



ingenta

Annual Report  
For the year ended 31st Dec 2023

Registered number 00837205



The Directors submit to the members their report and accounts of the group for the year ended 31 December 2023.

# Directors and Advisors

## Executive Directors

G S Winner, Chief Executive Officer  
J R Sheffield, Chief Financial Officer

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M C Rose, Chairman  
M A Rowse  
N W Kirton  
S J G White

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J R Sheffield

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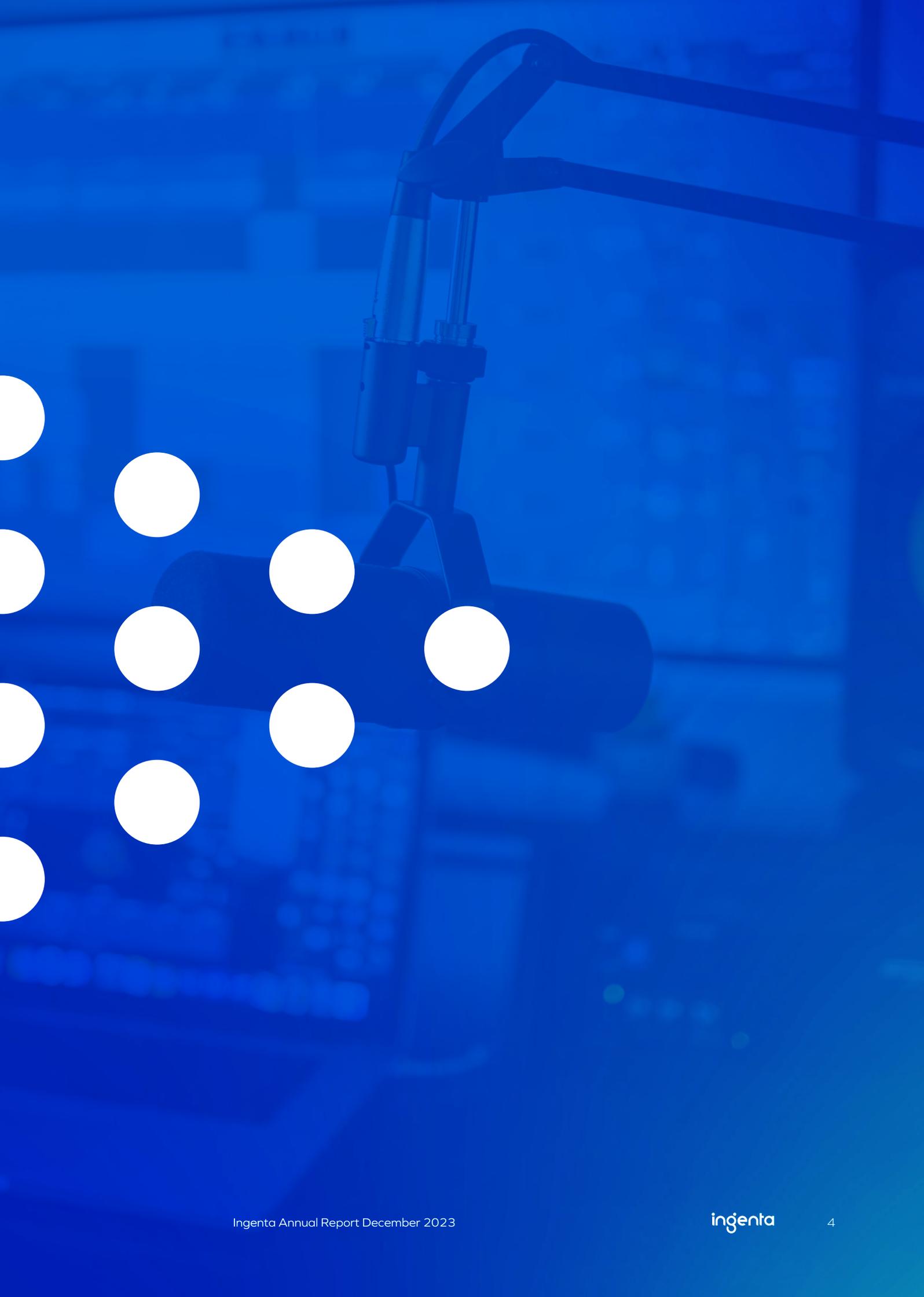
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## Nominated Adviser and Broker

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## Ingenta at a glance

Ingenta plc is a world-leading provider of mission-critical software and services to the global publishing industry. From our headquarters in the UK and our US office, we serve around 175 customers worldwide.

## What we do

# Ingenta helps customers to maximise the value of their intellectual property.

Our customers are information and content providers. Each one can hold the rights to many thousands of pieces of intellectual property (IP) – from individual songs, images and articles to books, reports and video games. In turn, every piece of IP has vital information attached to it, ranging from the details of contributors to contracts, royalties, copyright, orders and sales.

This scale and complexity create many challenges for our customers. We provide software and services that put them fully in control, allowing them to manage and distribute their IP effectively and efficiently, maximise its value and focus on what they do best – producing and selling great content.

Our software products integrate seamlessly with each other and with customers' systems, so they become a core part of the customer's technology landscape. We also provide services that help our customers get the most from our software, from assisting their implementation to ongoing technical and data-checking support.



ingenta enables publishers to run their business and achieve the highest benefit from their IP

## Supporting our customers' growth

We have designed our products to allow customers to start small and grow with us. Our offer ranges from software-as-a-service platforms that are ideal for smaller publishers, through to enterprise-level solutions for our largest customers with the most-complex needs.

Our products are also 'content agnostic', meaning they are not tied to specific types of content or customer industries. This makes them suitable for many different organisations and helps customers to grow as they broaden the types of content they offer.

## Our divisions

**Ingenta Commercial**, which provides a range of applications to manage IP, including content lifecycle management; contract, rights and royalties; and order to cash.

**Ingenta Content**, which provides platforms that enable customers to distribute their digital content online.

See pages 14 to 17 for more information on our products and services.

## Our customers

We support a full spectrum of customers, ranging from global publishing giants to academic and trade publications, right through to prestigious Non Governmental Organisations (NGOs) and established music record and media labels.

## Our key strengths



**Mission-critical solutions**, which make us integral to how our customers run their organisations.



**Highly robust software**, reflecting our long track record and more than 45 years' experience supporting the publishing industry.



**Exceptional reach**, enabling us to work with organisations across different sizes and sectors, and around the world.



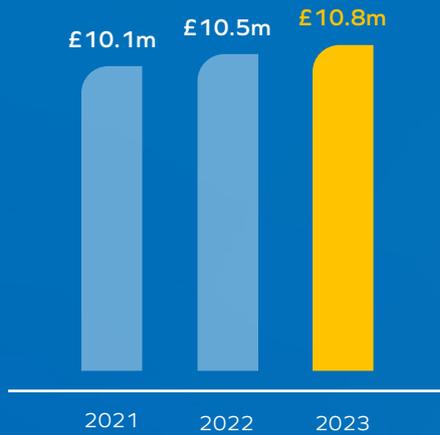
**Long-term relationships**, with our top 15 customers having been with us for an average of 20 years.



**High recurring revenues**, with more than 80% of our revenues generated by annually recurring software and service contracts.

# Highlights

## Positive Financial Performance



### Revenue

Revenue increased 3% to £10.8m (2022: £10.5m)



### Adjusted EBITDA\*\*

Adjusted EBITDA\*\* £2.2m (2022: £2.3m\*\*\*\*). The 2022 adjusted EBITDA figure was previously reported as £2m. This has been impacted by a prior period adjustment which has reduced direct costs by £0.3m and increased reported profitability by £0.3m



### Net profit

Net profit of £2.3m (2022: £1.8m \*\*\*\*)

## Annual Recurring Revenue

Annual Recurring Revenue (ARR)\* of £8.7m, representing 80% of total revenue (2022: £9.0m, 86%). New customer implementations in 2023 expected to yield approximately £0.5m of ARR in 2024.

## Reported earnings per share

Reported earnings per share of 15.82 pence (2022: 10.88 pence\*\*\*\*).

## Adjusted earnings per share

Adjusted earnings per share of 12.77 pence\*\*\* (2022: 11.30 pence\*\*\*\*).

## Full year dividend

Full year dividend increased 19% to 4.1 pence (2022: 3.45 pence), with proposed final dividend of 2.6 pence per share (2022: 2.25 pence), reflecting the Board's confidence in the Group's prospects.

# Strong Balance Sheet Reinforced by Recurring Cash Flows

- **Operating cash inflows of £1.1m** (2022: £2.5m). The Group maintains an element of annual billing in advance and more invoices were raised and more cash received upfront at the end of 2022 than at the end of 2023.
- All significant lease obligations now repaid.
- **Cash balances at year end of £2.7m** (2022: £2.4m).

\* ARR - revenue generated and recognised in the year from annually recurring software support contracts, hosting services and managed services. See note 2 for details.

\*\* Adjusted EBITDA – EBITDA before gain / loss on disposal of fixed assets and foreign exchange gain / loss. A calculation is provided in note 5 to the accounts. Adjusted EBITDA is a key performance measure included within published broker forecasts.

\*\*\* Adjusted earnings per share – earnings before tax and foreign exchange gain / loss.

\*\*\*\* Comparative restated. See note 26.



## Encouraging Operational Delivery Leveraging New Group Structure

**Ingenta Content** had one of its most successful years yet, winning prestigious new customers and expanding into its target markets, with new customers in the US and the NGO sector.

**Ingenta Commercial** has continued to broaden its reach, demonstrating our product's capabilities for IP management in a rapidly evolving global market.

Two Ingenta Content customer go-lives in the year plus four further projects due to complete in 2024, with these deals expected to add approximately £0.5m to ARR.

Customers continue to value Ingenta's expertise and support during their wider technology and infrastructure changes, with Group consultancy revenues up £600K, driven by implementation and consultancy work across the product portfolio.

Three new customers added onto the Ingenta Commercial IP management platform. These deals are for music and media partners across the globe and further increase **conChord's** breadth and reach.

## Divisional Review

### Ingenta Commercial

The **Ingenta Commercial suite** helps organisations to manage the whole publishing process, from product conception to cash collection.

#### **A modular and scalable system**

Businesses can implement the full system or select the modules that address their specific needs. Each module is built on common architecture with a single data platform, to optimise efficiency and accuracy. The flexible solution also integrates with third-party software, to cater for customers' preferred tools or specific ways of working.

## The Commercial suite has three modules:

**Content Lifecycle Manager (CLM):** The CLM module provides a central repository for core data on our customers' IP and contributors, and allows them to manage their product lifecycles, from pre-acquisition to post-production, helping them to create new products and get them to market quickly. It gives complete clarity of workflows, such as tracking approvals or scheduling content milestones, and supports all content and delivery formats.

**Contracts, Rights and Royalties (CRR):** This module enables customers to maximise revenue opportunities, minimise legal risk and ensure copyright compliance. Its functions include creating and managing contracts, calculating royalties, buying and selling IP rights, and monitoring and managing income.

Ingenta Folio is our content-agnostic CRR product. We also offer tailored products for the gaming industry (**Ingenta gambit**), the music industry (**Ingenta conChord**) and fashion (**Ingenta threads**).

**Order to Cash (O2C):** This module streamlines and automates order management. Among its many features, O2C integrates complex order processing, billing, inventory management and fulfilment, stores customer and case management information, and provides reporting that helps customers identify opportunities and areas to improve.

Our specialist support for publishers also includes:

**Ingenta Aperture** allows users to access our customers' data, when and where they need it, and wherever that data is stored. Its typical uses include allowing IP owners to download royalty statements, providing product, pricing and order information to bookstores, and on-the-go access for sales representatives. Customers can set access rights, so they can share insights securely and on their own terms.

**Ingenta Advertising** offers a complete, browser-based platform to help customers sell and track digital and print advertising. Our software allows customers to sell and track digital and print ads in a single system, so they can maximise the value of their audience with streamlined ad sales, packaged ad buys and multi-channel campaigns.

## Ingenta Content

**Ingenta Content** enables publishers of any size, discipline, or technical proficiency to monetise their content online. Customers range from small academic journals to some of the world's most-prestigious non-governmental organisations.

In total, our Content products handle **more than 700 million page views and data requests for our customers each year.**

## Ingenta Edify

**Edify** is a user-friendly platform that allows our customers to easily build a sophisticated online presence for selling and distributing their content. It enables them to upload, organise and publish a diverse range of traditional and digital content, from journals and books to conference proceedings, videos and webcasts. Edify also allows customers to easily repackage their content, so they can experiment with different business models.

The platform contains tools for tagging content and search engine optimisation, making it easier for buyers to find the right content through online search and on the platform. Flexible designs align with customers' brands and look, and can use prebuilt templates or custom layouts.

## Ingenta Connect

**Ingenta Connect** is the home of scholarly research. This e-publishing package hosts content for around 140 publishers, giving millions of academics and students from over 25,000 registered institutions access to tens of thousands of publications. It generates an average of more than 120,000 downloads per month for our customers.

Connect turns customers' content – including hard copy – to a standard digital format, uploads it to the platform and automatically optimises it for buyers to discover. Our customers can offer content as a subscription or one-off purchase, and data analytics provide insights that help them to grow their revenues.

## Ingenta Connect Unity

**Ingenta Connect Unity** is ideal for publishers who want to utilise all the features of Ingenta Connect through their own website.

Our specialist support for publishers also includes:

**Publishers Communication Group (PCG)** is an internationally recognised sales and marketing consulting firm, helping customers drive their sales strategies. PCG has helped publishers launch sales and marketing efforts in new regions, shore up existing business, conduct market research and analysis, and negotiate lucrative consortia deals.

## Chairman's statement

# Ingenta provides mission-critical software and services to the publishing sector, with growth aspirations in adjacent industries.

Our strategic focus is to accelerate growth in annual recurring revenue, via the sale of software as a service (SaaS) wherever possible. This allows us to leverage our new operational structure, following our move to a product-agnostic services architecture. We now have an integrated approach to serving our customers, with standardised software and service levels allowing us to utilise our resources more efficiently.

We continue to see the benefits of the changes mentioned above and I am extremely encouraged by the results presented here. Our Content business has had one of its best years yet, picking up prestigious new customers and expanding into its target markets. Likewise, our SaaS based Commercial product has widened its reach, proving its ability to handle the intricacies of IP management in a rapidly evolving global market.

In 2022, the Content division successfully established an efficient upgrade path, allowing customers to migrate up our product hierarchy to take full advantage of the breadth of functionality on offer. This proved popular again in 2023, with two customers following suit and I am delighted to say we also added some significant new customers to our platform. Some of our key strategies are to exploit the US market and expand our reach into the NGO sector and we were successful on both counts. Both projects are significant in value and with active partners, who can open doors to further business.

The Commercial division has been busy on two fronts, providing consultancy services to customers as they enhance their existing infrastructure, and rolling out our SaaS-based IP management solution. We provide a range of services that allow customers to focus on their core business, without the distractions of running and maintaining their wider technology estate. In this respect, we have helped clients with key hardware migrations and system enhancements, so they can now operate as they see fit rather than being held back by historical decisions. The Group's IP management software continues to build its presence, with three new deals signed with partners in North America and Asia. The diversity of the geographies that we now operate in is encouraging for the product's future, as we look to accelerate growth.

## Financial Performance and Dividends

The Board remains committed to generating shareholder value and the Group reports earnings per share for 2023 of 15.82 pence (2022 restated: 10.88 pence), driven in part by the tender offer to repurchase 1.8m shares at the end of 2022. In further support of shareholder value, the Board has maintained its progressive dividend policy and the Group paid an interim dividend of 1.5 pence per share (2022: 1.2 pence). We have proposed a final dividend of 2.6 pence per share (2022: 2.25 pence) subject to approval at the forthcoming AGM.

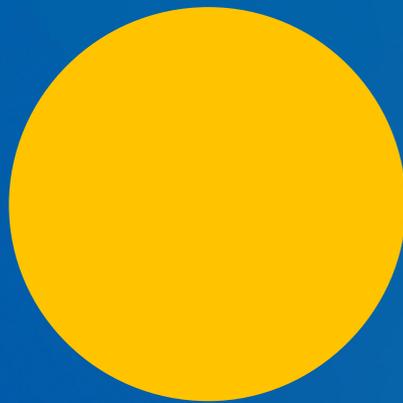
## Outlook

The Group moves into 2024 with renewed vigour, after a second year of revenue growth. The core product offerings have an established customer base built up over a broad spectrum of target markets, which should allow significant opportunities for further organic growth. The Board will also consider future earning accretive acquisitions to accelerate growth in new or existing verticals.



M C Rose  
Chairman  
24 May 2024

As outlined in the prior year, the Group has moved away from a product orientated reporting structure and now operates as one segment with two core revenue types that deal with similar operational concepts.



## Segmental Reporting

Our core revenue groupings are Ingenta Commercial and Ingenta Content. The key changes over the prior year are that Ingenta Content now incorporates PCG, our sales and marketing consultancy for publishers, and Ingenta Commercial includes the Ingenta Advertising business, which helps customers to sell and track digital and print advertising.

### Ingenta Commercial

Ingenta Commercial provides a variety of modular publishing management systems for both print and digital products. Its core area of expertise is Intellectual Property management, including the associated contracts, rights and royalties, and we are looking to leverage this expertise by expanding into adjacent verticals. For example, we have already deployed our conChord solution, which is designed for the music industry, and we see further opportunities in other verticals where IP management is an increasing concern for customers.

Commercial revenues were £7.6m (2022: £7.9m) with the decrease driven mainly by the expected attrition within advertising which contributed £0.4m of revenue (2022: £0.6m). Consultancy revenues were strong as customers pushed ahead with project work to further embed Ingenta systems into their processes and to modernise back-end IT infrastructure. As in prior years, the first half of the year was more active in this area as customers utilised their budgets, with their focus in the second half switching to planning for the following year. The pipeline for these projects remains encouraging into 2024.

### Ingenta Content

The Ingenta Content suite of products enable publishers of any size, discipline or technical proficiency to convert, store, deliver and monetise digital content on the web.

Annual revenue increased strongly from £2.6m to £3.2m, driven by £0.5m of new customer implementation revenues. Of the implementation work, two customers went live in the year with the remainder scheduled for 2024. These projects are anticipated to yield ongoing annual recurring revenues of £0.5m.

## Financial Performance

Group revenue increased to £10.8m (2022: £10.5m). This was marginally below budget mainly because of delays to new project work in the second half of the year, as customers rescheduled their plans. These projects are now being progressed for 2024.

Annual recurring revenue (see note 2) was £8.7m or 80% of total revenue (2022: £9.0m and 86% respectively). Although annual recurring revenue declined year on year due primarily to a decline in heritage Commercial revenues, the new sales achieved will support annual recurring revenue growth into 2024 by approximately £0.5m.

Sales and marketing spend increased from £0.7m to £0.8m, as we started to invest in sales and marketing efforts to support these early signs of growth. Administrative costs declined by £0.6m to £2.6m (2022: £3.2m) driven mainly by reduced depreciation and a movement from a net foreign exchange loss to a net foreign exchange gain in 2023.

Adjusted EBITDA was £2.2m (2022 restated: £2.3m), which was higher than budget as we delayed staff hiring because of the difficulty of finding suitable candidates, particularly in sales. Our current plan is to engage third-party consultants, especially for strategic sales positions. The 2022 adjusted EBITDA figure has been impacted by a prior period adjustment which has increased previously reported profitability by £0.3m. The adjustment reflects the release of development provisions relating to software as a service revenues where the underlying software asset is owned by the Group. IFRS 15 and IAS 37 require these costs to be expensed as incurred rather than accrued in advance.

Profit from operations improved by £0.5m to £2.0m (2022 restated: £1.5m) as disclosed in the statement of comprehensive income.

No significant tax charge is anticipated for 2023, as the Group continues to utilise brought forward tax losses. Going forward, we estimate that we will be able to use £12.9m and \$6.3m of the available tax losses in the UK and US respectively (see note 8 for further details). Additionally, our assessment of our deferred tax asset relating to these losses increased, generating a tax credit in the year of £0.3m (see note 17 for further details).

## Financial Position

Non-current assets include goodwill related solely to the core Content platform software, which will be used to drive growth in the future. We test goodwill for impairment each year using discounted cashflows and did not identify any impairment in the year. Reductions in property, plant and equipment are a direct result of our infrastructure strategy, which has seen us leverage more cloud-based services and reduce our business premises. The deferred tax asset increased, based on our current assessment of trading performance and utilisation of available tax losses.

Current assets increased from £4.3m to £4.9m driven by improved trading performance generating additional cash and near-cash debtor balances, which will be received in early 2024.

Total liabilities decreased from £4.6m (restated) to £3.6m, as we cleared our leasing obligations and transitioned to a more SaaS-based billing structure, which entails lower contract liabilities (deferred income).

## Cashflow

The Group generated £1.1m of operating cashflow in the year (2022: £2.5m). Although we are embracing a SaaS model for new business, a significant element on upfront annual billing remains

and the timing of these cash receipts is uncertain. Comparatively, we raised more invoices and received more cash upfront at the end of 2022 than at the end of 2023. However, this is purely a timing issue and the Group has no experience of significant bad debt or non-payment. The Group continues to reduce its ongoing capital expenditure and has completed repayment on all significant leasing commitments.

The Group continues its progressive dividend policy and paid out £0.5m in the year (2022: £0.5m). The full year dividend for 2023 is expected to increase by 19% to 4.1 pence per share (2022: 3.45 pence).

Closing cash balances were £2.7m (2022: £2.4m). Year-end cash balances were above budget as potential capital expenditure for significant new projects was not required, as the work pushed out into 2024.

### Going concern

The core fundamentals of the Group remain strong, with cash reserves at the end of March 2024 of over £2.9m and no debt on the balance sheet. The new business structure is firmly in place allowing profitable operations to continue, whilst also generating improved new sales momentum particularly within Ingenta Content. The Directors have prepared detailed cashflow projections, including sensitivity analysis, to the end of June 2025. Management is satisfied that cash is sufficient for the needs of the business and accordingly, the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

### Outlook

The performance in 2023, particularly within Ingenta Content, has increased our optimism for 2024. We have added to our growing base of NGO customers and made significant inroads into the North American market with a prestigious, globally recognised scientific publisher with whom we anticipate an active pipeline of future business. Ingenta Commercial is also building momentum as we continue to welcome more customers from across the globe onto our conChord music IP platform. To further exploit opportunities as they arise, the Group will aim to increase investment into its sales and marketing efforts, to accelerate revenue growth in 2024.



Jon Sheffield  
Chief Financial Officer  
24 May 2024

## Section 172 Statement

# The Directors continually monitor the operations of the business and take decisions to promote the success of the Group for the benefit of all its members.

The Directors have selected a business model and operational structure designed to maximise the effectiveness of the business for all stakeholders. The likely consequences of any decisions are modelled to provide assurance that they are in the long-term interest of stakeholders and, as detailed in the Corporate Governance Report included in the 2023 Annual Report, risk management and internal controls are a key oversight to ensure objectives are met. The Group have also adopted the QCA Corporate Governance code which is designed to foster strong relations with all stakeholders and details are included on the Group's website. In addition to our shareholders, the Board considers the employees, customers and suppliers to be critical to the long-term success of the business.

### Shareholder engagement

The Board is committed to maintaining active dialogue with its shareholders to ensure that its strategy, business model and performance are understood. The AGM is the main forum for dialogue between retail shareholders and the Board. The notice of the AGM is sent at least 21 days before the meeting which is held at the Group's Head Office and all Board members routinely attend. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. During the meeting, the Board members are available to answer any questions raised by shareholders. The results of the AGM are subsequently published via a Regulatory Information Service and on the Company's corporate website. The Chief Executive Officer and Chief Financial Officer are primarily responsible for shareholder liaison and can be contacted on 01865 397 800. The executive management make presentations to institutional and retail shareholders and analysts each year following the release of full year and half year results. Conversations, when requested, are also held at other points in the year. The corporate

website also includes details of recent annual and interim results and all of the Group's RNS and RNS Reach announcements. The Board and Executive management team have shareholdings and share options in the Group which are designed to align the goals and decisions made on behalf of all shareholders. Dividend policy and strategies to increase shareholder value are key considerations.

## Employee engagement

Staff are invited to Companywide meetings where the Executive Team share information and updates on strategy and recent news. At these meetings, there is also a forum where all members of staff can ask questions. Ingenta also retain an independent HR resource to ensure all HR issues are dealt with in accordance with best practice and all rules and regulations are adhered to. Decisions made which affect staff are opened up to feedback. An example of this being the return-to-work policy after Covid restrictions which promoted a consideration of individual circumstances and requests resulting in the flexible working environment that exists today.

## Customer engagement

The Group has many customers of differing sizes and complexity with a variety of requirements. To best service them, the business has rolled out a new operating model to standardise its approach to all customers and provide a consistent level of service and support. The business also keeps regular contact with customers via account managers and user groups where demand exists so that our customers can feed back any issues, share experiences and help shape the development of our products. Each quarter software releases are made available and the Group considers the impact on customers by scheduling in convenient times for upgrades and also allowing change requests where appropriate. To ensure the business is keeping abreast of wider industry challenges, we actively participate in a variety of annual trade events.

## Supplier engagement

The Group makes every effort to ensure our suppliers are treated fairly and paid on time and on average they are paid within 26 days. Ingenta opposes modern slavery in all its forms and endeavours to make sure any concerns raised are investigated. Where offshore resourcing is used, the business meets the suppliers prior to contract signing to satisfy itself that they are operating in a responsible manner. Where appropriate, the Group have contracts in place which ensure clarity over the terms of the engagement.

## Company culture

The Board and senior management expect everyone in the company to act in a responsible and ethical manner because the reputation of the business is key to our success. The Group does not let cost concerns override its ethics and behaviour. For example, we only contract with offshore resourcing entities who commit to fair working practices. The Company is committed to minimising negative environmental impact in terms of energy usage at our offices, digitising our content and using responsible methods to dispose of electrical equipment. Feedback from all stakeholders allow the Board to monitor the Company's culture, as well as the ethical values and behaviours within the business.

**Effective risk management is a critical component of the Group's strategic planning and forecasting processes.**

The Board has overall accountability to identify and manage risk to ensure the Group is well positioned to achieve growth and ongoing success. Each month, the Board review current operational and financial performance and any associated risks that could affect future prospects. The risks listed below are those we believe could have a material impact on results.

## Economic and political uncertainty

Global and domestic UK events can have adverse consequences for economic and political policy potentially impacting trade and investment decisions. Pandemics, war and economic policy have all had varying impacts on the business.

From a Group revenue perspective, customers may delay or cancel decisions on new and discretionary spend until there is greater clarity. High inflation rates in the UK put pressure on input prices for goods and services which do not always align with the timing of the Group's revenue renewal cycle meaning margins can be impacted. To mitigate input price inflation, the Group has streamlined its infrastructure and related energy consumption requirements. Additionally, bulk buying and pre purchasing options can be taken to obtain better prices for ongoing services. The Group has no debt beyond fixed interest leasing arrangements, therefore interest rate increases are not currently an issue.

Current conflicts and political unrest have not been identified as a key risk. The Group have no customers in Ukraine, Russia or states involved in the Gaza conflict, which unduly affect supplies of goods or services. Inflation resulting from conflict, as mentioned above, is having some impact but is being monitored and mitigated wherever possible.

The Group has modelled restrictions in new sales activity and predict the business will continue to operate profitably with sufficient working capital headroom.

## Sales risk

The major risks for future trading are converting sales of the Ingenta Content and Commercial product suite. Most of the business costs are fixed in the medium-term, being people and premises costs, and therefore there is a risk to Group profitability when budgeted revenue is not delivered as cost reductions will lag behind revenue reductions. To mitigate against this, management have reduced the fixed cost elements of the business by streamlining physical location costs. Management also undertakes detailed monthly revenue forecasting and assesses risk on an ongoing basis. Customer procurement processes remain difficult to predict, and any delays during contract negotiation will impact on the timing of project commencement, cash receipts and the level of revenue that can be recognised in the year. This is considered a principal risk for the business.

## Customer retention and dependence on key customers

The Group have a significant portion of revenue associated with several large customers. The Group is reliant on maintaining contracts and services with key customers to deliver financial results. Whilst the Group cannot control future customer decisions, the business aims to mitigate risk by maintaining close relationships and providing highly functional products along with quality services to support customers current and future requirements. In conjunction with this, the Group is actively expanding and diversifying its customer base and added approximately £0.5m of future annual recurring revenues in 2023.

## Project risk

There are two principal project risks: risk of fixed priced projects running over and the risk on all projects where there is development required that we are unable to deliver to the specification agreed.

Fixed price project risk relates to the accuracy of project estimates and the time it will take to complete the tasks as specified in the customer contract. Management mitigate this risk by hiring skilled staff who are able to estimate projects accurately and by building in a contingency to fixed priced contracts. Management also closely monitor contracts to ensure all work performed is in accordance with the agreement and any new requests are separately contracted for. Management further mitigate the risk by taking on new projects on a time and materials basis wherever possible.

Projects requiring bespoke development also carry the risk that the development will not be able to be delivered in the way envisaged at the time of contract. Management take care to fully scope these development projects and use developers who understand the products and the complexities of building bespoke elements. This is considered a principal risk for the business.

## IT infrastructure and cyber security risk

Internal IT services are deployed onto fault tolerant platforms and spread over multiple locations including the Group's offices, co-location facilities, Infrastructure as a Service (IAAS) and Office365. Regular backups and securing of data offer multiple restore points in the event of a critical failure outside of the scope of the in-built resilience. E-mail is a cloud-based deployment that staff can access from any working PC/smart phone. Staff have access to cloud-based storage (OneDrive) in addition to co-location deployed file servers where data cannot be stored in e-mail. Key staff have mobile phones and access to resilient telephony services for the purposes of contacting each other and customers. Through remote working staff can access their data and customer sites in the event that it was not possible to gain access to our offices.

Customer facing services are monitored for both stability and performance and wherever possible proactive maintenance is undertaken to avoid performance problems and/or downtime. All

customer deployments are done to fault tolerant hardware either in one of our co-location facilities or to a cloud-based service, both offering high levels of resiliency and multiple, redundant access. Cyber security and data protection are considered within the Group's IT risk. A rolling quarterly cyber security training program has been rolled out to all employees making them aware of current threats and guiding them on the correct actions to take. Data protection considerations are built into the IT infrastructure with internal data held securely and access restricted as necessary. For customer deployment risks, where Ingenta host data, the Group build in standard protection which can be further tailored for individual customer requirements. The Group's business continuity plan is available from multiple locations and is regularly updated to cover new services and deployments.

### Foreign exchange risk

The Group operates internationally creating an exposure to changes in foreign currency exchange rates. The risk is mitigated by matching of foreign currency receipts and payments wherever possible.

### Staff recruitment and retention risk

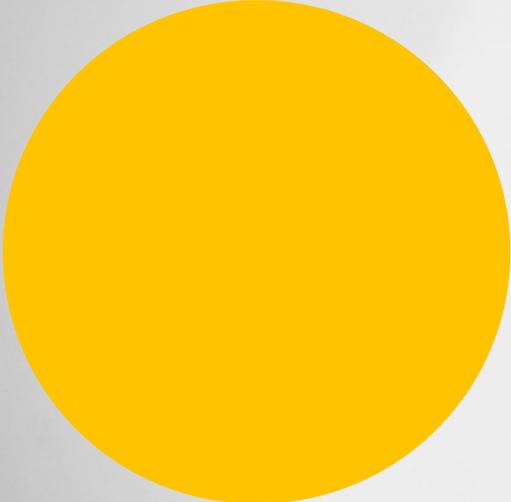
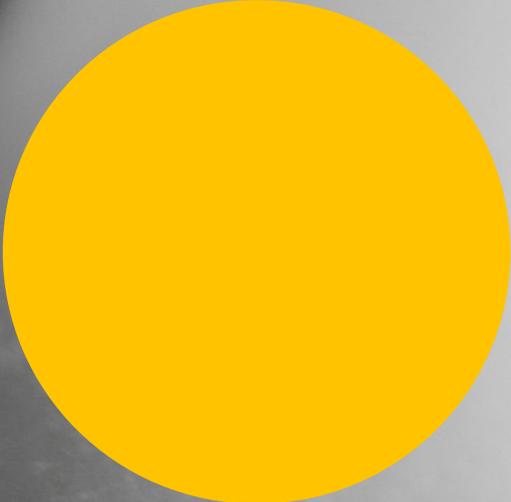
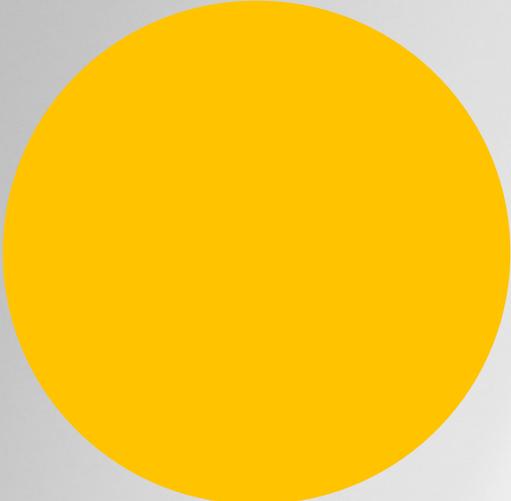
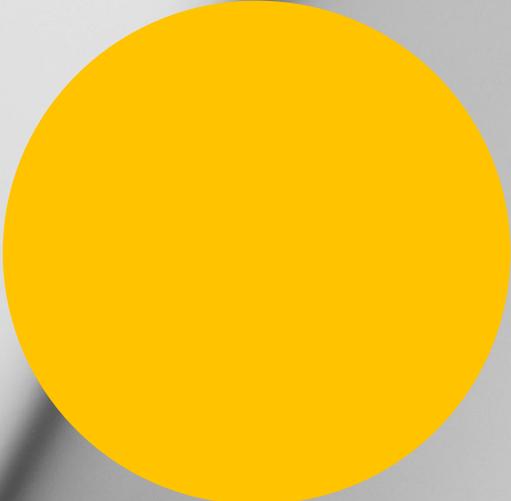
In a company with a high proportion of people-based revenue there is a risk of key staff leaving or being absent through sickness. This is mitigated by having appropriate notice periods built into employee contracts and ensuring there is adequate coverage for all staff roles with no individual solely responsible for significant revenue generation. Further, the Group now embraces a flexible working policy designed to augment basic pay and conditions which is seen as an important retention incentive. Staff recruitment can also be challenging to find candidates with the right qualifications and experience. To mitigate this the Group use internal and external recruitment options to widen the available selection pool. As mentioned above, the Group's flexible and remote working capabilities means recruitment is not bound to physical premise location.

The Strategic Report is signed on behalf of the Board.



Jon Sheffield  
Director  
24 May 2024

**Board Members**



## Scott Winner

Chief Executive Officer

As CEO, Scott Winner builds and drives the organisation to deliver successfully across all areas of Professional Services, Research and Development, Customer Service and Service Delivery. Scott is responsible for overseeing and evolving how Ingenta creates and delivers new products, for deploying its innovations to customers and managing the overall operational execution, all with a strong metrics and analytics driven approach.

Prior to his role as CEO, Scott was EVP, Global Projects for Ingenta, but has previously held roles managing product line P&L, driving product development efforts and building successful organisations to deliver. He has worked across several different industries, including educational publishing, manufacturing and financial services, and has held roles at Pearson Education, Amplify Learning, McGraw-Hill and the Fireman's Fund insurance company.

## Jonathan Sheffield

Chief Financial Officer and Company Secretary

As Chief Financial Officer, Jon is responsible for the financial well-being and stability of the organisation, as well as communicating with the investor community. Jon leads the Enterprise Services division of Ingenta with responsibility for HR, Facilities and Technology Infrastructure. Prior to his appointment as CFO, as Group Financial Controller, Jon managed the Ingenta Finance function, including all aspects of compliance, forecasting and reporting.

An ACA qualified accountant, Jon spent the early part of his career in practice, latterly at PricewaterhouseCoopers LLP, managing audits and compliance over a broad range of companies and market sectors. Prior to joining Ingenta, he held similar finance roles in the IT and Retail industry. Jon qualified as a chartered accountant in 2001 before joining Ingenta in 2010.

## Martyn Rose

Chairman

Martyn Rose is a long standing and well-established entrepreneur, having started or become involved in many companies over his career and is Chairman and a non-executive director of Ingenta. Martyn has helped steer the company toward its continued growth, stability and success since 1999 before the merger of Ingenta and VISTA International Limited to become Ingenta in 2007.

Martyn is also a qualified barrister and became Chairman of his first publicly listed company at the age of 34. Apart from his commercial activities, he has chaired a number of charities as well as government initiatives.

## Mark Rowse

Non-executive Director

Mark Rowse is a media and publishing entrepreneur in the digital content area. After graduation from the University of Cambridge with a first-class honours degree in Law, Mark worked at investment bank NM Rothschild & Sons Limited in mergers and acquisitions. Following this he entered the media industry and since the mid 1990's Mark has principally worked in digital publishing and television.

In 1998 he founded Ingenta plc, taking the company to a successful flotation in 2000 and is now a non-executive director of Ingenta. He is also a Trustee of a number of charities and has recently worked as part of a £35m non-profit pilot project to provide a safe community residential space for justice-involved women and their children as an alternative to a custodial prison sentence, which launched in Hampshire in 2023.

## Neil Kirton

Non-executive Director

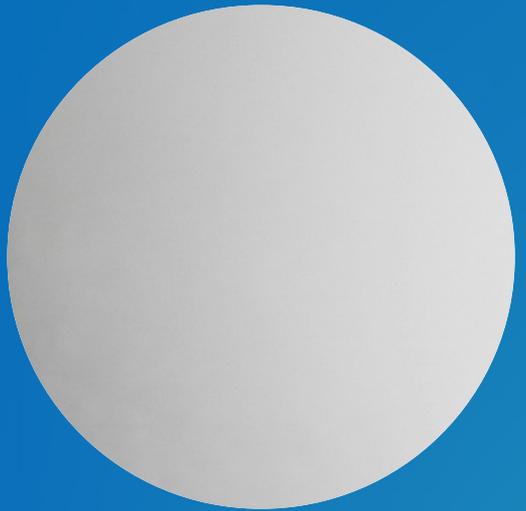
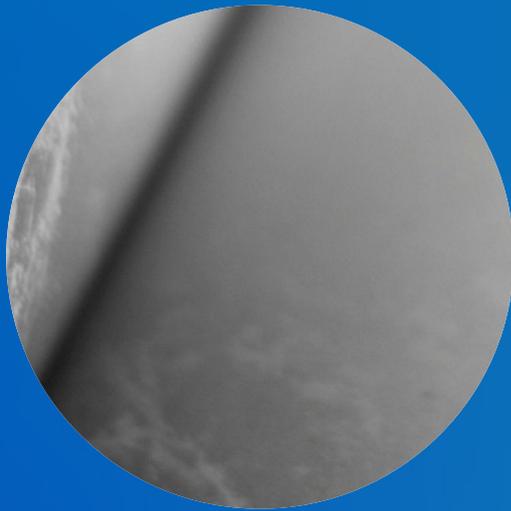
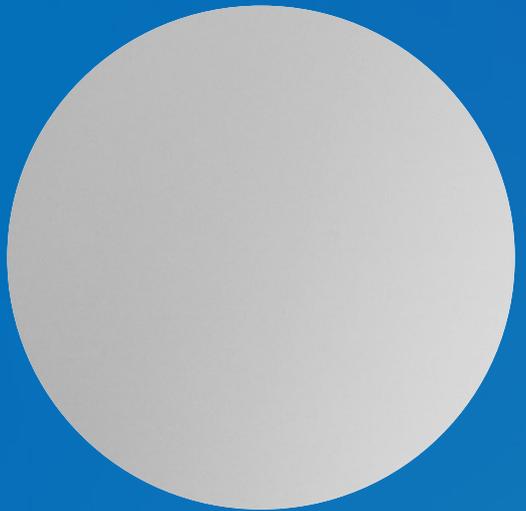
Neil was formerly Co Head of EMEA and the London Office Head at Kroll's Investigations and Disputes business. He is also non-executive Chair at Warehouse REIT plc and a Senior Advisor at Smith Square Partners.

During his executive career he held a number of senior positions in the City including Global Head of Equity Sales, Head of UK Equity Sales, Head of Corporate Finance, Chief Executive and Board director at a UK listed Bank.

## Sebastian White

Non-executive Director

Sebastian is an Investment Director at Kestrel Partners. Prior to joining Kestrel, he had 14 years as head of corporate development at UK AIM listed Alternative Networks plc, a communications and hosting provider to the mid-market. Sebastian's responsibilities included business planning, M&A process management, commercial due diligence and acquisition integration.



## Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

### Directors

The Directors of the Company who held office during the year were:

### Executive Directors

G S Winner, Chief Executive Officer

J R Sheffield, Chief Financial Officer

### Non-Executive Directors

M C Rose, Chairman

M A Rowse

N W Kirton

S J G White

The interests of Directors in the shares of the Company at 31 December 2023 are disclosed in the Directors' remuneration report.

### Corporate governance

Details of corporate governance for the year to 31 December 2023 are disclosed in the corporate governance statement. The Directors of the company pay particular attention to maintain good working relationships with the Group's shareholders, customers, employees and suppliers. Further details are included on the Company website. The Directors continue to refine and embed the new Group structure and flexible operating practices which has the benefit of reducing risk within the business ensuring a stable foundation is in place for the benefit of all stakeholders.

### Research and development activities

The Group carries out research and development activities in connection with administration systems, web delivery, access control and linking technologies. All costs relating to these activities are charged to profit and loss within the Group Statement of Comprehensive Income as incurred. The charge to the Group Statement of Comprehensive Income was £ 1.2m (2022: £ 1.1m) in the year to 31 December 2023.

### Substantial shareholdings

At the latest shareholder register update for the quarter ended March 2024, the Company had been notified of the following shareholders who are interested, directly or indirectly, in three percent or more of the issued share capital of the Company:

Name	Number of ordinary 10p shares	Percentage of issued ordinary share capital
M C Rose	4,134,417	28.44%
Kestrel Partners LLP	3,363,864	23.14%
Canaccord Genuity Wealth Management	1,528,207	10.51%
Criseren Investments Limited	827,785	5.70%
Emslie Family	679,250	4.67%
Premier Miton Group plc	580,416	3.99%

### Financial risk management

Details of the Group's financial risks are given in note 23.

### Employment policy

Group employees are regularly consulted by Management and kept informed of matters affecting them and the overall development of the Group. The Group's policy is to give disabled people full and fair consideration for job vacancies, having due regard for their abilities and the safety of the individual. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and appropriate training is arranged.

### Directors' and officers' liability insurance

The Group, as permitted by sections 234 and 235 of the Companies Act 2006, maintains insurance cover on behalf of the Directors and Company Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

### Future developments

The business is looking to leverage its expertise in rights and royalty's management into other adjacent vertical markets. The Group's first venture is into the music industry with its **conChord** product. If this proves successful, then other verticals will also be explored.

### Going concern

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the future including revenue, profit and cash forecast and management's ability to affect costs and revenues. Management regularly forecast profit, financial position and cash flows for the Group. The rolling annual forecast is normally updated monthly.

Revenue streams are forecast in detail by product and customer with all items categorised as being contractual, variable fees, other or forecasted new sales. All expense items are forecast at the transactional level. The Group forecasting model provides a monthly view of the Income Statement, Statement of Financial Position and Cash Flow Statement allowing further insight into expected patterns and trends.

As part of the review, management stress tested the forecast model for likely alternative scenarios. On the revenue side, the scenarios included restricted consultancy project work and making no sales to new customers. Management believes they have adequate visibility over salary inflation and prices of other IT related inputs. Management believes these risks can be managed by using mitigating actions such as limiting hiring of new employees and reducing discretionary spend in marketing and capital expenditure.

As a result, Management have satisfied themselves that the identified risks do not impact on the going concern assessment.

Management have reviewed forecast costs for reasonableness against prior years and with knowledge of expected movements and concluded that forecast costs are robust.

As at 31 December 2023 the Group had net current assets of £1.3m (2022: £0.2m liability), of which £2.1m (2022: £2.7m) relates to contract liabilities which will be recognised in the year ending 31 December 2024.

The Group has positive cash balances of £2.7m as at 31 December 2023 (2022: £2.4m). Management have assured themselves that cash is sufficient for the needs of the business based on the cash flow forecast.

The major risks for future trading are the timing and extent of project work and new sales of products within the Ingenta Content and the Commercial product suite, which to some extent is reliant on the macro-economy and the willingness of data providers to commit to capital expenditure projects.

There remains an element of caution in the wider economy that adds uncertainty to financial forecasting and modelling. These cautionary factors include conflict in Ukraine and a pessimistic view of economic activity in the UK. However, the Group continues to trade profitably and sales pipeline activity is strong and although timing of new sales wins is inherently uncertain, the Board are confident targets are achievable. The Group continues to embrace established flexible working practices which have been successful in mitigating Covid restrictions without any significant impact to services. The Group have no direct customer or supplier relationships in Ukraine, Russia or Gaza but remain vigilant of any wider impact on the business. The Group has modelled various downside scenarios and consider it appropriate to use the going concern basis to compile these financial statements.

#### Auditor

Grant Thornton UK LLP, offer themselves for re-appointment as auditor. A resolution to re-appoint Grant Thornton UK LLP will be proposed at the forthcoming Annual General Meeting.



On behalf of the Board.

G S Winner, Director

24 May 2024

## Corporate governance statement

The Board of Ingenta plc have adopted the Quoted Companies Alliance Corporate Governance Code (the QCA Code).

It is the Board's responsibility to ensure that the Ingenta Group is managed in the long-term interests of all shareholders and stakeholders in the business. The Board believes a strong and effective corporate governance culture is critical in this respect as we endeavour to grow a resilient and sustainable business for the benefit of our shareholders, customers, people and suppliers.

The QCA code is constructed around 10 broad principles which are detailed in full on the Company's website.

### Strategy and business model

Ingenta seeks to solve the unique problems faced by information providers. We tailor our suite of industry-specific technology products to create robust solutions to manage our customers' IP, content and advertising requirements.

Our business model is to deliver profitable services enabling us to invest in the development of software solutions that help our customers manage and monetise their Intellectual Property and content. We generate revenue via professional service fees for implementing our solutions, providing ongoing licence, hosting and support services plus a range of ancillary consulting services. We then reinvest some of these profits into our products and the development of next generation solutions to ensure we have the required product capabilities to deliver revenue and profit into the future.

The Group financial review provides further information on the results of the business.

### Risk management

The Board of Directors acknowledges its responsibility for the Group's system of risk management and internal control, including suitable monitoring procedures. There are inherent limitations in any system of risk management and internal control and accordingly, even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets. The Group's control environment is the responsibility of the Group's Directors and managers at all levels.

The Directors and management have considered the risks facing the business with the key items discussed in the Group Risks and uncertainties section of the financial statements. These are assessed on an ongoing basis. Other risks which come under the direct control of the Directors include treasury management, capital expenditure, insurance, health and safety and regulatory compliance. Risk assessment includes the review of potential mitigations.

The Company has an established framework of internal controls covering the following areas:

- The Board reviews and approves company strategy and the associated annual budgets.
- Monthly management information packs are produced which report performance to the Board and management team. These include income statements, balance sheets and cash flows. Actual results are reported against budget, latest forecast and prior year with an updated forecast for the expected full year outcome.

- Any new business goes through a deal review meeting to determine expected profitability and identify any risks and how they can be mitigated in the contract. New contracts must be signed by a member of the Board and where material they are reviewed by the Company's advisors.
- A Company-wide timesheet system is in place to enable management to effectively monitor projects, both internal and external, and report on profitability throughout the duration of the work.
- A clear organisational structure with defined levels of authority and approval.
- Close supervision of the daily operations by the Executive Directors and management team.
- Central control over banking facilities with defined authority limits.
- The Audit Committee reviews the independent audit findings report each year to ensure compliance with financial reporting regulations and that its internal control procedures are being adhered to and remain effective.

The Group continues to review its internal controls and will be including further key performance indicators into the monthly reporting cycle to assist management and the Board in understanding the performance of the business. The Board considered the usefulness of appointing a dedicated legal counsel and internal audit function but decided in view of the size of the Group it was not effective to do so. This will be kept under review.

Further detail on the key risks faced by the business are set out in the Group risk and uncertainties section of the financial statements.

#### Management framework

Ultimate responsibility for corporate governance lies with the Chairman of the Board. At present the Board comprises the Non-Executive Chairman, three Non-Executive Directors and two Executive Directors. N W Kirton is deemed to be an independent Board member.

The Board is satisfied that it has the right mix of skills covering finance, investor relations, technology and industry experience to enable it to discharge its duties and responsibilities effectively and is supported by an Audit and a Remuneration Committee which meet separately through the year. Any conflicts of interest at Board level are reviewed regularly through the year and disclosed at the Board meeting as appropriate.

There are normally eleven Board meetings scheduled as standard through the year with further meetings set up as required. In the year to 31 December 2023 there were 11 Board meetings held with attendance records below:

Name	Attendance
G S Winner	11 out of 11
J R Sheffield	11 out of 11
M C Rose	10 out of 11
M A Rowse	10 out of 11
N W Kirton	11 out of 11
S J G White	10 out of 11

Each month the Board is supplied with a comprehensive management information pack covering financial performance for the month and forecast for the full year. The management team also

provide an in-depth commentary on the divisional operations of the business to ensure the Board is kept abreast of the latest developments.

#### Board of Directors

Between them, the Board members provide skills in finance and reporting, public markets, investor relations, technology and the publishing industry. These skills are kept up to date via training courses and current on the job experience. The Company's Nomad strengthens the Board's professional development by providing guidance and updates on corporate governance and regulatory matters as required.

The Board composition is under regular review and has widened over recent years to include specialists in public markets and technology where the Board felt there was a need for additional expertise. All Directors can take independent professional advice in order that they can effectively carry out their duties and have access to the services of the Company secretary as required.

Each board member's biography is available on the Company's website and in the financial statements where it details their skills, experience and capabilities.

The Company secretary is responsible for guiding the Chairman and Board on their responsibilities and how those responsibilities should be discharged. This includes ensuring good information flows within the Board and its committees and also between senior management. Other responsibilities include shareholder relations, administration of the Company's records and ensuring compliance with legal and statutory requirements.

#### Board performance

The Chairman continually monitors performance of the Board at the regular board meetings. The Executive Director roles of Chief Executive Officer and Chief Financial Officer are clearly defined with performance targets relating to Revenue, EBITDA, Earnings per share and cash balances set each year. The Company's auditor provides an annual finding report which is used as a tool to identify any areas of improvement for the Board, and these are reviewed and acted upon as appropriate. Where further training requirements have been identified, the Company then ensures that these are carried out.

In terms of succession planning, the Board are encouraged to maintain dialogue regarding individual member's future plans to enable the Company to complete an orderly transition. The succession process involves a thorough review of potential internal and external candidates to ensure the best person is selected. While no formal nomination committee has been established, board and other senior management appointments are regularly considered at a board level.

#### Corporate culture

The Board and senior management expect everyone in the company to act in a responsible and ethical manner because the reputation of the business is key to our success. The company does not let cost concerns override its ethics and behaviour. For example, we only contract with offshore resourcing entities who commit to fair working practices. The Company is committed to minimising negative environmental impact in terms of energy usage at our offices, digitising our content and using responsible methods to dispose of electrical equipment.

The Company and staff are also active in the local community supporting charities and sponsoring good causes. Feedback from all stakeholders, as described in further detail on the Company's website, allow the Board to monitor the Company's culture, as well as the ethical values and behaviours within the business.

#### Remuneration Committee

The Remuneration Committee is composed of three Non-Executive Directors: M C Rose (Chairman), M A Rowse and N W Kirton. It is responsible for the terms, conditions and remuneration of the Executive Directors and senior management. The Remuneration Committee may consult external agencies when ascertaining market salaries. The Chairman of the Remuneration Committee will be available at the AGM to answer any shareholder questions.

#### Relations with shareholders

The Group gives high priority to its communication with shareholders. This is achieved through the Group's website, correspondence and extensive corporate information. In addition, the Group visits its main institutional investors on an ongoing basis and makes available to all shareholders, free of charge, its Interim and Annual Reports online, from the Group's head office or via the Financial Times Annual Report Service. At the AGM the shareholders are given the opportunity to question members of the Board. The notice of the AGM is sent to shareholders at least 21 business days before the meeting.

#### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report 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 have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 and profit or loss of the Company and Group for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



On behalf of the Board.

M C Rose, Chairman of the Audit Committee

24 May 2024

## Audit Committee report

### Role and composition of the Audit Committee

The Audit Committee has responsibility to monitor the integrity of the financial statements of the Group, review the adequacy of internal control and risk management systems and oversee the relationship with the external auditor. The Committee makes recommendations to the Board on any appropriate changes to the existing systems and processes as deemed necessary.

In compliance with the QCA Corporate Governance Code, the Audit Committee is comprised of three Non-Executive Directors for the year ended 31 December 2023:

- Martyn Rose (Chairman)
- Mark Rowse
- Neil Kirton

### Responsibilities

The main responsibilities of the Audit Committee are:

- to review accounting policies and the integrity and content of the financial statements
- to monitor the Group's internal controls
- to consider the adequacy and scope of the external audit
- to review significant issues identified by the external auditor in relation to the financial statements and determine how they are addressed
- to review and approve the statements to be included in the Annual Report

### Activities during the year

The Audit Committee met with both the external auditor and key internal management during the year and discussed the following matters:

- the presentation of the Group's audited results for the year ended 31 December 2023 and the unaudited interim results for 30 June 2023
- the Group's revenue recognition policies applied during the year
- the carrying values of the Companies investment and intercompany receivables balances
- the external auditors report on any deficiencies in the internal controls of the Group identified during the audit. The Group does not have an internal audit function and believes that, given the size of the business, this remains appropriate
- an assessment of the independence of the external auditor including a review of the non-audit services provided. The Audit Committee is satisfied there are no issues arising that impact on the external auditor's independence.

## Directors' remuneration report

The AIM Rules for Companies require the disclosure of certain information regarding the remuneration earned by each director. The Remuneration Committee comprises M C Rose (Chairman), M A Rowse and N W Kirton who are Non-Executive Directors. The Remuneration Committee decides the remuneration policy that applies to Executive Directors and senior management. The Remuneration Committee meets regularly in order to consider and set the annual remuneration for the Executive Directors, having regard to personal performance and industry remuneration rates.

In determining that policy, it considers a number of factors including:

- the basic salaries and benefits available to Executive Directors of comparable companies,
- the need to attract and retain Directors of an appropriate caliber, and
- the need to ensure Directors' commitment to the success of the Group.

Non-Executive Directors are appointed on a contract with a three-month notice period and may be awarded fees in relation to the Board and committee meetings attended. Any fee awards to Non-Executive Directors are determined by the Board. Non-Executive Directors do not participate in the Company's share option scheme and do not receive the benefit of pension contributions.

The Group made contributions to externally administered defined contribution pension schemes for two Executive Directors.

The interests of the Directors on 31 December 2023 in the shares of the Company were as follows:

	Number of ordinary shares of 10p in Ingenta plc 31 December 2023	Number of ordinary shares of 10p in Ingenta plc 31 December 2022
M C Rose	4,134,417	4,134,417
M A Rowse	391,847	391,847
N W Kirton	44,250	44,250
S J G White*	3,363,864	3,363,864
G S Winner	22,000	22,000
J R Sheffield	13,872	13,872

\* S J G White is a member of Kestrel Partners LLP

### Directors' interests

The Directors at 31 December 2023 had an interest in 880,884 options over the ordinary shares. The Directors had no post-employment benefits, other long-term benefits, termination benefits or share-based payments in the year.

The market price of the Company's shares at the end of the year was 144p and the price ranged in the year between 92p and 153.5p.

## Directors' remuneration

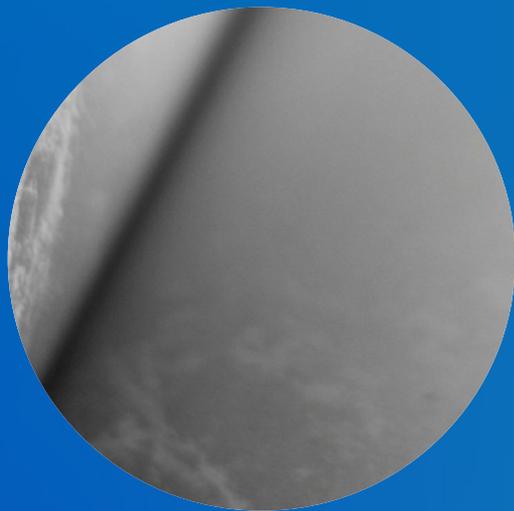
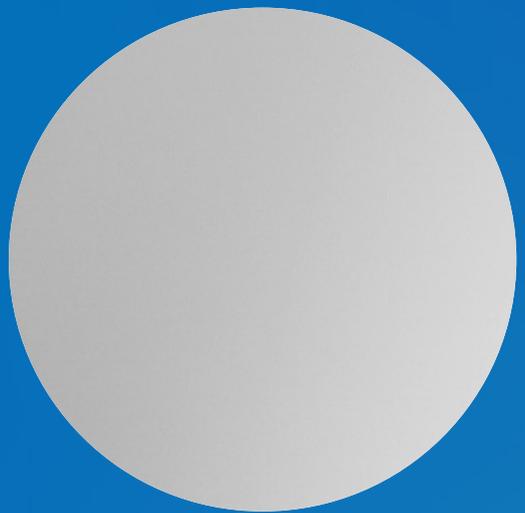
	Salary and fees £'000	Benefits £'000	Sums paid to a third-party for Directors' services £'000	Pension contribution £'000	Total remuneration £'000	Group National Insurance costs £'000	2023 Total cost of employment £'000	2022 Total remuneration £'000	2022 Total cost of employment £'000
G S Winner	260	16	-	4	280	16	296	286	300
J R Sheffield	188	-	-	40	228	25	253	202	225
M C Rose	38	-	48	-	86	4	90	84	88
M A Rowse	32	-	-	-	32	3	33	30	33
N W Kirton	32	-	-	-	32	3	33	30	33
S J G White	-	-	32	-	32	-	30	30	30
	550	16	80	44	690	51	741	662	709

*Mark Rose*

On behalf of the Remuneration Committee.

M C Rose, Chairman

24 May 2024



# Independent auditor's report to the members of Ingenta Plc

## Opinion

[Our opinion on the financial statements is unmodified.](#)

We have audited the financial statements of Ingenta plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023, which comprise the Group statement of comprehensive income, the Group statement of financial position, the Group statement of changes in equity, the Group statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. 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 Financial Reporting Standard 101 'Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards.
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 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.

## Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the

audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

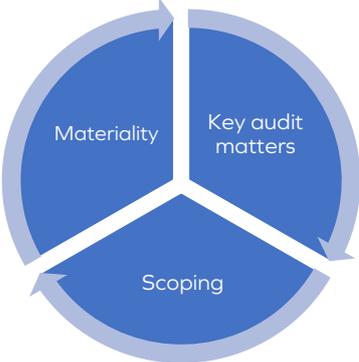
- obtaining management's going concern assessment for the period to the end of June 2025, which included a base case forecast, a sensitised forecast, and obtaining an understanding of how these forecasts were compiled.
- assessing the accuracy of management's past forecasting by comparing management's future forecasts modelled in the two prior financial years to the actual results for those years and considering the impact on the going concern models.
- assessing the reasonableness of the key assumptions used in management's forecasts approved by the Board, which included the quantum and timing of cashflows associated with revenue forecasts and determining whether these had been applied appropriately. We also considered whether these assumptions were consistent with our understanding of the business and current external economic factors; performing sensitivity analysis on the key assumptions and estimates to determine the impact of reasonably possible changes in assumptions.
- evaluating events that occurred post balance sheet date and challenging management as to whether these have been correctly reflected in the forecasts prepared; and
- assessing the adequacy of the going concern disclosures included within the strategic report and accounting policies for compliance with the requirements of IAS 1 'Presentation of financial statements' (IAS 1).

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's business model including effects arising from macro-economic uncertainties such as rising costs and inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's financial resources or ability to continue operations over the going concern period.

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.

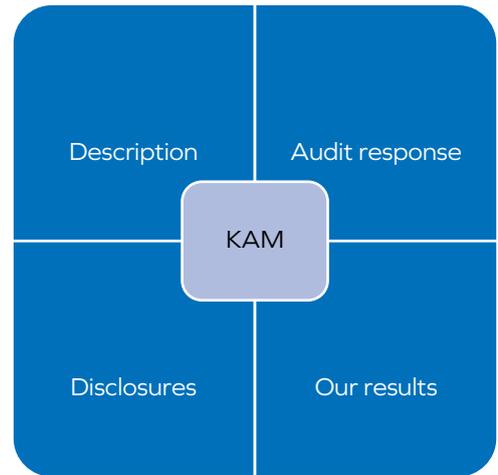
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months 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.

  	<p><a href="#">Overview of our audit approach</a></p>
	<p>Group: £217,000, which is approximately 2% of the Group's revenue.</p> <p>Parent Company (statutory audit): £301,600, which is approximately 2% of the Parent Company's total assets, capped at an amount less than group materiality for group audit purposes.</p>
	<p>Key audit matters were identified.</p> <ul style="list-style-type: none"> <li>• The revenue cycle includes fraudulent transactions (occurrence of revenue) (same as previous year); and</li> <li>• Valuation of intercompany receivables (Parent Company only) (same as previous year).</li> </ul> <p>Our auditor's report for the year ended 31 December 2022 included one key audit matter that has not been reported as a key audit matter in our current year's report. This relates to Valuation of investments and has not been included as the investments were fully impaired in the prior year.</p>
	<p>We have performed an audit of the financial information using component materiality ("full scope audit") of Ingenta UK Limited and Ingenta Inc.</p> <p>We performed an audit of one or more account balances of the financial information of Publishers Communication Group ("PCG") Inc ("specific scope procedures").</p> <p>We performed analytical procedures on the financial information of the remaining Group components.</p> <p>Our full scope and specific-scope audit procedures provided coverage of 97% of the Group's revenue and 97% of the Group's total assets.</p>

**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 due to fraud) that we identified. These matters included those that 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



### The revenue cycle includes fraudulent transactions (occurrence of revenue)

We identified the risk that the revenue cycle includes fraudulent transactions as one of the most significant assessed risks of material misstatement due to fraud.

Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumed risk that there are risks of fraud in recognition of revenue.

Revenue is the most significant item in the Group statement of comprehensive income and impacts several key performance indicators and key strategic indicators, as set out in the Strategic Report.

Group revenue of £10.85m has been recognised in the year ended 31 December 2023, arising substantially from the provision of services. The application of International Financial Reporting Standard ('IFRS') 15 'Revenue from Contracts with Customers' is an area requiring judgement by management. We have determined that, due to pressure to meet market expectations, there is a significant risk that management may record revenue fictitiously or in advance of the criteria for revenue recognition being satisfied.

We have identified the significant risk of material misstatement for different revenue streams based on two categories. For Time-Based services, such as Hosted, Managed, Support and Upgrade, PCG and Consulting delivered at a point in time, we have assigned the significant risk to the "transactions outside the norm" which are those that deviate from the standard revenue pattern for these services, as detected by our data analytics software. For Consulting services delivered over time and Licenses, we have assessed the significant risk to be on the open contracts at

In responding to the key audit matter, we performed the following audit procedures:

- assessed whether the accounting policies adopted in the financial statements were in accordance with the requirements of IFRS 15, and whether management are accounting for revenue in accordance with the stated accounting policies.
- used data analytics software to determine transactions outside the norm' in the Hosted Services, Managed Services, Support, and upgrade, PCG and Time-Based revenue populations and agreeing all 'outliers' identified to supporting documentation such as third-party transaction reports.
- agreed a sample of transactions to supporting documentation across the material revenue streams such as signed contracts, invoices, timesheet data, customer confirmation of time spent and receipt of funds and checking whether revenue has been appropriately recognised, including the reperformance of management's calculation of contract liabilities and unbilled receivables where the contract type indicates this is relevant.
- obtained a listing of the manual journals posted to revenue identified by data analytics software, agreed the transaction to supporting documentation and assessed the reasoning for the manual journal.
- agreed a sample of Consulting revenue to supporting timesheets and estimated costs to complete to evaluate whether management's stage of completion had been calculated accurately.
- assessed the adequacy of the accounting disclosures made in the financial statements to determine compliance with the requirements of IFRS 15.

the year end, if they are material to the Group, due to the higher possibility of fraud as management judgement is involved in estimating the stage of completion on open jobs.

#### Relevant disclosures in the Annual Report

- Audit Committee report: Page 43
- Financial statements: Note 2, Revenue

#### Our results

Based on the procedures performed, we have not identified material misstatements relating to the occurrence of revenue.

#### Key Audit Matter Parent company

#### How our scope addressed the matter Parent company

#### Valuation of intercompany receivables

We identified the valuation of intercompany receivables as one of the most significant assessed risks of material misstatement due to error.

There are large intercompany receivable balances within the group, a number of which have been impaired in prior years. There is therefore considered to be a risk that the intercompany receivables may not be recoverable.

Due to the extensive estimates involved the risk of material misstatement may require significant auditor attention in the audit and therefore has been included as a Key Audit Matter.

Management performs an annual assessment to determine whether there are indicators that intercompany receivables balances may be impaired.

The calculation of expected credit losses in accordance with IFRS 9 'Financial Instruments' includes significant judgements and estimates to be applied including the expected recovery of the amount's receivable and future cash flows of the subsidiary.

In responding to the key audit matter, we performed the following audit procedures:

- obtained management's calculation of expected credit losses and checked it is in accordance with the requirements of IFRS 9.
- considered management's impairment assessment paper for each of the intercompany debtor balances which considered the most likely method of recovery as being a time-to-pay model which was based on expected future cash flows.
- challenged management's discounted cash flow calculations and key assumptions supporting the expected recovery of the intercompany receivables, which included an assessment of the future profitability of the receivables and considered management's impairment assessment paper for each of the intercompany debtor balances.
- performed a sensitivity analysis to understand how changes to the key assumptions impact on the level of headroom in management's calculation of expected credit loss.

Key Audit Matter  
Parent company

How our scope addressed the matter  
Parent company

- considered management’s historic forecasts against actual results, to obtain an indicator of the reliability and reasonability of management’s forecasts; and
- assessed the adequacy of the accounting disclosures made in the financial statements to determine compliance with the requirements of IFRS 9.

Relevant disclosures in the Annual Report

- Audit Committee report: Page 43
- Parent Company Financial statements: Note 4, Investments

Our results

Based on the procedures performed we have not identified material misstatements relating to the valuation of intercompany receivables.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor’s report.

Materiality was determined as follows:

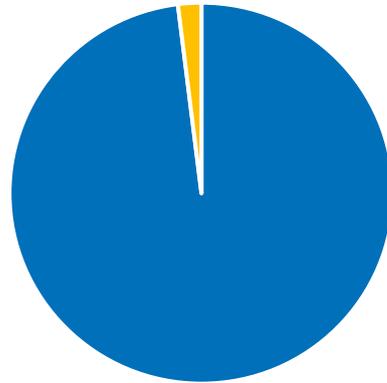
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing, and extent of our audit work.	
Materiality threshold	£217,000 (2022: £261,000), which is approximately 2% (2022: approximately 2.5%) of the Group’s revenue. The range of component materialities used across the group was £86,800 to £206,150.	£301,600 (statutory audit) (2022: £149,000), which is approximately 2% (2022: approximately 2.5%) of the Parent Company’s total assets, capped at an amount less than group materiality for group audit purposes.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: <ul style="list-style-type: none"> <li>• We determined revenue to be the most appropriate</li> </ul>	In determining materiality, we made the following significant judgements: <ul style="list-style-type: none"> <li>• We determined total assets to be the most appropriate</li> </ul>

Materiality measure	Group	Parent company
	<p>benchmark for the Group because revenue is a key performance indicator for the Group and there is volatility in profit before tax.</p> <ul style="list-style-type: none"> <li>We consider 2% to be an appropriate benchmark percentage as this is a listed Group with no external debt.</li> </ul> <p>Materiality for the current year is lower than the level that we determined for the year ended 31 December 2022 to reflect a decrease in the relative percentage as a result of an increase in the level of judgements and estimates required in the current year due to the increase in consulting service revenue generated.</p>	<p>benchmark because the Parent Company is a holding company with the intention of realising its assets through the underlying performance of investments held.</p> <ul style="list-style-type: none"> <li>We deem 2% to be an appropriate benchmark percentage as this is a listed company with no external debt.</li> </ul> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2022 to reflect the increase in total assets in the year.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£151,900 (2022: £182,700), which is 70% (2022: 70%) of financial statement materiality.	£211,400, (2022: £104,300), which is 70% (2022: 70%) of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	<p>In determining performance materiality, we considered the following significant matters in forming our judgements:</p> <ul style="list-style-type: none"> <li>Our understanding of the entity, updated during the performance of risk assessment procedures; and</li> <li>Our experience with auditing the financial statements of the group in previous years,</li> </ul>	<p>In determining performance materiality, we considered the following significant matters in forming our judgements:</p> <ul style="list-style-type: none"> <li>Our understanding of the entity, updated during the performance of risk assessment procedures; and</li> <li>Our experience with auditing the financial statements of the parent company in previous</li> </ul>

Materiality measure	Group	Parent company
	including the number of misstatements identified.	years, including the number of misstatements identified.
Specific materiality	We determine specific materiality for one or more classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements could reasonably be expected to influence the economic decisions of users taken based on the financial statements.	
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>• Directors' remuneration; and</li> <li>• related party transactions outside of the normal course of the business.</li> </ul>	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> <li>• Directors' remuneration; and</li> <li>• related party transactions outside of the normal course of the business.</li> </ul>
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£10,900 (2022: £13,050), which represents 5% of materiality threshold and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£15,100 (2022: £7,450), which represents 5% of materiality threshold and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

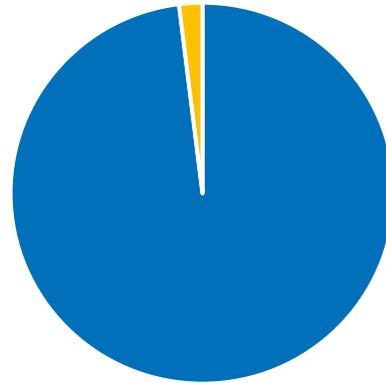
The graph below illustrates how performance materiality and the range of component materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality - Group

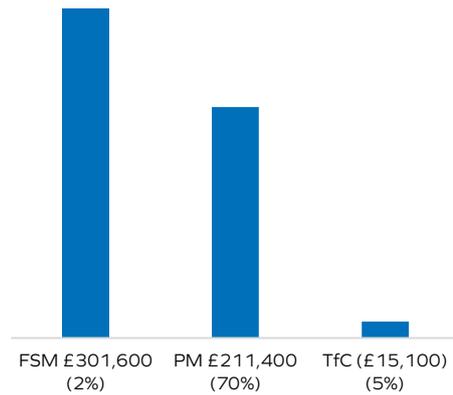
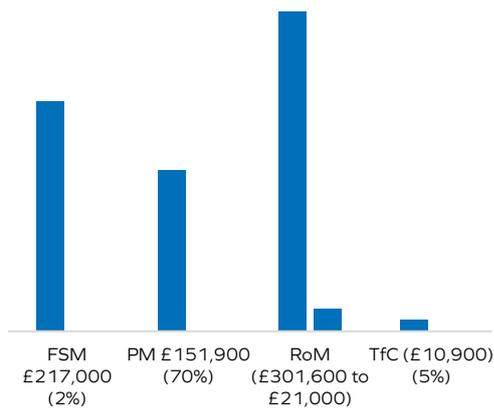


■ Revenue, £10,825,446 ■ FSM £217,000 (2%)

Overall materiality - Parent



■ Total Assets £15,078,182 ■ FSM £301,600 (2%)



- FSM Financial statement materiality
- PM Performance materiality
- RoM Range of materiality at 6 components
- Tfc Threshold for communication to the audit committee

### An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

### Understanding the group, its components, and their environments, including group-wide controls

- Our audit approach was a risk-based approach founded on a thorough understanding of the Group's and Parent Company's business, its environment and risk profile. The Group's accounting process is primarily resourced through its central group finance function in the UK, with a local finance function in the US. The US local finance function reports into the central group finance function based at the Group's head office in the UK.
- The engagement team obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the Group level.
- We obtained and documented an understanding of the design and implementation of relevant controls that management have over the process for evaluating the areas of significant risks and performed walkthrough testing of these controls to confirm that understanding.

### Identifying significant components

- We determined the scope of the Group audit based on our understanding of the Group structure, materiality and the relative contribution of revenue of each component to the Group.
- We have performed a full scope audit for Ingenta Inc and Ingenta UK Limited, which were significant components. Other components were not considered to be significant components within the scope of our audit.

### Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We identified the risk of fraud in the revenue cycle (occurrence of revenue) and the valuation of intercompany receivables (Parent Company only) as the key audit matters and a description of the procedures performed in respect of these have been included in the key audit matters section of our report. Based on our assessment of the Group as above, we focused our Group audit scope primarily on the components assessed as significant, performing a full scope audit on these components.
- We performed specific-scope audit procedures on the financial information of Publishers Communication Group Inc.
- At Group level, we also tested the consolidation process and carried out analytical procedures on the financial information of the remaining Group components to confirm our conclusion that there were no significant risks of material misstatement to the Group financial statements arising from those components.

### Performance of our audit

- Due to the remote working patterns of the Group and Parent Company's finance team, the Group engagement team was unable to visit any of the locations and therefore the audit procedures were performed remotely.

- Our full-scope and specific-scope audit procedures provided coverage of 97% of the group’s revenue and 97% of the group’s total assets.
- No separate component auditors were used, with the Group engagement team undertaking all audit work to support the Group audit opinion.

Audit approach	No. of components	% coverage revenue
Full-scope audit	2	97%
Specific-scope audit	1	3%
Analytical procedures	14	0%
Total	17	100

#### Changes in approach from previous period

In the current year, there was a change in the scoping for Ingenta PLC and Ingenta Inc. A full scope audit was performed on Ingenta Inc due to its significance, while Ingenta PLC was subject to analytical procedures due to its decreased significance. Additionally, work was performed over the cash and bank balance within PCG during the current year.

#### 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 group financial statements, or our knowledge obtained in 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 there is a material misstatement in the group 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified.

In our opinion, based on the work undertaken during 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

#### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained during the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 41, 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 group financial statements, the directors are responsible for assessing the group'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 to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the group financial statements 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 based on these group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures can detect irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Parent Company and the Group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks, including United Kingdom Generally Accepted Accounting Practice (the Parent Company), UK-adopted international accounting standards (the Group); AIM Rules for Companies; the Companies Act 2006 and the relevant taxation regulations in the jurisdictions in which the Parent Company and Group operates.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Parent Company and the Group and sector in which they operate through our commercial and sector experience, making enquiries of management and those charged with governance, and inspection of the Parent Company's and the Group's key external correspondence. We corroborated our enquiries through our inspection of board minutes and other information obtained during the audit.
- We assessed the susceptibility of the Parent Company's and the Group's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimated and judgemental areas of the financial statements, including revenue occurrence and use of journal entries.
- Our audit procedures included:
  - Journal entry testing, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business.
  - Gaining an understanding of and testing significant identified related party transactions; and
  - Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
  - Knowledge of the industry in which the Parent Company and the Group operates; and

- o Understanding of the legal and regulatory requirements specific to the Parent Company and the Group, including the provisions of the applicable legislation and the applicable statutory provisions.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the areas of the financial statements where estimation and judgement, including potential management bias, is applied in the occurrence of revenue and management override of controls in the preparation of the financial statements. The risk that the revenue cycle includes fraudulent transactions (occurrence of revenue) is also reported as a key audit matter in the key audit matter section of our report where the matter is explained in more detail and the specific procedures, we performed in response to the key audit matter are described in more detail.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 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.

Grant Thornton UK LLP

Jonathan Oakey FCA  
Senior Statutory Auditor for and on behalf of

Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Crawley  
24/5/2024

## Group statement of comprehensive income

	Note	Year ended 31 Dec 23 £'000	Restated Year ended 31 Dec 22 £'000
Group revenue	2	10,825	10,451
Cost of sales		(5,429)	(5,048)
Gross profit		5,396	5,403
Sales and marketing expenses		(757)	(707)
Administrative expenses		(2,590)	(3,176)
Profit from operations	5	2,049	1,520
Finance costs	7	(17)	(21)
Profit before income tax		2,032	1,499
Income tax	8	267	260
Profit for the year attributable to equity holders of the parent		2,299	1,759
Other comprehensive expenses which will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(190)	307
Total comprehensive profit for the year attributable to equity holders of the parent		2,109	2,066
Basic profit per share (pence)	9	15.82	10.88
Diluted profit per share (pence)	9	15.50	10.40

All activities are classified as continuing.

The accompanying notes form part of these financial statements.

## Group statement of financial position

		31 Dec 23	Restated 31 Dec 22
	Note	£'000	£'000
<b>Non-current assets</b>			
Goodwill	10	2,661	2,661
Other intangible assets	11	-	-
Property, plant and equipment	12	93	302
Deferred tax asset	17	1,622	1,384
		4,376	4,347
<b>Current assets</b>			
Trade and other receivables	13	2,185	1,910
Cash and cash equivalents	14	2,676	2,376
		4,861	4,286
Total assets		9,237	8,633
<b>Equity</b>			
Share capital	19	1,512	1,512
Capital redemption reserve		180	180
Merger reserve		11,055	11,055
Reverse acquisition reserve		(5,228)	(5,228)
Share option reserve		140	117
Translation reserve		(488)	(298)
Retained earnings		(1,510)	(3,264)
Total equity		5,661	4,074
<b>Non-current liabilities</b>			
Deferred tax liability	17	-	37
Leases	18	-	-
		-	37
<b>Current liabilities</b>			
Trade and other payables	15	1,218	1,699
Provisions	15	307	139
Contract liabilities		2,051	2,684
		3,576	4,522
Total liabilities		3,576	4,559
Total equity and liabilities		9,237	8,633

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2024 and were signed on its behalf by:

J R Sheffield, Director

G S Winner, Director

Registered number: 00837205. The accompanying notes form part of these financial statements.

## Group statement of changes in equity

	Share capital £'000	Capital redemption reserve £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Translation reserve £'000	Retained earnings £'000	Share option reserve £'000	Total attributable to owners of parent £'000
At 1 January 2022	1,692	-	11,055	(5,228)	(605)	(2,278)	88	4,724
Dividends paid	-	-	-	-	-	(523)	-	(523)
Shares repurchased and cancelled in the year	(180)	180	-	-	-	(2,222)	-	(2,222)
Share options granted in the year	-	-	-	-	-	-	29	29
Transactions with owners	(180)	180	-	-	-	(2,745)	29	(2,716)
Profit for the year restated	-	-	-	-	-	1,759	-	1,759
Foreign exchange differences on translation foreign operations	-	-	-	-	307	-	-	307
Total comprehensive income for the year	-	-	-	-	307	1,759	-	2,066
Restated balance at 31 December 2022	1,512	180	11,055	(5,228)	(298)	(3,264)	117	4,074
Dividends paid	-	-	-	-	-	(545)	-	(545)
Share options granted in the year	-	-	-	-	-	-	23	23
Transactions with owners	-	-	-	-	-	(545)	23	(522)
Profit for the year	-	-	-	-	-	2,299	-	2,299
Foreign exchange differences on translation foreign operations	-	-	-	-	(190)	-	-	(190)
Total comprehensive income for the year	-	-	-	-	(190)	2,299	-	2,109
Balance at 31 December 2023	1,512	180	11,055	(5,228)	(488)	(1,510)	140	5,661

## Group statement of cash flows

	Note	Year ended 31 Dec 23 £'000	Restated Year ended 31 Dec 22 £'000
Profit before taxation		2,032	1,499
<b>Adjustments for</b>			
Depreciation and amortisation		288	412
Profit on disposal of fixed assets		-	(4)
Interest expense		17	21
Share based payment charge		23	29
Increase in trade and other receivables		(276)	(100)
(Decrease) / Increase in trade and other payables and contract liabilities		(1,112)	455
Increase in provisions		168	139
Cash inflow from operations		<u>1,140</u>	<u>2,451</u>
Tax paid		(7)	(8)
Net cash inflow from operating activities		<u>1,133</u>	<u>2,443</u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(80)	(45)
Net cash used in investing activities		<u>(80)</u>	<u>(45)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(17)	(21)
Payment of lease liabilities		(192)	(258)
Dividends paid		(545)	(523)
Cost of shares repurchased and cancelled in the year		-	(2,222)
Net cash used in financing activities		<u>(754)</u>	<u>(3,024)</u>
Net increase / (decrease) in cash and cash equivalents		<u>299</u>	<u>(626)</u>
Cash and cash equivalents at the beginning of the year	14	2,376	3,006
Exchange difference on cash and cash equivalents		1	(4)
Cash and cash equivalents at the end of the year	14, 21	<u>2,676</u>	<u>2,376</u>

The accompanying notes form part of these financial statements.

# Notes to the Group financial statements

For the year ended 31 December 2023

## General information and nature of operations

Ingenta plc (the 'Company') and its subsidiaries (together the 'Group') is a provider of content management, advertising and Commercial enterprise solutions and services to publishers, information providers, academic libraries and institutions. The nature of the Group's operations and its principal activities are set out in the Chairman's statement and Group Strategic report.

The Company is incorporated in the United Kingdom under the Companies Act 2006. The Company's registration number is 00837205 and its registered office is Suite 2, Whichford House, Parkway Court, John Smith Drive, Oxford, OX4 2JY. The consolidated financial statements were authorised by the Board of Directors for issue on 24 May 2024.

## 1. Principal accounting policies

New Standards adopted as at 1 January 2023:

- IFRS 17, 'Insurance contracts' as amended in December 2021
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction
- Amendment to IAS 12 - International tax reform
- Amendment to FRS101 Reduced Disclosure Framework - Effective date of IFRS 17
- Amendment to FRS101 and FRS102 - International tax reform

There are no accounting standards that are not yet effective that would be expected to have a material impact on the Group.

## Standards and interpretations not yet applied by the Group

The following new standards and interpretations, which are yet to become mandatory and have not been applied in the Group's financial statements, are not expected to have a material impact on the Group's financial statements.

- Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)
- Amendment - Noncurrent Liabilities with Covenants (Amendment to IAS 1)
- Lack of Exchangeability (Amendment to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore the disclosures have not been made.

## Going concern

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information

about the future including revenue, profit and cash forecast and management's ability to affect costs and revenues.

Management regularly forecast profit, financial position and cash flows for the Group. The rolling annual forecast is normally updated monthly.

Revenue streams are forecast in detail by product and customer with all items categorised as being contractual, variable fees, other or forecasted new sales. All expense items are forecast at the transactional level. The Group forecasting model provides a monthly view of the Income Statement, Statement of Financial Position and Cash Flow Statement allowing further insight into expected patterns and trends.

As part of the review, management stress tested the forecast model for likely alternative scenarios. On the revenue side, the scenarios included restricted consultancy project work and making no sales to new customers. Management believes they have adequate visibility over salary inflation and prices of other IT related inputs. Management believes these risks can be managed by using mitigating actions such as limiting hiring of new employees and reducing discretionary spend in marketing and capital expenditure. As a result, Management have satisfied themselves that the identified risks do not impact on the going concern assessment.

Management have reviewed forecast costs for reasonableness against prior years and with knowledge of expected movements and concluded that forecast costs are robust.

As at 31 December 2023 the Group had net current assets of £1.3m (2022: £0.2m liability), of which £2.1m (2022: £2.7m) relates to contract liabilities which will be recognised in the year ending 31 December 2024.

The Group has positive cash balances of £2.7m as at 31 December 2023 (2022: £2.4m). Management have assured themselves that cash is sufficient for the needs of the business based on the cash flow forecast.

The major risks for future trading are the timing and extent of project work and new sales of products within the Ingenta Content and the Commercial product suite, which to some extent is reliant on the macro-economy and the willingness of data providers to commit to capital expenditure projects.

There remains an element of caution in the wider economy that adds uncertainty to financial forecasting and modelling. These cautionary factors include conflict in Ukraine and a pessimistic view of economic activity in the UK. However, the Group continues to trade profitably and sales pipeline activity is strong and although timing of new sales wins is inherently uncertain, the Board are confident targets are achievable. The Group continues to embrace established flexible working practices which have been successful in mitigating Covid restrictions without any significant impact to services. The Group have no direct customer or supplier relationships in Ukraine, Russia or Gaza but remain vigilant of any wider impact on the business. The Group has modelled various downside scenarios and consider it appropriate to use the going concern basis to compile these financial statements.

#### Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

The accounting policies applied have been applied consistently throughout the Ingenta Group. The financial statements have been prepared under the historical cost convention.

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("IASs").

#### Significant accounting estimates and judgements

When preparing the financial statements management make estimates, judgements and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

#### Accounting estimates

##### Consulting service revenue

Please refer to the Revenue section of the accounting policies note for detailed disclosure. The area where significant management judgement is applied is in estimating project percentage complete assessments for any fixed price elements of work. Estimation uncertainty will be a factor in any assessment of future time to complete a project when it is required to calculate percentage completion. The Group are experienced in running these projects and perform project appraisals after completion to ensure relevant information is applied to subsequent assessments. Most projects are for periods of approximately 6 months so any uncertainty will be resolved in the following year.

##### Deferred tax assets

The assessment of the probability of future taxable income against which deferred tax assets can be utilised is based on the Group's latest approved forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. In line with goodwill impairment testing detailed in note 10, management believe a 5 year forecast period is suitable to assess deferred tax. The 5 year forecast horizon is reasonable based on past experience, contracted terms and the long lead times required for transition off software platforms. Sensitivity analysis was performed on the forecast and management believe that profitability levels can be reasonably controlled given the contract terms and associated notice periods. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties are assessed individually by management based on the specific facts and circumstances. Uncertainty is a factor in predicting future profitability and tax rates but estimates are updated each year to reflect current conditions and expectations. The assessment is over a rolling 5 year period which means there is no resolution to estimation uncertainties.

## Accounting judgement

### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs relating to ongoing obligations of customer contracts are expensed. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is only capitalised if all of the following conditions are met:

- 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.

The Board have taken into account the inherent risks in all research and development expenditure and specifically the expenditure being incurred by the business in the year and have concluded that the requirements of IAS 38 to capitalise development expenditure have not been met.

### Basis of consolidation

The Group financial statements consolidate those of the parent Company and all of its subsidiaries as of 31 December 2023. All subsidiaries have a reporting date of 31 December 2023.

Subsidiary undertakings are those entities controlled directly or indirectly by the Company. Control arises when the Company has the power to govern the financial and operating policies of an entity, uses this power to affect the returns from that entity and has exposure to variable returns from its investment in the entity.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in Joint Ventures are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the

Joint Venture is not recognised separately and is included in the amount recognised as investment in Joint Ventures. The carrying amount of the investment in Joint Ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the Joint Venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

#### Property, plant and equipment Cost

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.

#### Depreciation

Depreciation is calculated using the straight - line method to allocate the cost of assets less their estimated residual value over their estimated useful lives, as follows:

Office building – over the term of the lease

Leasehold Improvements – over the term of the lease

Computer equipment – 3 years

Fixtures, fittings and equipment – 5 years

The residual value and the useful life of each asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate.

#### Disposal of assets

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within profit or loss within the Group Statement of Comprehensive Income.

#### Intangible assets

##### Goodwill

The Group operates with distinct business units or operating segments (see note 4) based on the product and its associated revenue streams. These segments are reported on as separate cash generating unit. Goodwill is allocated to a cash generating unit based on its revenue. Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses are recognised immediately in the income statement and are not subsequently reversed.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date and at least annually thereafter.

On disposal of a cash generating unit, the attributable net book value of goodwill is included in the determination of the profit or loss on disposal.

#### Technology based intellectual property

Intangible assets relating to the technology acquired from business combinations that qualify for separate recognition are recognised as intangible assets at their fair value. The assets are valued using a discounted cash flow model for the revenues they will generate over the next 5 years.

The asset is amortised on a straight-line basis over a 5 year period. Residual values and useful lives are reviewed at each reporting date. Amortisation is included within depreciation, amortisation and impairment of non-financial assets.

#### Impairment of intangibles and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units 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 goodwill.

Goodwill, other individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life are tested for impairment at least annually. 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.

#### Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

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

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described herein.

#### Financial assets

##### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified as at amortised cost. In the periods presented the corporation does not have any financial assets categorised as fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

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

#### Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions and are not designated as fair value through profit or loss (FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### Trade receivables

Trade receivables are recognised initially at transaction price in accordance with IFRS 15 and subsequently reviewed for expected credit losses in line with IFRS 9. In measuring the expected credit losses, the trade receivables have been assessed on an individual basis. Where trade receivables were found to be individually impaired an allowance for credit losses has been recorded within "sales and marketing" in the Group Statement of Comprehensive Income. This allowance has been determined by reference to expected receipts after considering historical experience, readily available external indicators and forward-looking information. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 6 months from the invoice date, failure to engage with the Group on alternative future payment arrangements and bankruptcy or administration of the customer are indicators of a potential expected credit loss. The Group has a stable customer base with strong relationships built up over time allowing it to make reasonable assessments of recoverability. Most trade receivables relate to customers ongoing ability to function and past experience indicates the balances are recoverable subject to any future information that becomes available. Where an expected credit loss is recognised it will be significantly influenced by additional forward-looking information such as industry discussion papers, repayment plan reasonableness and direct account management negotiation. When a trade receivable is uncollectible, it is written off against the credit loss provision. Subsequent recoveries of amounts previously provided for are credited against 'Sales and marketing expenses' in the Group Statement of Comprehensive Income.

#### Financial liabilities

The Group's financial liabilities include lease liabilities and trade and other payables.

### Trade payables

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

### Leased assets

#### The Group as a lessee

For any contracts entered into the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

In the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Equity

Share capital represents the nominal value of shares that have been issued.

The translation reserve within equity relates to foreign currency translation differences arising on the translation of the Group's foreign entities. Retained earnings include all current and prior year retained profits and losses.

Reverse acquisition reserve and merger reserve represent balances arising on the acquisition of Ingenta plc in 2007. The IFRS 3 acquisition adjustment reflects the entries required under reverse acquisition accounting, whereby consolidated shareholders' funds comprise the capital structure of the legal parent combined with the reserves of the legal subsidiary and the post-acquisition reserves of the parent.

The share option reserve relates to a cumulative charge made in respect of share options granted by the Company to the Group's employees under its employee share option plans.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transactions costs and the related income tax effect, is included in equity attributable to the Company's equity holders.

#### Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts after eliminating sales within the Group.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services, for example for the delivery of licences, consulting services, hosting services, managed services and support and upgrade services.

These services and performance obligations are separately identifiable and contracted for allowing a reasonable allocation of price to each component. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Where certain products are sold as multi element arrangements, the Group evaluates the separability of the goods or services based on whether they are distinct. A good or service is distinct if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Group does not provide a significant service integrating, modifying or customising it).

#### Recognition of Ingenta Connect Revenue (within the Content products division):

Ingenta Connect revenues comprise 'Hosted services' and 'Consulting Services' revenue.

#### Hosted services:

Hosted services include annual fees for hosting publishers' content on the Ingenta Connect platform and revenues from document delivery under pay-per-view access, clearance and digitisation services.

Hosting revenue is recognised over time with reference to the contracted period. The performance obligation of hosting customers content on servers does not materially change over time and is recognised evenly over the contract period.

Pay per view revenue is recognised at a point in time when the documents are delivered to a customer. The performance obligation is to deliver content to an end user and facilitate a transfer of money for the purchase.

#### Consulting Services:

Consulting services includes revenues from the processing of e-journal content and ongoing services.

The consulting fees are based on a per article charge and are recognised at a point in time when the article is processed. The performance obligation is to convert a specified piece of content into a format suitable for ingestion onto the Ingenta Connect platform.

Recognition of Ingenta Commercial products, Ingenta Edify (within the Content products division), and Ingenta Advertising:

Revenues from these divisions comprise 'Licences', 'Consulting Services', 'Hosted Services', 'Managed Services' and 'Support and Upgrade' revenue.

Licences:

Licences can be sold as perpetual or under a software as a service (SaaS) agreement.

Perpetual software licence revenues are recognised at a point in time if there are no associated implementation requirements. This will only be the case where an existing customer purchases additional licences to increase the number of users on an existing installed software system.

Where perpetual software licences require consulting services to make the licences usable, the licence revenue is linked to the consulting services and is recognised over the period of the associated consulting services on a percentage complete basis. The software is deployed immediately onto the customer network and consulting services are used to perform integration work which enhances the software's functionality. The customer has benefit from the software over the implementation and gains increased benefit as the functionality extends. The percentage complete assessment is made by reference to the estimated project days in the project planning documentation, amended for project change requests and the days worked on the project to the year end.

For SaaS licence arrangements, licences are deemed to be a right to access and revenue is recognised over time and taken in equal instalments over the period of the contract from the point the software is functional.

Consulting Services:

Revenue recognition from long term contracts within consulting services depends on the contractual terms.

Fixed price consulting contracts are recognised over time on the percentage of completion method. This is assessed by reference to the estimated project days in the project planning documentation, amended for project change requests and the days worked on the project to the year end. The performance obligation is to provide bespoke, customer specific time based services to modify the underlying software and its operational functionality. The customer has access to the software throughout the consulting phase and gets benefit from the consulting work as functionality is expanded over time.

Other consulting services contracts are on a time and materials basis and revenue is recognised over time as work is performed. The amount of revenue is calculated by the number of days worked at the contracted day rate. As under a fixed price contract, the customer has access to the software during the implementation phase and gets benefit from the consulting services as functionality is expanded over time.

Consulting services for a software implementation normally last for less than 12 months and payment terms are always in instalments during the period. As such, the Group does not adjust the receivable amounts for the effects of financing.

#### Hosted Services, Managed Services and Support and Upgrade:

Revenues collected or billed in advance for hosted services, managed services and support and upgrade revenue are recorded as contract liabilities and recognised evenly over the period to which the service relates. In all cases, the performance obligation is to provide a service evenly over a contracted period of time.

#### Recognition of PCG Revenues:

Ingenta's PCG division earns revenue from providing services to publishers and content providers. The PCG revenue can be further analysed as follows:

- A proportion of the revenues are charged as a retainer for services provided throughout the period. These revenues are recognised over time as the performance obligation is to provide a dedicated sales representative over a contracted period.
- Some revenues are earned on a commission basis associated with selling publishers' content. This revenue is recognised at a point in time when commission is earned which contractually is when PCG's publishing customer invoices the end user for the services sold by PCG. In some cases, PCG invoices the end user on behalf of the customer for the services sold by PCG and records PCG's commission when the invoice is issued as agreed in the contract. Where any sales representation and cash collection services are incorporated into the contract the work involved is minimal and does not affect recognition of commission.
- Some further revenues are based on performing surveys for publishers. These revenues are based on a fixed number of calls at an agreed rate per call. Revenue is recognised at a point in time on a per call completed basis in the period the calls were made.

#### Employee benefits

##### Pension obligations

The Group operates various pension schemes which are by nature defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group does not operate a defined benefit plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expenses when they are due.

##### Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

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 equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other 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.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, 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 ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

#### Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

#### Operating expenses

Operating expenses are recognised within profit or loss within the Group Statement of Comprehensive Income upon utilisation of the service or at the date of their origin.

#### Finance costs

Financing costs comprise interest payable, the amortisation of the costs of acquiring finance and the unwinding of discounts that are recognised within profit or loss within the Group Statement of Comprehensive Income. Interest payable is recognised in the Group Statement of Comprehensive Income as it accrues, using the effective interest method.

#### Income taxes

The tax expense recognised within profit or loss within the Group Statement of Comprehensive Income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or 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 and Joint Ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

#### Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

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

Any reimbursement that the Group can be virtually certain to collect from a third-party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

#### Foreign currency

The consolidated financial statements are presented in Sterling (GBP), which is also the functional currency of the parent Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using a monthly estimated rate set at the beginning of each month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and not subsequently retranslated.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling are translated into Sterling upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Sterling at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at an approximation of the average rate over the reporting period.

Exchange differences are recognised in the Consolidated Income Statement in the period in which they arise.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are charged / credited to other comprehensive income and recognised within equity in the translation reserve.

On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling at the closing rate.

#### Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Board, at which level strategic decisions are made.

IFRS 8 "Operating segments" requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes and reported in a manner which is more consistent with internal reporting provided to the chief operating decision-maker.

## 2. Revenue

An analysis of the Group's revenue is detailed below by activity across the Group's operating units:

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Licences	24	49
Consulting Services	2,087	1,398
Non-recurring revenue	2,111	1,447
Hosted Services	3,509	3,549
Managed Services	2,668	2,961
Support and upgrade	2,197	2,198
PCG	340	296
Annual recurring revenue	8,714	9,004
	10,825	10,451

As detailed in the prior year annual report, the Group have been reassessing the segmental structure of the business given the move away from a purely product siloed structure. From 1 January 2023, the Group operates with one segment and two product types.

An analysis of the Group's revenue by product type is as follows:

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Commercial products division	7,646	7,895
Content products division	3,179	2,556
	10,825	10,451

A geographical analysis of the Group's revenue is as follows:

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
UK	5,266	5,729
USA	4,418	3,612
Netherlands	345	417
France	208	219
Rest of the World	588	474
	<u>10,825</u>	<u>10,451</u>

Revenue is allocated to geographical locations based on the location of the customer. All business divisions are active in each of the geographic areas.

An analysis of the timing of revenue recognition is shown as follows:

	Commercial products £'000	Content products £'000	Year ended 31 Dec 23 £'000
Revenue transferred over time	6,199	2,032	8,231
Revenue transferred at a point in time	1,447	1,147	2,594
	<u>7,646</u>	<u>3,179</u>	<u>10,825</u>

	Commercial products £'000	Content products £'000	Year ended 31 Dec 22 £'000
Revenue transferred over time	6,747	1,782	8,529
Revenue transferred at a point in time	1,148	774	1,922
	<u>7,895</u>	<u>2,556</u>	<u>10,451</u>

The following aggregated amounts of transaction prices relate to performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 31 December 2023:

	Year ended 31 Dec 24 £'000	Year ended 31 Dec 25 £'000
Revenue expected to be recognised	2,051	-

Two customers each contributed more than 10% of revenue (2022: two) and this amounted to £3,578K (2022: £3,886K). The Group's operations are located in the United Kingdom, North America, Brazil, Mexico, India, China and Australia. Any transactions between business divisions are on normal commercial terms and conditions.

### 3. Joint Venture / Investment

The Group holds a 49% voting and equity interest in Beijing Ingenta Digital Publishing Technology Limited (BIDPT) which was purchased during the year to 31 December 2012.

BIDPT has a reporting date of 31 December. The shares are not publicly listed on a stock exchange and hence published price quotes are not available. Dividends are subject to the approval of at least 51% of all shareholders of BIDPT. The Group has received no dividends.

In the 2017 financial statements, the Group outlined it has been actively engaged in discussions to sell or dispose of its shareholding in the Chinese Joint Venture and had reclassified it as an asset held for sale. The Board does not believe a deal is imminent and in 2018 reclassified the Group's holding in the Joint Venture as an investment. Given the inherent uncertainty around valuing a Chinese non-listed, minority shareholding combined with flat earnings and an increasingly uncertain mechanism to repatriate funds, the Group fully impaired the investment. The Group has no commitment to fund any losses incurred by the joint venture and therefore has not recorded a liability for any share of losses. The Group's strategy going forward is to concentrate on its core product set and given the lack of control it exerts over the Joint Venture; it does not consolidate results into the Group.

### 4. Operating segments

Management provides information reported to the Chief Operating Decision Maker (CODM) for the purpose of assessing performance and allocating resources. The CODM is the Chief Executive Officer.

The CODM monitors revenue on a product basis. Costs are incurred by a product agnostic central support function which services all products and revenue streams. Operating profit is only monitored at Group level therefore Management have determined there is only one operating segment,

Significant product types are: Ingenta Commercial products and Ingenta Content products.

Ingenta Commercial products are back end enterprise level publishing and Intellectual property (IP) management systems. Ingenta Content products help content providers distribute their content online.

The Group derives revenue from the revenue streams reported in the revenue analysis in note 2. A further discussion of each division is included on pages 14 to 17. All revenues are derived from trade with external parties.

## 5. Profit from operations

Profit from operations has been arrived at after charging:

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Research and development costs	1,176	1,091
Net foreign exchange (gain) / loss	(168)	328
Depreciation of property, plant and equipment:		
- owned assets	94	129
- leasehold property	-	21
- assets under leases	194	262
Amortisation	-	-
Auditor's remuneration	140	141
Exceptional non-recurring costs	-	-

An analysis of expenses by type within the statement of comprehensive income is as follows:

	Cost of sales £'000	Sales and marketing £'000	Administration £'000	Year ended 31 Dec 23 £'000
IT and software costs	1,051	-	412	1,463
Staff costs (note 6)	3,187	595	1,333	5,115
Contractors	902	76	85	1,063
Other HR costs	-	-	87	87
Premises costs	-	-	60	60
Insurance costs	-	-	91	91
Legal and professional fees	12	3	385	400
Provisions	168	-	-	168
Depreciation	-	-	288	288
Foreign exchange	-	-	(168)	(168)
Other	109	83	17	209
	5,429	757	2,590	8,776

	Cost of sales £'000	Sales and marketing £'000	Administration £'000	Restated Year ended 31 Dec 22 £'000
IT and software costs	756	-	316	1,072
Staff costs (note 6)	3,200	669	1,416	5,285
Contractors	849	3	83	935
Other HR costs	-	-	80	80
Premises costs	-	-	67	67
Insurance costs	-	-	77	77
Legal and professional fees	13	4	376	393
Provisions	139	-	-	139
Depreciation	-	-	412	412
Foreign exchange	-	-	328	328
Other	91	31	21	143
	5,048	707	3,176	8,931

A more detailed analysis of auditor's remuneration on a worldwide basis is provided below.

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Fees payable to the Group's auditor for:		
Fees payable to the company's auditor for the audit of the company's annual accounts	30	20
Fees payable to the company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	110	109
Other assurance services	-	-
Tax compliance services	-	12
	140	141

A description of the work of the Audit Committee is set out on page 43 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

An analysis reconciling the profit from operations to adjusted EBITDA is provided below.

	Year ended 31 Dec 23 £'000	Restated Year ended 31 Dec 22 £'000
Profit from operations	2,049	1,520
Add back:		
Depreciation and amortisation	288	412
Gain on disposal of fixed assets	-	(4)
Foreign exchange (gain) / loss	(168)	328
EBITDA before impairment, gain / loss on disposal of fixed assets, foreign exchange gain / loss and exceptional non-recurring costs	2,169	2,256

Exceptional non-recurring costs include restructuring costs, premises exit costs, non-recurring professional fees and debt write offs.

## 6. Staff numbers and costs

	Year ended 31 Dec 23 Average number	Year ended 31 Dec 22 Average number
Staff numbers:		
Operations	47	50
Sales and marketing	14	16
Administration	6	5
	<u>67</u>	<u>71</u>

### Staff numbers exclude contractors

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Their aggregate remuneration comprised:		
Wages and salaries	4,245	4,425
Social security costs	472	496
Contribution to defined contribution plans	236	223
Health insurance	129	111
Share based payments	26	22
Other staff costs	7	8
Total staff costs	<u>5,115</u>	<u>5,285</u>

### Remuneration in respect of Directors was as follows:

Non-Executive	182	174
Executive Directors' emoluments	464	445
Company pension contributions to money purchase schemes	44	43
	<u>690</u>	<u>662</u>

### Remuneration of the highest paid Director (aggregate emoluments):

Salaries	260	268
Other Benefits	16	14
Contribution to defined contribution plans	4	4
	<u>280</u>	<u>286</u>

Further unaudited information on Directors' remuneration is provided in the Directors' remuneration report. Key management personnel within the business are considered to be the Board of Directors. Pension contributions of £4K were paid in respect of the highest paid Director (2022: £4K). There were two (2022: two) Directors in a money purchase pension scheme.

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The total cost charged to income of £235K (2022: £223K) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans. As at 31 December 2023, contributions of £27K (2022: £24K) due in respect of the current reporting period were included in the Group Statement of Financial Position for payment in January 2024.

The Group operates an Unapproved EMI Share Option plan. A charge in the year of £23K (2022: £29K) has been recognised in the income statement during the year. Further details on share options are included in note 20.

## 7. Finance costs

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Interest payable:		
Interest on Right of Use lease	15	19
Interest on other loans	2	2
	<u>17</u>	<u>21</u>

## 8. Tax

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Analysis of (charge) / credit in the year		
Current tax:		
Current year State tax – US	(5)	(9)
Adjustment to prior year charge – UK	(3)	(3)
Deferred tax credit	275	272
Taxation	<u>267</u>	<u>260</u>

The Group have accumulated tax losses at 31 December 2023 in the UK and the US of £13.9m (2022: £15.1m) and \$7.0m (2022: \$8.2m) respectively. These losses have been agreed with the tax authorities in the UK and USA. The Board intends to make use of all losses wherever possible.

Management have utilised £6.4m of UK losses to recognise a £1.6m (2022: £1.3m) deferred tax asset at year end which is based on expected UK taxable profits over the next 5 years. Management do not believe they have adequate information to make an assessment of utilisation beyond 5 years. No US deferred tax asset has been recognised in accordance with advice from tax accountants on the basis that the US losses are restricted and there is uncertainty on the value of losses which will be able to be used.

At year end there are unutilised tax losses of £7.5m and \$7m in the UK and US respectively. From 1 April 2023, the corporation tax rate applicable to companies with taxable profits above £250,000 is 25 per cent. Companies with profits below £50,000 will, however, continue to pay tax at the current rate of 19 per cent. Those with taxable profits between £50,000 and £250,000 will benefit from marginal relief, similar to that which applied before the previous incarnation of the small companies' rate of corporation tax was abolished with effect from 1 April 2015.

The differences are explained below:

	Year ended 31 Dec 23 £'000	Restated Year ended 31 Dec 22 £'000
<b>Reconciliation of tax charge / (credit)</b>		
Profit on ordinary activities before tax	2,032	1,499
Tax at the UK corporation tax rate of 23.5% (2020: 19%)	477	285
Income / expenses not allowable for tax purposes	(22)	44
Unrelieved losses carried forward	31	58
Utilisation of losses	(525)	(443)
Difference in timing of allowances	42	59
Deferred tax movement	(275)	(272)
Adjustment to tax charge in respect of prior years	5	9
Total taxation	(267)	(260)

United Kingdom Corporation tax is calculated at 23.5% (2022: 19%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## 9. Earnings per share and dividends

### Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary share options. There are a further 297,097 ordinary shares (2022: 145,535) in respect of share options.

	Year ended 31 Dec 23 £'000	Restated Year ended 31 Dec 22 £'000
Attributable profit	2,299	1,759
Weighted average number of ordinary shares used in basic earnings per share ('000)	14,535	16,169
Shares deemed to be issued in respect of share-based payments ('000)	297	146
Weighted average number of ordinary shares used in dilutive earnings per share ('000)	14,832	16,315
Basic profit per share arising from both total and continuing operations	15.82 p	10.88 p
Diluted profit per share arising from both total and continuing operations	15.50 p	10.78 p

## Dividends

On 14 August 2023 the Company paid a final dividend of 2.25 pence per share for the year ended 31 December 2022. On 23 October 2023 an interim dividend of 1.5 pence per share was paid in respect of the year ended 31 December 2023.

After the year end, the Directors declared their intention to pay a final dividend of at 2.6p for the year ended 31 December 2023.

## 10. Goodwill

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Gross carrying amount		
Content Products division	2,661	2,661
Total goodwill	2,661	2,661

Goodwill has been recognised on historic acquisitions and is reviewed at the end of each financial period for impairment.

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units (CGUs), which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

At the year end, management carried out an impairment review of goodwill attached to each business unit. Following that review, management are of the opinion that no impairment needs to be recognised against the goodwill.

The recoverable amounts of the cash generating units were determined based on value in use calculations for the next five years which management believe they have reasonable knowledge in predicting and will benefit from the resulting cash generation. The 5 year forecast horizon is reasonable based on past experience, contracted terms and the long lead times required for transition off software platforms. Where applicable, management have assumed a forecast growth rate of 2-5% (2022: 1-3.5%).

Details are shown below.

	Content Division %
Content sales revenue growth	3
Hosting revenue growth	3
Time-based service revenue growth	3
Cost base growth	2-5

	Content Division £000
Carrying amount	2,661
Value of intangibles	-
Total goodwill and intangibles	2,661
Recoverable amount	5,694
5-year gross profit reduction for fair value to equal carrying amount	5,600

Management assumptions include stable profit margins based on past experience in this market which the management see as the best available information for the market. Management consider a pre-tax discount factor of 25% will reflect the CGU's cost of capital during the review period (2022: 10%).

The key assumption in the recoverable amount calculations is gross profit. This item can reasonably be expected to change, and the table above shows the total 5-year reduction in gross profit that would be required for the recoverable amount to be equal to the carrying amount. This reduction represents a 47% decrease in gross profit over the 5 years.

#### 11. Other intangibles

	Acquired Software Technology £'000
Cost	
At 31 December 2022	500
At 31 December 2023	500
Accumulated amortisation and impairment	
At 1 January 2022	500
Amortisation	-
At 31 December 2022	500
Amortisation	-
At 31 December 2023	500
Carrying amount	
At 31 December 2021	-
At 31 December 2022	-
At 31 December 2023	-

The cost of the acquired software was calculated by discounting expected cashflows from the acquired advertising software business over a 5 year period. Management expect a minimum of 5 years useful life from the product as current customers are on long term contracts and any customer migrations are very protracted in nature.

The discount rates used in the calculation of intangibles was 10%.

Amortisation has been charged on a straight-line basis from date of acquisition. All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

## 12. Property, plant and equipment

	Office building £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>					
At 1 January 2022	885	-	5	1,977	2,867
Additions	-	-	-	47	47
Disposals	(857)	-	-	(2)	(859)
Exchange differences	-	-	-	28	28
At 31 December 2022	28	-	5	2,050	2,083
Additions	-	-	-	80	80
Disposals	(28)	-	-	-	(28)
Exchange differences	-	-	-	(15)	(15)
At 31 December 2023	-	-	5	2,115	2,120
<b>Accumulated depreciation and impairment</b>					
At 1 January 2022	864	-	5	1,333	2,202
Charge for the year	21	-	-	391	412
Disposals	(857)	-	-	-	(857)
Exchange differences	-	-	-	24	24
At 31 December 2022	28	-	5	1,748	1,781
Charge for the year	-	-	-	288	288
Disposals	(28)	-	-	-	(28)
Exchange differences	-	-	-	(14)	(14)
At 31 December 2023	-	-	5	2,022	2,027
<b>Carrying amount</b>					
At 31 December 2023	-	-	-	93	93
At 31 December 2022	-	-	-	302	302
At 1 January 2022	21	-	-	644	665

The Office Building category consisted of a single right-of-use asset.

Right of Use Assets held under leases with a net book value of £nil (2022: £194K) are included under computer equipment in property, plant and equipment and £194K (2022: £262K) of depreciation was charged on these assets in the year, see note 18 for further details.

### 13. Trade and other receivables

Trade and other receivables comprise the following:

	As at 31 Dec 23	As at 31 Dec 22
	£'000	£'000
Trade receivables - gross	1,699	1,629
Allowance for credit losses	(48)	(83)
Trade receivables - net	1,651	1,546
Other receivables	4	4
Unbilled receivables	182	21
Financial assets at amortised cost	1,837	1,571
Prepayments	348	339
Non-financial assets	348	339
Trade and other receivables	2,185	1,910

All amounts are short term. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Trade receivables at the reporting date comprise amounts receivable from the sale of goods and services of £1.7m (2022: £1.6m, 2021: £1.5m). The average credit period taken on sales of goods is 53 days (2022: 47 days, 2021: 44 days).

In measuring the expected credit losses, the trade receivables have been assessed on an individual basis. Certain trade receivables were found to be individually impaired and an allowance for credit losses of £48K (2022: £83K, 2021: £98K) has been recorded within "sales and marketing" in the Group Statement of Comprehensive Income. This allowance has been determined by reference to expected receipts after considering historical experience, readily available external indicators and forward-looking information. Trade receivables are written off (i.e., derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 6 months from the invoice date, failure to engage with the Group on alternative future payment arrangements and bankruptcy or administration of the customer are considered to be indicators of a potential expected credit loss. The Group has a stable customer base with strong relationships built up over time allowing it to make reasonable assessments of recoverability. The majority of trade receivables relate to customers ongoing ability to function, and past experience indicates the balances are recoverable subject to any future information that becomes available. Where an expected credit loss is recognised, it will be significantly influenced by additional forward looking information such as industry discussion papers, repayment plan reasonableness and direct account management negotiation.

On the above basis the expected credit loss for trade receivables is as follows:

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Balance as at 1 January	83	98
Amounts collected	(35)	(63)
Additional allowance in year	-	48
Balance as at 31 December	48	83

#### 14. Cash and cash equivalents

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Cash at bank and in hand:		
Cash at bank:		
- GBP	2,137	1,947
- USD	527	409
- EUR	12	20
Net cash and cash equivalents	2,676	2,376

Net cash and cash equivalents' is used for the Group Statement of Cash Flows. The net carrying value of cash and cash equivalents is considered a reasonable approximation of fair value.

#### 15. Trade and other payables

Trade payables and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 26 days (2022: 27 days, 2021: 26 days).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Payables falling due within one year:

	As at 31 Dec 23 £'000	Restated As at 31 Dec 22 £'000
Trade payables	348	374
Accruals	342	558
Lease obligations	-	192
Other payables	243	268
Financial liabilities at amortised cost	933	1,392
Social security and other taxes	285	307
Non-financial liabilities	285	307
Trade and other payables	1,218	1,699

Included within provisions are the following items:

	Restated Software development provision £000	Contract provision £000	Restated Total provision £000
Provision at 1 January 2023	139	--	139
Additions in year	-	168	168
Provision at 31 December 2023	139	168	307

The contract provision is for a possible settlement being offered to incentivise a contract renewal under new terms. The software development provision relates to commitments made by the Group to ensure customer owned legacy software will continue to function on evolving hardware technology and also integrate with new applications as they become mainstream. The developments are expected to complete within 12 months. See note 26 for details on the prior period adjustment.

#### 16. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Balance at 1 January	192	450
New leases entered into during the year	-	-
Repayments made during the year	(207)	(277)
Finance charges	15	19
Balance at 31 December	-	192

Presented as:

Lease liability payable within 1 year	-	192
Lease liability payable in more than 1 year	-	-
Balance at 31 December	-	192

## 17. Deferred tax

The movement in deferred tax within the Group Statement of Financial Position is as follows:

	Deferred tax liability		Deferred tax asset	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance as at 1 January	(37)	(88)	1,384	1,163
Charged to Group Statement of Comprehensive income (note 8)	37	51	238	221
Balance at 31 December	-	(37)	1,622	1,384

The components of deferred tax included in the Group Statement of Financial Position are as follows:

	Property, plant and equipment	Tax losses	Other temporary differences	Total
	£'000	£'000	£'000	£'000
Balance as at 1 January 2022	(88)	1,163	-	1,075
(Charged) / credited to Group Statement of Comprehensive income (note 8)	51	221	-	272
Balance at 31 December 2022	(37)	1,384	-	1,347
Credited to Group Statement of Comprehensive income (note 8)	37	238	-	275
Balance at 31 December 2023	-	1,622	-	1,622

Deferred tax is provided for at tax rates of 19% and 25% as applicable to each future accounting period. For further details see note 8.

## 18. Lease arrangements

### The Group as lessee

Elements of the Group's equipment are held under lease arrangements. As at 31 December 2023, the net carrying amount of equipment under lease arrangements was £nil (2022: £194K). Lease liabilities are secured by the related assets. Future minimum lease payments are as follows:

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Balance at 1 January	192	450
New leases entered into during the year	-	-
Repayments made during the year	(207)	(277)
Finance charges	15	19
Balance at 31 December	-	192

Presented as:

Lease liability payable within 1 year	-	192
Lease liability payable in more than 1 year	-	-
Balance at 31 December	-	192

The lease agreements include fixed payments and a purchase option at the end of the lease. The agreement is non-cancellable and does not contain any further restrictions.

The table below describes the nature of the Group's leasing activities:

Right of use (ROU) asset	No. of ROU assets	Range of remaining term	Average remaining term	No. of leases with extension options	No. of leases with option to purchase	No. of leases with variable payments	No. of leases with termination options
IT equipment	3	-	-	-	3	-	-

The Group has elected to apply the practical expedient permitted under IFRS 16 to not recognise a right of use asset and lease liability due to a short term or immaterial nature. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of lease liability is as follows:

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Short term leases	37	30
Leases of low value assets	-	-
Variable lease payments	-	-

The Group's future aggregate minimum lease payments are as follows:

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Short term leases	23	23
Leases of low value assets	-	-
Variable lease payments	-	-

The Group's lease agreements do not contain any contingent rent clauses. None of the lease agreements contain escalation clauses or any restrictions regarding dividends, further leasing or additional debt.

#### 19. Share capital

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Issued and fully paid:		
15,123,125 (2022: 15,123,125, 2021: 16,919,609) ordinary shares of 10p each	1,512	1,512

There is one class of ordinary shares and holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

#### Share transactions

During the year, the Company did not purchase any shares (2022: The Company purchased 1,796,484 shares at a tender price of 115 pence. The shares were subsequently cancelled). There were no shares issued during the year (2022: None).

#### 20. Share options

The Group have an approved Executive Management Incentive (EMI) share option scheme. Further details are detailed below.

#### Approved EMI scheme

This scheme is part of the remuneration package of the Group's senior management. Options will vest if certain conditions, as defined in the scheme, are met. These conditions have included a combination of Group EBITDA performance versus budget and employment tenure. EBITDA performance measures are now known and tenure remains the only current vesting condition. Participating employees have to be employed at the end of each period to which the options relate. Upon vesting, each option allows the holder to purchase ordinary shares at the market price on date of grant.

Share options and weighted average exercise prices are as follows:

	Number of shares	Weighted average exercise price per share (£'s)
Outstanding at 1 January 2021	669,578	0.79
Granted	410,000	0.81
Lapsed	(78,027)	0.75
Outstanding at 31 December 2021	<u>1,001,551</u>	<u>0.80</u>
Lapsed	(38,333)	0.85
Outstanding at 31 December 2023	<u>963,218</u>	<u>0.80</u>

Further details on share options are detailed below:

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Weighted average remaining contractual life	80 months	93 months
Weighted average exercise price	80 pence	80 pence
Range of exercise prices	73.5-156 pence	73.5-156 pence
Number of options exercisable	598,218	601,551

The fair value of options granted were determined using the Black Scholes method. The following principal assumptions were used in the valuation:

Grant date	Jan 2016	Feb 2016	Aug 2016	Sept 2017	Sept 2019	July 2022
Vesting period ends	31 Dec 16	31 Dec 16	31 Dec 16	31 Dec 18	31 Dec 22	31 Dec 25
	31 Dec 17	31 Dec 17	31 Dec 17	31 Dec 19		
	31 Dec 18	31 Dec 18	31 Dec 18	31 Dec 20		
Share price at grant	£1.27	£1.27	£1.30	£1.56	£0.74	£0.81
Volatility	26%	26%	16%	16%	27%	27%
Risk free investment rate	5%	5%	5%	5%	5%	5%
Fair value of option – 31 Dec 2016 vesting period	18p	18p	9p	-	-	-
Fair value of option – 31 Dec 2017 vesting period	26p	26p	17p	-	-	-
Fair value of option – 31 Dec 2018 vesting period	32p	32p	23p	16p	-	-
Fair value of option – 31 Dec 2019 vesting period	-	-	-	24p	-	-
Fair value of option – 31 Dec 2020 vesting period	-	-	-	31p	-	-
Fair value of option – 31 Dec 2022 vesting period	-	-	-	-	18p	-
Fair value of option – 31 Dec 2025 vesting period	-	-	-	-	-	20p

The underlying volatility was determined with reference to the historical data of the Company's share price. In total £23K (2022: £29K) of employee remuneration expense and has been included in the profit for the year.

## 21. Notes to the cash flow statement

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. Refer to note 14 'cash and cash equivalents'. The initial recognition of lease liabilities are non-cash transactions excluded from the statement of cash flows.

Net debt reconciliation	Leases £'000	Bank £'000	Total £'000
Net debt at 1 January 2022	(450)	3,006	2,556
New leases	-	-	-
Financing cashflows	258	(626)	(368)
Interest payment	18	-	18
Other charges:			
Interest charge	(18)	-	(18)
Foreign exchange adjustments	-	(4)	(4)
Net debt at 31 December 2022	<u>(192)</u>	<u>2,376</u>	<u>2,184</u>
New leases	-	-	-
Financing cashflows	192	299	491
Interest payment	15	-	15
Other charges:			
Interest charge	(15)	-	(15)
Foreign exchange adjustments	-	1	1
Net debt at 31 December 2023	<u>-</u>	<u>2,676</u>	<u>2,676</u>

## 22. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

### Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the Directors' remuneration report on page 44.

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Short term employee benefits	741	709

### Directors' transactions

The amounts outstanding as at 31 December 2023 relate to amounts due from Ingenta plc to Directors in connection with invoiced Non-Executive fees.

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Amounts outstanding with Directors	7	3

### Joint Venture transactions

The Joint Venture loan payable amounts to £149K (2022: £149K). The loan balance has no defined terms including any details on repayment terms or interest.

## 23. Financial risk management

The Group is exposed to various risks in relation to financial assets and liabilities. The main types of risk are foreign currency risk, interest rate risk, market risk, credit risk and liquidity risk.

The Group's risk management is closely controlled by the Board and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. The Group does not actively trade in financial assets for speculative purposes nor does it write options. The most significant financial risks are currency risk and certain price risks.

### Foreign currency sensitivity

The Group trades in Sterling (GBP), US Dollars (USD) and Euros (EUR). Most of the Group's transactions are carried out in Sterling and US Dollars. Exposure to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily in USD, through the trading divisions in the USA (Ingenta Inc. and Publishers Communication Group Inc.). The Group does not borrow or invest in USD other than an intercompany loan denominated in USD between Vista International Ltd and Vista North America Holdings Ltd, the currency movement on which offsets within the Group Statement of Comprehensive Income.

In order to mitigate the Group's foreign currency risk, non-GBP cash flows are monitored and excess USD and EUR not required for foreign currency expenditure are translated into GBP on an on-going basis. The Group is a net importer of USD being cash flow positive by approximately \$2.0m per annum. No further hedging activity is undertaken. The Group does not enter into forward exchange contracts.

Foreign currency denominated financial assets and liabilities, translated into GBP at the closing rate, are as follows:

	Short-term exposure USD £'000	Long-term exposure USD £'000
<b>31 December 2023</b>		
Financial assets	178	-
Financial liabilities	(80)	-
<b>Total exposure</b>	<b>98</b>	<b>-</b>
<b>31 December 2022</b>		
Financial assets	80	-
Financial liabilities	(83)	-
<b>Total exposure</b>	<b>(3)</b>	<b>-</b>

The following table illustrates the sensitivity of profit and equity with regard to the Group's financial assets and financial liabilities and the USD / GBP exchange rate "all other things being equal". Transactions in EUR are immaterial and therefore movements of the EUR / GBP exchange rate have not been analysed.

It assumes a + / - 10% change of the USD / GBP exchange rate for the year ended 31 December 2023 (2022: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group foreign currency financial instruments held at each reporting date.

If GBP had strengthened against USD by 10% (2022: 10%) then this would have had the following impact:

	Loss for the year USD £'000	Equity USD £'000
31 December 2023	(83)	(97)
31 December 2022	(45)	(91)

If GBP had weakened against USD by 10% (2022: 10%) then this would have had the following impact:

	Profit for the year USD £'000	Equity USD £'000
31 December 2023	102	119
31 December 2022	55	111

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

#### Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long term financing. Long term borrowings are therefore usually at fixed rates. At 31 December 2023 and 31 December 2022, the Group had no exposure to borrowings on variable interest terms and hence no sensitivity of profit or equity to changes in interest rates.

#### Credit risk analysis

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:

	2023 £'000	2022 £'000
Cash and cash equivalents (note 14)	2,676	2,376
Trade receivables - net (note 13)	1,651	1,546
Other receivables (note 13)	4	4
Unbilled receivables (note 13)	182	21
	4,513	3,947

The credit risk in respect of cash and cash equivalents is considered negligible as they are held with major reputable financial institutions only.

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

The Group continuously monitors defaults of customers and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and reports on customers are used and the Group's policy is only to deal with creditworthy customers. The credit terms range between 30 and 75 days and support and maintenance customers are required to pay the annual amount upfront, mitigating the credit risk. The ongoing credit risk is managed through regular review of ageing analysis. Some of the unimpaired trade receivables are past due at the reporting date.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk from any single customer or group of customers having the same characteristics. Trade receivables consist of a large number of customers in different sectors of the market and geographical locations.

The carrying amount of financial assets whose terms have been renegotiated, that would otherwise be past due or impaired is £Nil (2021 & 2020: £Nil). Details of trade receivables that have not been settled by the contractual due date but are not considered to be impaired are included in note 13.

#### Liquidity risk analysis

The Group manages its liquidity needs by monitoring scheduled debt repayments for long term financial liabilities as well as forecast cash flows due in day-to-day business. Liquidity needs are monitored in various time bands. Short term cash flow is monitored daily using known daily inflows and outflows for cash within 8 to 12 weeks. Medium term cash flows within 12 months are monitored

using monthly rolling forecast data. Longer term cash flows are monitored using higher level management strategy documents. Net cash requirements are compared to cash balances and forecast in order to determine headroom or any shortfalls. This analysis shows if available cash is expected to be sufficient over the lookout period of 15 months to March 2025.

The Group maintains sufficient cash balances and enters into lease arrangements to meet its liquidity requirements for the medium-term forecast period (1 year).

As at 31 December 2023, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current £'000			Non-current £'000
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
31 December 2023:				
Lease obligations	-	-	-	-
Trade and other payables (note 15)	933	-	-	-
<b>Total</b>	<b>933</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Restated Current £'000			Non-current £'000
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
31 December 2022:				
Lease obligations	115	77	-	-
Trade and other payables (note 15)	1,200	-	-	-
<b>Total</b>	<b>1,315</b>	<b>77</b>	<b>-</b>	<b>-</b>

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

Where the customer has a choice of when an amount is paid the liability has been included on the earliest date on which payment can be required.

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities.

An analysis of the Group's financial assets is set out below:

	As at 31 December 2023			As at 31 December 2022		
	Amortised cost £'000	FVTPL £'000	Total £'000	Amortised cost £'000	FVTPL £'000	Total £'000
Trade and other receivables	1,837	-	1,837	1,571	-	1,571
Cash and cash equivalents	2,676	-	2,676	2,376	-	2,376
<b>Total financial assets</b>	<b>4,513</b>	<b>-</b>	<b>4,513</b>	<b>3,947</b>	<b>-</b>	<b>3,947</b>

An analysis of the Group's financial liabilities is set out below:

	As at 31 December 2023			As at 31 December 2022		
	Other liabilities (amortised cost) £'000	Other liabilities at FVTPL £'000	Total £'000	Other liabilities (amortised cost) £'000	Other liabilities at FVTPL £'000	Total £'000
Non-current lease obligations	-	-	-	-	-	-
Current lease obligations	-	-	-	192	-	192
Trade and other payables	933	-	933	1,200	-	1,200
<b>Total financial liabilities</b>	<b>933</b>	<b>-</b>	<b>933</b>	<b>1,392</b>	<b>-</b>	<b>1,392</b>

#### 24. Capital management policies and procedures

The Group's capital management objectives are:

To ensure the Group's ability to continue as a going concern and provide an adequate return to shareholders.

The Group monitors capital on the basis of the carrying amount of equity plus any loan notes less cash and cash equivalents. The Group's goal in capital management is a capital to overall financing ratio of 1:6 to 1:4.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

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

	2023 £'000	Restated 2022 £'000
Total equity	5,661	4,074
Cash and cash equivalents	(2,676)	(2,376)
Capital	2,985	1,698
Total equity	5,661	4,074
Borrowings	-	-
Overall financing	5,661	4,074
Capital to overall financing ratio	0.53	0.42

## 25. Post balance sheet events

There are no post balance sheet events.

## 26. Prior period adjustment

In the prior year, the Group recorded software provisions of £439K within accruals which related to development work required to ensure older software products could easily migrate to newer versions of hardware and also integrate with necessary third party software integrations. These amounts had previously been reported within accruals but should have been disclosed separately on the face of the statement of financial position as a provision. Additionally, £300K of the previously reported £439K software development provision was connected to software as a service revenues where the underlying software asset is owned by the Group. IFRS 15 and IAS 37 do not allow the recognition of a provision in these circumstances and dictate that these development costs should be expensed as incurred rather than accrued in advance. Therefore, this £300K component of provisions has been credited to the 2022 statement of comprehensive income as a prior period adjustment.

The error has been corrected by restating each of the affected financial statement line items as follows:

	Year ended 31 Dec 22 £'000	Change	Restated Year ended 31 Dec 22 £'000
<b>Group statement of comprehensive income extract</b>			
Cost of sales	(5,348)	300	(5,048)
Gross profit	5,103	300	5,403
Profit from operations	1,220	300	1,520
Profit before income tax	1,199	300	1,499
Profit for the year attributable to equity holders of the parent	1,459	300	1,759
Total comprehensive profit for the year attributable to equity holders of the parent	1,766	300	2,066
<b>Group statement of financial position extract</b>			
Trade and other payables	2,138	(439)	1,699
Provisions	-	139	139
Total liabilities	4,859	(300)	4,559
Retained earnings	(3,564)	300	(3,264)
Total equity	3,774	300	4,074
<b>Group statement of changes in equity extract</b>			
Profit for the year	1,459	300	1,759
Retained earnings	(3,564)	300	(3,264)
<b>Group statement of cashflows extract</b>			
Increase in trade and other payables and contract liabilities	894	(439)	455
Increase in provisions	-	139	139
<b>Other changes</b>			
Basic profit per share (pence)	9.02	1.86	10.88
Diluted profit per share (pence)	8.94	1.46	10.40

## Company statement of financial position

	note	31 Dec 23 £'000	Restated 31 Dec 22 £'000
<b>Non-current assets</b>			
Investments	4	-	-
Trade and other receivables	5	15,074	12,676
		<u>15,074</u>	<u>12,676</u>
<b>Current assets</b>			
Cash and cash equivalents		4	4
		<u>4</u>	<u>4</u>
<b>Total assets</b>		<u>15,078</u>	<u>12,680</u>
<b>Equity</b>			
Called up share capital	7	1,512	1,512
Capital redemption reserve		180	180
Share option reserve		140	117
Retained earnings		13,097	10,053
<b>Total Equity</b>		<u>14,929</u>	<u>11,862</u>
<b>Current liabilities</b>			
Trade and other payables	6	149	818
<b>Non-current liabilities</b>			
<b>Total liabilities</b>		<u>149</u>	<u>818</u>
<b>Total equity and liabilities</b>		<u>15,078</u>	<u>12,680</u>

The profit recognised in the year was £3,589K (2022: £5,025K).

The financial statements were approved by the Board of Directors and authorised for issue on 24<sup>th</sup> May 2024 and were signed on its behalf by:



J R Sheffield, Director



G S Winner, Director

Registered number: 00837205

The accompanying notes form part of these financial statements.

## Company statement of changes in equity

	Share capital £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2022	1,692	-	88	7,773	9,553
Dividends paid	-	-	-	(523)	(523)
Shares repurchased and cancelled	(180)	180	-	(2,222)	(2,222)
Share options granted	-	-	29	-	29
Transaction with owners	(180)	180	29	(2,745)	(2,716)
Profit for the year	-	-	-	5,025	5,025
Total comprehensive income / (expense) for year	-	-	-	5,025	5,025
Balance at 31 December 2022	1,512	180	117	10,053	11,862
Dividends paid	-	-	-	(545)	(545)
Share options granted	-	-	23	-	23
Transaction with owners	-	-	23	(545)	(522)
Profit for the year	-	-	-	3,589	3,589
Total comprehensive income / (expense) for year	-	-	-	3,589	3,589
Balance at 31 December 2023	1,512	180	140	13,097	14,929

# Notes to the Company financial statements

## 1. Accounting Policies

### Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates and management are required to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 45(b) and 46 to 52 of IFRS 2 'Share based payment' including details of the number and weighted average exercise prices of share options and how the fair value of goods or services received was determined.
- IFRS 7 'Financial instruments' disclosures
- Paragraph 91 to 99 of IFRS 13 'Fair value measurement' disclosures relating to valuation techniques and inputs used for fair value measurement of assets and liabilities.
- The following paragraphs of IAS 1 'Presentation of financial statements':
  - 10(d) statement of cashflows
  - 16 statement of compliance with all IFRS
  - 38A requirement for a minimum of two primary statements, including cashflow statements
  - 38B-D additional comparative information
  - 111 Statement of cashflow information
  - 134-136 Capital management disclosures
- IAS 7 'Statement of cashflows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' and the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.
- Paragraph 17 of IAS 24 'Related party disclosures' and the requirement to present key management compensation.
- IAS 24 'Related party disclosures' and the requirement to disclose related party transactions entered into between two or more members of a group.

### Accounting policies

A summary of the principal Company accounting policies, which have been applied consistently, is set out below.

### Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

### Going concern

The Parent Company relies on its subsidiary companies to generate cash and transfer funds to the parent as required. The Directors are satisfied that the subsidiaries are able to provide this support.

Refer to the Group going concern note for further details on the procedures undertaken by the Directors to satisfy themselves that the going concern assessment is reasonable.

#### Share options

Please refer to the Group accounting policies note for full details. Within the parent company accounts, share based payments are recorded as an increase to investments and credited to the share option reserve within equity.

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date.

Transactions in foreign currencies during the year are recorded at a monthly estimated rate set at the beginning of each month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and not subsequently retranslated.

#### Deferred taxation

Provision is made for deferred taxation, using the full provision method, on all taxable temporary differences. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

#### 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 statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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

#### Significant accounting estimates and judgements

When preparing the financial statements management make estimates, judgements and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by

management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

#### Intercompany receivables

The Company assesses the carrying value of its intercompany receivables using a probability weighting applied to 3 recovery scenarios. These scenarios include immediate repayment via a company sale and a 2 and 5 year repayment plan. The receivables are repayable on demand and non-interest bearing. Time to pay calculations include estimates about future financial performance and cash generation over a 2 and 5 year repayment period. An immediate trade sale includes an estimate of a company selling price that would successfully complete in an appropriate time scale.

#### Subsidiary investments

The Company assesses the carrying value of its subsidiary investment balances in conjunction with its assessment of Intercompany receivables. The same repayment plan model is used to assess the combined balance and any identified impairment will be applied to the investment balance first and then the intercompany receivable balance if appropriate. The investments relate to current trading entities or business units which are the value drivers of the Group.

## 2. Profit for the financial year

The parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements. The parent Company's profit for the year was £3,589K (2022: £5,025K), impairment for intercompany debtors was a credit to the income statement of £3,932K (2021: debit of £967K) and impairment of investments was a charge of £23K (2022: £29K). An audit fee of £20K was paid in respect of the parent Company audit (2022: £20K).

Tax fees for the Group of £1K (2022: £1K) have been borne by the subsidiary companies.

The Company employed two Executive Directors (2022: two), three Non-Executive Directors (2022: three) and the Non-Executive Chairman. The costs of these employees and the fees for the other Non-Executive Directors were borne by the subsidiaries.

### 3. Staff Numbers and Costs

	Year ended 31 Dec 23 Average number	Year ended 31 Dec 22 Average number
Staff numbers:		
Operations	6	6

	Year ended 31 Dec 23 £'000	Year ended 31 Dec 22 £'000
Remuneration in respect of Directors was as follows:		
Non-Executive	182	174
Executive Directors' emoluments	464	445
Company pension contributions to money purchase schemes	44	43
	<u>690</u>	<u>662</u>

Remuneration of the highest paid Director (aggregate emoluments):		
Salaries	260	268
Other Benefits	16	14
Contribution to defined contribution plans	4	4
	<u>280</u>	<u>286</u>

### 4. Investments

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Cost		
At 1 January	4,376	4,347
Share options issued to employees of subsidiaries	23	29
At 31 December	<u>4,399</u>	<u>4,376</u>
Impairment		
At 1 January	4,376	4,347
Charge for the year	23	29
At 31 December	<u>4,399</u>	<u>4,376</u>
Carry amount		
At 31 December	<u>-</u>	<u>-</u>

Investments are investments in subsidiary and Joint Venture undertakings.

Details of subsidiary undertakings, in which the Company holds majority shareholdings and investments in which the Company holds significant interest and which have been consolidated and disclosed respectively in the Group financial statements, are as follows:

Company	Country of registration	Registered address	Holding	Proportion held	Nature of the business
Catchword Limited	England	UK*	Ordinary shares	100%	Dormant
			Preference shares	100%	
Ingenta Holdings Limited	England	UK*	Ordinary shares	100%	Dormant
Ingenta US Holdings Inc.	USA	US*	Ordinary shares	100%	Holding Company
Publishers Communication Group Inc	USA	US*	Ordinary shares	100%	Marketing and Sales Consultancy
Ingenta UK Limited	England	UK*	Ordinary shares	100%	Publishing Software and Services
Ingenta Inc	USA	US*	Ordinary shares	100%	Publishing Software and Services
Publishing Technology do Brasil LTDA	Brazil	BRA*	Ordinary shares	100%	Publishing Software and Services
Publishing Technology Australia Pty Ltd	Australia	AUS*	Ordinary shares	100%	Publishing Software and Services
Vista Computer Services Limited	England	UK*	Ordinary shares	100%	Dormant
Vista Computer Services LLC	USA	US*	Ordinary shares	100%	Dormant
Vista Holdings Limited	England	UK*	Ordinary shares	100%	Dormant
Vista International Limited	England	UK*	Ordinary shares	100%	Holding Company
Vista North America Holdings Limited	England	UK*	Ordinary shares	100%	Non-Trading Holding Company
Uncover Inc	USA	US*	Ordinary shares	100%	Dormant
Beijing Ingenta Digital Publishing Technology Limited	China	CHI*	Ordinary shares	49%	Publishing Software and Services
5 Fifteen Limited	England	UK*	Ordinary shares	100%	Digital Advertising Solutions
5 Fifteen Inc.	USA	US*	Ordinary shares	100%	Digital Advertising Solutions

UK\* Suite 2, Whichford House, Parkway Court, John Smith Drive, Oxford, OX4 2JY, UK

US\* 317 George Street, New Brunswick, NJ 08901, USA

CHI\* Room 2227, Building D33 No.99, Kechuang 14<sup>th</sup> Street, Beijing Economic and Technological Development Zone, China

AUS\* Suite 2, Ground Floor, 5 Alexander Street, Crows Nest, NSW 2065, Australia

BRA\* Edifício Esplanada Park, Rua Jeronimo da Veiga, 164, 16C-16 andar, Itaim Bibi, 04536-000, Brazil

## 5. Trade and other receivables

	As at 31 Dec 23 £'000	Restated As at 31 Dec 22 £'000
Amounts falling due after one year		
Other debtors:		
Amounts due from subsidiary undertakings	17,501	21,655
Provision for intercompany debtors	(2,427)	(8,979)
	<u>15,074</u>	<u>12,676</u>

Balances recorded for subsidiary undertakings are not governed by formal loan agreements and are repayable on demand with no interest charged.

## 6. Trade and other payables

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Amounts falling due within one year		
Other creditors:		
Amounts due to subsidiary undertakings	-	669
Accruals	149	149
	<u>149</u>	<u>818</u>

## 7. Share Capital

	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000
Issued and fully paid:		
15,123,125 (2022: 15,123,125) ordinary shares of 10p each	1,512	1,512

### Share transactions

During the year, the Company did not purchase any shares (2022: The Company purchased 1,796,484 shares at a tender price of 115 pence. The shares were subsequently cancelled). There were no shares issued during the year (2022: None).

There is one class of ordinary shares and holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

## 8. Related party transactions

Please refer to note 22 of the Group financial statements for related party transactions.

## 9. Financial assets and liabilities

An analysis of the company's assets is set out below:

	As at 31 December 2023		As at 31 December 2022	
	Loans and receivables	Total for financial position heading	Loans and receivables	Total for financial position heading
	£'000	£'000	£'000	£'000
Other receivables	15,074	15,074	12,676	12,676
Cash and cash equivalents	4	4	4	4
	<u>15,078</u>	<u>15,078</u>	<u>12,680</u>	<u>12,680</u>

	As at 31 December 2023		As at 31 December 2022	
	Financial liabilities at amortised cost	Total for financial position heading	Financial liabilities at amortised cost	Total for financial position heading
	£'000	£'000	£'000	£'000
Other payables	-	-	669	669
Other creditors	149	149	149	149
	<u>149</u>	<u>149</u>	<u>818</u>	<u>818</u>

## 10. Prior period adjustment

Adjustments have been made to the classification of intercompany receivables. In the prior year the receivables were incorrectly presented as current assets due within 1 year. Recoverability of the receivable is modelled on the weighted probability of 3 scenarios including an immediate sale and a 2 and 5 year time to repay model. As a result, the classification has been changed to a non-current receivable. There has been no impact on the retained earnings brought forward.

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