207)	(177)	(984)
Depreciation – right-of-use-assets	(523)	(189)	(158)	(870)
Amortisation – software licences and R&D	(3,272)	(2,345)	(498)	(6,115)
Amortisation – acquired intangibles	(3,402)	(224)	(426)	(4,052)
Restructuring costs	(224)	(48)	(30)	(302)
Acquisition costs	(772)	(193)	(191)	(1,156)
Share option costs	(1,561)	(423)	(507)	(2,491)
Segment operating profit	6,500	(330)	3,911	10,081
Financing costs				(67)
Operating profit				10,014
Finance income				69
Finance costs				(2,019)
Profit before taxation				8,064

The corporate recharge to the business unit EBITDA is allocated on a head count basis.

Notes to the accounts (continued)

For the year ended 31 October 2024

2 SEGMENTAL ANALYSIS (CONTINUED)

The segment results by business unit for the year ended 31 October 2023:

	LPPP £000	Assets £000	Communities £000	Total £000
Revenue	43,413	14,845	15,019	73,277
Earnings before depreciation, amortisation, restructuring, acquisition costs, impairment, financing costs and share option costs	13,885	4,199	6,366	24,450
Depreciation	(574)	(191)	(192)	(957)
Depreciation – right-of-use-assets	(394)	(153)	(132)	(679)
Amortisation – software licences and R&D	(3,353)	(1,218)	(1,126)	(5,697)
Amortisation – acquired intangibles	(2,699)	(252)	(671)	(3,622)
Restructuring costs	(142)	(192)	(44)	(378)
Acquisition costs	(712)	(16)	(18)	(746)
Share option costs	(1,637)	(397)	(597)	(2,631)
Segment operating profit	4,374	1,780	3,586	9,740
Financing costs				(396)
Operating profit				9,344
Finance income				219
Finance costs				(1,743)
Profit before taxation				7,820

The corporate recharge to the business unit EBITDA is allocated on a head count basis.

Notes to the accounts (continued)

For the year ended 31 October 2024

3 OPERATING PROFIT FOR THE YEAR

Continuing operating profit for the year has been arrived at after charging:	2024	2023
	£000	£000
Auditor's remuneration:		
Fees payable to the Company Auditor for the audit of the parent Company and consolidated annual accounts	331	350
Depreciation – owned	984	957
Depreciation – right-of-use assets	870	679
Amortisation:		
Software licences	63	116
Research & development	6,052	5,581
Acquired intangibles – customer relationships	2,151	1,673
Acquired intangibles – trade names	350	363
Acquired intangibles – software	1,551	1,586
Equity-settled share-based payments	2,491	2,631

Restructuring costs

Restructuring costs for continuing operations were £0.3m (2023: £0.4m). £0.3m of the balance relates to Group structure simplification (2023: £0.3m) and £Nil relates to property costs following the relocation of the Group's head office (2023: £0.1m).

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	2024	2023
	£000	£000
Wages and salaries	37,873	34,201
Social security costs	3,675	3,496
Pension costs	1,594	1,493
	<u>43,142</u>	<u>39,190</u>

In addition, during the year share-based payment charges of £2,491,000 (2023: £2,631,000) were incurred.

During the year, the Group incurred redundancy costs to former employees of £96,000 (2023: £147,000).

The average number of employees of the Group during the year was 682 (2023: 626). This was made up as follows:

	2024	2023
	No.	No.
Office and administration (including Directors of the Company and its subsidiary undertakings)	94	82
Sales	86	81
Development	251	206
Operations	251	257
	<u>682</u>	<u>626</u>

The average number of Directors of the Group during the year was 5 (2023: 5).

Remuneration in respect of Directors was as follows:	2024	2023
	£000	£000
Emoluments	1,359	1,285
Pension contributions	-	-
	<u>1,359</u>	<u>1,285</u>

Notes to the accounts (continued)

For the year ended 31 October 2024

4 DIRECTORS AND EMPLOYEES (CONTINUED)

In addition to the remuneration stated above, the Group incurred social security costs in respect of Directors of £232,000 (2023: £171,000).

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2024 £000	2023 £000
Aggregate emoluments	631	628
Pension contributions	-	-
	<u>631</u>	<u>628</u>

During the year the highest paid Director exercised share options, one other director exercised share options.

During the year, the Group incurred social security costs in respect of the highest paid Director of £139,000 (2023: £87,000).

Details of the remuneration for each Director are included in the remuneration section, which can be found on pages 44 to 45 but does not form part of the audited accounts.

5 ACQUISITION COSTS

All acquisition related costs are expensed in the period incurred rather than added to the cost of investment. Acquisition costs in the previous year relate to the acquisition of Emapsite.com Limited and the fair value movement associated with the payment of the final deferred consideration instalments on Aligned Assets (£159,000) and exeGesIS (£220,000), as a result of the unwind of discounting. The current year costs are in relation to the fair value movement associated with the payment of the final deferred consideration instalments on Emapsite (£131,000) and LandHawk (£6,000) and the remaining costs being in relation to a proposed acquisition which was ultimately sold to a different vendor.

Acquisition costs	2024 £000	2023 £000
Acquisition costs	1,156	746
	<u>1,156</u>	<u>746</u>

6 FINANCE INCOME AND COSTS

	2024 £000	2023 £000
Interest receivable	69	80
Other income	-	4
Foreign exchange differences on bond	-	135
Finance income	<u>69</u>	<u>219</u>
Bank interest payable	(1,138)	(882)
Bond interest payable	(507)	(583)
Effective interest rate adjustment	(239)	361
Non-utilisation fees	(353)	(186)
Amortisation of employee equity scheme shares	-	(166)
Amortisation of bank fees	(150)	(213)
Lease liability interest	(75)	(74)
Foreign exchange differences on bond	443	-
Finance income	<u>(2,019)</u>	<u>(1,743)</u>

Notes to the accounts (continued)

For the year ended 31 October 2024

7 DIVIDENDS

The Directors have proposed the payment of a final dividend of 0.7p per share, which would amount to £3,221,274. During the year a dividend of £2,755,805 was paid in relation to the FY23 final dividend of 0.6p (2023: £2,267,744 was paid in relation to the FY22 final dividend of 0.5p).

8 INCOME TAX

The tax charge is made up as follows:

	2024	2023
	£000	£000
Current tax		
Corporation tax on profit for the year	3,300	2,846
Foreign tax	27	-
Over provision in respect of prior periods	145	(90)
Total current tax	<u>3,472</u>	<u>2,756</u>
Deferred tax		
Origination and reversal of temporary differences	(891)	(726)
Adjustment for rate change	196	7
Adjustments in respect of prior periods	28	201
Total deferred tax	<u>(667)</u>	<u>(518)</u>
Total tax charge	<u>2,805</u>	<u>2,238</u>

The differences between the total tax charge above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax, together with the impact on the effective tax rate, are as follows:

	2024	% ETR	2023	% ETR
	£000	movement	£000	movement
Profit before taxation on total operations	<u>8,064</u>		<u>7,820</u>	
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023: 22.52%)	2,016	25.00	1,761	22.52
Effects of:				
Share option deduction	(8)	(0.10)	(91)	(1.17)
International losses not recognised	94	1.16	260	3.33
Other timing differences	19	0.23	-	-
Expenses not deductible for tax purposes	273	3.39	238	3.04
Prior year under provision	173	2.15	111	1.42
Foreign tax suffered	42	0.52	(48)	(0.62)
Tax rate change	196	2.43	7	0.09
	<u>2,805</u>	<u>34.78</u>	<u>2,238</u>	<u>28.61</u>

The difference between the statutory rate of 25% and the ETR of 34.78% was driven largely by expenses and international losses not deductible for tax purposes, adjustments in respect of prior years and the application of the statutory rate of 25% relating to deferred tax on acquired intangibles. The ETR on an adjusted basis moved from 25% to 26% and was driven by expenses and international losses not deductible for tax purposes.

Notes to the accounts (continued)

For the year ended 31 October 2024

8 INCOME TAX (CONTINUED)

Movement on trading losses during 2024 are as follows:

	UK unrelieved trading losses £000	Foreign unrelieved trading losses £000	Total unrelieved trading losses £000	Tax effect £000
Recognised trading losses				
As at 1 November 2023	1,125	-	1,125	281
Utilised during the year	(541)	-	(541)	(135)
	<u>584</u>	<u>-</u>	<u>584</u>	<u>146</u>
Unrecognised trading losses				
Losses not recognised	-	(12,120)	(12,120)	(3,991)
	<u>-</u>	<u>(12,120)</u>	<u>(12,120)</u>	<u>(3,991)</u>

For comparative purposes, movement on trading losses during 2023 were as follows:

	UK unrelieved trading losses £000	Foreign unrelieved trading losses £000	Total unrelieved trading losses £000	Tax effect £000
Recognised trading losses				
As at 1 November 2022	815	-	815	204
Impact of rate change	541	-	541	135
Utilised during the year	(231)	-	(231)	(58)
	<u>1,125</u>	<u>-</u>	<u>1,125</u>	<u>281</u>
Unrecognised trading losses				
Losses not recognised	(44)	(15,749)	(15,793)	(5,198)
	<u>(44)</u>	<u>(15,749)</u>	<u>(15,793)</u>	<u>(5,198)</u>

The unrecognised UK trading losses, including brought forward amounts, were fully utilised in the year. The closing unrecognised losses of £11,779,000 relate to Malta and France. The decision was made to continue not recognising these assets on the basis these losses will not be utilised over the next three to five years. Across the year the total deferred tax asset in respect of unrelieved trading losses decreased from £281,000 to £146,000. There are no expiry dates for any of the unrelieved trading losses carried forward.

Notes to the accounts (continued)

For the year ended 31 October 2024

9 EARNINGS PER SHARE

The earnings per ordinary share is calculated by reference to the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during each period, as follows:

Continuing Operations	2024 £000	2023 £000
Profit for the year	5,259	5,582
Basic earnings per share		
Weighted average number of shares in issue	453,835,013	449,016,841
Basic earnings per share	1.16p	1.24p
Weighted average number of shares in issue	453,835,013	449,016,841
Add back:		
Dilutive share options	3,951,198	6,563,834
Weighted average allotted, called up and fully paid share capital	457,786,211	455,580,675
Diluted earnings per share		
Diluted earnings per share	1.15p	1.23p
Adjusted earnings per share	2024 £000	2023 £000
Profit for the year	5,259	5,582
Add back:		
Amortisation on acquired intangibles	4,052	3,622
Impairment	-	168
Acquisition costs	1,156	746
Restructuring costs	302	378
Financing costs	67	396
Share option costs	2,491	2,631
Tax effect	(1,398)	(1,606)
Adjusted profit for year	11,929	11,917
Weighted average number of shares in issue – basic	453,835,013	449,016,841
Weighted average number of shares in issue – diluted	457,786,211	455,580,675
Adjusted earnings per share	2.63p	2.65p
Adjusted diluted earnings per share	2.61p	2.62p

Notes to the accounts (continued)

For the year ended 31 October 2024

10 PROPERTY, PLANT AND EQUIPMENT

	Computer hardware £000	Fixtures, fittings and equipment £000	Library books and journals £000	Total £000
Cost				
At 1 November 2022	6,516	1,034	26	7,576
Foreign exchange	(21)	(1)	-	(22)
Additions	891	-	-	891
Additions on acquisition	18	13	-	31
At 31 October 2023	<u>7,404</u>	<u>1,046</u>	<u>26</u>	8,476
Foreign exchange	(42)	(3)	-	(45)
Additions	717	14	2	733
Disposals	(3,329)	(864)	-	(4,193)
At 31 October 2024	<u>4,750</u>	<u>193</u>	<u>28</u>	4,971
Depreciation				
At 1 November 2022	5,166	1,006	24	6,196
Foreign exchange	(16)	-	-	(16)
Provided in the year	934	22	1	957
At 31 October 2023	<u>6,084</u>	<u>1,028</u>	<u>25</u>	7,137
Foreign exchange	(32)	(3)	-	(35)
Provided in the year	966	17	1	984
Disposals	(3,315)	(864)	-	(4,179)
At 31 October 2024	<u>3,703</u>	<u>178</u>	<u>26</u>	3,907
Net book amount at 31 October 2024	<u>1,047</u>	<u>15</u>	<u>2</u>	<u>1,064</u>
Net book amount at 31 October 2023	<u>1,320</u>	<u>18</u>	<u>1</u>	<u>1,339</u>

The Group has pledged the above assets to secure banking facilities granted to the Group.

Notes to the accounts (continued)

For the year ended 31 October 2024

11 INTANGIBLE ASSETS

	Goodwill £000	Customer relation- ships £000	Trade names £000	Software £000	Develop- ment costs £000	Order backlog £000	Total £000
Cost							
At 1 November 2022	84,348	34,846	11,716	29,530	34,553	333	195,326
Foreign exchange	-	-	-	-	(5)	(14)	(19)
Additions	-	-	-	12	7,616	-	7,628
Additions on acquisition	8,894	7,650	-	1,500	-	-	18,044
Impairment	-	-	-	-	(667)	-	(667)
Fair value adjustment	22	-	-	-	-	-	22
At 31 October 2023	93,264	42,496	11,716	31,042	41,497	319	220,334
Foreign exchange	-	-	-	-	(16)	(12)	(28)
Additions	-	-	-	-	7,946	-	7,946
Disposals	(3,302)	(2,304)	(2,134)	(1,108)	-	-	(8,848)
At 31 October 2024	89,962	40,192	9,582	29,934	49,427	307	219,404
Amortisation and impairment							
At 1 November 2022	31,709	21,131	9,513	19,739	20,491	333	102,916
Foreign exchange	-	-	-	-	(5)	(14)	(19)
Amortisation for the year	-	1,673	363	1,702	5,413	-	9,151
Impairment	-	-	-	-	(499)	-	(499)
At 31 October 2023	31,709	22,804	9,876	21,441	25,400	319	111,549
Foreign exchange	-	-	-	-	(16)	(12)	(28)
Amortisation for the year	-	2,151	350	1,614	6,052	-	10,167
Disposals	(3,302)	(2,304)	(2,134)	(1,108)	-	-	(8,848)
At 31 October 2024	28,407	22,651	8,092	21,947	31,436	307	112,840
Carrying amount at 31 October 2024	61,555	17,541	1,490	7,987	17,991	-	106,564
Carrying amount at 31 October 2023	61,555	19,692	1,840	9,601	16,097	-	108,785

Average remaining amortisation period (years)

31 October 2024	n/a	8.2	4.3	4.9	3.0	-
31 October 2023	n/a	11.8	5.1	5.6	2.9	-

During the year, goodwill and intangibles were reviewed for impairment in accordance with IAS 36, 'Impairment of Assets'. An impairment charge of £Nil (2023: £168,000) was processed in the year and is included in the amortisation line of the statement of comprehensive income.

Fair value adjustments in the prior year were in relation to the finalisation of acquisition accounting in respect of LandHawk Software Services Limited.

Impairment test for goodwill

For this review, goodwill was allocated to the Group's divisional business units on the basis of the Group's operations which represent the Group's operating segments as disclosed in the segmental analysis. As the Board reviews results on a segmental level, the Group monitors goodwill on the same basis.

The carrying value of goodwill by each operating segment is as follows:

Operating segments	2024 £000	2023 £000
Land, Property & Public Protection (LPPP)	39,091	39,091
Assets	14,196	14,196
Communities	8,268	8,268
	61,555	61,555

11 INTANGIBLE ASSETS (CONTINUED)

The recoverable amount of goodwill in each operating segment has been determined using value-in-use calculations; with an additional fair value less cost to sell analysis being performed for the Assets operating segment. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering the next three financial years. The key assumptions used in the financial budgets relate to revenue and Adjusted EBITDA growth targets. Cash flows beyond this period are extrapolated using the estimated growth rates stated below. Growth rates are reviewed in line with historic actuals to ensure reasonableness and are based on an increase in market share.

For value-in-use calculations, the growth rates and margins used to estimate future performance are based on financial forecasts (as described above) which is management's best estimate of short-term performance based on an assessment of market opportunities and macro-economic conditions. In the year to 31 October 2024, the Weighted Average Cost of Capital for each operating segment has been used as an appropriate discount rate to apply to cash flows. The same basis was used in the year to 31 October 2023.

The assumptions used for the value-in-use calculations are as follows and are considered appropriate for each of the risk profiles of the respective operating segment:

Operating segments	Discount rate current year	Annualised EBITDA growth rate over three years	Long term growth rate current year	Discount rate prior year	Growth rate prior year
LPPP	15.3%	11.8%	4.7%	16.1%	3.0%
Assets	16.0%	8.8%	3.6%	16.7%	3.0%
Communities	15.3%	11.7%	3.6%	16.1%	3.0%

The long-term growth rate in the LPPP segment is higher than that of the UK economy as we anticipate high levels of growth within our geospatial solutions that will outpace the economy due to the high growth rate of this sector.

Individual Weighted Average Costs of Capital were calculated for each operating segment and adjusted for the market's assessment of the risks attaching to each operating segment's cash flows. The Weighted Average Cost of Capital is recalculated at each period end.

Management considered the carrying value of goodwill within the Group in comparison to the future budgets and have processed an impairment charge of £Nil within the year in relation to the Group's goodwill (2023: £Nil).

The Group has conducted sensitivity analysis on the impairment test of each operating segments carrying value. Sensitivities have been run on the discount rate applied and management are satisfied that a reasonable increase in the discount rate used would not lead to the carrying amount of each operating segment exceeding the recoverable amount.

Sensitivities have been conducted on cash flow forecasts, reducing management's three-year forecast EBITDA for all operating segments EBITDA by 10%. Management are satisfied that this change would not lead to the carrying amount of each operating segment exceeding the recoverable amount, although this does depend on achieving forecast growth over the three-year period. Sensitivities have also been conducted on cash flow forecasts for all operating segments reducing the growth rate to 0%. Management are satisfied that this change would not lead to the carrying amount of each operating segment exceeding the recoverable amount.

Management have not identified any individual assumption within the estimate where a reasonably possibly change in estimate could result in all goodwill headroom being eroded in LPPP or Communities, however, a change in estimates could lead to the headroom being eroded in Assets if short-term growth is not achieved. As such, management has also performed an additional fair value less cost to sell analysis based on comparable market EBITDA multiples and a buyer's view on EBITDA to apply to this multiple, which would be classed as level 3 hierarchy under IFRS 13 Financial Instruments. In performing this analysis, management are satisfied that a reasonably possibly change in EBITDA multiple, or EBITDA applied to this, could not result in all goodwill headroom being eroded.

Management have further considered the operating segments for which prior period impairments were recorded to reduce the value-in-use of those operating segments to their recoverable amount, and how such carrying values are subject to the current year sensitivities noted above.

Notes to the accounts (continued)

For the year ended 31 October 2024

12 DEFERRED TAX

Deferred tax assets and liabilities are summarised as follows:

	2024	2023
	£000	£000
Deferred tax assets (non-current)	2,656	2,541
Deferred tax liabilities (non-current)	(6,738)	(7,519)
	<u>(4,082)</u>	<u>(4,978)</u>

The movement in the year in the net deferred tax provision was as follows:

	2024	2023
	£000	£000
At 1 November	(4,978)	(3,407)
Credit to income for the year	889	725
Recognised on acquisition	-	(2,287)
Adjustment to prior year provision	(28)	(201)
Change in rate	(196)	-
Transfer to equity	231	-
Arising on acquisition	-	192
At 31 October	<u>(4,082)</u>	<u>(4,978)</u>

The movement in deferred income tax assets and liabilities during the year is as follows:

	Share-based payments £000	Other temporary differences £000	Losses carried forward £000	Accelerated tax depreciation £000	IFRS 15 £000	Total deferred tax asset £000
At 1 November 2022	1,467	32	204	775	201	2,679
Acquisition	-	-	192	-	-	192
Credit / (charge) to income	214	109	(115)	(360)	(178)	(330)
At 31 October 2023	<u>1,681</u>	<u>141</u>	<u>281</u>	<u>415</u>	<u>23</u>	<u>2,541</u>
At 1 November 2023	1,681	141	281	415	23	2,541
Credit / (charge) to income	54	(65)	(135)	49	(19)	(116)
Transfer to equity	231	-	-	-	-	231
At 31 October 2024	<u>1,966</u>	<u>76</u>	<u>146</u>	<u>464</u>	<u>4</u>	<u>2,656</u>

	Other temporary differences £000	Acquired intangibles £000	Associated deferred tax asset recognised £000	Total deferred tax liability £000
At 1 November 2022	-	(6,086)	-	(6,086)
Acquisitions	-	(2,287)	-	(2,287)
Credit to income	-	854	-	854
At 31 October 2023	<u>-</u>	<u>(7,519)</u>	<u>-</u>	<u>(7,519)</u>
At 1 November 2023	-	(7,519)	-	(7,519)
Credit to income	-	977	-	977
Change in rate	-	(196)	-	(196)
At 31 October 2024	<u>-</u>	<u>(6,738)</u>	<u>-</u>	<u>(6,738)</u>

Deferred tax is recognised where there is evidence that there will be sufficient future profitability of Group companies in the required jurisdictions to utilise the unrelieved losses or timing difference that gives rise to the deferred tax. Such evidence includes profitability of these companies in the year, and an estimate on future profitability based on budgeted future financial performance. The deferred tax asset in relation to the share-based payments has been capped at the amount of the estimated future tax deduction.

The Group's deferred income tax assets and liability relate to different tax authorities therefore there is no right to offset of these balances. The deferred tax liability was recognised as a result of fair value uplifts on acquired intangibles and is therefore recognised on consolidation. This cannot be directly offset by any deferred tax assets in future tax returns.

Notes to the accounts (continued)

For the year ended 31 October 2024

13 FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

The disclosures detailed below are as required by IFRS 7 - Financial Instruments: Disclosures. The carrying amounts presented on the Consolidated Balance Sheet relate to the following categories of assets and liabilities:

Financial assets	Note	2024	2023
		£000	£000
Financial assets measured at amortised cost:			
Non-current:			
Other receivables	14	1,154	1,201
		<u>1,154</u>	<u>1,201</u>
Current:			
Trade receivables, net	14	5,426	8,177
Other receivables	14	2,518	1,853
Contract receivables	14	10,445	8,413
Cash and cash equivalents	15	11,660	14,824
		<u>30,049</u>	<u>33,267</u>
Financial liabilities			
	Note	2024	2023
		£000	£000
Financial liabilities measured at amortised cost:			
Non-current:			
Lease liabilities	24	1,310	958
Bonds in issue	19	10,808	11,207
Bank borrowings	20	10,780	18,291
		<u>22,898</u>	<u>30,456</u>
Current:			
Trade and other payables	16	10,290	8,058
Other liabilities	17	1,806	3,277
Lease liabilities	24	613	220
		<u>12,709</u>	<u>11,555</u>
Financial liabilities measured at fair value through profit or loss:			
Other liabilities*	17	-	869
		<u>-</u>	<u>869</u>

*Hierarchy 3 being inputs for the asset or liability which are not based on observable market data. The liability relates to deferred consideration on the acquisition of Emapsite.com Limited in the prior year.

Notes to the accounts (continued)

For the year ended 31 October 2024

13 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The Group's financial liabilities per the fair value hierarchy classifications under IFRS 13 - Financial Instruments: Disclosures are described below:

Category of financial liability	Fair value at 31 October 2024 £000	Level in hierarchy	Description of valuation technique	Inputs used for financial model	Total losses recognised in income statement £000
Deferred consideration due on acquisitions	-	3	Discount rate applied to establish the time value of money using post tax cost of debt. The only sensitivity would be on a material change in the discount rate which we do not believe to be appropriate in this case given the short time frame expected for settlement.	Management estimate on probability and timescale payment criteria being fulfilled.	(131)

There have been no changes to valuation techniques in the year.

The deferred consideration on Emapsite was held back to cover a contingent liability relating to pre-acquisition, and the balance was paid in cash upon settlement of this liability.

The below table shows the reconciliation between the opening and closing amounts of the contingent consideration:

	Opening £000	Additions £000	FV through Income Statement £000	Settlement £000	Closing £000
Emapsite	869	-	131	(1,000)	-
	869	-	131	(1,000)	-

14 TRADE AND OTHER RECEIVABLES

	2024 £000	2023 £000
Trade receivables, gross	5,600	8,345
Allowance for credit losses	(174)	(168)
Trade receivables, net	5,426	8,177
Other receivables	2,518	1,853
Contract receivables	10,445	8,413
Financial assets	18,389	18,443
Prepayments	3,099	3,008
Non-financial assets	3,099	3,008
Trade and other receivables due within one year	21,488	21,451
Other receivables	1,154	1,201
Other receivables due after one year	1,154	1,201

Total trade receivables (net of allowances) held by the Group at 31 October 2024 amounted to £5,426,000 (2023: £8,177,000).

Contained within the prior year other receivables due within one year is an indemnification asset of £100,000 in relation to acquisitions.

Notes to the accounts (continued)

For the year ended 31 October 2024

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables due after one year relates to a loan note held as a result of the sale of the Netherlands Grants Consultancy operations April 2021. Interest of 6% is received annually and the full amount is repayable upon the sell on of the business by the acquirers. The Directors have not identified any credit loss associated with the loan note, interest continued to be paid and the business to which it relates continues to trade.

The carrying amount of trade and other receivables approximates to their fair value, which has been calculated based on expectations of debt recovery, impairment provision calculations are based on historic performances.

The following table sets out expected credit losses of gross trade receivables at 31 October. In addition to the expected credit losses below, an increase of £174,000 (2023: £168,000) of specific disputed debts have been included within the expected credit losses balance that the Group has deemed appropriate to provide for.

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	>90 days past due	Total
2024						
Expected credit loss rate	0.8%	0.5%	0.0%	0.0%	0.0%	
Expected total gross carrying amount at default (£000)	3,886	998	237	140	339	5,600
Lifetime ECL at 31 October 2024	-	-	-	-	-	-
2023						
Expected credit loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	
Expected total gross carrying amount at default (£000)	6,224	1,288	269	34	530	8,345
Lifetime ECL 31 October 2023	-	-	-	-	-	-

We have £Nil of expected credit loss scenarios in relation to specific bad debts in respect of our contract assets which are in respect of local authority entities. We define an event of default as when the customer has communicated that they will not be able to pay the balances due.

Trade receivables are reviewed regularly for impairment and judgement made as to any likely impairment based on historic trends and the latest communication with customers.

Contract receivables represent work completed and delivered to the customer but due to the contractual payment terms have not yet been invoiced.

All of the closing Group trade receivables are in UK sterling with the exception of:

	2024	2023
Euros	€656,968	€1,077,598
Australian Dollars	-	-
US Dollars	\$984,546	\$1,054,397
Canadian Dollars	CAD318,499	CAD318,702

Credit quality of trade receivables

The maximum exposure for the Group to credit risk for trade receivables at the reporting date by type of customer was:

	2024 £000	2023 £000
Local authorities and other public bodies	3,038	3,624
Private companies	2,562	4,721
	<u>5,600</u>	<u>8,345</u>

Further information on credit risk is contained in note 21.

Notes to the accounts (continued)

For the year ended 31 October 2024

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing of trade receivables at the reporting date for the Group was:

	Gross 2024 £000	Impairment 2024 £000	Gross 2023 £000	Impairment 2023 £000
Not past due	3,884	-	6,196	-
Past due 0 to 30 days	998	-	1,286	-
Past due 31 to 60 days	237	-	268	-
More than 60 days	481	174	595	168
	<u>5,600</u>	<u>174</u>	<u>8,345</u>	<u>168</u>

Movements in the provision for impairment of receivables for the Group were as follows:

	2024 £000	2023 £000
At 1 November	168	5
Charge for the year	39	165
Utilised	(33)	(2)
At 31 October	<u>174</u>	<u>168</u>

The provision allowance in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the amounts are considered irrecoverable and are written off against the trade receivable directly. Where trade receivables are past due, an assessment is made of individual customers and the outstanding balance.

15 CASH AND CASH EQUIVALENTS

	2024 £000	2023 £000
Cash at bank and in hand	11,660	14,824
Cash and cash equivalents per cash flow statements	<u>11,660</u>	<u>14,824</u>

The credit quality of the holders of the cash at bank is A+ and A rated.

16 TRADE AND OTHER PAYABLES

	2024 £000	2023 £000
Trade payables	4,960	3,417
Accruals	5,330	4,641
	<u>10,290</u>	<u>8,058</u>

The carrying values of trade and other payables are considered to be reasonable approximations of fair value. Accruals represent liabilities which have been recognised at the balance sheet date. The majority of these will be paid during the next six months.

Notes to the accounts (continued)

For the year ended 31 October 2024

17 OTHER LIABILITIES

	2024	2023
	£000	£000
Social security and other taxes	2,515	2,501
Other payables – deferred consideration	-	869
Other payables	1,806	3,277
Contract liabilities	20,232	21,050
Other Liabilities payable within one year	24,553	27,697
Contract liabilities	1,878	2,236
Other Liabilities payable after one year	1,878	2,236

Contract liabilities represent software revenue, where billing milestones have been reached but the appropriate proportion of work has not been completed, and maintenance, managed service and subscription revenues that are spread over the period, typically one year, for which the service is supplied. Of the £23,286,000 contract liabilities present at 31 October 2023, £21,050,000 has been recognised as revenue in FY24.

18 PROVISIONS

	2024	2023
	£000	£000
At 1 November	589	453
Provision made during the year	384	641
Provision utilised during the year	(482)	(505)
At 31 October	491	589

The constituent parts of the provision at 31 October is as follows:

	2023	Provisions	Provisions	2024
	£000	made in	utilised in	£000
		year	year	
		£000	£000	
Holidays earned but not yet taken by employees	460	384	(353)	491
Costs associated with previous properties	29	-	(29)	-
Costs associated with acquisitions	100	-	(100)	-
	589	384	(482)	491

Of the full provision, £491,000 is expected to be payable during the year ending 31 October 2025. Of the prior year provision (£589,000) £589,000 was payable within one year.

19 BONDS IN ISSUE

Bonds in issue are measured at amortised cost.

	2024	2023
	£000	£000
Current:		
130,000 bonds at €100 each	10,808	-
Non-current:		
130,000 bonds at €100 each	-	11,207
	10,808	11,207

Notes to the accounts (continued)

For the year ended 31 October 2024

19 BONDS IN ISSUE (CONTINUED)

The bonds were acquired following the acquisition of 6PM Holdings plc. The bonds were issued in 2015 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.

The bonds are listed on the Official Companies List of the Malta Stock Exchange. At 31 October 2024 the bonds were trading at 99% (2023: 99%), which equates to a fair value of £10,724,000 (2023: £11,163,000).

20 BORROWINGS

All borrowings are held at amortised cost and after set-off for unamortised loan facility fees:

	2024	2023
	£000	£000
Current:		
Bank borrowings	-	-
Non-current:		
Bank borrowings	10,780	18,291
Total borrowings	<u>10,780</u>	<u>18,291</u>

Reconciliation of liabilities arising from financing activities:

	Lease liability	Bonds in issue	Long-term borrowings	Total
	£000	£000	£000	£000
As at 1 November 2022	1,810	11,325	9,201	22,336
<i>Cash movements:</i>				
Payments on lease liability	(936)	-	-	(936)
Repayment of borrowings	-	-	(30,000)	(30,000)
New loans	-	-	39,706	39,706
Interest paid	-	(628)	(811)	(1,439)
<i>Non-cash movements:</i>				
Lease liability additions	231	-	-	231
Movement in lease interest	74	-	-	74
Movement in foreign exchange rate	(1)	(135)	-	(136)
Other non-cash movements	-	645	195	840
As at 31 October 2023	<u>1,178</u>	<u>11,207</u>	<u>18,291</u>	<u>30,676</u>
<i>Cash movements:</i>				
Payments on lease liability	(782)	-	-	(782)
Repayment of borrowings	-	-	(7,706)	(7,706)
Interest paid	-	(565)	(1,154)	(1,719)
<i>Non-cash movements:</i>				
Lease liability additions	1,429	-	-	1,429
Movement in lease interest	75	-	-	75
Movement in foreign exchange rate	23	(443)	-	(420)
Other non-cash movements	-	609	1,349	1,958
As at 31 October 2024	<u>1,923</u>	<u>10,808</u>	<u>10,780</u>	<u>23,511</u>

20 BORROWINGS (CONTINUED)

In October 2024 the Group extended its loan agreement with the National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75m and £45m accordion facility (2023: £75m revolving credit facility and £45m accordion facility) and are committed until October 2027.

During the period the loan was held, the average interest rate was 6.81% (2023: 5.51%).

There are unamortised loan fees of £437,500 (2023: £437,500) at the balance sheet date.

An accounting adjustment of £196,000 (2023: (£378,000)) has been processed during the period to take into account the effective rate of interest on the bank facilities.

As security for the above loans, National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc hold a fixed and floating charge over the assets of Idox plc and certain subsidiaries, a guarantee supported by Idox plc and certain subsidiaries and a share pledge in respect of the entire issued share capital of each subsidiary company.

The Directors estimate that the fair value of the Group's borrowing is not significantly different to the carrying value.

21 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, bonds and bank borrowings. The main purpose of these financial instruments is to finance the Group's operations. The Group has other financial instruments, which mainly comprise trade receivables and trade payables that arise directly from its operations.

Risk management is carried out by the finance department under policies approved by the Board. The Group's finance department identifies, evaluates and manages financial risks.

The Board provides guidance on overall risk management including foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The Board has evaluated the risks and is satisfied that the risk management objectives are met.

The impact of the risks required to be discussed under IFRS 7 are detailed below:

Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the functional currency of the operations. The Group has minimal exposure to foreign exchange risk as a result of natural hedges arising between sales and cost transactions.

(ii) Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk in respect of cash balances held with banks and other highly rated counterparties.

The Group's main interest rate risk arises from its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2024 and 2023, all the Group's borrowings at variable rates were denominated in UK Sterling. The average interest rate during the year ended 31 October 2024 was 6.81% (2023: 5.51%). Interest payable in the year was £1,095,000 (2023: £882,000). If the average interest rate during the year had been 1% different, this would have had an impact of £161,000 (2023: £160,000) on the interest payable during the year.

Notes to the accounts (continued)

For the year ended 31 October 2024

21 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

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

Classes of financial assets – carrying amounts	2024 £000	2023 £000
Cash and cash equivalents	11,660	14,824
Trade receivables	5,426	8,177
Contract receivables	10,445	8,413
Other receivables	2,518	1,853
Financial assets	<u>30,049</u>	<u>33,267</u>

Credit risk is managed on a Group basis. Credit risks arise from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group's credit risk is primarily attributable to its trade receivables and contract receivables. It is the policy of the Group to present the amounts in the balance sheet net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group reviews the reliability of its customers on a regular basis and these reviews take into account the nature of the Group's trading history with the customer.

The credit risk on liquid funds is limited because the majority of funds are held with banks with high credit-ratings assigned by international credit-rating agencies. Management does not expect any losses from non-performance of these counterparties.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

The Group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis, to ensure that it has sufficient funds to meet obligations of the Group as they fall due.

The Board receives regular debt management forecasts, which estimate the cash inflows and outflows over the next twelve months, so that management can ensure that sufficient financing is in place as it is required.

Detailed analysis of the debt facilities taken out and available to the Group are disclosed in note 20.

As at 31 October 2024, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Within 1 month £000	Current 1 - 3 months £000	3 - 12 months £000	Non-current 1 - 5 years £000	Later than 5 years £000
Bonds in issue	-	-	11,360	-	-
Bank borrowings	60	124	547	12,681	-
Trade and other payables	10,063	227	-	-	-
Lease liabilities	57	114	513	1,575	-

Notes to the accounts (continued)

For the year ended 31 October 2024

21 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

This compares to the maturity of the Group's financial liabilities in the previous reporting period as follows:

	Within 1 month £000	Current 1 - 3 months £000	3 - 12 months £000	Non-current 1 - 5 years £000	Later than 5 years £000
Bonds in issue	-	-	575	11,782	-
Bank borrowings	105	217	961	21,183	-
Trade and other payables	7,480	578	-	-	-
Deferred consideration	-	-	1,000	-	-
Lease liabilities	37	74	331	984	44

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Capital for the reporting periods under review is summarised as follows:

	2024 £000	2023 £000
Total equity	78,280	73,277
Less unrestricted cash and cash equivalents (note 15)	(11,660)	(14,824)
	<u>66,620</u>	<u>58,453</u>
Total equity	78,280	73,277
Bonds in issue (note 19)	10,808	11,207
Borrowings (note 20)	10,780	18,291
	<u>99,868</u>	<u>102,775</u>
Capital-to-overall-financing ratio	<u>0.67</u>	<u>0.57</u>

22 SHARE CAPITAL

	2024 £000	2023 £000
Authorised:		
650,000,000 ordinary shares of 1p each	<u>6,500</u>	<u>6,500</u>
Allotted, called up and fully paid:		
As at 1 November	4,562	4,525
Issued and allotted during the year	40	37
	<u>4,602</u>	<u>4,562</u>
460,182,046 ordinary shares of 1p each (2023: 456,185,323)		

22 SHARE CAPITAL (CONTINUED)**Movement in issued share capital in the year**

During the year to 31 October 2024, 19 employees exercised share options across 23 separate exercises. To satisfy the exercise of these transactions, the Company issued and allotted 3,363,082 new ordinary shares of 1p each.

During the year, the Company issued and allotted 633,641 shares as part of the deferred consideration payment in relation to LandHawk.

The Company has one class of ordinary share which carries no right to fixed income.

At 31 October 2024, there were 4,195,861 (2023: 4,111,059) shares in issue under ESOP Trust. During the year, the average issue share price was 64p (2023: 65p).

23 SHARE OPTIONS

The Company has a share option scheme for all employees (including Directors). All share options are exercisable at a price equal to the average market price of the Company's shares on the date of grant. The vesting period is typically annually from the date of grant, and at the discretion of the Board. Per the contractual agreements, the options are settled in equity once exercised.

An Employee Share Investment Trust is in place to allow employees a tax efficient way of investing in the Company. The Company purchases matching shares (Xtra shares) which become the property of the employee after a three-year vesting period.

Details of all share options over 1p Ordinary shares, falling within the measurement and recognition criteria of IFRS 2 - Share-based Payments and forming part of the unapproved share scheme, including their contractual life and exercise prices, are as follows:

At start of year	Granted	Exercised	Lapsed	At end of year	Exercise price	Exercise date from	Exercise date to
80,000	-	(60,000)	(20,000)	-	39.00p	Jul 2014	Jun 2024
125,000	-	-	-	125,000	50.00p	Apr 2016	Apr 2026
585,500	-	-	-	585,500	1.00p	Mar 2019	Mar 2029
790,500	-	(60,000)	(20,000)	710,500			

The following table sets out the number of share options and associated weighted average exercise price (WAEP) outstanding during the year:

	2024		2023	
	No.	WAEP Pence	No.	WAEP Pence
Outstanding at the beginning of the year	790,500	12.59	800,500	12.92
Exercised during the year	(60,000)	39.00	(10,000)	39.00
Lapsed during the year	(20,000)	39.00	-	-
Outstanding at the end of the year	710,500	9.62	790,500	12.59
Exercisable at the end of the year	710,500	9.62	790,500	12.59

The share options outstanding at the end of the year have a weighted average remaining contractual life of 4 years. The share options exercised during the year had a weighted average exercise price of 39.00p and a weighted average market price of 63.00p.

The Group recognised a total charge of £Nil (2023: £Nil) for equity-settled share-based payment transactions related to the unapproved share option scheme during the year. The charge of £Nil (2023: £Nil) related to share options granted and £Nil (2023: £Nil) related to share options exercised.

Notes to the accounts (continued)

For the year ended 31 October 2024

23 SHARE OPTIONS (CONTINUED)

Long-Term Incentive Plan (LTIP)

During the year, 5,671,554 options were granted under the Long-Term Incentive Plan.

The Group recognised a total charge of £2,491,000 (2023: £2,631,000) for equity-settled share-based payment transactions during the year. The total cost was in relation to outstanding share options and share options granted in the year. The weighted average exercise price of options exercised in the year was £Nil (2023: £Nil).

The number of options in the LTIP scheme is as follows:

	2024 No.	2023 No.
Outstanding at the beginning of the year	19,164,949	16,978,852
Granted	5,671,554	6,869,836
Forfeited	(664,038)	(1,234,756)
Exercised	(3,303,082)	(3,448,983)
Outstanding at the end of the year	<u>20,869,383</u>	<u>19,164,949</u>
Exercisable at the end of the year	<u>772,338</u>	<u>2,628,342</u>

The fair values were calculated using a Monte-Carlo simulation and the following information:

Date of issue	Number granted No.	Weighted average share price Pence	Weighted average exercise price Pence	Expected volatility %	Expected life Years	Risk free rate %	Weighted average fair value at grant date £
Nov 22	174,093	60.6	-	35	3	3.314	0.334
Nov 22	174,093	60.6	-	35	3	3.314	0.606
Nov 23	2,459,449	61.4	-	30	3	4.38	0.3189
Nov 23	2,459,454	61.4	-	30	3	4.38	0.5944
May 24	202,233	65.0	-	25	2.5	4.45	0.3313
May 24	202,232	65.0	-	25	2.5	4.45	0.6360
	<u>5,671,554</u>						

Notes to the accounts (continued)

For the year ended 31 October 2024

24 LEASES

Right-of-use-assets	Buildings £000	Equipment £000	Total £000
Cost			
At 1 November 2022	3,691	306	3,997
Foreign exchange	(19)	-	(19)
Additions	231	-	231
At 1 November 2023	<u>3,903</u>	<u>306</u>	4,209
Foreign exchange	(29)	-	(29)
Additions	1,429	-	1,429
Disposals	(1,392)	-	(1,392)
At 31 October 2024	<u>3,911</u>	<u>306</u>	4,217
Accumulated depreciation			
At 1 November 2022	1,909	306	2,215
Charge for the year	679	-	679
Foreign exchange	(18)	-	(18)
At 1 November 2023	<u>2,570</u>	<u>306</u>	2,876
Foreign exchange	(30)	-	(30)
Charge for the year	870	-	870
Disposals	(1,392)	-	(1,392)
At 31 October 2024	<u>2,018</u>	<u>306</u>	2,324
Carrying amount at 31 October 2024	<u>1,893</u>	<u>-</u>	<u>1,893</u>
Carrying amount at 31 October 2023	<u>1,333</u>	<u>-</u>	<u>1,333</u>

The Group leases several assets including; buildings, and IT equipment. The average lease term for buildings is 5 years.

Three of the leases for property and equipment expired in the current financial year. This resulted in £1,114,000 of the £1,429,000 additions to right-of-use-assets in FY24.

	2024 £000	2023 £000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use-assets	870	679
Interest expense on lease liabilities	75	74
	<u>945</u>	<u>753</u>

Notes to the accounts (continued)

For the year ended 31 October 2024

24 LEASES (CONTINUED)

Lease liabilities

The maturity analysis of lease liabilities is presented below.

	2024	2023
	£000	£000
Analysed as:		
Non-current	1,310	958
Current	613	220
	<u>1,923</u>	<u>1,178</u>
	2024	2023
	£000	£000
Maturity analysis:		
Year 1	684	442
Year 2	562	352
Year 3	454	309
Year 4	335	218
Year 5	224	105
Onwards	-	44
	<u>2,259</u>	<u>1,470</u>
Impact of discounting	<u>(336)</u>	<u>(292)</u>
Carrying value	<u>1,923</u>	<u>1,178</u>

The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Notes to the accounts (continued)

For the year ended 31 October 2024

25 ACQUISITIONS

Acquisition of subsidiaries net of cash acquired

Acquisition of subsidiaries, net of cash acquired, relates to the final payments due relation to the prior year Emapsite acquisition. These amounts were treated as consideration in the prior year and represent final consideration payable for working capital acquired and a deferred consideration payable.

	£000
Acquisition of subsidiaries net of cash acquired per cashflow statement	(2,393)
Deferred consideration payment made in relation to Emapsite	1,393
Emapsite consideration completion adjustment	1,000
	<u>-</u>
Cash to vendor per acquisition note	<u>-</u>

26 CAPITAL COMMITMENTS

There were no material Group capital commitments at 31 October 2024 or 31 October 2023.

27 CONTINGENT LIABILITIES

There were no material Group contingent liabilities at 31 October 2024 or 31 October 2023.

28 RELATED PARTY TRANSACTIONS

Compensation paid to key management (which comprises the EMT and the Board) of the Group:

	2024	2023
	£000	£000
Salaries and other short-term employee benefits including NIC	3,792	4,111
Post-employment benefits	100	95
Share-based payments	1,194	1,505
	<u>5,086</u>	<u>5,711</u>

During the year ended 31 October 2024, two of the Directors and four members of the EMT exercised share options. No Directors and eight members of the EMT exercised share options in the year ended 31 October 2023.

Details of the remuneration for each Director are included in the remuneration section, which can be found on pages 44 to 45 but does not form part of the audited accounts.

Chris Stone, non-executive director of Idox plc, also acts as a non-executive director of NCC Group plc. During the year ended 31 October 2024, the Group incurred costs of £8,982 (2023: £Nil) to subsidiaries of NCC Group plc and at the year end there was an outstanding trade payables balance of £Nil (2023: £Nil).

29 POST BALANCE SHEET EVENTS

There have been no post balance sheet events which had a material impact on the Group.

Company balance sheet

As at 31 October 2024

	Note	2024 £000	2023 £000
ASSETS			
Non-current assets			
Investments	6	137,102	134,832
Debtors	7	1,154	1,201
Total non-current assets		<u>138,256</u>	<u>136,033</u>
Current assets			
Debtors	7	111	69
Cash at bank and in hand		-	4
Total current assets		<u>111</u>	<u>73</u>
Total assets		<u>138,367</u>	<u>136,106</u>
LIABILITIES			
Creditors: amounts falling due within one year	8	<u>(62,974)</u>	<u>(46,972)</u>
Net current liabilities		<u>(62,974)</u>	<u>(46,899)</u>
Total assets less current liabilities		<u>75,393</u>	<u>89,134</u>
Creditors amounts falling due after more than one year	9	<u>(10,780)</u>	<u>(18,291)</u>
Total liabilities		<u>(10,780)</u>	<u>(65,263)</u>
Net assets		<u>64,613</u>	<u>70,843</u>
Capital and reserves			
Called up share capital	10	4,602	4,562
Capital redemption reserve		-	1,112
Share premium account		23	41,558
Other reserve		7,871	7,871
Share option reserve		6,846	5,838
Retained earnings		45,271	9,902
Total shareholders' funds		<u>64,613</u>	<u>70,843</u>

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year was £5,807,000 (2023: £6,495,000 profit).

The financial statements were approved by the Board of Directors and authorised for issue on 27 January 2025 and are signed on its behalf by:

David Meaden
Chief Executive Officer

Anoop Kang
Chief Financial Officer

The accompanying accounting policies and notes form an integral part of these Company financial statements.

Company name: Idox plc

Company number: 03984070

Company statement of changes in equity

As at 31 October 2024

	Called-up share capital £000	Capital redemption reserve £000	Share premium account £000	Other reserve £000	Treasury reserve £000	Share option reserve £000	Retained earnings £000	Total £000
Balance at 1 November 2022	4,525	1,112	41,556	7,451	(594)	4,813	5,101	63,964
Issue of share capital	37	-	2	-	-	-	-	39
Share option costs	-	-	-	-	-	2,611	-	2,611
Exercise / lapses of share options	-	-	-	-	594	(1,586)	994	2
Reallocation of deferred consideration share exercise costs	-	-	-	420	-	-	(420)	-
Equity dividends paid	-	-	-	-	-	-	(2,268)	(2,268)
Transactions with owners	37	-	2	420	594	1,025	(1,694)	384
Profit for the year	-	-	-	-	-	-	6,495	6,495
Total comprehensive income for the year	-	-	-	-	-	-	6,495	6,495
Balance at 31 October 2023	4,562	1,112	41,558	7,871	-	5,838	9,902	70,843
Issue of share capital	40	-	23	-	-	-	-	63
Share option costs	-	-	-	-	-	2,270	-	2,270
Exercise / lapses of share options	-	-	-	-	-	(1,262)	1,262	-
Capital reduction	-	(1,112)	(41,558)	-	-	-	42,670	-
Equity dividends paid	-	-	-	-	-	-	(2,756)	(2,756)
Transactions with owners	40	(1,112)	(41,535)	-	-	1,008	41,176	(423)
Loss for the year	-	-	-	-	-	-	(5,807)	(5,807)
Total comprehensive loss for the year	-	-	-	-	-	-	(5,807)	(5,807)
Balance at 31 October 2024	4,602	-	23	7,871	-	6,846	45,271	64,613

1 COMPANY INFORMATION

Idox plc is a company which is incorporated in England and domiciled in the UK, which is its principal place of business. The address of its registered office is Unit 5, Woking 8, Forsyth Road, Woking, Surrey, GU21 5SB. The registered number of the Company is 03984070.

2 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – ‘The Reduced Disclosure Framework’ (FRS 101). The principal accounting policies adopted in preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared under the historical cost convention.

These financial statements are separate financial statements for Idox plc, the Company.

The financial statements are prepared in pounds sterling.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- A statement of cash flows and related notes.
- Disclosure of key management personnel compensation.
- Certain disclosures in relation to share based payments.
- Disclosures in relation to impairment of assets.
- The effect of future accounting standards not adopted.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements.
- The requirements of paragraphs 88C and 88D of IAS 12 Income Taxes.

Judgements and estimates

Management assess critical judgements and estimates in line with the Financial Reporting Council’s (FRC) guidance. The Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not easily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Management does not consider there to be any items to involve key assumptions and other key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements (not involving estimation)

Management does not consider there to be any items to involve key judgements not involving estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 ACCOUNTING POLICIES (CONTINUED)

Share based payment

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

Employees to whom share options have been granted provide their services in subsidiary companies of Idox plc. All equity-settled share-based payments are recognised as an expense in the profit and loss account of the relevant subsidiary company. In Idox plc, the cost is allocated to investments in subsidiaries.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to reserves.

Investments

Fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment. If there is a subsequent change in the total consideration paid, such as a refund received from the seller, then the Company will recognise an adjustment to the acquisition price which will reduce the cost, and consequently the net book value, of that investment.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet.

Share capital is classed as an equity instrument where the contractual terms do not have any terms meeting the definition of a financial liability. Dividends and distributions relating to equity instruments are debited direct to equity.

Interest and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the profit and loss account in the financial period to which it relates.

Reserves

Equity comprises the following:

- "Capital redemption reserve" for the Company was created during 2003 when the entire deferred ordinary share capital was bought in exchange for one ordinary 1p share.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Other reserves" arose as a result of share premium arising on consideration shares issued on the acquisition of 6PM Holdings plc and Halarose Holdings Limited. It also includes the merger relief reserve arising as a result of the purchase of Aligned Assets Limited and LandHawk Software Services Limited.
- "Share option reserve" represents shares to be issued on potential exercise of those share options that have been accounted for under FRS 101.
- "Retained earnings" represents retained profits.

Notes to the company financial statements (continued)

For the year ended 31 October 2024

3 DIRECTORS AND EMPLOYEES

There are no wages and salaries paid by the parent company.

The Company has no employees and Directors are remunerated by other Group companies. Details of the remuneration for each Director are included in the remuneration section which can be found on pages 44 to 45 but which do not form part of the audited accounts.

4 DIVIDENDS

The Directors have proposed the payment of a final dividend of 0.7p per share, which would amount to £3,221,274. During the year a dividend of £2,755,805 was paid in relation to the FY23 final dividend of 0.6p (2023: £2,267,744 was paid in relation to the FY22 final dividend of 0.5p).

5 (LOSS) / PROFIT FOR THE FINANCIAL YEAR

The parent company's loss for the year was £5,807,000 (2023: £6,495,000 profit).

6 INVESTMENTS

	Investment in Group undertakings £000
Cost	
At 1 November 2023	168,915
Additions – share option charge	2,270
At 31 October 2024	<u>171,185</u>
Impairment	
At 1 November 2023	34,083
Provided in the year	-
At 31 October 2024	<u>34,083</u>
Net book amount	
At 31 October 2024	<u>137,102</u>
At 31 October 2023	<u>134,832</u>

Notes to the company financial statements (continued)

For the year ended 31 October 2024

6 INVESTMENTS (CONTINUED)

At 31 October 2024 the Company held investments in the following companies (* indirect holdings):

	Country of registration	Registered office	Class of share held	Proportion held	Nature of business
Itox Trustees Limited	England	Unit 5 Woking 8, Forsyth Road, Woking Surrey, GU21 5SB	Ordinary	100%	Corporate trustee of Employee share ownership trust
Itox Software Limited	England	Unit 5 Woking 8, Forsyth Road, Woking Surrey, GU21 5SB	Ordinary	100%	Software services
McLaren Software Inc	USA	818 West Seventh St, 2nd Floor, LA, CA 90017	Ordinary	100%	Software services
Itox France SARL	France	75, Avenue Parmentier, 75544 Paris cedex 11, France	Ordinary	100%	Software services
Itox India Private Limited	India	Kapil Towers Sixth Floor C Wing Dr. Ambedkar Road Pune MH 411001 India	Ordinary	100%	Software services
McLaren Software Group Limited	Scotland	72 Gordon Street, Glasgow, Scotland, G1 3RS	Ordinary	100%	Holding Company
McLaren Software GmbH*	Germany	c/o RGT Consultants Partnerschaftsgesellschaft mbB, Niddastraße 91, 60329 Frankfurt am Main	Ordinary	100%	Dormant Company
McLaren Consulting BV*	Netherlands	Kauwenhoven 78, 6741 PW Lunteren, Netherlands	Ordinary	100%	Dormant Company
CT Space Inc	USA	1209 Orange Street, Corporation Trust Center, Wilmington, DE 19801	Ordinary	100%	Dormant Company
Citadon Inc	USA	919 North Market St, Suite 950, Wilmington, DE 19801	Ordinary	100%	Dormant Company
6PM Holdings plc	Malta	GVZH Advocates, 192 Old Bakery Street, Valletta, VLT 1455, Malta	Ordinary	100%	Holding Company
6PM Limited*	Malta	GVZH Advocates, 192 Old Bakery Street, Valletta, VLT 1455, Malta	Ordinary	100%	Software services
EIM Group Ltd*	England	Unit 5 Woking 8, Forsyth Road, Woking Surrey, GU21 5SB	Ordinary	100%	Software services
LandHawk Software Services Limited	England	Unit 5 Woking 8, Forsyth Road, Woking Surrey, GU21 5SB	Ordinary	100%	Software services
Emapsite.com Limited	England	Unit 5 Woking 8, Forsyth Road, Woking Surrey, GU21 5SB	Ordinary	100%	Software services

Notes to the company financial statements (continued)

For the year ended 31 October 2024

7 DEBTORS

	2024	2023
	£000	£000
Falling due within one year:		
Other debtors	40	-
Amounts owed by Group undertakings	71	69
Debtors: falling due within one year:	111	69
Other debtors (note 14 of Group accounts)	1,154	1,201
Debtors: falling due after year:	1,154	1,201

Amounts owed by Group undertakings are interest bearing and are repayable on demand. The interest rate during the year ended 31 October 2024 and 31 October 2023 was 3.25% for historic balances and 5.95% for new balances from FY23 onwards.

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£000	£000
Amounts owed to Group undertakings	62,763	44,502
Other creditors	17	2,286
Accruals	194	184
	62,974	46,972

Amounts owed to Group undertakings are interest bearing and are repayable on demand. The interest rate during the year ended 31 October 2024 and 31 October 2023 was 3.25% for historic balances and 5.95% for new balances from FY23 onwards.

Of the £2,286k of other creditors included in the prior year, £2,261k is in relation to deferred consideration and completion payments on the Emapsite acquisition which were settled in the year.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£000	£000
Bank loan	10,780	18,291
	10,780	18,291

In October 2024 the Group extended its loan agreement with the National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc. The facilities comprise a revolving credit facility of £75m and £45m accordion facility (2023: £75m revolving credit facility and £45m accordion facility) and are committed until October 2027.

During the period the loan was held, the average interest rate was 6.81% (2023: 5.51%).

There are unamortised loan fees of £437,500 (2023: £437,500) at the balance sheet date.

An accounting adjustment of £196,000 (2023: (£378,000)) has been processed during the period to take into account the effective rate of interest on the bank facilities.

As security for the above loans, National Westminster Bank plc, HSBC Innovation Bank Limited and Santander UK plc hold a fixed and floating charge over the assets of Idox plc and certain subsidiaries, a guarantee supported by Idox plc and certain subsidiaries and a share pledge in respect of the entire issued share capital of each subsidiary company.

The Directors estimate that the fair value of the Group's borrowing is not significantly different to the carrying value.

Notes to the company financial statements (continued)

For the year ended 31 October 2024

10 SHARE CAPITAL

	2024	2023
	£000	£000
Authorised:		
650,000,000 ordinary shares of 1p each	6,500	6,500
Allotted, called up and fully paid:		
As at 1 November	4,562	4,525
Issued and allotted during the year	40	37
460,182,046 ordinary shares of 1p each (2023: 456,185,323)	4,602	4,562

Movement in issued share capital in the year

During the year to 31 October 2024, 19 employees exercised share options across 23 separate exercises. To satisfy the exercise of these transactions, the Company issued and allotted 3,363,082 new ordinary shares of 1p each.

The Company has one class of ordinary share which carries no right to fixed income.

At 31 October 2024, there were 4,195,861 (2023: 4,111,059) shares in issue under ESOP. During the year, the average issue share price was 64p (2023: 65p).

At 31 October 2024, there were no shares held in treasury (2023: Nil).

11 SHARE OPTIONS

As the LTIP share option scheme is a Group scheme, there has been no charge recognised in the parent Company accounts. See note 23 in the Group accounts for further details on share options.

12 RELATED PARTY DISCLOSURES

As permitted by FRS 101, related party transactions with wholly owned members of the Group and remuneration of key management personnel have not been disclosed.

13 CAPITAL COMMITMENTS

The Company had no capital commitments at 31 October 2024 or 31 October 2023.

14 CONTINGENT LIABILITIES

There were no material Company contingent liabilities at 31 October 2024 or 31 October 2023.

15 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

Alternative performance measures

For the year ended 31 October 2024

Alternative Performance Measures

Following the issuance of the Guidelines on Alternative Performance Measures (APMs) by the European Securities and Markets Authority (ESMA) in June 2015, the Group has included this section in its Annual Report and Accounts with the aim of providing transparency and clarity on the measures adopted internally to assess performance. Throughout this report, the Group has presented financial performance measures which are considered most relevant to Idox and are used to manage the Group's performance. These financial performance measures are chosen to provide a balanced view of the Group's operations and are considered useful to investors as these measures provide relevant information on the Group's past or future performance, position, or cash flows. The APMs, which are not defined or specified under International Financial Reporting Standards, adopted by the Group are also commonly used in the sectors it operates in and therefore serve as a useful aid for investors to compare Idox's performance to its peers. The Board believes that disclosing these performance measures enhances investors' ability to evaluate and assess the underlying financial performance of the Group's operations and the related key business drivers. These financial performance measures are also aligned to measures used internally to assess business performance in the Group's budgeting process and when determining compensation. They are also consistent with how the business is assessed by our debt and equity providers. Details are included within the financial review section of the Strategic Report.

We believe that these measures provide a user of the accounts with important additional information. The following table reconciles these APMs to statutory equivalents for continuing operations:

	2024	2023
	£000	£000
Adjusted EBITDA:		
Profit before taxation	8,064	7,820
Depreciation and Amortisation	12,021	10,955
Restructuring costs	302	378
Acquisition costs	1,156	746
Financing costs	67	396
Share option costs	2,491	2,631
Net finance costs	1,950	1,524
Adjusted EBITDA	<u>26,051</u>	<u>24,450</u>
Free cashflow:		
Net cashflow from operating activities after taxation	21,108	18,599
Capex	(8,686)	(8,522)
Lease payments	(782)	(936)
Free cashflow	<u>11,640</u>	<u>9,141</u>
Net debt:		
Cash	(11,660)	(14,824)
Bank borrowings	10,780	18,291
Bonds in issue	10,808	11,207
Net Debt	<u>9,928</u>	<u>14,674</u>
Adjusted profit for the year and adjusted earnings per share:		
Profit for the year	5,259	5,582
Add back:		
Amortisation on acquired intangibles	4,052	3,622
Impairment	-	168
Acquisition costs	1,156	746
Restructuring costs	302	378
Financing costs	67	396
Share option costs	2,491	2,631
Tax effect	(1,398)	(1,606)
Adjusted profit for year	<u>11,929</u>	<u>11,917</u>
Weighted average number of shares in issue - basic	453,835,013	449,016,841
Weighted average number of shares in issue - diluted	457,786,211	455,580,675
Adjusted earnings per share	2.63p	2.65p
Adjusted diluted earnings per share	2.61p	2.62p

Alternative performance measures (continued)

For the year ended 31 October 2024

The Group adjusts for certain non-underlying items which the Board believes assists in understanding the performance achieved by the Group. These are non-underlying items as they do not relate to the operating performance of the Group. Profit before taxation is adjusted for depreciation, amortisation, restructuring costs, acquisition costs, financing costs, share option costs and net finance costs to calculate a figure for EBITDA which is commonly quoted by our peer group and allows users to compare our performance with those of our peers. This also provides the users of the accounts with a view of the underlying performance of the Group which is comparable year on year.

Depreciation and amortisation are omitted as they relate to assets acquired by the Group which may be subject to differing treatment within the peer group and so this allows meaningful comparisons to be made.

Amortisation on acquired intangibles omitted in order to improve the comparability between acquired and organic operations as the latter does not recognise internally generated intangible assets. Adjusting for amortisation provides a more consistent basis for comparison between the two.

Restructuring costs, acquisition costs, financing costs and net finance costs are omitted as they are considered to be one off in nature or do not represent the underlying trade of the Group. The items within these categories are assessed on a regular basis to ensure that they do not contain items which would be deemed to represent the underlying trade of the business.

Share option costs are excluded as they do not represent the underlying trade of the business and fluctuate subject to external market conditions and number of shares. This would distort year-on-year comparison of the figures.

Profit after taxation is adjusted for amortisation from acquired intangibles, restructuring costs, acquisition costs, financing costs and share option costs, as well as considering the tax impact of these items. To exclude the items without excluding the tax impact would not give the complete picture. This enables the user of the accounts to compare the core operational performance of the Group. Adjusted earnings per share takes into account all of the factors above and provides users of the Annual Report and Accounts information on the performance of the business that management is more directly able to influence and on a comparable basis for year to year. Readers of the Annual Report and Accounts are encouraged to review the financial statements in their entirety.