checkit

Powering Predictive Operations

Annual Report and Accounts 2025

Checkit’s mission is to eliminate operational waste by evolving standard operating procedures into Predictive Operations, thereby ensuring compliance, maximising productivity, and unlocking new value opportunities at scale.

Our business model combines a Cloud-based Platform, Integrated sensors, and Mobile capabilities.

The Checkit **Platform** provides the capabilities and intelligence to drive automation, analytics, and operational predictability.

Integrated sensors capture real-time data from physical environments, enabling seamless data logging, precise accuracy, and operational **scalability** of use cases and automation.

Mobile capabilities enable a connected frontline workforce, aligning operational procedures and protocols while delivering value to customers with **simplicity** in mind.

Our value proposition derives from combining **predictability** through data-driven insights, scalability via integrated sensors and use cases, and **simplicity** through intuitive mobile applications — enabling customers to establish, evolve, and expand Predictive Operations.

Financial highlights

Total Revenue **£14.1m +17%** (FY24: £12.0m)	Group bookings[4] **£2.1m +33%** (FY24: £1.6m)
Recurring revenue **£13.1m +17%** (FY24: £11.2m)	Annual Recurring Revenue (ARR)[1] **£14.4m +8%** (FY24: £13.3m)
Adjusted LBITDA[3] **£2.3m +33%** (FY24: loss of £3.4m)	Net cash **£5.1m** (FY24: £9.0m)

Operational highlights

Progress towards profitability

Cash consumption reduced by **40%** driven by revenue growth of **17%**, and an increase in gross margins to **70%**

New product functionality

Launch of new revenue generating product features including Asset Intelligence, based on proprietary Artificial Intelligence (AI) and Machine Learning (ML) models, integrating sensor networks, workflows and analytics

Compound recurring revenue growth of 27%

since FY20, reflecting strategic focus on subscription-based sales

Net revenue retention (NRR)[2] of 107%

demonstrating 'land and expand' strategy

1 Annual Recurring Revenue (ARR) is defined as the annualised value of contracted recurring revenue from subscription services as at the period end, including committed annual recurring revenue from new wins.

2 Net retention revenue (NRR) is defined as the amount of recurring revenue from existing customers retained over the year.

3 Adjusted LBITDA is the loss on operating activities before depreciation and amortisation, share-based payment charges and non-recurring or special items.

4 Bookings are defined as the committed Annual Recurring Revenue ("ARR") of new sales wins contracted during the period

Contents

Company overview

Checkit powers Predictive Operations for large facilities and multi-site organisations. By enabling them to move beyond outdated, reactive ways of working to automated data collection, digitised workflows, and AI-driven intelligence, we empower organisations to increase compliance, safety, and bottom-line revenue.

Our services are delivered to hundreds of customers across the globe, including Global Fortune 500 companies and public health organisations. Our customers use Checkit to digitise manual processes with our highly configurable platform and top-of-the-line integrated sensors, enhanced by AI and ML. In the last year our platform handled 12 billion+ sensor readings and 10 million+ completed workflows, delivering unmatched efficiency, safety, and total operational visibility.

Predictability + Scalability + Simplicity = Predictive Operations

Checkit is transforming how forward-thinking digital-first organisations execute frontline work, blending execution, automation, and intelligence across every business function.

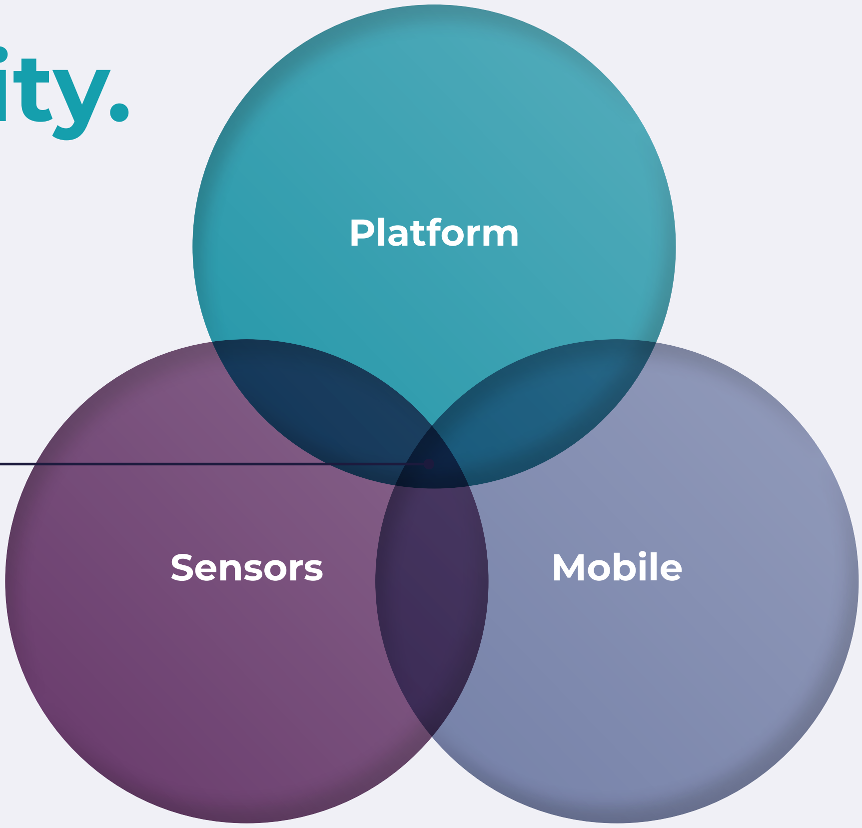
We connect people, assets, and workflows to generate performance data that informs operational strategy, execution, and compliance. Our single-source digital solution is proven to unlock efficiencies at scale, driving down costs and risk while elevating service delivery at the frontline.

Predictive Operations deliver clarity to business leaders — enabling them to see, understand, and optimise enterprise-wide processes and asset utilisation with ease.

Our customers include:

Predictability. Scalability. Simplicity.

An end-to-end digital solution.



Predictive Operations

Operations provided by digitally enabled frontline workers and integrated sensors — drives value and impact from the outset. Checkit enhances the activities performed by frontline workforces and increases asset utilisation efficiency through its end-to-end platform, built to help organisations become digital and data-first.

Sensors

- Top-of-the-line integrated sensors
- Effective, reliable and compliant technology
- Fully-installed and maintained by Checkit's team of experts

Platform

- Automated workflows and task management
- Monitors and analyses all mission-critical sensor data
- Real time, pre-emptive digital alerts
- Advanced analytics and dashboards

Mobile

- Enable an organisation to move from manual labour dependency to a digitally-optimised automated workplace
- Responsive, experienced staff who know sensors and platform capabilities in multiple environments empowering reliable and stable operations

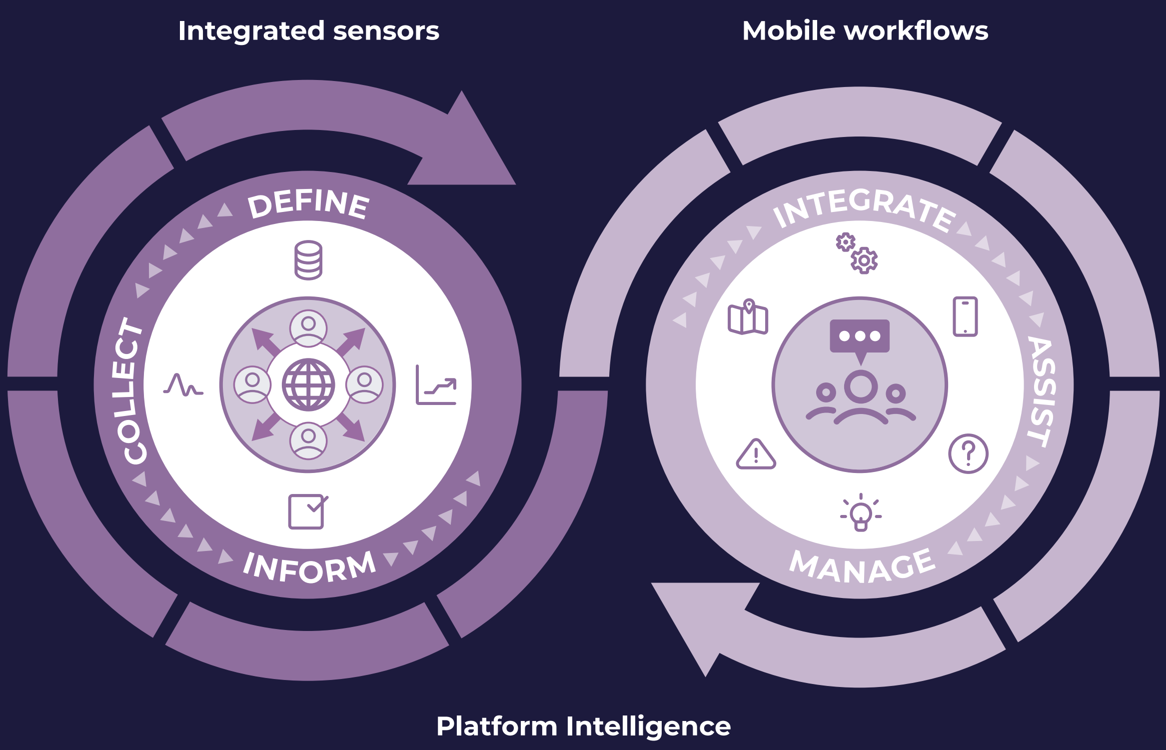
Investment case

Reasons to invest in Checkit

- Recurring revenue model with profitability within reach
- Differentiated technology using AI and ML
- Established presence in the United States
- Focused on large vertical markets with reference customers

Guided workflow management, integrated sensor automation

Organisations are prioritising operational efficiency as rising costs, economic uncertainty, and competition drive investment in the digital transformation of frontline operations. This has intensified the demand for data-driven insights, driving adoption of automated and integrated solutions. Checkit sits at the heart of this, empowering organisations to optimise their two most valuable resources — people and assets — for greater productivity and efficiency.



Recurring revenue model with profitability within reach

That we serve fast-growing markets is illustrated by the 27% CAGR (Compound Annual Growth Rate) in recurring revenues over the last five years. We have great customer retention, with some 94% of revenues classed as recurring, underpinning the outlook for future financial years. With further growth in revenues and with careful control of costs, this provides us with a pathway to positive cash flow.

Differentiated technology using AI and ML

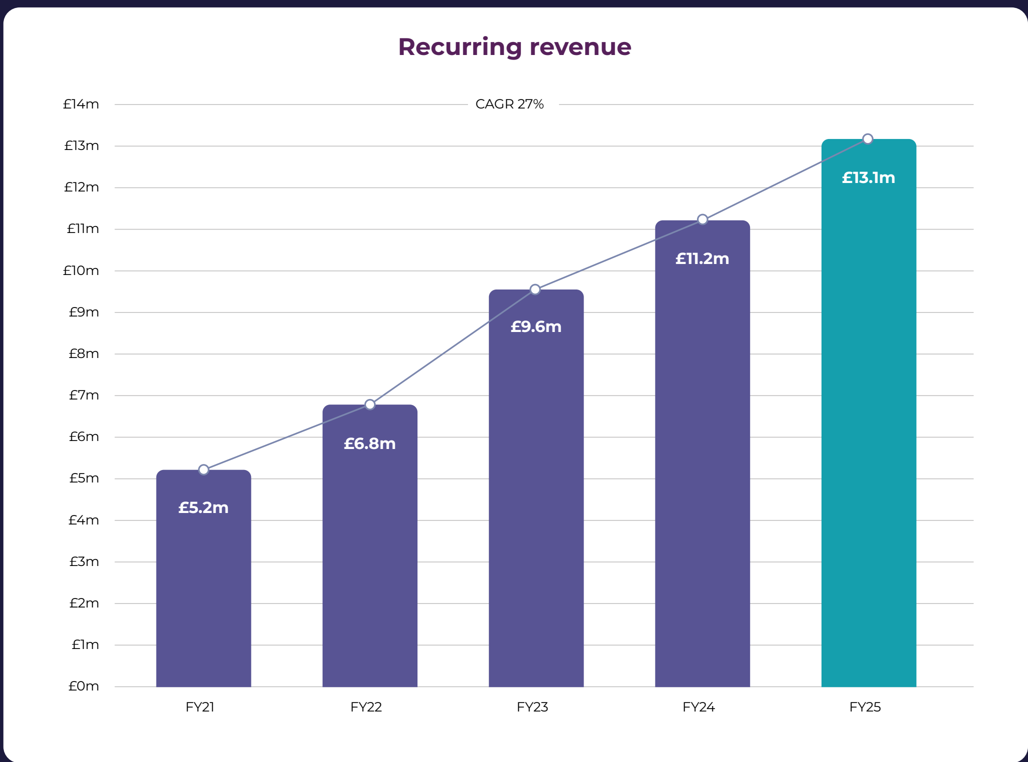
Our platform and integrated sensors provide real-time intelligence, supported by AI and ML capabilities that add value to staff workflows and asset health management. This enables managers to optimise working practices, unlocking productivity gains, enhancing customer service, and efficiently managing assets such as freezers. As a result, costs are reduced, and wastage and emissions are minimised.

Established presence in the United States

Our focus is on scaling our business in the US while continuing to drive growth in the UK. Our 'land and expand' strategy is delivering on this, with the US now contributing over a quarter of the Group's annual recurring revenue.

Serving large vertical markets

We focus on two principal markets, the UK and the US, targeting sectors such as hospitality, leisure, healthcare and retail. Our customers in leisure and retail include John Lewis & Partners, BP, and Tenpin. In the healthcare sector, customers include Octapharma (the largest privately owned and independent plasma fractionator in the world), Grifols (a leading global healthcare company that develops plasma-derived medicines and other biopharmaceutical solutions) and the UK's NHS.



Non-Executive Chairman’s statement

Consistent growth and positioned for profitability

Keith Daley
Non-Executive Chairman

“Checkit continues to innovate in order to meet the sustainability challenges faced by our customers.”

Following another year of progress, we are closer to our goal of achieving profitability.

Dear Shareholders

On behalf of the Board, I should like to thank Chief Executive Officer Kit Kyte, Chief Financial Officer Kris Shaw, the rest of the senior management team and indeed all staff in the UK and US who have contributed to the performance of Checkit.

FY25 was a challenging year for our customers. The containment of costs, in the context of dramatic increases in pay-related overheads in our UK target markets, has become paramount for all businesses and Checkit is well placed to help achieve the productivity improvements our customers seek.

Against the backdrop of macroeconomic constraints, Checkit’s operating performance was in line with Board and market expectations. Our goal is to achieve profitability and cash generation through revenue growth and cost control. Growth will be achieved organically and through acquisitions if suitable targets present themselves.

Finally, I should like to take the opportunity to state that the Board is fully aware of the disparity between our improving performance and the share price on AIM. Over the next 12 months the Board will be focused on addressing this problem.

Keith Daley
Non-Executive Chairman
23 April 2025

Chief Executive Officer's review

Executing on strategy: growth and profitability in focus

Kit Kyte
Chief Executive Officer

Annual recurring revenue grew by 8% to
£14.4m
(FY24: £13.3m)

17% growth in reported recurring revenue of
£13.1m
(FY24: £11.2m)

Reflecting on fiscal year 2025, Checkit has achieved significant milestones, including robust financial growth, and advancements in harnessing data and AI to strengthen our competitive advantage.

Expediting profitability has become the main effort for the Company in the near term. To that end, we recently announced a strategic plan to deliver accelerated profitability and sustainable growth. This plan reflects the evolving economic landscape in our key markets, with the UK National Insurance increase and the introduction of US trade tariffs contributing to uncertainty and caution among customers. In light of these challenges, the Company has taken proactive steps to strengthen its financial position.

A review of Checkit's operations and cost base, has resulted in the identification and implementation of measures expected to deliver annualised cash savings of approximately £3 million from quarter two of the current financial year, with the full benefit to be realised in the subsequent financial year. The implementation of these measures is expected to bring forward the point at which the Company starts to generate net cash inflows.

Strategy and ambitions

We fulfill market needs with a comprehensive solution that excels in the gathering of data for analytics, offering insights that empower our customers to make informed decisions, implement cost efficiencies, and secure compliance with their policies. Our goal is to be a leader in augmented workflow management for the frontline workforce.

We secure initial wins in discrete customer locations or functions, and then build deeper customer relationships that drive long-term growth. Our ability to drive growth this way is demonstrated in our strong net revenue retention rate of 107%, providing visibility of future ARR expansion. We have made significant strides in transforming Checkit into a predominantly subscription-based model, with non-recurring revenues in FY25 constituting only 6% of total revenue. This shift enhances our revenue predictability and strengthens customer engagement, paving the way for additional business.

As part of the recently announced strategic plan the Checkit management team has undertaken a comprehensive evaluation of the entire business. This in-depth review generated valuable insights that have now been embedded into our FY26 strategy and longer-term planning:

- Our Go-to-Market (GTM) approach is designed to drive strong commercial performance while maintaining a disciplined investment profile. We aim to deliver healthy revenue retention, in line with top-quartile industry benchmarks as demonstrated by our 3-year average NRR of 111% and gross revenue retention ("GRR") of 97%.
- The US remains the priority region responsible for driving new customer acquisition, supported by its broad range of target enterprises. In FY25 23% of US bookings came from new customers. While recent US trade tariffs

contribute to economic uncertainty, based on our current understanding, they are not expected to have a material impact on Checkit's revenue or cost base.

- The successful launch of Asset Intelligence, a new machine learning ("ML") / AI data module, that optimizes asset availability, reduces operating costs and delivers ROI, differentiates Checkit as a data orchestration platform for operational leaders. Future product innovation will focus on further monetization of data "at ground level" as a source of high margin growth.

The Group's focus is on building a sustainable and higher conversion rate pipeline across the retail, healthcare, facilities management, franchise, and biopharma verticals. We are increasing customer loyalty by continuously investing in our platform, including its capacity to incorporate external technologies, positioning us at the forefront of the market.

Our sales and marketing efforts are geared towards generating high-quality leads with improved conversion rates, especially in our key sectors and expanding further into the US market. Checkit's new customer pipeline in the US includes several multi-site organizations across the healthcare, food retail, hospitality, and biopharma sectors. The US remains on course to be the largest contributor to Group revenues and remains a key growth driver. US revenue increased by 20% year-on-year to £3.7m, highlighting continued demand for our solutions in a high-potential market.

In addition to driving organic growth, we continue to see acquisitions as a route to scale and an enhanced market position. While the proposed merger with Crimson Tide plc did not proceed, we remain committed to exploring other opportunities that strengthen our capabilities, expand our customer offering, and create value for shareholders. We will maintain a disciplined approach to acquisitions, ensuring they align with our strategic plan and long-term vision. At the same time, we remain focused on balancing organic growth initiatives with operational efficiency to sustain a high-performance culture within Checkit.

Innovation and competitive advantage

Innovation remains the cornerstone of Checkit's strategy, driving us to continually enhance our offerings and deliver exceptional value to our clients. In FY25, we made significant strides in integrating advanced technologies, particularly AI and data analytics, into our platform.

Our approach centres on the intelligent orchestration of integrated sensors, digital workflows, and AI. This integration enables us to transform traditional data collection methods into continuous, automated processes that provide real-time, actionable insights. By leveraging AI, we can analyse vast datasets to identify patterns, predict potential operational challenges, and recommend proactive solutions, thereby enhancing our clients' operational efficiency and decision-making capabilities.

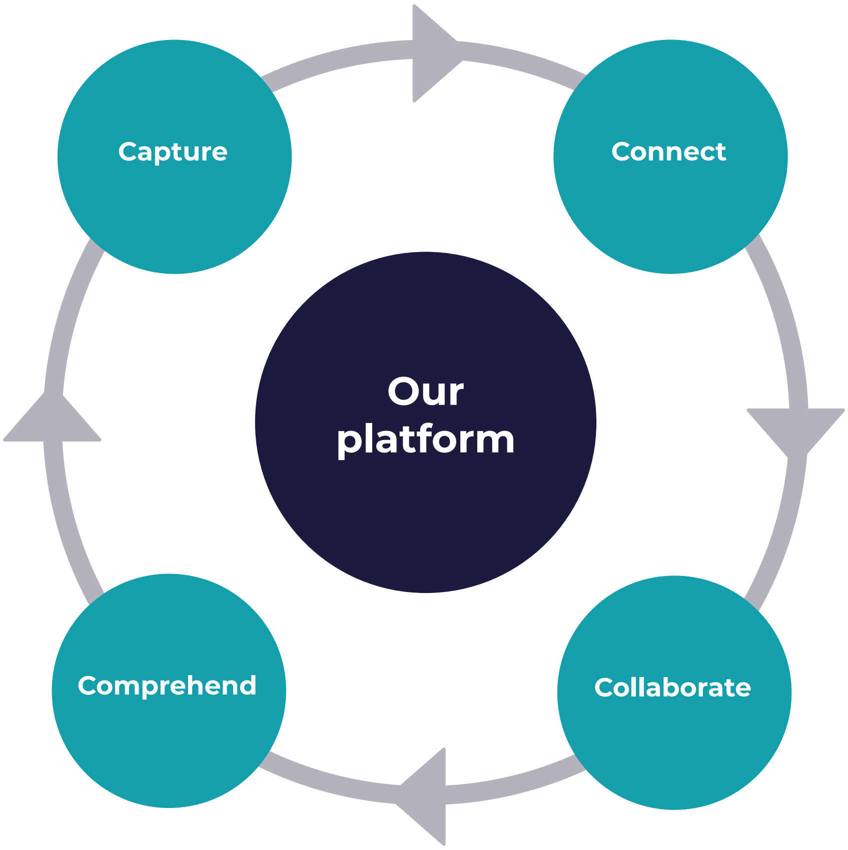
During FY25, we launched our Asset Intelligence module, marking a significant advancement in our AI and ML capabilities. This module applies advanced analytics and machine learning to sensor data, enabling clients to enhance sustainability, reduce costs, and improve revenue streams. The successful deployment of this module with our first five clients during H2 underscores its potential to revolutionise asset management across various industries.

We are dedicated to exploring emerging technological opportunities that align with our mission to reshape business performance. Our focus will remain on integrating cutting-edge technologies into our unified platform, ensuring that we continue to meet the dynamic needs of our clients and maintain our competitive edge in the market.

Positive outlook

As we look ahead, Checkit is well-positioned to capitalise on emerging opportunities in the workflow management sector. The successful execution of our profitability and growth strategies, combined with strategic M&A and our commitment to innovation, provides a strong foundation for continued success. We remain dedicated to delivering exceptional value to our customers and shareholders, driving sustainable growth in the years to come.

Kit Kyte
Chief Executive Officer
23 April 2025



Capture

Our digital assistants replace paper checklists, spreadsheets and makeshift legacy technology with digital workflows, and integrated sensors capture environmental and telemetry data about assets and buildings.

Connect

Data captured from people, assets and buildings across different teams, workplaces and locations are connected and mined for insight about productivity.

Collaborate

Teams collaborate, evidence and annotate their tasks, alerts, and interactions with assets to help eliminate duplicated effort and human error.

Comprehend

Business intelligence and dashboard analytics stream actionable insights to leaders and managers, driving behaviour change and highlighting performance improvements.

Market overview

The market opportunity for augmented workflow technology

Our platform empowers a large, underserved and available market in an unpredictable world to become digitally enabled, connecting and revealing its people and assets, and preparing them to meet future demands.

A large addressable market

The global frontline workforce comprises approximately 2.7 billion workers — or 80% of workers worldwide. Yet despite this, just fewer than six in ten frontline workers use mobile devices as part of their jobs and 73% are still using paper forms[1].

Continuing shortages of frontline workers, high employee turnover, increasing payroll and supply chain costs combined with external pressures to demonstrate adherence to ever increasing compliance and sustainability requirements mean there is a compelling need for organisations to digitalise their frontline workforce practices.

Continuing advances in technology and particularly in the areas of AI and ML enable organisation leaders to: (i) track and optimise employee productivity; (ii) identify underperforming assets, (iii) reduce costs and wastage; (iv) increase efficiency; and (v) attract and retain talent.

Checkit operates in several large and rapidly growing markets, collectively valued at an estimated $110 billion, with double-digit CAGRs. Our ability to serve these markets concurrently adds significant value by offering integrated, scalable solutions that reduce complexity. As a result, we estimate that the potential technology spend within the frontline workforce for Checkit solutions could represent approximately 5% of this total market value, giving us a target addressable market of around £5 billion.

£110bn
Our total addressable market

£5bn
Our target addressable market

Our target addressable market

Our target addressable market applies to both our sensor and software solutions — the augmented workflow offering — aimed at incorporating physical assets into a digital ecosystem and applying digital tools and monitoring to transform working practices.

Currently serving three out of seven potential sectors

We are currently serving customers within three out of a potential seven markets — the healthcare, retail and hospitality sectors, catering to almost 800 million frontline workers.

We believe that by evolving both the product and the Go-To-Market functions, we can address significant expansion opportunities in adjacent markets including manufacturing, biotechnology, higher education, transport and logistics.

Targeting the US market

The US remains the largest and most appealing market for the digitalisation of frontline workforce practices, accounting for over five times more technology spend than the European market. The US market currently accounts for 26% of ARR and we continue to believe it presents significant opportunity for further expansion and growth. We anticipate the US contributing more than 50% of Group revenues in the medium term.

Workforce management
$10.5 billion

11.6% compound annual growth rate (CAGR) until 2034 to a market size of $31.4 billion[1]

Microlearning
$3.4 billion

12.5% CAGR until 2030 to a market size of $7.9 billion[2]

Global IoT
$64.8 billion

18.8% CAGR until 2029 to a market size of $153.2 billion[3]

Field service
$6.0 billion

11.4% CAGR until 2030 to a market size of $11.5 billion[3]

Employee communication
$1.0 billion

16.4% CAGR until 2030 to a market size of $2.6 billion[4]

Digital food safety
$24.7 billion

8.1% CAGR until 2034 to a market size of $53.9 billion[5]

1 www.precedenceresearch.com/workforce-management-market

2 https://www.researchandmarkets.com/reports/5303179/microlearning-global-strategic-business-report

3 https://www.marketsandmarkets.com/Market-Reports/internet-of-things-market-573.html

4 https://www.grandviewresearch.com/horizon/outlook/employee-engagement-software-market-size/global.

5 https://www.precedenceresearch.com/food-safety-monitoring-system-market

Platform overview

Connecting people, places and things

Our product vision is to transform front line operations — boosting the performance of people and assets.

In a world of rising costs and competitiveness, where staff turnover is high and skills are in scarce supply, it's vital that front line staff can concentrate on delivering value and quality. Automation of routine tasks and defined predictable processes are essential. But increasingly operations teams want to be able to look ahead, to predict and act on problems using insights from their data. Our vision is to deliver on this need.

Our products put three of today's biggest technology trends to work for our customers: **integrated sensors** replace manual, occasional data gathering with continuous sensing; **mobile work digitisation** replaces manuals and paper forms with smart apps; and **Asset Intelligence** creates insights and suggestions that would have been previously missed. Each is powerful, but it is when they work together that far more value can be unlocked.

- Integrated sensors alone capture data and detect when readings go out of a defined range. But with AI, they can uncover opportunities to improve performance and predict problems. Combine this with workflow and things aren't just detected, they are acted on promptly by busy workers.
- Digital workflows replace paper and spreadsheets with guided processes. But, that is far more powerful if some of the work can be replaced by automation using sensors. Asset Intelligence offers the potential to identify how to improve processes and where training is needed.
- Asset Intelligence is able to process and interpret vast amounts of data, but, it is only as good as the data it has to work on. Integration with workflow and automation means intelligence can be put to work quickly without hassle and its conclusions can be turned back into actions.

Exploiting this combination of capabilities in a single platform is at the heart of Checkit's vision and differentiation. It means we are uniquely able to address a wide set of business problems. To date, we have focused on food safety and food service operations as well as monitoring medical and life sciences environments. Both require continuous monitoring and for busy front-line workers to perform and record workflows. Both also require the visibility and efficiency at scale that is far better provided by modern analytics and AI than by human oversight and analysis. However, these are only examples. Any process that requires a combination of continuous monitoring that then requires users to take actions is susceptible. Examples include a wide range of maintenance problems, production processes and logistics management.

We are continuing to evolve our products to deliver the benefits of this vision. Our guiding principles are: a single platform that deeply integrates sensor data, workflow and Asset Intelligence and is to enable multiple industry solutions; massive scalability; simplicity for users and owners; and an open, modular approach that fits with customer processes and IT architectures.

Our product development is shaped by our vision and feedback from our customers. As a result we are currently exploring

- making our products more open, paving the way to integrations with customer HR and quality systems as well as AI tools. This will reduce cost of ownership and allow Checkit solution to participate in wider business processes.
- tailoring the user experience of our products to be even more matched to the daily work of users in our target markets – reducing time to value and minimising adoption hurdles for busy end users.
- driving down the cost base of our sensor and cloud platforms, strengthening our unit economics and enhancing profitability as we scale.

These developments are exciting steps towards our vision, bringing the latest innovations in technology such as AI to the practical problems our customers wrestle with daily. As these opportunities continue to emerge, we will exploit them, expanding our scope and value. We are taking the critical next steps on an exciting journey.

Designed for the speed and scale of Predictive Operations

Rapid time-to-value, with unique features that help teams as they grow.

No code workflow builder

Workflows can be built and deployed rapidly using a simple drag and drop interface.

Integrated sensor automation

A variety of in-house and third-party sensors that can monitor and alert on critical assets.

Deliver automated alerts and scheduled work to frontline workers

Prompt frontline workers from their mobile device to carry out actions triggered by sensor alerts from equipment or buildings ensuring remediation and risk prevention.

Real-time collaboration

Allow multiple staff to collaborate on a single set of actions, and understand standard operating procedure, reducing duplicated effort.

Reporting dashboards and Asset Intelligence

Out-of-the-box dashboards provide seamless digital reporting, and Asset Intelligence provides predictability around asset performance, health, and more.

Business model

Our business model

Our Assets

People

A workforce with deep domain knowledge of the industries we serve.

Enterprise-grade platform

Integration of workflow automation with data from integrated sensors, enhanced by AI to drive digitalisation and efficiency.

Operational ecosystem

A growing ecosystem of integrated sensors and mobile capabilities to gather datapoints and inform decisions.

Strong financials

Our business model is based on high quality recurring revenue growth from landing new customers and expanding existing relationships.

Value creation

Seed

Demonstrate value

We partner with our customers to uncover and digitalise single use cases to demonstrate impact and ROI.

Land

Design and onboard

Working with the customer we identify and deploy additional use cases to increase impact and value.

Initial relationship

Customers will often start building their sensor network and workflows using individual use cases.

Initial implementations are typically focused on proof-of-concept workflows or existing processes that are challenging to the business.

Support

Our support team operate 24/7/365 days a year to answer customer calls.

Revenue generation

Expand

Growth

Customer Success work alongside the customer to identify and champion additional digitalisation opportunities and improve efficiencies by driving product usage and aligning the platform to the customer's strategic goals.

Insight

Predictive Operations

Customers unlock Predictive Operations by connecting their frontline workforce, assets, and buildings, unlocking business insight.

Customer Success

Our customer success team partner with the customer to understand their strategic objectives associated with process automation and work alongside them to deliver ongoing product education and deliver value.

Platform enhancements

Our platform continuously delivers features and enhancements designed to improve usability, insights and unlock new use cases.

Subscription revenue

We sell platform, sensor, and mobile application subscription bundles which include updates, maintenance, calibration and support.

Professional services

We provide professional services on how to move to a digital workplace.

Stakeholders

Employees

161

We have 160+ employees globally.

Investors

CKT.LN

Our investors can invest in the creation of a new industry category with a large underserved market.

Business strategy

Putting Checkit on the path to profitability

We're systematically evolving every aspect of Checkit to capture our target market including turning our attention to operating as sustainably as possible with a view to breaking even by FY27.

Converting Checkit into a pure subscription business and pursuing optimum sustainable growth rates

- We aim to create a fully integrated data platform with the ability to accommodate third party sensor use cases within its ecosystem.
- The improved Checkit platform will also be the core of our end-to-end insights, analytics and dashboarding functionality that separates us from competition.

Progress in FY25:

94%

recurring revenue of total FY25 revenues (FY24: 93%)

Accelerating scale and sustainable growth

- The Company will invest, in a targeted ROI led basis, into sales and marketing efforts to help drive top line growth coupled with further development of the Checkit platform to create a market leading product.
- The Company will also consider compelling acquisition opportunities to supplement organic growth and achieve additional scale

Progress in FY25:

17%

recurring revenue growth vs. FY24 (FY24: 17% vs. FY23)

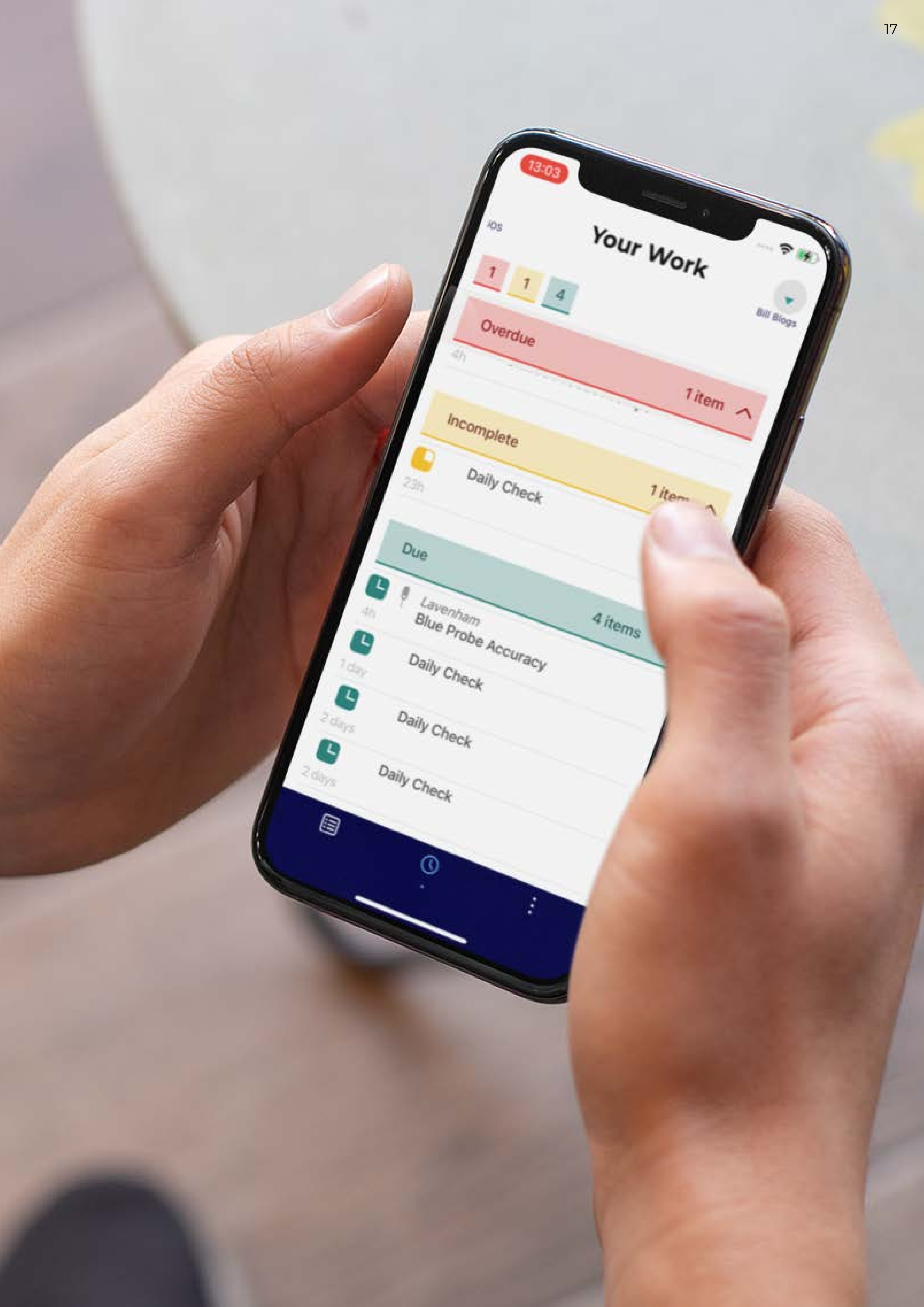
Ensure Checkit operates efficiently, through streamlined procedures, to generate optimum sustainable growth

- In order to achieve profitability, we seek to optimise the Company's processes and seize cost efficiency opportunities with the aim of improving margins.
- Of utmost importance is our ability to balance cost and growth initiatives in order to cultivate and maintain a high-achieving mentality across the Checkit workforce.

Progress in FY25:

3%

expansion in gross margin to 70% (FY24: 4% expansion to 67% from FY23: 63%)


13:03
iOS
Your Work
1
1
4
Bill Blogs
Overdue
4h
1 item
Incomplete
23h
Daily Check
Due
Lavenham
Blue Probe Accuracy
4h
4 items
1 day
Daily Check
2 days
Daily Check
2 days
Daily Check

Financial review

Continued drive to profitability

Kris Shaw
Chief Financial Officer

The financial year in review

Financial results in FY25 demonstrate Checkit's continued trajectory of growth, operational improvement and drive towards profitability, building upon the momentum established in previous years.

Total Group revenue for FY25 reached £14.1 million, representing a 17% increase from £12.0 million in FY24. This growth was driven by both new customer acquisition and the successful expansion within existing accounts, underscoring the effectiveness of Checkit's 'land and expand' strategy.

Adjusted LBITDA of £2.3m (FY24: £3.4m), continues the Group's strategic priority to balance growth with improved operational efficiencies resulting in reduced losses year-on-year.

ARR grew by 8% to £14.4 million (FY24: £13.3 million), reflecting continued progress in driving subscription-based revenue. During the year, we secured £2.1 million in new bookings and achieved a NRR of 107%, demonstrating strong customer engagement and upsell momentum. While total contraction and churn in the period amounted to £1.0m, approximately £0.3m related to low-value, low-margin customers, where the associated delivery costs were also removed—limiting the impact on contribution. A further £0.4m resulted from a tidy-up of prior period accounts, often where closed bookings did not ultimately convert to revenue and are therefore classified as churn. The remaining £0.4m came from our core customers.

Our business model remains firmly subscription based, with recurring revenues representing 94% of total revenue. 'Land and expand' wins through the introduction of Checkit products into an integrated energy company's dealer sites to provide real time operations management capabilities to 200 franchisees in the UK and the agreement with Octapharma in the US integrating TTMUs (Tactical Temperature Monitoring Units) into their existing monitoring system, supported the growth of recurring revenue by 17% and NRR of 107%.

	Twelve months to		
(£m) Reported	**31 January 2025**	31 January 2024	% Change
ARR	**14.4**	13.3	+8%
Revenue from continuing operations			
Recurring	**13.1**	11.2	+17%
Non-recurring	**1.0**	0.8	+14%
Total revenue	**14.1**	12.0	+17%

We continue to see growth opportunities in the US, with ARR increasing +12% year-on-year. New customer signings have strengthened our growing care home use-case, while additional wins in the blood plasma vertical offers further 'land and expand' opportunities. Overall North America revenues increased by 20% during FY25, highlighting our continued penetration into the US market and growing international presence.

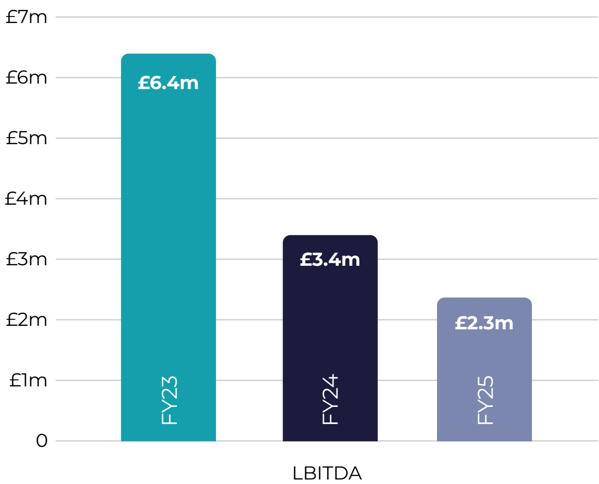
LBITDA

Checkit continues its progress towards profitability with adjusted LBITDA for the year of £2.3m (FY24: £3.4m), an improvement of 33%. Gross margin to 70% (FY24: 67%).

Operating expenses increased by 5%, as the benefits of cost efficiency programs were offset by inflationary pressures and targeted Sales & Marketing investments to support revenue growth and pipeline development.

Overall product spend has been maintained at £4.4m (FY24: £4.3m) to support the development of AI and ML product offerings. These products include the recently launched Asset Intelligence module which applies advanced analytics and machine learning to sensor data to enhance customer sustainability. Revenue generation from these products commenced quickly after launch. Capitalised development was £2.4m (FY24: £2.0m), which includes the spend to bring these improved product offerings to the market.

LBITDA improvement progression



Non-recurring or special items

Non-recurring or special items in the year of £0.5m related to restructuring costs, specialist tax advice for the resolution of the HMRC disagreement relating to input tax, and the initial costs associated with the merger with Crimson Tide PLC which did not proceed.

	FY25 £m
Restructuring costs	**0.2**
HMRC specialist tax advice	**0.2**
Crimson Tide merger	**0.1**
Total non-recurring or special items	**0.5**

Taxation

The Group is currently loss making and therefore no corporate tax charge is reported for the year. There remains approximately £29m in Group carried forward taxable losses and therefore there is no expectation of tax payments in the short to medium term. With the support of a new R&D tax advisor the FY24 and FY23 claims were submitted, resulting in a combined claim of £0.7m, which is expected to be received in FY26.

Contingent liability

Checkit and HMRC had been in correspondence since early 2022 regarding matters of input tax recoverability. The review of the case has now been completed and HMRC has recognised that Checkit was entitled to input VAT recovery throughout the period under review. Therefore, the contingent liability has been removed from the financial statements and withheld cash received, albeit partially offset by specialist tax advice fees.

EPS — continuing operations

The weighted average number of shares in issue in FY25 was 108.0m. Loss per share (basic and diluted) was 3.3 pence (FY24: 4.2 pence).

Cash

As of 31 January 2025, the Group's cash position was £5.1m (FY24: £9.0m), reflecting a 40% reduction in overall cash consumption, driven by revenue growth and improved LBITDA. The reduced cash consumption highlights the business's continued progress in executing its strategic objectives.

Kris Shaw
Chief Financial Officer
23 April 2025

Chief People Officer's review

Empowering people

Julie Webbe
Chief People Officer

Chief People Officer's Annual Report

As we continue to build from our strong foundations, we strive to deliver a working environment that embraces equity and inclusivity and that provides a stimulating and rewarding working experience. Our aim is for everyone to have gained personally by working at Checkit, whether it's through helping our customers solve complex problems, developing new ways of using technology or forming long lasting relationships. We continue to have our team's wellbeing and their best interests at heart in all that we do to ensure they are supported and feel valued.

Our People

Voluntary attrition has continued to decline to 6% and we are now reaping the rewards of continuity of our teams. This has allowed us to build institutional knowledge, whilst reinforcing our culture. We have added further automations to our HR portal this year, building on the progress made last year, to improve efficiencies with automatic onboarding of new hires and digitising a number of approval processes.

We have also taken the opportunity to enhance our induction processes that provide new hires with an immersive and detailed introduction session to every function and activity across the business. This has allowed new hires to understand our business at pace and has reduced the time taken to reach optimum performance. We also took the opportunity to offer these sessions to existing team members.

We continue to use OKRs ("Objectives and Key Results") to define and execute on our most important outcomes. Alongside our OKR programme we hold strategic initiatives events, which are run as "open" meetings for all staff to attend, to listen and learn about work being delivered across the business. With regular attendance of more than 50% of our teams, this shows a real desire from our team members to learn and work collaboratively. The principle of open meetings will continue into FY26 with new strategic initiatives to be launched, and the addition of a Customer Review Board; a monthly review of key customers and how we can improve the support we provide.

Talent acquisition

This year, recruitment spend has been exceptionally low with only two placements made using agencies for temp-to-perm arrangements. This is in part the result of low attrition but also our now well established in-house talent acquisition capability in sourcing high calibre talent. From a position where 90% of our vacancies were filled by agencies in 2022, we now see agencies representing just 7% of our recruitment activity.

Learning and development

With our talent acquisition offering in a strong place and recognising the importance of ongoing professional development, we expanded the remit of the Head of Talent Acquisition to include Learning and Development. The initial focus has been on enhancing induction and onboarding processes for new hires, ensuring a smooth transition into Checkit, and this has already been successfully delivered in FY25.

Looking ahead to FY26, our focus will shift to mapping skills and behaviour requirements across all roles. We will then map out career paths for each role to allow all teams to have a clear understanding of how they can progress and build their career at Checkit. Discussion and career plans will form part of the Quarterly Conversations initiative launched in FY24. This is a major project that we anticipate will take most of the second half of FY26 to design, deliver and embed into the business. The rewards of this will be realised the following year as we grow and they will support succession planning as well as staff retention.

Employee engagement and internal communications

We have placed significant emphasis on improving internal communications and employee engagement this year. A structured approach, underpinned by a clear strategy, was rolled out this year. We have introduced a number of initiatives including "GLC Talk", a channel for our senior leaders to provide thought leadership pieces for the business. We have also introduced "two minutes with…" which shines the spotlight on individuals from all areas of the business to provide better insight into the work that is delivered every day and the individuals who deliver it.

Compliance and Training initiatives

Compliance with new legislative changes was a major priority in FY25. As part of this, we delivered mandatory "Respect at Work" training to all team members. This initiative ensures that we remain aligned with legal requirements while fostering a culture of inclusivity and respect throughout Checkit. These sessions will continue to be delivered as new hires arrive to ensure the messaging is not diluted or lost over time.

Diversity, inclusion and belonging

As part of our ESG commitments, this year has seen a number of new initiatives introduced to support our objectives. Our charitable activity and our aim to "give back" has strengthened this year with the introduction of our Payroll Giving facility. We held a number of fund raising events during the year including a food bank collection at Christmas and the launch of a volunteering programme. This allows every employee to take a day's paid leave to volunteer as a group or individually to a good cause of their choice.

We conducted a follow up culture survey towards the end of the year to allow us to compare results against our baseline from 12 months ago.

In summary

FY25 has been a year of consolidation and progress, with a strong focus on retention, engagement, and compliance. The initiatives delivered this year have strengthened our resilience and prepared us for future challenges. As we move into FY26, we will continue to prioritise career development, succession planning, and employee engagement. Together, these efforts will ensure that we remain an employer of choice, driving both business success and a positive employee experience.

Julie Webbe
Chief People Officer
23 April 2025

Case Study

Strategy in action

Enhancing compliance and efficiency through digital innovation

The Royal Devon University Healthcare NHS Foundation Trust (the "Trust") was established in April 2022, bringing together the expertise of the Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust. Serving a population of more than 615,000 people across Northern, Eastern, and Mid Devon, the Trust operates across an expansive 2,000-square-mile region, extending specialist services into Cornwall and the Isles of Scilly.

The Trust's two acute hospitals — North Devon District Hospital and Royal Devon and Exeter Hospital — are renowned for their research, innovation, and strong academic partnerships. In addition to emergency, specialist, and general medical services, the Trust provides integrated health and social care through community inpatient hospitals, outpatient clinics, and home-based care.

A cutting-edge approach to Pathology

A key pillar of the Trust's service offering is its Pathology Service, supported by two UKAS-accredited, custom-designed laboratories. These facilities deliver a full spectrum of Clinical Biochemistry, Haematology, Immunology, and Blood Transfusion services, processing over 25,000 test results daily for both NHS and research patients.

Strengthening compliance and efficiency with Checkit

To ensure the safe storage and regulatory compliance of critical medical assets, the Trust first partnered with Checkit in 2020. This collaboration enabled the Trust to effectively monitor and manage the storage of medicines, blood samples, and other regulated products, meeting the stringent requirements set by regulatory bodies such as the MHRA, HTA, UKAS, and CQC.

Building on this successful partnership, the Trust expanded its collaboration with Checkit in 2024. Today, Checkit monitors over 500 assets and areas across Pharmacy, Pathology, and Research & Development. This advanced monitoring system plays a vital role in:

- Ensuring compliance with strict healthcare regulations
- Preventing stock loss of essential medical supplies
- Optimising staff efficiency by reducing manual monitoring tasks

Photo: Akram Huseyn on Unsplash

Case Study

DISHOOM

Strategy in action

Supporting growth, efficiency and excellence

Company profile

Founded in 2010, Dishoom has seven restaurants in London, located in Canary Wharf, King's Cross, Battersea, Covent Garden, Shoreditch, Carnaby and Kensington, with additional locations in Edinburgh, Birmingham, and Manchester. From breakfast to lunch, dinner, and cocktails, each unique location pays homage to the food, history and culture of Bombay.

In fact, every Dishoom location has a distinct personality with a story deeply rooted in a specific time of Bombay history or culture.

Long-standing partnership

Checkit has been a trusted partner of Dishoom since 2017, growing alongside them from five locations to thirteen locations today. The Checkit solution is integral to Dishoom's operations and is utilised in their renowned Dishoom cafés, the production bakery that creates Dishoom Meal Kits, and their new all-day bar-café concept, 'Permit Room'.

Dishoom leverages a comprehensive set of Checkit tools including Connected Workflow Management software for checklists, dedicated hardware to ensure seamless, digitised temperature monitoring, and scheduled task management. These capabilities are combined with Checkit's automated temperature sensors to remove the need for kitchen staff to manually record fridge & freezer temperatures freeing them up to focus on higher value activity.

The Checkit solution significantly enhances the operational efficiency of both kitchen teams and front-of-house staff by digitising formerly manual, paper-based processes while ensuring compliance with Dishoom's stringent food safety standards.

The Dishoom food safety team can leverage the collected data for key reporting and insights across all locations, supporting the company's expansion by ensuring a consistent customer experience and high quality standards.

The benefits of digitisation also extend to employee satisfaction. By removing mundane paper-based tasks the solution supports Dishoom's commitment to excellence as an employer, reflected in their recognition as one of the top 10 companies in the *Sunday Times Best Places to Work 2024*, its MCA Award for the Best Restaurant Company, and its B-Corp certification.

Dishoom has exciting expansion plans, and Checkit is delighted to support the launch of their fourth Permit Room, and notably their first in London, set to open in spring 2025.

"Checkit ensures accuracy and is necessary for our operation. It provides Chefs comfort and focus on what they are doing."

— Dishoom Head Chef, Battersea

Photo: dishoom.com

Environment, social, and governance (ESG)

Driving sustainable growth

Since launching our ESG programme in FY24, Checkit has instilled ESG values and initiatives across the organisation. Amid a global shift in ESG priorities, we remain steadfast in our belief that a thoughtful ESG programme enhances value for all our stakeholders.

In FY24, we launched our ESG programme with the goal of integrating ESG metrics and initiatives into the foundations of Checkit. ESG is now embedded within the business. From new joiners to new suppliers, we consider business decision with ESG in mind.

Environment

Our pledge to sustainability

At Checkit, we take pride in equipping our customers with tools to promote sustainability, aligning our ESG programme with our own commitment to minimising environmental impact.

Flexible working survey

In FY25, we surveyed the business to better understand employee commuting practices and how often our offices are used.

This survey reaffirmed our commitment to the ‘remote-first’ approach to flexible working.

Auditing suppliers

We are placing increased emphasis on assessing our key suppliers to ensure their ESG aspirations align with ours.

Low emissions fleet

We have continued to invest in hybrid vehicles to reduce emissions associated with engineer travel. Our fleet is now >80% hybrid.

Our emissions reduction journey

We have partnered with Carbon Neutral Britain to calculate our emissions in accordance with ISO 14064 and GHG Emissions Protocol standards. Our FY25 emissions again reveal that vehicle emissions are our major contributor (42%), followed by business travel (9%) and organisation site energy usage (9%). While our priority is to reduce our emissions, as we continue to work on this, Checkit offsets its emissions through the Verified Carbon Standard and United Nations Certified Emissions Reduction programmes. Checkit Europe Limited is a carbon neural certified organisation.

Set out below are CO_2 emissions associated with Checkit Europe Limited:

Emissions (tCO_2e)	FY25	FY24
Scope 1	66.5	95.5
Scope 2	22.1	20.8
Scope 3	129.3	107.3
Total	**217.9**	**223.6**
Emission per FTE	**1.5**	**1.5**

In the future, we aim to expand our offsetting and carbon reduction calculations to include our US operations.

Carbon reduction plan

Our commitment extends beyond offsetting emissions to ambitions to achieve Net Zero for scope 1, 2, and 3 emissions by 2050. Our targeted Carbon Reduction Plan, with strategic initiatives already in motion, focuses on our key emissions areas:

- vehicle emissions;
- business travel; and
- site energy consumption.

We are already implementing ways to reduce the key emissions listed above and we hope to make impactful changes over the next twelve months. In FY25, for the first time, our offices in Fleet and Cambridge were supplied by 'green' energy providers. Our provider in Cambridge uses AI to help bring about behavioural changes thereby reducing emissions.

Social

An inclusive environment where our people can bring their whole selves to work

In the year under review, we delivered 'Respect at Work' training to over 90% of employees which was designed to raise awareness about sexual harassment. We also launched Payroll Giving, which allows employees to donate to their chosen charity directly from their gross salary. In addition, we organised events through our charity committee and launched a volunteering programme, which allows employees to take paid time away from the business to volunteer for a cause they care about.

We ran our annual company culture survey which sought to engage with employees in order to determine where the business should focus to promote an inclusive and empowering culture. The results of this survey provide Checkit with tangible insight and shines a light on where increased focus can benefit our employees and enhance our culture.

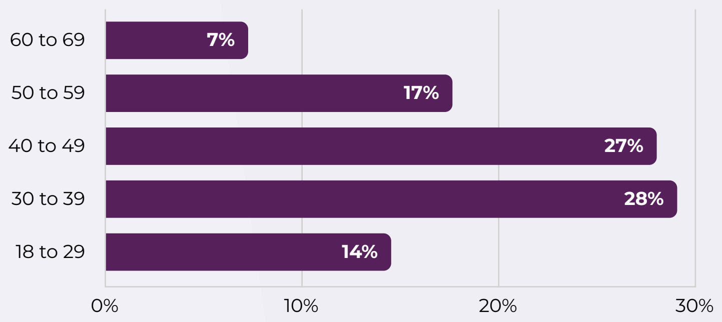
74% (FY24:71%)

of respondents agree or strongly agree that Checkit's culture supports work-life balance and employee wellbeing.

77% (FY24:78%)

of respondents agree that Checkit is an inclusive and diverse workplace.

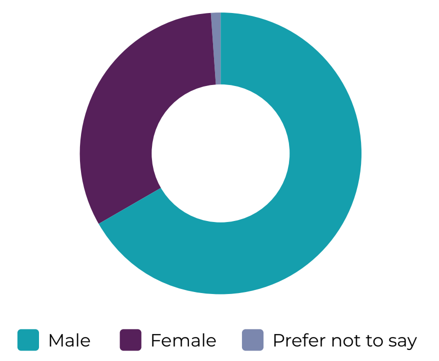
Employee age distribution



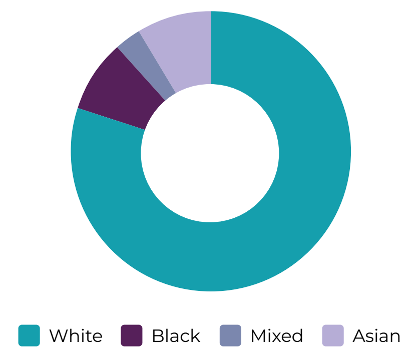
We prioritise the well-being and mental health of our people and support them through the following:

- mental health first aiders;
- two well-being days per employee per year;
- volunteering days; and
- a 'remote-first' flexible working policy — for work-life balance.

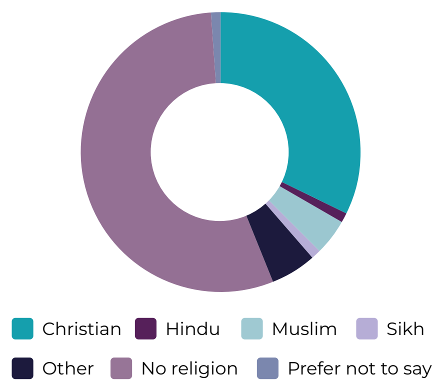
Gender diversity statistics



Demographic statistics



Religious diversity at Checkit



Governance

The Board and ESG Working Group are committed to prioritising sustainable and ethical corporate governance. Checkit has adopted and complies with the Quoted Companies Alliance Corporate Governance Code and has in place robust governance functions. From FY26, we will report against the new edition of the QCA Code of Conduct.

Board evaluation

The Board routinely assesses its effectiveness and will carry out its next formal evaluation in December 2025.

Suppliers

We reviewed our Suppliers' Code of Conduct, which sets out the standards and practices our suppliers must adhere to. We also included additional ESG and sustainability questions in our supplier questionnaire to encourage our suppliers to adopt good practices in relation to ESG.

In addition, we have continued to run an ESG Working Group with representatives from across the business to ensure our programme is developed by our employees instead of being imposed on our employees. As part of every employees induction, they are given access to full details about our ESG programme and encouraged to participate in the ESG Working Group.

For more information, please see our corporate governance report on pages 38 to 40.

Our ESG journey is more than just a report; it's a dynamic reflection of our continuous efforts to create a sustainable future, reinforcing our commitment to helping customers cut down on operational waste.

Stakeholder engagement and Section 172

Working for the benefit of all our stakeholders

Section 172

Engaging with our stakeholders is crucial to the long-term success of the Company.

In engaging with our stakeholders, we consistently refer to our fundamental principles, values and culture. This informs better decision making at every level of the Company. We provide examples of how we build and maintain relationships with key stakeholder groups on these pages.

Section 172 of the Companies Act 2006 requires a director of a company to act in a way that the directors, in good faith, would most likely promote the success of the company for the benefit of shareholders. In doing so, consideration is given to a series of important matters, including:

- the likely consequences of any decisions in the long-term;
- the interests of our employees;
- the need to strengthen the company's relationships with suppliers, customers and others;
- the impact of our operations on the community and environment;
- our reputation for high standards of business conduct; and
- our commitment to equitable conduct.

Shareholders

We are committed to engaging with shareholders using consistent and effective communication. Key considerations include the Company's financial performance, long-term strategy, corporate governance and stewardship. The CEO and CFO have regular meetings with institutional shareholders through meetings held after financial reporting and trading updates. Private shareholders are encouraged to engage with the Board at the Company's AGM where the Board makes itself available for Shareholders to ask questions. The Company also makes interactive management presentations through the Investor Meet Company platform to current and prospective shareholders regardless of the number of shares they own.

Employees

We recognise our diverse, skilful and experienced workforce of 160+ employees as our most important asset. With an emphasis on flexible working, we are constantly reviewing how to effectively balance the benefits of remote working with the value of in-person collaboration. Regular off-site meetings and online Company-wide meetings allow the leadership team to present progress, listen to feedback and answer questions. Regular employee surveys are carried out to measure employee sentiment and ensure that strategic principles, news and values are understood. On an annual basis we run a survey focused on equality, inclusion and diversity which also asks questions about culture, to monitor where additional attention is required.

An enhanced HR portal (Checked In) provides employees with continually updated information and knowledge sharing.

Customers

Checkit stands out by building partnerships with its customers. Trusted relationships ensure we can lead customers through their digital transformations, providing a robust solution, industry knowledge, and consultancy support.

Our account management team support our customers from the start to invest in the right technology. Our dedicated customer success managers then work proactively to provide process improvements and recommendations, build multi-threaded relationships, and ensure customers get the most out of their investment.

By sharing these stories internally through our Customer Review Board meetings, and 'Voice of the Customer' channels, we are creating a customer-centric environment involving all teams within the business.

Suppliers

Checkit places a high value on its relationships with suppliers, including contractors and service providers. Trusted, collaborative partnerships facilitate efficient and effective business performance.

The Company operates in a way that guards against unfair business practices and encourages suppliers and contractual partners to adopt responsible policies. All suppliers are asked to sign Checkit's Code of Conduct, which details the standards of business conduct and ethics the Company expects of its suppliers. We continually review and strengthen our Code of Conduct and supplier questionnaires to reinforce this. Regular meetings and audits are held with key suppliers to gather feedback and continually improve relationships.

Community and environment

We are dedicated to contributing positively to the broader community and environment, and want to empower customers to eliminate operational waste. Our platform directly enables customers to increase efficiencies and reduce operational waste, such as food, medicines and supplies. Our solutions help our customers reduce their energy consumption and improve remote operations management.

Checkit is committed to a flexible, hybrid working model, resulting in reduced transport requirements and an increasingly paperless environment. The majority of our shareholders now receive all documentation electronically to reduce unnecessary paper waste.

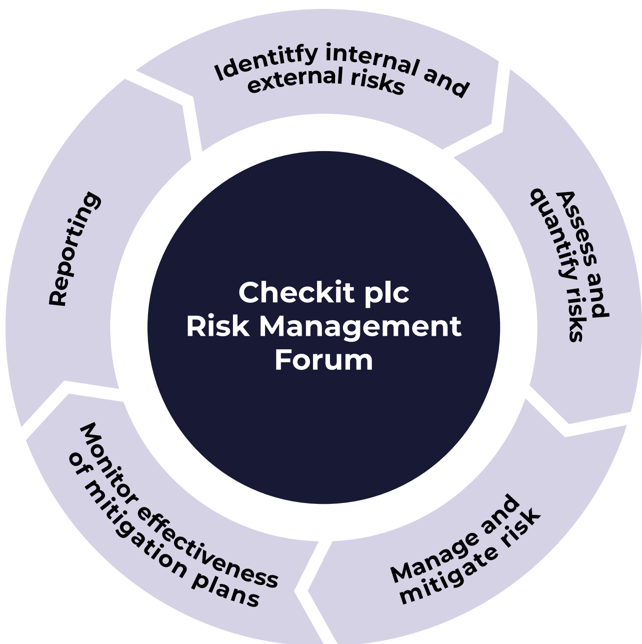
Full details of Checkit's ESG programme are contained in the ESG report on pages 26 to 29.

Principal risks and uncertainties

Prioritising effective risk management is of fundamental importance to Checkit in the pursuit of its strategic objectives.

Risk management

The Board holds ultimate responsibility for upholding systems and processes aimed at risk management and ensuring the fulfilment of the business's strategic priorities. Senior management within each department identifies and records risks, with agreed mitigation plans, in line with Group strategic priorities and risk appetite. The Risk Management Forum (RMF) meets quarterly to ensure risks are being identified, assessed and mitigated. Executive Directors have responsibility for the overall management and delivery of the strategy and attend and review the output of the RMF. The Audit Committee provides an independent review of the effectiveness of the RMF and internal controls and ensures that the Group is in full compliance with relevant regulations and laws, supported by the Group General Counsel and Company Secretary.



A bottom-up risk analysis is undertaken, considering detailed individual risks that fit into six main categories:

- Growth;
- People and culture;
- Product development;
- Customer dependency;
- Information governance and cyber security; and
- Business operations.

This is combined with a strategic top-down review by the RMF to ensure that all appropriate risks are identified, assessed and quantified. Mitigation plans and actions are then put in place to ensure risks are reduced to a level that is as low as reasonably practicable.

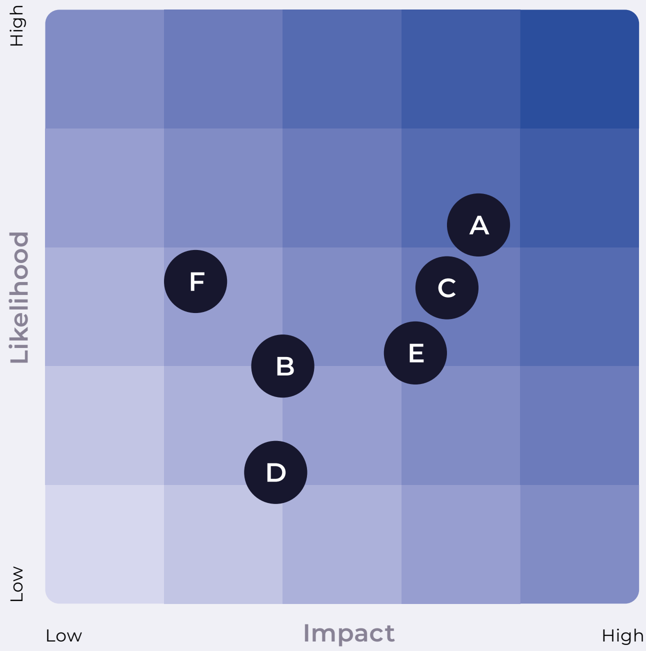
The RMF reviews a consolidated Group risk register quarterly. Risks are assessed both pre and post-mitigation to identify the overall risk level based on a combination of probability of occurrence (likelihood) and the magnitude of potential consequences (impact).

Checkit risk heat map

The risk heat map shows a representation of the Group's principal risks, including an assessment of their relative impact and likelihood (after mitigation). These risks are not intended to illustrate a full analysis of all risks that could arise in the ordinary course of business or otherwise.

More detail on the Group's principal risks and uncertainties and how they are being managed is set out below. In FY25 we continued to implement mitigations to address the principal risks facing Checkit. The principal financial risks are separately disclosed in Note 1 to the financial statements on page 62.

FY25 principal risks heat map



A Growth
B People and culture
C Product development
D Customer dependency
E Information and cyber security
F Business operations

Risk description | **Mitigation**

A Growth

Risk description	Mitigation
The Group's growth strategy may result in a number of challenges for the business, including: • increased demand on business resources, including people, processes, and cash; • dependence on new sales to achieve financial and strategic objectives; and • increased burden on operational, financial, and technical infrastructures.	• Strategy to grow customer relationships over time, reducing the barrier to adoption. • Increased automation and efficiency in operational delivery. • Planning to address any platform architecture growth constraints. • Strategic and financial planning processes. • Business performance management reviews. • Regular sales and operations planning meeting. • Sales pipeline reviews.

B People and culture

Risk description	Mitigation
Checkit is dependent on access to the right talent to deliver on its strategic goals. As the business grows, there is pressure to attract new talent to deliver key roles quickly to support the existing team. Any dependency on individuals for critical knowledge could mean a loss of key personnel would impact the business's ability to deliver on its plans.	• Employee engagement programmes, including enhanced benefit offering and employee share option plans. • Talent acquisition infrastructure. • Single point of failure and key role identification with increased notice periods adopted and employment terms harmonised. • Succession planning in place. • Business continuity plans in place. • Quarterly performance reviews for all employees. • Targeted leadership training.

C Product development

Risk description	Mitigation
Checkit's proposition is targeted at an evolving market and may be disrupted by competitors with a similar or better proposition if they develop more innovative technology. Product reliability and performance is essential to customers' business activities. Any long-term outage or underperformance could impact on the Group's reputation. Platform cost effectiveness is essential to ensuring a sustainable product. Increases in per user or per sensor costs could impact margin.	• Continued product investment to maintain competitive position whilst launching innovative products harnessing AI. • Quality assurance process in place. • Customer usage monitoring. • Platform load testing and evolution to be simpler to maintain. • Cost efficiency initiatives and analysis to improve data centre infrastructure.

Risk description	Mitigation

D Customer dependency

Risk description

The Group has a relatively concentrated customer base, particularly in the healthcare and food retail sectors.

While the Group's growth agenda means this risk continues to reduce, any loss of business from its largest customers may impact business performance.

Mitigation

- Long-term contracts.
- Dedicated account management for high tier customers to nurture and scale ongoing relationships.
- Customer Success programmes.
- Monthly customer review meetings.
- Commercial operations and contracting processes.
- Net promoter scores.

E Information governance and cyber security

Risk description

The Group holds significant amounts of personal data. This carries risks associated with information governance and data protection.

The Group is also reliant on cloud-based IT infrastructure, where any loss of key systems could impact the business's ability to operate.

While most security breaches are due to errors in disclosing data, cyber attacks and malware increasingly threaten the integrity of Checkit's own data and systems, as well as the data it holds on behalf of customers.

Mitigation

- ISO 27001 accredited framework of data security processes and Cyber essentials certification.
- Asset risk assessments aligned to ISO 27001.
- Regular employee training and awareness.
- Data management/cyber security policies and incident management system and response.
- Increase in SSO applications and delivery of security roadmap.
- Relevant insurances.
- Business continuity and disaster recovery plans with annual penetration testing.
- DPO officer.

F Business Operations

Risk description

Checkit has undergone rapid change and transformation. This risk concerns whether we can continually meet customer requirements and have operational processes and systems that can meet the demands placed on our products and employees.

Inconsistent communication across all stakeholder groups could also impact the Group's ability to execute its plans.

Mitigation

- Employee communication programme.
- Performance management process and leadership training.
- Creation of service catalogue.
- Monthly operational performance reviews.
- Focus on customer journey.

Corporate governance

Leading into the future

Executive leadership

Kit Kyte
Chief Executive Officer

Kit was appointed in February 2021 as the CRO heading up the Company's growth function before becoming CEO in June 2021. He was formerly Vice President of Sales at global professional services firm Genpact. Before his business career, he served as a Captain in the Royal Gurkha Rifles.

Kris Shaw
Chief Financial Officer

Kris joined the Company in October 2024 as Chief Finance Officer having previously spent three years as Chief Financial Officer at Smartspace Software plc. After qualifying as a Charted Accountant in 2005, Kris spent 14 years working in finance roles in various sectors.

Keith Daley
Non-Executive Chairman

Keith is an experienced entrepreneur and chairman with deep knowledge of sales and marketing. Originally a corporate banker, he bought, invested in, managed and sold numerous businesses over almost 40 years. Keith was appointed Non-Executive Chairman in 2022 having previously served Checkit in an Executive capacity.

Alex Curran
Non-Executive Director

Alex is the CEO of Aptitude Software, a global financial software provider that helps complex organisations automate and transform their financial business models. She joined Aptitude in 2008 and has held several senior roles, including leading their North American business since July 2019, before becoming CEO in November 2023. Alex was appointed to the Checkit Board in January 2023.

Key

Board member | Executive leadership | Audit Committee | Remuneration Committee

Corporate governance report

Applying the principles of governance

The Board recognises the value of robust corporate governance and can confirm that it has complied with the Quoted Company Alliance's Corporate Governance Code (the Code, which was first adopted in 2019). The Board continues to believe that the Code provides the most suitable framework of governance arrangements for the Company, considering the size and stage of development of the Company's business. Checkit regularly reviews the ten principles set out in the Code and updates the corporate governance page on our website to explain how Checkit complies with each principle. Our statement of compliance can be found at https://www.checkit.net/investor-relations/corporate-governance/. By complying with the Code and maintaining a strong governance structure, Checkit aims to promote the long-term success of the Company and its shareholders.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

Checkit has transitioned to a dynamic subscription-based business model, focused on annual recurring revenue driven by the provision of real-time operations management capability to our customers. In the past year, Checkit has continued to win new business in the US market and has appointed a Head of Marketing and Creative Director to assist with the acceleration of the Company's presence in the US. More detail can be found in the Strategic report on pages 1 to 35.

Strategy is the responsibility of the Board, the Chief Executive Officer, the Chief Financial Officer and the Global Leadership Council. The business model is designed to achieve Checkit's growth and profitability ambitions by ensuring ability to scale and maximising operating efficiency.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board is committed to engaging with shareholders to ensure that the business strategy, operating model and performance are clearly understood and communicated. The Executive Directors are in contact with the Company's major shareholders in relation to strategic decisions and regularly pass feedback to the Board. In addition, Checkit's nominated adviser and broker and investor relations adviser keep the Executive Directors appraised of shareholder expectations and reactions.

The Board looks to maximise opportunities to communicate and actively encourages feedback from the investor community. The Board places great emphasis on having constructive relationships with all shareholders. The AGM is the main forum for dialogue with private shareholders and the Board. Shareholders are given the opportunity to raise questions during the AGM.

In addition, Checkit has a regular programme of investor engagement which includes product and trading updates and interactive presentations to shareholders through the Investor Meet Company platform immediately following the publication of the half-year and full-year results. The half-year and full-year presentations give shareholders an opportunity to raise questions with the Executives.

Feedback from shareholders is reviewed by the Board following presentations, and Non-Executive Directors are also available to meet major shareholders, if required.

Checkit's main point of contact for shareholder engagement is the Company Secretary and general contact details are also available on Checkit's website to support communication and feedback.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

In addition to its shareholders, the Company's other key stakeholder groups are:

- employees;
- customers;
- suppliers;
- regulators; and
- local communities.

Checkit takes its responsibility to these stakeholders seriously and seeks to actively engage with them regularly to inform and influence better decision making. A register of all interested parties is maintained and assessed regularly by management as part of the quality framework. More detail can be found in the S172 statement on pages 30 and 31.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board has responsibility for ensuring Checkit has effective risk management processes and that a system of internal control is embedded within the organisation. The principal risks identified by the Board including mitigating controls are shown on pages 32 to 35 of this annual report. Checkit has an established framework of internal financial controls which is subject to review by the Executive Directors and the Audit Committee considering the ongoing risks faced by the Group. The Audit Committee is bound by formal terms of reference (which can be found on the Company's website).

In addition, Checkit's auditor is encouraged to raise with the Audit Committee any comments it may have in relation to risk management on an ad hoc basis and in its management letter following its audit.

The key elements of Checkit's internal control environment include:

- close involvement of the Executive Directors in the day-to-day running of the Group;
- clear lines of authority and reporting established;
- regular internal audits of all departments within the business;
- centralised control and decision making over key areas such as capital expenditure and financing; and
- a suite of regular reports focusing on the key performance and risk areas. Such reports include detailed annual budget setting with monthly monitoring and daily reporting including reports on sales, orders and cash balances compared with budget.

The Group undertakes regular updates and reviews of its business processes, co-ordinated by the Group quality and compliance function, to ensure that it not only addresses basic financial controls but that non-financial controls are also in place over areas such as information security, calibration and certification, health and safety, environmental issues and adherence to law and regulations.

Mitigation can only provide reasonable, but not absolute, assurance against material misstatement or loss. As such, the Group maintains appropriate insurance cover for the Group's activities, with the types of cover and insured values being reviewed on a regular basis by the Board.

The Group maintains a risk register which not only highlights risks relevant to its businesses but also details the actions being taken to mitigate these risks. These registers are reviewed regularly at Executive leadership team level and are subject to scrutiny by the Board at least twice a year.

More detail can be found in the principal risks and uncertainties report on pages 32 to 35.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board regularly reviews its composition and is satisfied that it has an effective and appropriate balance of skills between the Directors to deliver the strategy of the Company for the benefit of its shareholders.

The Board comprises the Non-Executive Chairman, Chief Executive Officer, Chief Financial Officer and one Non-Executive Director. Biographies are set out on page 37 and illustrate the range of experience which the Board believes enables it to provide effective business leadership. All Board Directors are put forward for re-election at each AGM.

Where new Board appointments are considered, the search for candidates is conducted and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including but not limited to gender balance.

The Chairman takes responsibility for a calendar of regular Board meetings and at least six times per year. The Board met thirteen times in FY25. The Chairman ensures that Board agendas reflect good corporate governance and concentrate on the key strategic, operational and financial issues.

The Board is aware of the backgrounds and other interests of the Directors and changes to these are reported and where appropriate agreed with the rest of the Board. Procedures are in place to manage potential conflict of interest.

The Board is supported by an Audit Committee and Remuneration Committee. The Remuneration Committee is comprised of Non-Executive Directors Keith Daley (Chair of Remuneration Committee), and Alex Curran. The Audit Committee is comprised of Alex Curran (Chair of the Audit Committee) and Keith Daley. Keith Daley's financial background and in-depth knowledge of Checkit and Alex Curran's mixture of UK and US high growth orientated experience provide the necessary level and combination of skills and knowledge to the respective Committees.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Directors keep their skill set up to date with ongoing training and are informally regularly assessed. All Directors are put forward for re-election at each AGM.

The Directors are required to keep their relevant experience, skill and capabilities up to date and are regularly assessed on an informal basis.

The Board is supported by the Company Secretary and every Director is aware of the right to have concerns added to minutes and to seek independent advice at the Group's expense where appropriate.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board routinely assesses its effectiveness and will carry out its next evaluation in December 2025

Principle 8: Promote a corporate culture based on ethical values and behaviours

The Board understands that a healthy corporate culture based on sound ethical values and behaviours is essential to creating a working environment in which employees feel valued and can be most effective.

The employee handbook is updated regularly and provides guidance to all business employees alongside a Company-provided employee assistance programme to ensure ongoing employee wellbeing. Employee feedback and cultural tone are regularly reviewed by the Board alongside regular employee communication programmes. Team-based events are delivered regularly throughout the year to promote a sense of belonging and to promote collaboration and to build strong relationships. During FY25, the Charity Committee ran events to support our cultural values and to promoted various charitable initiatives. In addition, Checkit employed a dedicated internal communications specialist to help generate a positive and inclusive culture.

Checkit supports employees who are able to work remotely, and has in place a remote-working policy to embed flexible ways of working within the Company.

The Company has a strict share dealing policy covering insider trading/inside information, the AIM Rules and Market Abuse Regulations which apply to Checkit and individuals. This policy is circulated to all individuals who qualify for share options and who fall within the categories of insiders, PDMRs and restricted persons.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The long-term success of the Group is the responsibility of the Board. Two Executive Directors have responsibility for the operational management of the Group's activities and development of the Group strategy. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with.

A corporate calendar is set at the beginning of the financial year and includes provisional dates for all Board and Committee meetings, ensuring an appropriate spread throughout the year. Standing agenda items are agreed at the beginning of each year and will include a schedule of matters which allow the Board to carry out its duties effectively.

Agendas are finalised and circulated with relevant supporting information and papers to Board members ahead of the meetings. In addition, senior managers are regularly invited to attend meetings to update on business performance as appropriate.

The Company Secretary is responsible for ensuring that a corporate calendar is available to the Board which sets out activities including, but not limited to, Board and Committee meetings dates, issue of key reports, business performance cycle, key compliance activities, audits and key stakeholder communication points.

The Board has two sub-Committees as follows:

Audit Committee:
The Audit Committee oversees the integrity of the financial results and risk management strategy of the Company.

It engages and works with the external financial auditor and Group management. It reviews and reports to the Board on significant issues including estimates and judgements made in connection with the preparation of the Group financial statements.

Full details of the Report of the Audit Committee are set out on pages 41 and 42. The Audit Committee met three times during FY25.

Remuneration Committee:
This Committee ensures that the Group's Executive remuneration policy is aligned to the implementation of the Company strategy and shareholder interests. The Committee seeks to establish a remuneration policy that is designed to motivate, retain and attract Executives of the calibre necessary to achieve the Group's strategic ambitions. Full details of the Report of the Remuneration Committee can be found on pages 43 to 48. The Remuneration Committee met three times during FY25.

Given the current size and complexity of the Group, the Board does not currently consider that a Nominations Committee is required.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Engagement with our stakeholders is key to a successful business and is an ongoing part of managing our business. We summarise why and how we engage with our stakeholders, including our shareholders, on pages 30 and 31.

The Group communicates with shareholders in a number of ways, including:

- the Group's annual report and accounts;
- full-year and half-year result announcements;
- other regulatory announcements;
- the Annual General Meeting;
- webinars or roadshows; and
- one-to-one meetings with major (or potential) shareholders.

Corporate information available on the Company website includes:

- annual reports for the last six completed financial years;
- full and half-year results announcements;
- notices of general meetings for the last six completed financial years; and
- other regulatory announcements.

The Company engages its broker and investor relations advisers to assist in shareholder interaction and feedback. The Board receives regular updates on the views of shareholders from these advisers.

Regular online Company-wide meetings, off-site events and video updates from the Executives ensure that important updates are communicated to employees. All employees are invited to watch the presentation by the Executives which follow the release of our half and full-year results.

Employees are also directed to the Company website, internal HR portal and encouraged to keep up to date with Company reports. For further and more detailed explanations of how the Group maintains a dialogue with shareholders and other relevant stakeholders, see the Company's S172(1) statement on pages 30 and 31.

Audit Committee report

Alex Curran
Non-Executive Director

Dear Shareholders,

I am pleased to present my report as Chair of the Audit Committee (the Committee) for the financial year ended 31 January 2025.

Composition

The Committee consists of Keith Daley and myself. I was appointed Chair of the Committee in December 2024 and am grateful for the support I have received from the Committee in assisting with the preparation of this report. The biographies of the Committee members can be found on page 37 and the Company's website.

The Board considers that for the size and complexity of the Company, the Committee is properly constituted and has a sufficient level of competence.

External independent auditor

The detailed independent report of the auditor is shown on pages 53 to 57.

Re-appointment

The appointment of the independent external auditor is approved by shareholders annually. The audit of the financial statements is conducted in accordance with International Standards on Auditing (UK) (ISAs), issued by the Auditing Practices Board.

There are no contractual obligations that act to restrict the Committee's choice of external auditor.

Having considered the effectiveness and performance of the independence auditor, the Committee has recommended to the Board the re-appointment of Cooper Parry Group Limited as independent auditor of the Company for the next financial year.

Services, independence, and fees

The independent auditor provides the Committee with:

- a report detailing the audit approach, key findings, significant accounting matters, including key judgements and estimates, and observations on the Group's internal control environment; and
- an independent opinion on whether the Group and Company financial statements give a true and fair view and have been properly prepared in accordance with applicable financial reporting frameworks.

The Committee monitors the effectiveness and cost-efficiency of the external audit and assesses whether any non-audit services performed by the independent auditor could result in a conflict of interest.

The Committee has reviewed the safeguards and controls in place to ensure auditor independence, which include:

- a Group policy requiring Audit Committee approval for all significant non-audit work;
- a Group policy prohibiting the provision of bookkeeping services;
- controls in line with regulatory requirements regarding the employment of former auditor staff;
- regular reviews of non-audit fees to the independent auditor; and
- additional internal controls recommended by Cooper Parry Group Limited to prevent any potential conflict of interest.

FY25 non-audit fees amounted to £nil (FY24: £nil).

Governance

The Group applies the Quoted Companies Alliance Corporate Governance Code.

The Committee's terms of references are available on request from the Company Secretary and on the Company website https://www.checkit.net/investor-relations/committees/.

Main activities

The Committee met three times during the financial year. Cooper Parry attended two of the meetings.

Subsequent to the year end, the Committee has met once with the independent auditor to discuss the findings of the year-end audit and contents of the Audit report.

The Executive Directors are not members of the Committee but attend Committee meetings by invitation, in particular attending the meetings at which the interim and annual results are reviewed.

The key activities carried out by the Committee include:

- monitoring the integrity of the financial statements and reporting of the Group;
- reviewing financial reporting significant issues, accounting policies and disclosures;
- reviewing the effectiveness of the Group's risk management framework;
- reviewing the appropriateness and effectiveness of Group internal controls;
- making recommendations to the Board on the appointment, re-appointment and removal of the Group's independent auditor;
- reviewing the independent auditor's audit strategy and implementation plan;
- reviewing auditor findings in relation to the annual reports;
- overseeing the Board's relationship with the independent auditor; and
- reviewing the Group's procedures for detecting and responding to possible wrongdoing, fraud and bribery.

The Committee reports on all such matters to the Board.

The Committee's work during the year included a detailed review of the Group's financial statements, key financial policies - including those relating to accounting, tax and treasury - and areas involving significant judgement, as summarised below:

Going concern

The Group continues to prepare its financial statements on a going concern basis, as set out in Note 1 to the financial statements. The Committee has reviewed the financial forecasts prepared by management as at the date of this report, and has concluded that it was appropriate for the Group to prepare its financial statements on a going concern basis.

Revenue recognition

The Committee reviewed the Group's revenue recognition policies, which are detailed in Note 1 to the financial statements.

Deferred taxation

The Committee reviewed the management's assessment regarding the recognition of deferred taxation and agreed it was appropriate not to recognise a deferred tax asset at this stage. Further details are disclosed in Notes 1, 8 and 14 respectively.

Internal financial control systems

The Audit Committee assist the Board in its annual assessment of the effectiveness of risk management and internal control systems.

The Committee approved the continued use of a Group risk management framework and regularly reviews the risk register and profile, as managed by the Board members and senior management.

The internal control framework is reviewed for effectiveness to ensure the following are in place:

- risk mitigation controls can be evidenced and supported;
- issues are raised appropriately, documented and followed up, including those raised by the external auditor;
- clearly defined lines of responsibility are in place;
- appropriate segregation of duties is built into processes;
- appropriate delegation of authority is in place, including Board approval of budgets and forecasts;
- a process of results comparison and financial performance management is in place, and variances are followed up and investigated;
- the Group appoints staff of the required calibre to fulfil their allotted responsibilities; and
- annual management reviews of controls and risk are evidenced and actions are completed.

The Committee was satisfied that it was appropriate for the Board to make the statements regarding internal controls included in the Report of the Directors and the Directors' responsibilities statement.

Quality accreditations and internal audit

The Group has policies and processes in place which meet the requirements of ISO 9001 and ISO 27001. These standards are audited annually and the Group is accredited with both as of 31 January 2025.

These certifications demonstrate the Group's commitment to robust operational processes and a strong data security framework, in line with recognised industry standards.

The Group has appointed a Quality and Compliance Manager, who is responsible for facilitating external audits, maintaining an internal audit programme, and supporting the effective management of risk across the business. The Committee has reviewed the internal audit activity during the year and is satisfied that the internal control and risk management framework remains effective.

Reporting to the Board

The Committee reports back to the Board regularly on matters under its purview.

Approval

This report was approved by the Committee, on behalf of the Board, on the date shown below and signed on its behalf by:

Alex Curran
Chair of the Audit Committee
23 April 2025

Remuneration report

Keith Daley
Non-Executive Chairman

Dear Shareholders,

The Remuneration report for FY25 has been prepared by the Remuneration Committee and approved by the Board. Shareholders will be invited to approve this report at the forthcoming Annual General Meeting.

Composition

The Remuneration Committee currently consists of Alex Curran and myself.

No member of the Committee has or has had any personal financial interest (other than as shareholder) or conflicts of interest from cross directorships.

Role

The Committee sets policy on Directors' remuneration and determines the remuneration packages of each of the Group's Executive Directors.

The Committee also reviews and determines elements of remuneration related to:

- any employee with a base salary of more than £160k; and
- all employee schemes involving equity-related incentives.

Governance

Companies with securities listed on AIM are not required to comply with either the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 or the UKLA Listing Rules.

The Company has adopted the QCA Code and applied the regulations and guidelines as far as is practical, given the size of the Group.

This reflects its commitment to maintaining high standards of corporate governance and open communication with shareholders.

Terms of reference reflect the adoption of the QCA Code and are available on our website or from the Company Secretary on request.

The Committee regularly reviews Group remuneration and ensures an appropriate balance between fixed and variable elements. Director packages are benchmarked against market norms and independent advisers engaged where appropriate.

It is the responsibility of the Committee to ensure the policy is effectively implemented and that shareholders' interests are at the core of any remuneration policy design.

Unaudited information

The independent auditor is not required to audit and has not, except where indicated, audited the information included in the Remuneration report. The audited information meets the remuneration disclosure requirements of Rule 19 of the AIM Rules for Companies.

Executive Directors' remuneration policy

The purpose of the policy is to motivate and incentivise appropriately experienced senior Executives of high calibre, who are best placed to ensure the Company achieves its strategic goals and delivers medium to long-term shareholder value.

The table below illustrates the policy to operate until the next AGM in 2026:

Purpose	Principles and application
Basic salary	
To attract and retain high calibre Executives who are expected to design and execute an ambitious growth strategy.	Salaries are reviewed annually in light of benchmarking data and competitor intelligence.
Pension	
To offer the opportunity for Executives to accrue pension rights in line with maximum HMRC limits.	Executives are eligible to join the Group pension scheme immediately on joining at an enhanced rate of Company contributions.
Benefits	
To offer a benefits package in line with best market practice.	Executives are offered income protection, family private medical cover and in-service death cover.
Short Term Incentive Plans (STIP)	
To incentivise strong short-term financial performance in each year.	Plans are reviewed and set annually with financial performance targets being set in Q1. Payment may be in either cash or Company shares.
Long Term Incentive Plans (LTIP)	
To incentivise long-term performance and sustained improvement in shareholder value.	An LTIP has been established for the CEO to provide a meaningful reward over a period of five years by incentivising the delivery of shareholder value. The LTIP is linked to growth and profit metrics and a share price target.
Options plan: Enterprise Management Incentive Scheme (EMI)	
To incentivise long-term performance and sustained improvement in shareholder value.	Option grants are made at Remuneration Committee discretion. No EMI total award shall relate to shares exceeding a value of £250,000 measured at time of grant.

Notes

Basic salary

FY25: The Committee awarded an increase in base salaries of 3%, effective from 1 August 2024.

FY26: Subject to the level of ongoing inflationary pressure, the Committee may consider a review of base salaries in August 2025.

Annual bonus plan

Bonuses are not contractual and remain at the discretion of the Remuneration Committee.

FY25: In FY25, bonuses were awarded to Kit Kyte of £163k and Kris Shaw of £20k based on the achievement of targets set at the start of the year.

FY26: An FY26 in-year Executive bonus plan has been agreed per below:

Executive Director	Metrics	Earning potential
K Kyte	Financial performance	150% of average base
K Shaw	Financial performance	50% of average base

Detailed financial targets and performance metrics have been agreed. Payment of any bonus is dependent on Remuneration Committee assessment and approval.

Long Term Incentive Plans

In March 2022, Kit Kyte was granted options under an LTIP. The LTIP was designed to provide a meaningful reward over a period of five years by incentivising the delivery of shareholder value. The LTIP was linked to growth and profit metrics and a share price target. On 8 July 2024, Mr Kyte surrendered for nominal consideration the options awarded under the LTIP and on the same day, Mr Kyte was granted options over 4,000,000 ordinary shares. Under the terms of the revised LTIP, the options are subject to the achievement of performance targets and will vest in four increasing tranches. The vesting date for the first tranche of options will be 10 business days after the publication of the audited consolidated accounts of the Group for the Financial Year ending 31 January 2026 (“FY26”) or, in the Board’s absolute discretion, 10 business days after the publication of the interim accounts for the Group to 31 July 2026. The vesting date for the other tranches shall follow the same pattern as the first tranche. Each tranche shall only vest subject to ‘Rule of 40 Targets’, ‘L/EBIT Targets’ and ‘Share Price Targets’ being met as follows.

Vesting period	Number of Ordinary Shares subject to option	Rule of 40 Target	L/EBIT Target	Share Price Target
2026	400,000	10	(£2.5m)	55 pence
2027	800,000	20	(£0.9m)	70 pence
2028	1,200,000	30	£0.9m	85 pence
2029	1,600,000	40	£3.7m	100 pence

The options shall lapse (if not exercised) by 30 November 2029.

Enterprise Management Incentive Plan

In May 2020, the Board approved a tax-advantaged Enterprise Management Incentive (EMI) Plan (the Plan) to grant options to staff. The Plan was drafted with input from Deloitte LLP and complies with the provisions of the EMI Code of the Income Tax (Earnings & Pensions) Act 2003.

Under the Plan, the Company may grant share options to staff over shares with a value up to a limit of £250,000 (measured at time of grant) per employee as part of the Company’s reward and retention policy.

Company Share Option Plan

In March 2022, the Board approved a tax-advantaged Company Share Option Plan (CSOP) as a schedule of the EMI Plan.

Under the Plan, the Company may grant share options to staff over shares with a value up to a limit of £60,000 per employee as part of the Company’s reward and retention policy.

Non-Executive Directors are not eligible for the EMI or CSOP scheme. Share options may be exercised between years three and ten and will lapse if employment ceases.

The Remuneration Committee is responsible for approving all awards of EMI and CSOP share options and its current policy is to issue options to all employees with the minimum award being over 5,000 shares. Since January 2023, all options awarded to employees contain an EBITDA performance condition; options can only be exercised if the Company is EBITDA breakeven or positive at the date of exercise and has been EBITDA breakeven or positive on average over the six months prior to the date of exercise.

Options in issue as at 31 January 2025 are as per below:

Employee	Exercise date	Option price	**Options at 31 January 2025**
K Kyte	9 January 2026	23p	**500,000**
K Kyte	11 March 2027	20p	**1,250,000**
K Kyte	10 May 2026	5p	**400,000**
K Kyte	10 May 2027	5p	**800,000**
K Kyte	10 May 2028	5p	**1,200,000**
K Kyte	10 May 2029	5p	**1,600,000**
Other employees	7 July 2023	40.5p	**885,000**
Other employees	17 February 2024	55.5p	**105,000**
Other employees	12 July 2024	57p	**372,500**
Other employees	9 January 2026	23p	**75,000**
Other employees	18 March 2025	40p	**650,000**
Other employees	11 August 2026	23p	**710,000**
Other employees	5 October 2026	30p	**405,000**
Other employees	25 April 2027	19.5p	**443,500**
US Sub Plan	17 February 2024	55.5p	**122,500**
US Sub Plan	18 March 2025	40p	**75,000**
US Sub Plan	9 January 2026	23p	**5,000**
US Sub Plan	11 August 2026	23p	**5,000**
US Sub Plan	25 April 2027	19.5p	**200,000**
K Kyte total			**5,750,000**
Employees total			**4,053,500**
Total			**9,803,500**

Employment contracts

Executive Directors

Executive Directors are employed on service contracts terminable on six months' notice by the Company or the Director.

Non-executive Directors

Non-Executive Directors serve under letters of appointment terminable on three months' written notice by the Company or the Director. Their remuneration is determined by the Board (excluding the Non-Executive Directors) within the limits set by the Articles of Association and is based on fees paid in similar companies and the skills and expected time commitment of the individual concerned.

The basic fees were reviewed during FY25 and fees were increased by 3% at the mid-year point. The Non-Executive Directors receive no remuneration or benefits in kind other than their basic fees and are not eligible for any equity-based incentive schemes.

Total emoluments and the single figure of total remuneration emoluments for the Executive and Non-Executive Directors are set out below.

The figures represent amounts earned during the relevant financial year. Such emoluments are charged in the same financial year.

Audited information

Year to 31 January 2025	Basic pay £'000	Benefits[1] £'000	Bonuses £'000	Total £'000	Pension contribution[2] £'000	Compensation for loss of office £'000	Single figure remuneration £'000
Executive Directors							
K Kyte	328	1	163	492	22	—	514
K Shaw	61	—	20	81	4	—	85
G Price	184	—	—	184	14	40	238
Non-Executive Directors							
K Daley	109	—	—	109	—	—	109
S Greenman	44	—	—	44	—	—	44
A Curran	43	—	—	43	—	—	43
Total	**769**	**1**	**183**	**953**	**40**	**40**	**1,033**

Year to 31 January 2024	Basic pay £'000	Benefits[1] £'000	Bonuses £'000	Total £'000	Pension contribution[2] £'000	LTIPs vested or options exercised in year £'000	Single figure remuneration £'000
Executive Directors							
K Kyte	329	2	51	382	19	—	401
G Price	179	—	14	193	13	—	206
Non-Executive Directors							
K Daley	106	—	—	106	—	—	106
S Greenman	42	—	—	42	—	—	42
A Curran	33	—	—	33	—	—	33
Total	**689**	**2**	**65**	**756**	**32**	**—**	**788**

The emoluments of the highest paid Director in FY25 were £514,000 (FY24: £401,000).

1 Benefits include private medical insurance for directors and dependants

2 Includes payments made in lieu of pension contributions.

The annual basic pay for each current serving Director is as follows:

	Basic pay at 31 January 2025 £'000	Basic pay at 31 January 2024 £'000
K Daley	**111**	108
A Curran	**43**	43
K Kyte	**333**	323
K Shaw	**200**	-
G Price	**-**	183
S Greenman	**-**	43
Total	**687**	700

Unaudited information

Directors' share ownership

The shares owned by the current Directors serving as at 31 January 2025 are as follows:

	Shares owned outright at the date of this report	**Shares owned outright at 31 January 2025**	Shares owned outright at 31 January 2024
K Daley	21,797,504	**21,797,504**	20,925,366
A Curran	1,600	**1,600**	1,600
K Kyte	167,872	**167,872**	167,872
K Shaw	-	**-**	n/a
Total	21,966,976	**21,966,976**	21,144,758

Amounts payable to outside advisers in respect of Directors' remuneration:

Independent remuneration advisers were engaged during FY25 at a cost of £5,500 (FY24:nil).

Approval

This report was approved by the Board of Directors on the date shown below and signed on its behalf by:

Keith Daley
Chair of Remuneration Committee
23 April 2025

Report of the Directors

The Directors present their annual report and accounts, together with the audited financial statements, for the year ended 31 January 2025.

Principal activity

Checkit plc is the holding company of Checkit Europe Limited, Checkit UK Limited, Checkit Inc, Checkit LLC and two other non-trading companies detailed on page 75 (together, Checkit) and which is the leading provider of Predictive Operations for large facilities and multi-site locations, enabling operational agility and better decision making in large, complex, and multinational organisations.

Checkit's subscription business model offers optional plug-ins for integrated sensor networks and workflow task management. Checkit's solutions apply digital tools and monitoring to transform workforce management, and incorporate physical assets into a digital ecosystem using integrated sensors and monitoring devices.

A detailed review of the business, its results and future direction is included in the Strategic report set out on pages 1 to 35.

Results and future developments

The Group's loss on ordinary activities after taxation for the year was £3.6m compared to £4.5m last year. The Group's results are set out in the consolidated income statement on page 58 and are explained in the Chief Financial Officer's statement on pages 18 and 19.

The subsidiaries of the Group as at 31 January 2025 are listed in Note 13.

The Directors do not propose a dividend in respect of the year ended 31 January 2025 (2024: £nil).

Going concern

The Group's business activities, performance and position are set out in the Strategic report. The financial position of the Group is described on pages 18 and 19. Details of the key risks and uncertainties in the business, along with the mitigation actions in place, have been presented in the risks and uncertainties on pages 32 to 35.

The Directors have considered the going concern assumption and have reviewed detailed budgets for the next two years. Having considered the Group's cash flows and liquidity position, the Directors have concluded that the Group has adequate resources to continue operations for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

Health, safety, and environment

The Group recognises and accepts its responsibilities for maintaining high standards of health and safety management for all its operations to safeguard its employees, customers and the local community. The Group strives to minimise its impact on the environment and is committed to the maintenance of environmental controls as they relate to the business and aims to ensure that its activities comply at all times with relevant environmental legislation.

Streamlined energy and carbon reporting

The Group has chosen not to report data from any of its UK subsidiary undertakings as none of them are large companies and, therefore, are not required to report such information on a stand-alone basis. The parent company is exempt from reporting, as given the nature of its activities, it is a low energy user consuming less than 40MWh during the year.

Financial instruments

Principal financial risks and mitigating activities have been set out within the Strategic report. Additionally, Note 24 to the financial statements provides further details in respect of financial risk management and objectives.

Directors and their interests

The present membership of the Board is as follows:

- Kit Kyte, Chief Executive Officer;
- Kris Shaw, Chief Financial Officer;
- Keith Daley, Non-Executive Chairman;
- Alex Curran, Non-Executive Director.

The following directors resigned during the year:

- Greg Price (resigned 30 September 2024);
- Simon Greenman (resigned 4 December 2024).

Biographical details of the current Directors are set out on page 37 and details of Directors' beneficial interests in the shares of the Company as at 31 January 2025 are set out in the Remuneration report on pages 43 to 48.

The Board follows best practice recommendations and, accordingly, the whole Board will be offering itself for re-appointment or appointment as appropriate.

Directors' indemnity arrangements

The Company has granted indemnities to each of its Directors of all losses arising out of or in connection with the execution of their powers, duties and responsibilities as Directors to the extent permitted by the Companies Act 2006 and the Company's articles.

Such qualifying third party indemnity provisions remain in force at the date of this report.

The Group has purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors' remuneration

Details of Directors' remuneration are contained in the Remuneration report on pages 43 to 48.

Share capital

As at the date of this report, the total number of shares in issue (being ordinary shares of 5 pence each) is 108,008,562 (2024: 108,008,562).

Details of the share capital are given in Note 20 to the financial statements.

Substantial shareholdings

As at 31 March 2025 (being the latest practicable date before the publication of this report), the Company has been notified in accordance with Chapter 5 of the Disclosure Transparency Rules of the following interests of 3% or more in its issued ordinary share capital:

D&A(UK) Holdings Limited	21.76%
Mr K Daley	20.18%
Herald Investment Management Limited	9.42%
Mr J Wilson	6.21%
Chelverton Asset Management	5.09%

As far as the Directors are aware, there were no other interests above 3% of the issued ordinary share capital.

The Company's website, www.checkit.net, provides updated information on substantial shareholdings.

Employees

The Group's policies are designed to provide for the welfare, health and safety of its employees. The Group is committed to ensuring there are equal opportunities for all employees, regardless of gender, race, age, disability, religion or sexual orientation, where it is reasonable and practicable within existing legislation. The Group offers training to employees, enabling them to enhance their skill base and assist the business in meeting future challenges. In addition, the Group ran a series of equality, diversity and inclusion workshops this financial year. The Group continues to keep its staff informed of matters affecting them as employees and of the various factors affecting the performance of the Group through regular communications including fortnightly videos from the Chief Executive Officer.

Disclosure of information to the auditor

The Directors confirm that there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Annual General Meeting

The Company's AGM will be held at noon on 5 June 2025 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT. Accompanying this annual report and accounts is a letter from the Chairman and a Notice of AGM that sets out the resolutions to be considered and approved at the meeting.

On behalf of the Board

Hugh Wooster
Group General Counsel and Company Secretary
23 April 2025

Registered number 00448274

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards (IFRSs) and applicable law and have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that comply with that law and those regulations.

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

Directors' responsibilities statement

We confirm that to the best of our knowledge:

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

By order of the Board

Kris Shaw
Chief Financial Officer
23 April 2025

Financial statements

Checkit plc
Annual Report and Accounts 2025
Financial Statements

Independent auditor's report to the members of Checkit plc

Opinion

We have audited the financial statements of Checkit plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related 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 January 2025 and of the group's loss 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 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.

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the identified risks of the consolidated financial statements and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the planned audit responses based on a measure of materiality.

The group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In order to address the audit risks described in the key audit matters section which were identified during our planning process, we performed detailed audit procedures on 100% of consolidated revenues, 97% of consolidated assets and 98% of consolidated liabilities. We completed a full-scope audit of the financial statements of the parent company, Checkit plc and specific audit procedures were performed over specific balances within remaining components of the group, focusing our audit approach on the applicable risks within each entity and the consideration of the risk of material misstatement of these risks for the group consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk Description	Our response to the risk
Revenue recognition: As detailed in note 1 to the financial statements, Summary of significant accounting policies, the Group's revenue is generated from subscription services, and consultancy and other services. Given the material nature of revenue and the variety of methods it is generated through, the appropriateness of revenue recognition and management's application of the Group's revenue recognition accounting policies represents a key risk area of significant judgement in the financial statements. In particular, we consider that a significant risk arises on the occurrence of revenue for new SaaS contracts as there is greater potential for fraud and error than on existing contracts where revenues primarily arise from the release of contract liabilities recognised in the prior year.	We have assessed accounting policies for consistency and appropriateness with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled. In addition, we reviewed for the consistency of application as well as the basis of any recognition estimates. We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions. We performed walkthroughs of the processes as set out by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle. A sample of contracts have been reviewed and tied through to sales transactions throughout the year. These have been vouched to invoice, signed contracts, sales quotes and purchase orders and nominal posting. A complete listing of journals posted to revenue nominal codes has been obtained. We have tested unexpected manual adjustments to supporting evidence on a sample basis. We performed cut-off procedures to test transactions around the year end and verified a sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct year. Our procedures did not identify any material misstatements in the revenue recognised during the year.
Impairment of goodwill and intangibles: The Group has a material intangible asset in relation to capitalised development costs. It also recognises goodwill in relation to the Checkit LLC cash generating unit. The Group's assessment of carrying value requires significant judgement, in particular regarding cash flows, growth rates, discount rates and sensitivity assumptions.	We challenged the assumptions used in the impairment model for goodwill and intangible assets, which is described in note 11 to the financial statements. We considered accuracy of forecasts by comparing historical budgets to recent trading performance. We assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations. We performed sensitivity analysis to determine whether an impairment would be required if bookings growth was lower than forecast rate. We concur with the assessment that there is no identified impairment
Impairment of investments (parent company only) The parent company balance sheet includes material investments in the subsidiaries of the group. The carrying value requires review each year for evidence of any potential impairment and this assessment requires judgement.	We challenged the assumptions used in the impairment model, including growth assumptions in trading forecasts. We performed sensitivity analysis to determine whether an impairment would be required if bookings growth was lower than forecast rate. We concur with the assessment that there is no identified impairment.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

The materiality for the group financial statements as a whole was set at £281,000. This has been determined with reference to the benchmark of the group's revenue which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 2% of revenue. Performance materiality has been set at 80% of group materiality.

The materiality for the parent company financial statements as a whole was set at £224,800 and performance materiality represents 80% of materiality. This has been determined with reference to the parent company's gross assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries.

Conclusions relating to going concern

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

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

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets; and
- Reviewing management's disclosures in the financial statements.

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 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.

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 included in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 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 directors' responsibilities statement set out on page 51, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group the parent company 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our assessment focused on key laws and regulations the group and parent company have to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, AIM listing rules, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation in the jurisdictions in which the group operates.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent company and how the group and parent company is complying with that framework by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through review of board minutes for instances of non-compliance;
- obtaining an understanding of the group and parent company's policies and procedures and how the group and parent company has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the group and parent company's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness with a focus on manual journals and those posted directly to the consolidation that increased revenue or that reclassified costs from the statement of comprehensive income to the balance sheet, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias specifically those in relation to goodwill and development costs intangible assets; and

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through the following:

- understanding of, and practical experience with, audit engagement of a similar nature and complexity, through appropriate training and participation; and
- knowledge of the industry in which the client operates.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Justine Hughes
Senior Statutory Auditor
For and on behalf of Cooper Parry Group Limited
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Caste Donington
Derby
DE74 2SA

23 April 2025

Consolidated statement of comprehensive income

year ended 31 January 2025

	Notes	**2025 £m**	2024 £m
Revenue	2	**14.1**	12.0
Cost of sales		**(4.3)**	(4.0)
Gross profit		**9.8**	8.0
Operating expenses	3	**(12.1)**	(11.4)
Adjusted LBITDA*		**(2.3)**	(3.4)
Depreciation and amortisation		**(1.5)**	(1.3)
Share-based payment charge		**(0.1)**	(0.2)
Non-recurring or special items	4	**(0.5)**	(0.2)
Operating loss	4	**(4.4)**	(5.1)
Finance income	5	**—**	0.5
Loss before taxation		**(4.4)**	(4.6)
Taxation	8	**0.8**	0.1
Loss for the year attributable to equity shareholders		**(3.6)**	(4.5)
Other comprehensive income/(expense)			
Exchange differences on translation of foreign operations		**—**	—
Total comprehensive loss for the year attributable to equity shareholders		**(3.6)**	(4.5)
Loss per share			
Basic EPS	10	**(3.3)p**	(4.2)p
Diluted EPS	10	**(3.3)p**	(4.2)p

The above statement should be read in conjunction with the accompanying notes on pages 62 to 82.

* Adjusted loss before interest, tax, depreciation and amortisation "LBITDA" is calculated by taking operating loss and adding back depreciation and amortisation, share-based payment charge and non-recurring or special items.

Consolidated balance sheet

as at 31 January 2025

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Goodwill arising on acquisition	11	**0.2**	0.2
Other intangible assets	11	**6.1**	4.8
Property, plant and equipment	12	**0.9**	0.8
Total non-current assets		**7.2**	5.8
Current assets			
Inventories	15	**3.9**	3.8
Trade and other receivables	16	**3.7**	4.5
Cash and cash equivalents		**5.1**	9.0
Total current assets		**12.7**	17.3
Total assets		**19.9**	23.1
Current liabilities			
Trade and other payables	17	**7.9**	7.8
Contract lease liabilities	22	**0.2**	0.2
Total current liabilities		**8.1**	8.0
Non-current liabilities			
Long-term contract lease liabilities	22	**0.4**	0.3
Long-term provisions	19	**0.3**	0.2
Total non-current liabilities		**0.7**	0.5
Total liabilities		**8.8**	8.5
Net assets		**11.1**	14.6
Equity attributable to the owners of the Company			
Called up share capital	20	**5.4**	5.4
Share premium	20	**23.3**	23.3
Capital redemption reserve	20	**6.4**	6.4
Other reserves	20	**0.6**	0.5
Retained earnings	20	**(24.6)**	(21.0)
Total equity		**11.1**	14.6

The above statement should be read in conjunction with the accompanying notes on pages 62 to 82.

The financial statements of Checkit plc (registered no. 00448274) were approved by the Board of Directors on 23 April 2025 and were signed on its behalf by:

Kit Kyte
Chief Executive Officer

Kristian Shaw
Chief Financial Officer

Consolidated statement of changes in equity

year ended 31 January 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Translation reserve £m	Retained earnings £m	Total £m
At 31 January 2023	5.4	23.3	6.4	0.3	—	(16.5)	18.9
Loss for the year	—	—	—	—	—	(4.5)	(4.5)
Total comprehensive income for the year	—	—	—	—	—	(4.5)	(4.5)
Share-based payments	—	—	—	0.2	—	—	0.2
At 31 January 2024	5.4	23.3	6.4	0.5	—	(21.0)	14.6
Loss for the year	—	—	—	—	—	(3.6)	(3.6)
Total comprehensive income for the year	—	—	—	—	—	(3.6)	(3.6)
Share-based payments	—	—	—	0.1	—	—	0.1
At 31 January 2025	**5.4**	**23.3**	**6.4**	**0.6**	**0.0**	**(24.6)**	**11.1**

The above statement should be read in conjunction with the accompanying notes on pages 62 to 82.

Consolidated statement of cash flows

year ended 31 January 2025

	Notes	**2025 £m**	2024 £m
Net cash outflow from operating activities	6	**(1.2)**	(4.7)
Investing activities			
Interest received on bank deposits		**0.1**	0.5
Purchase of property, plant and equipment		**(0.2)**	(0.1)
Investment in product development projects		**(2.4)**	(2.0)
Net cash used in investing activities		**(2.5)**	(1.6)
Financing activities			
Repayment of contract lease liabilities		**(0.2)**	(0.3)
Net cash utilised by financing activities		**(0.2)**	(0.3)
Net decrease in cash and cash equivalents		**(3.9)**	(6.6)
Cash and cash equivalents at the beginning of the year		**9.0**	15.6
Cash and cash equivalents at the end of the year		**5.1**	9.0

The above statement should be read in conjunction with the accompanying notes on pages 62 to 82.

Notes to the consolidated financial statements

year ended 31 January 2025

General information

Checkit plc (the Group or Checkit) is a public limited liability company incorporated in England and Wales and domiciled in the UK. The address of its registered office is Broers Building, J J Thomson Avenue, Cambridge CB3 0FA. The nature of the Group's operations and its principal activities are set out in the Report of the Directors on pages 49 and 50.

These financial statements are presented in Sterling, the currency of the primary economic environment in which the Group operates, and all values are rounded to the nearest hundred thousand (£0.1m) except where otherwise stated.

1. Summary of significant accounting policies

The particular accounting policies adopted by the Directors in the preparation of these consolidated financial statements are described below:

Basis of accounting

The consolidated financial statements of Checkit plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. The principal accounting policies adopted are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

New standards, interpretations and amendments effective from 1 February 2024

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 February 2024, which had a significant effect on the Group's financial statements.

Critical accounting judgements

Development costs: under IAS 38, research and development costs and internally generated technology should be capitalised if the capitalisation criteria are met. Assumptions and judgements are made with regard to assessing the expected future economic benefits, the economic useful life and the level of completion of the project. Under IAS 38, at the point where activities no longer relate to development but to maintenance, capitalisation is to be discontinued. In accordance with IAS 38 the Group will only recognise the costs of an intangible asset if and only if it is more likely than not that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

The key judgement is reliably measuring the expenditure attributable to development projects and determining whether the project meets the criteria to recognise an asset. An assessment is made when looking at the costs incurred and criteria for development costs, including the commercial and technical viability of the costs being assessed. The main costs attributed to development costs are that of payroll and dedicated third party resources.

Estimation of the useful economic life for development costs is considered with regard to the future economic benefits which will be derived. Development costs are amortised over a range of two to five years, determined on an asset-by-asset basis.

Goodwill impairment CGU groups: determining whether goodwill is impaired requires management's judgement in assessing cash-generating unit (CGU) groups to which goodwill should be allocated. Management allocates a new acquisition to a CGU group based on which one is expected to benefit most from that business combination. The allocation of goodwill to existing CGUs is generally straightforward and factual; however, over time as new businesses are acquired and management reporting structures change, management reviews the CGU groups to ensure they are still appropriate.

Sources of estimation uncertainty

- IFRS 3 (revised) "Business Combinations" requires that goodwill arising on the acquisition of subsidiaries is capitalised and included in intangible assets. IFRS 3 (revised) also requires the identification and valuation of other separable intangible assets at acquisition. The assumptions involved in valuing these intangible assets require the use of management estimates.
- The estimates include identification of relevant assets, future growth rates, expected inflation rates and the discount rate used. Management also makes estimates of the useful economic lives of the intangible assets.
- The value in use calculation used to test for impairment of goodwill involves an estimation of the present value of future cash flows of CGUs. The future cash flows are based on annual budgets and forecasts, as approved by the Board, which include management's expectation of growth. The present value is then calculated based on management's estimate of future discount and long-term growth rates. The Board reviews these key assumptions (market share, long-term growth rates and discount rates) and the sensitivity analysis around these assumptions.

Going concern

The Strategic report sets out the Group's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current asset position and cash flows for the year ended 31 January 2025.

The Directors have prepared cash flow forecasts for the Group for a review period of twelve months from the date of approval of the 2025 financial statements and consider the assumptions used therein to be reasonable and reflective of its long-term subscription contracts and contracted recurring revenue. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance. Alternative scenarios have also been prepared to consider sensitivities for a reduction in revenue to the end of the review period. Forecasts indicate the Group would have sufficient funds to continue as a going concern.

Should sales reduce further than the sensitised case, the Group has a number of mitigating actions, such as reducing discretionary spend, delaying capital expenditure and research and development costs to protect the Group's cash position.

The Directors remain confident in the long-term future prospects for the Group and therefore the Directors have a reasonable expectation that the Group has adequate resources to continue for the foreseeable future. As a result, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The consolidated financial statements incorporate the financial statements of Checkit plc and all subsidiary undertakings drawn up to 31 January each year. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefit from their activities. The results of businesses acquired during the year are included from the effective date of acquisition. The results of businesses discontinued during the year are included until the date of disposal. Balances between Group companies are eliminated, and no profit is taken on intra-Group sales.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed, equity instruments issued and cash paid by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the statement of comprehensive income as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair value at the acquisition date.

Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill has an indefinite expected useful life and is not amortised but is tested annually for impairment.

Goodwill is recognised as an intangible asset in the consolidated balance sheet. Goodwill therefore includes non-identified intangible assets including business processes, buyer-specific synergies, know-how and workforce-related industry-specific knowledge and technical skills. Negative goodwill arising on acquisitions would be recognised directly in the consolidated income statement. On closure or disposal of an acquired business, goodwill would be taken into account in determining the profit or loss on closure or disposal.

Other intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project; and
- the Group has the ability to use or sell the services and product developed.

The cost of acquiring software (including associated implementation costs where applicable) that is not specific to an item of property, plant and equipment is classified as an intangible asset.

Other intangible assets that are separately acquired by the Group are stated at fair value.

Amortisation of intangible assets is charged on a straight line basis over the estimated useful lives of intangible assets determined on an asset-by-asset basis. The estimated useful lives are as follows:

• Computer software	3–10 years
• Marketing, customer and technology-related assets	3 years
• Development costs	2–5 years

Property, plant, and equipment

The cost of property, plant and equipment is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated on the cost of each property, plant and equipment asset individually on a straight line basis and is designed to write off the costs of the assets less any residual value over their estimated useful lives. The estimated useful lives are:

• Plant, equipment and tools	3–15 years
• Motor vehicles	4 years
• Fixtures and fittings	8–16 years
• Leasehold improvements	Term of the lease

Reviews are made periodically of the estimated remaining lives of individual productive assets, taking account of commercial and technological obsolescence as well as normal wear and tear. The carrying value is reviewed for impairment in the period if events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of property, plant and equipment and intangible assets

The carrying amount of the Group's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment loss recognised as an operating expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all direct expenditure and, where appropriate, production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs to completion.

Employee benefits

Pensions to employees are provided through defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to an independent entity. The Group has no legal obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

Share-based employee remuneration

The Group's management awards certain employee incentives from time to time on a discretionary basis and through its Company Enterprise Management Incentive Plan (EMI) and Long Term Incentive Plan (LTIP). In March 2022, the Board approved a tax-advantaged Company Share Option Plan (CSOP) as a schedule of the EMI Plan. Under the CSOP, the Company may grant share options to employees over shares with a value up to a limit of £60,000 per employee as part of the Company's reward and retention policy.

In accordance with IFRS 2 "Share-based Payments", the Group reflects the economic cost of awarding shares and share options to employees by recording an expense in the statement of comprehensive income equal to the fair value of the benefit awarded, fair value being estimated using the Black-Scholes option pricing model or the Monte Carlo method, as appropriate. The expense is recognised in the statement of comprehensive income over the vesting period of the award. Equity-settled share-based payments to employees, and others providing similar services, are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 20.

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

In addition, the Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group does not have any leases that transfer ownership of the underlying asset. The Group does not have any leases with a purchase option where there is a reasonable expectation that the option will be exercised. The right-of-use assets are presented within the same line item as that within which the corresponding underlying assets would be presented if they were owned — for the Group this is property, plant and equipment.

For short-term leases (lease term of twelve months or less) and leases of low value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight line basis as permitted by IFRS 16.

Financial liabilities/assets

The Group's financial liabilities are trade and other payables and finance leasing liabilities. They are included in the balance sheet line items "trade and other payables".

All interest-related charges are recognised as an expense in "finance costs" in the statement of comprehensive income.

Trade payables are stated at their amortised cost.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides goods directly to a debtor. Receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income.

Provision against trade receivables represents the expected lifetime credit losses for all trade receivables. The expected lifetime credit loss reflects assumptions on the ageing of overdue debts that may become unrecoverable, based upon historical observed default rates, adjusted for current economic environment.

Equity instruments

Share capital is determined using the nominal value of shares that have been issued. Equity-settled share-based employee remuneration is credited to other reserves until the related equity instruments are realised by the employee.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts, and include cash at bank and in hand and bank deposits available at less than 24 hours' notice. Bank overdrafts and invoice discounting advances are presented as current liabilities to the extent that there is no right of offset with cash balances. The carrying value of these assets is approximately equal to their fair value.

Accounting for taxes

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Where an item of income or expense is recognised in the statement of comprehensive income, any related tax generated is recognised as a component of tax expense in the statement of comprehensive income. Where an item is recognised directly to equity and presented within the statement of comprehensive income, any related tax generated is treated similarly.

Deferred taxation

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred taxation liabilities are generally recognised on all taxable temporary differences. Deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. The carrying value of deferred taxation assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Revenue recognition

The Group sells subscription services for workflow software and IoT sensors. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

To determine whether to recognise revenue, the Group follows a five-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; and
5. recognising revenue when/as performance obligation(s) are satisfied.

Subscription services

The Group recognises revenue depending on the substance and legal form of the contracts with its customers. Revenue is recognised once a legally binding contract between the Group and its customers has been established and the delivery of the service including installation, support and maintenance has commenced. The Group has assessed that the provision of these goods and services represent a single combined performance obligation over which control is considered to transfer over time as the respective elements are considered as being intertwined and therefore inseparable due to their value together.

Revenues are recognised monthly as the Group has an enforceable right to payment for contracted services provided.

The Group recognises liabilities for consideration received in respect of unsatisfied performance obligations under the service contracts and reports these amounts as part of other creditors.

Consultancy and other services

Consultancy or training service revenues are recognised at the point when the service has been delivered and are considered as separate performance obligations.

A receivable is recognised when the performance obligations are satisfied, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Sterling, which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation.

Financial risk management

In the course of its business, the Group is mainly exposed to liquidity risk and credit risk. Financial risk management is an integral part of the way the Group is managed. Financial risk management policies are set by the Board. Further details are included in the Report of the Directors.

The Group does not hold or use derivative financial instruments.

(i) Liquidity risk

Liquidity risk represents the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The

Group manages this risk by maintaining adequate levels of cash resources.

(ii) Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Group is exposed to credit risk on financial assets such as cash balances, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts recognised in the balance sheet are net of appropriate allowances for doubtful receivables, estimated by the Group's management based on prior experience and its assessment of the current economic environment. Trade receivables are subject to credit limits and control and approval procedures in the operating companies. Due to its large geographic base, number of customers and mixed billing frequencies, the Group is not exposed to material concentrations of credit risk on its trade receivables.

Credit risk associated with cash balances is managed by transacting with financial institutions with high quality credit ratings. Accordingly, the Group's associated credit risk is limited. The Group has no significant concentration of credit risk.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Group balance sheet.

Capital management

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Details of share-based payments are disclosed in Note 20.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

From time to time, the Group purchases its own shares in the market; the timing of these purchases depends on market prices. Buy and sell decisions are made on a specific transaction basis by the Board.

There were no changes to the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate line of business or geographical area of operation that has been disposed of, has been abandoned or meets the criteria to be classified as held for sale.

Discontinued operations are presented on the statement of comprehensive income as a separate line and are shown net of tax.

Assets and businesses held for sale

Assets and businesses classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the income statement. No depreciation is charged on assets and businesses classified as held for sale.

Assets and businesses are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. The asset or business must be available for immediate sale and the sale must be highly probable within one year.

Non-GAAP measures

These financial statements contain references to earnings before depreciation and amortisation, share-based payment and non-recurring or special items. These financial measures do not have any standardised meaning prescribed by IFRS and are therefore referred to as non-GAAP measures. The non-GAAP measure used by the Company may not be comparable to similar measures used by other companies.

In line with the way the Board and Chief Operating Decision Maker review the business, non-recurring or special items are separately identified. Management has defined and reports such items as restructuring and integration costs, costs associated with acquisitions, amortisation of acquired intangible assets and other non-recurring and non-operating items.

The Board believes that this is a useful supplemental metric as it provides an indication of the results generated by the Company's principal business activities prior to consideration of how the results are impacted by one-time exceptional charges.

Non-recurring items or special items

Non-recurring items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material one-off items of income or expense that have been shown separately due to the significance of their nature or amount and do not reflect the ongoing cost base or revenue generating ability of the Group. In addition, management has defined charges in respect of amortisation of acquired intangibles as a special item requiring separate disclosure, if material.

2. Segmental reporting

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

The Group's main activities are the supply of connected workflow management, automated monitoring and building management, Internet of Things (IoT), and operational insight-based products and services.

Revenue by type

The following table presents the different revenue streams of Checkit:

	2025 £m	2024 £m
Recurring revenues from subscription services	**13.1**	11.2
Consultancy and other services	**1.0**	0.8
Total	**14.1**	12.0

Geographical information

The Group considers its operations to be in the following geographical regions:

	Revenue from external customers	
	2025 £m	2024 £m
United Kingdom	**10.3**	8.9
The Americas	**3.8**	3.1
Total	**14.1**	12.0

Information about major customers

During FY25, the Group had one customer who generated revenues of 13% of total revenue (FY24: 17%).

Revenue expected to be recognised

The Group expects to recognise revenue amounting to £4.7m (2024: £4.6m) in FY26 relating to performance obligations from existing contracts that are unsatisfied or partially satisfied as at 31 January 2025.

3. Net operating expenses

	2025 £m	2024 £m
Net operating expenses		
Selling and distribution costs	**3.0**	2.6
Administrative expenses	**9.0**	8.8
Total operating expenses	**12.0**	11.4

Non-recurring or special items are disclosed separately to improve visibility of the underlying business performance.

Management has defined such items as restructuring, amortisation of acquired intangibles and other non-recurring items incurred outside the normal course of business.

4. Operating loss

	2025 £m	2024 £m
Operating loss is stated after charging:		
Product development costs expensed	**2.0**	1.9
Depreciation on owned property, plant and equipment	**0.2**	0.1
Depreciation on right-of-use assets	**0.2**	0.3
Amortisation on development costs	**0.9**	0.7
Amortisation on computer software	**0.2**	0.2
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of the Company's annual accounts	**0.1**	0.1
– fees payable to the Company's auditor for the audit of the Company's subsidiaries pursuant to legislation	**0.0**	0.1
Total audit fees for audit services	**0.1**	0.2
Tax services	**0.0**	—
Total auditor's remuneration	**0.1**	0.2
Non-recurring or special items:		
– restructuring and integration costs	**0.3**	0.1
– HMRC investigation	**0.2**	—
– impairment of goodwill	—	—
– amortisation of acquired intangible assets	—	0.1
Total non-recurring or special items	**0.5**	0.2

Cooper Parry Group Limited was paid £nil for tax advisory and compliance services (2024: £nil).

5. Finance income

Finance income comprised:	2025 £m	2024 £m
Interest receivable on cash and bank balances, and treasury deposits	**0.0**	0.5

The Group incurred finance costs in relation to IFRS 16 right-of-use contract liabilities of less than £0.1m (2024: less than £0.1m).

6. Net cash flows from operating activities

	Notes	2025 £m	2024 £m
Loss before interest and taxation			
– from continuing operations		**(4.4)**	(5.1)
Adjustments for:			
Depreciation	12	**0.4**	0.4
Amortisation	11	**1.1**	1.0
Share-based payments		**0.1**	0.2
Operating cash flow before working capital changes		**(2.8)**	(3.5)
Decrease/(increase) in trade and other receivables		**1.6**	0.1
Increase in inventories		**(0.1)**	(1.4)
Increase in trade and other payables		**(0.1)**	0.3
Operating cash flow after working capital changes		**(1.4)**	(4.5)
Increase/(Decrease) in provisions		**0.1**	(0.2)
Cash utilised by operations		**(1.3)**	**(4.7)**
Tax credit received		**0.1**	—
Net cash outflow from operating activities		**(1.2)**	**(4.7)**

7. Staff information (including Directors)

Employee costs were:

	Note	2025 £m	2024 £m
Wages and salaries		**10.4**	9.7
Social security costs		**1.2**	1.1
Other pension costs	23	**0.4**	0.4
		12.0	11.2

The average monthly number of people employed by the Group during the year, including Executive Directors, was as follows:

	2025 Number	2024 Number
Administration and sales	**87**	80
Development	**51**	49
Field service	**23**	29
	161	158

Details of Directors' remuneration are included in the Remuneration report on page 43.

8. Taxation

(a) Analysis of tax credit for the year

	2025 £m	2024 £m
Current taxation:		
UK corporation tax (credit) on loss for the year	**(0.3)**	(0.1)
Adjustment in respect of prior periods	**(0.5)**	—
Total current taxation	**(0.8)**	(0.1)
Deferred tax:		
On separately identifiable acquired intangibles (as a result of amortisation)	**—**	—
Total deferred taxation	**—**	—
Tax credit on continuing operations	**(0.8)**	(0.1)

(b) Factors affecting taxation credit for the year

The effective tax rate for the year was 25%.

	2025		2024	
	Tax rate	**£m**	Tax rate	£m
Loss on ordinary activities before taxation		**(4.4)**		(4.6)
Loss on ordinary activities multiplied by weighted average standard rate of corporation tax in the UK of 25%	**25.0%**	**(1.1)**	24.0%	(1.1)
Effects of:				
Expenses not deductible for tax purposes	**(12.6%)**	**0.6**	(3.2%)	0.2
Income not taxable	**17.2%**	**(0.8)**	2.1%	(0.1)
Temporary differences not recognised	**(13.1%)**	**0.6**	18.7%	0.9
Prior year adjustments	**12.7%**	**(0.6)**	—	—
R&D tax credit	**(10.3%)**	**0.5**	(1.6%)	0.1
	18.9%	**(0.8)**	2.2%	(0.1)

(c) Factors that may affect future taxation charges

Deferred taxation assets amounting to £7.4m (2024: £7.7m) have not been provided in respect of unutilised income tax losses of £29.5m (2024: £30.8m) that can only be carried forward against future taxable income of that same trade as there is currently insufficient evidence that these assets will be recovered.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence, any deferred tax balances have been calculated as at 25%.

9. Dividends paid

No interim or final dividend was paid for the year ended 31 January 2025 (2024: £nil).

10. Earnings per share

Earnings per share (EPS) is the amount of post-tax profit attributable to each share (excluding those held by the Company). Basic EPS measures are calculated as the Group profit for the year attributable to equity shareholders divided by the weighted average number of shares in issue during the year. Diluted EPS takes into account the dilutive effect of all outstanding share options priced below the market price, in arriving at the number of shares used in its calculation.

Both of these measures are also presented on an adjusted basis, to remove the effects of non-recurring or special items, being items of both income and expense which are sufficiently large, volatile or one-off in nature, to assist the reader of the financial statements to get a better understanding of the underlying performance of the Group. The Note below demonstrates how this calculation has been performed.

	Key	**2025 £m**	2024 £m
Weighted average number of shares for the purpose of basic earnings per share	A	**108.0**	108.0
Dilutive effect of employee share options[1]		**—**	—
Weighted average number of shares for the purpose of diluted earnings per share	B	**108.0**	108.0

	Key	**2025 £m**	2024 £m
Loss for the year	C	**(3.6)**	(4.5)
Total non-recurring or special items net of tax		**0.4**	0.1
Loss for adjusted EPS	D	**(3.2)**	(4.4)

	Key	**2025**	2024
EPS measures			
Basic and diluted[1] EPS	C/A	**(3.3)p**	(4.2)p
Adjusted EPS measures			
Adjusted basic and diluted[1] EPS	D/A	**(2.9)p**	(4.1)p

The adjusted EPS information is considered to provide a fairer representation of the Group's trading performance.

Total earnings per share for the year attributable to equity shareholders

	Key	**2025**	2024
EPS measures			
Basic EPS	C/A	**(3.3)p**	(4.2)p
Diluted EPS[1]	C/B	**(3.3)p**	(4.2)p

1 In the current and prior year, the dilutive impact of employee share options is ignored since there is no dilutive impact on continuing operations EPS measures given the continuing loss for the year.

11. Intangible assets

	Development costs £m	Computer software £m	Acquired intangible assets £m	Goodwill £m	Total £m
Cost					
At 1 February 2023	9.8	1.0	4.3	4.5	19.6
Additions	2.0	—	—	—	2.0
Disposals	—	—	—	—	—
At 31 January 2024	11.8	1.0	4.3	4.5	21.6
Additions	2.4	—	—	—	2.4
Disposals	—	—	—	—	—
At 31 January 2025	**14.2**	**1.0**	**4.3**	**4.5**	**24.0**
Amortisation					
At 1 February 2023	6.8	0.3	4.2	4.3	15.6
Charge for the year	0.7	0.2	0.1	—	1.0
Disposals	—	—	—	—	—
At 31 January 2024	7.5	0.5	4.3	4.3	16.6
Charge for the year	0.9	0.2	0.0	0.0	1.1
Disposals	—	—	—	—	—
At 31 January 2025	**8.4**	**0.7**	**4.3**	**4.3**	**17.7**
Carrying amount					
At 1 February 2023	3.0	0.7	0.1	0.2	4.0
At 31 January 2024	4.3	0.5	—	0.2	5.0
At 31 January 2025	**5.8**	**0.3**	**—**	**0.2**	**6.3**

Acquired intangible assets are made up of the separately identified intangibles acquired with the purchase of Next Control Systems in May 2019 and those acquired with the purchase of Checkit LLC in February 2021.

Impairment testing for goodwill

The Group identifies cash-generating units (CGUs) at the operating company level, as this represents the lowest level at which cash inflows are largely independent of other cash inflows. Goodwill acquired in a business combination is allocated, at acquisition, to the groups of CGUs that are expected to benefit from that business combination.

Goodwill relates to the acquisition of Checkit UK Limited in May 2019 and of Checkit LLC in February 2021. The goodwill in relation to Checkit UK Limited has been fully impaired.

Goodwill values have been tested for impairment by comparing them against the "value in use" in perpetuity of the relevant CGU group. The value in use calculations were based on projected cash flows, derived from the latest forecasts prepared by management and budgets approved by the Board, discounted at CGU specific, risk adjusted, discount rates to calculate their net present value.

Key assumptions used in "value in use" calculations

The calculation of "value in use" is most sensitive to the CGU specific operating and growth assumptions that are reflected in management forecasts for the five years to January 2030. CGU specific operating assumptions are applicable to the forecasted cash flows and relate to revenue forecasts and forecast operating margins in each of the operating companies and are based on the strategic plans for the Group. Long-term growth rates are capped at 1%.

The revenue growth rates used in the cash flow forecast are based on management's expectations of the future opportunities for the Checkit platform and the ability to upsell to existing customers on a global basis, including the planned US expansion. The forecasts include the costs associated with delivering the Checkit platforms, which are directly linked to the forecast sales growth.

Discount rates are based on estimations of the assumptions that market participants operating in similar sectors would make, using the Group's economic profile as a starting point and adjusting appropriately. Sensitivity to the discount rate has been applied to evaluate impairment testing using discount rates ranging from 10% to 20%.

The carrying value in relation to the acquisition of Checkit LLC has not identified any impairment.

12. Property, plant, and equipment

	Property £m	Plant and machinery £m	Equipment, fixtures, fittings and vehicles £m	Total £m
Cost				
At 1 February 2023	1.1	0.3	1.0	2.4
Additions	—	0.1	0.2	0.3
Disposals	(0.3)	—	—	(0.3)
At 31 January 2024	0.8	0.4	1.2	2.4
Additions	0.2	—	0.3	0.5
Disposals	(0.2)	—	(0.1)	(0.3)
At 31 January 2025	**0.8**	**0.4**	**1.4**	**2.6**
Depreciation				
At 1 February 2023	0.6	0.2	0.7	1.5
Charge for the year	0.2	—	0.2	0.4
Disposals	(0.3)	—	—	(0.3)
At 31 January 2024	0.5	0.2	0.9	1.6
Charge for the year	0.1	0.1	0.2	0.4
Disposals	(0.2)	—	(0.1)	(0.3)
At 31 January 2025	**0.4**	**0.3**	**1.0**	**1.7**
Net book value				
At 31 January 2024	0.3	0.2	0.3	0.8
At 31 January 2025	**0.4**	**0.1**	**0.4**	**0.9**

The net book value of property, plant and equipment held as right-of-use assets was £0.6m (2024: £0.5m) (see Note 22).

13. Investment in subsidiary undertakings

The subsidiary undertakings at 31 January 2025 were:

Name	Registered office	Country of incorporation	Nature of business	Shares held by parent	Shares held by Group
Checkit Europe Limited	Broers Building, J J Thomson Avenue, Cambridge, UK	England and Wales	Web-based service for work management and automated monitoring	100%	100%
Checkit UK Limited	Broers Building, J J Thomson Avenue, Cambridge, UK	England and Wales	Dormant company	100%	100%
Checkit LLC	485 Mariner Blvd, Spring Hill, Florida 34609, USA	USA	Web-based service for work management and automated monitoring	100%*	100%
Checkit Inc	11849 Telegraph Road, Santa Fe Springs, California 90670, USA	USA	Holding company	100%	100%
Hartest Precision Instruments Limited	Broers Building, J J Thomson Avenue, Cambridge, UK	England and Wales	Dormant company	100%	100%
Hartest Precision Instruments India Private Limited	304, Plot No.7, Mahajan Tower LSC, Shreshtha, Vihar, Delhi-110092	India	Dormant company	100%	100%

* Includes holdings held indirectly through Checkit Inc.

All subsidiary undertakings are operated primarily in the country of incorporation.

During the year, the Group applied the audit exemption available under Section 479A of the Companies Act 2006 for certain subsidiary undertakings. These exemptions were taken on the basis that the parent company, Checkit plc, has provided a statutory guarantee of all outstanding liabilities for the financial year ended 31 January 2025, as required by Section 479C.

The subsidiaries that claimed audit exemption during the year are:

Checkit Europe Limited (Company number: 09343487)

Checkit UK Limited (Company number: 02540171)

The guarantee statements for these subsidiaries have been filed with Companies House in accordance with the requirements of the Companies Act.

14. Deferred tax

	Deferred tax asset		Deferred tax liability	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Deferred tax	**—**	—	**—**	—

Deferred taxation assets have only been recognised for subsidiaries with a past history of profitable trends where there is persuasive and reliable evidence in the form of management accounts and financial projections that taxable profits are anticipated to arise in the foreseeable future. Deferred taxation assets have not been provided in respect of unutilised income tax losses that can be carried forward against future taxable income as there is currently uncertainty over their offset against future taxable profits and therefore their recoverability.

No deferred tax liabilities have been provided in respect of the unremitted earnings of the overseas subsidiaries. The amount of such unremitted earnings is estimated to be a retained profit of less than £0.1m (2024: less than £0.1m).

15. Inventories

	2025 £m	2024 £m
Raw materials	**—**	—
Finished goods and goods for resale	**3.9**	3.8
	3.9	3.8

In the ordinary course of business, the Group makes provision for slow-moving, excess and obsolete inventory as appropriate. Inventory is stated after charging impairments of less than £0.1m in the year (2024: £0.2m), which are included within operating profit.

The amount of inventory recognised as an expense within cost of sales amounted to £1.4m (2024: £1.2m).

16. Trade and other receivables

	2025 £m	2024 £m
Gross trade receivables	**1.8**	3.0
Less: expected credit losses	**(0.1)**	(0.2)
Trade receivables — net	**1.7**	2.8
Other receivables	**1.4**	1.1
Prepayments	**0.6**	0.6
	3.7	4.5

The fair values of trade and other receivables are considered to be as stated above.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables, as these do not have a significant financing component. The expected lifetime credit losses reflect assumptions on the ageing of the overdue debts that may become unrecoverable, equivalent to a total Group rate of 3.2% (2024: 5.9%). The provision is based upon historical observed default rates over the expected life of trade receivables, adjusted for an assessment of the current economic environment.

Trade receivables are normally due within 30 to 90 days and do not bear any effective interest rate. Failure to receive payment within 180 days of payment due date is considered indication of no reasonable expectation of recovery. One customer makes up 12% of Group annualised revenues (FY24: 15%) but based on the Group's assessment of its credit rating the risk of failure is considered low.

Trade receivable days are 44 days (2024: 81 days normalised). Trade debtors include significant sales invoices for subscriptions due annually in advance, sales which are consequently included in deferred income on the balance sheet and are not recognised revenue.

Ageing of balances with expected credit losses is as follows:

	Expected credit loss	
	2025 £m	2024 £m
Not past due	**—**	—
Between one month and two months past due	**—**	—
Over two months past due	**0.1**	0.2
	0.1	0.2

Movements on the provision for impairment of trade receivables are as follows:

	Expected credit loss	
	2025 £m	2024 £m
At 1 February	**0.2**	0.2
Decrease in provision	**(0.1)**	—
At 31 January	**0.1**	0.2

The gross carrying amounts of trade and other receivables are denominated in the following currencies:

	2025 £m	2024 £m
Sterling	**3.3**	3.9
US Dollar	**0.3**	0.8
	3.6	4.7

17. Trade and other payables

	2025 £m	2024 £m
Trade payables	**1.0**	1.2
Other payables	**0.9**	0.7
Accruals	**1.3**	1.3
Deferred service and subscription income	**4.7**	4.6
	7.9	7.8

Management considers the carrying amounts of trade and other payables recognised in the balance sheet to be a reasonable approximation of their fair value.

Trade payable days are 34 days (2024: 31 days).

Service and subscription income contracts vary from 12–48 months in length; however, customers are only required to pay in advance for each successive twelve month period.

The amounts recognised as a contract liability will generally be utilised within the next reporting period.

18. Borrowings

The Group has no borrowings or facilities as at 31 January 2025 (2024: £nil).

19. Provisions

	2025 £m	2024 £m
Current	**—**	—
Non-current	**0.3**	0.2
	0.3	0.2

	Dilapidation costs £m	Other provisions £m	**Total £m**
At 1 February 2024	0.2	—	**0.2**
Utilised	—	—	—
Increase in provision	—	0.1	**0.1**
At 31 January 2025	**0.2**	**0.1**	**0.3**
Anticipated utilisation			
Within one year	—	—	—
Beyond one year	0.2	0.1	**0.3**

The dilapidation costs relate to redecoration, maintenance and reinstatement costs required to meet the terms of property leases held by the Group.

20. Share capital and reserves

Share capital

	2025 £m	2024 £m
Authorised 200,000,000 (2024: 200,000,000) ordinary shares of 5 pence each	**10.0**	10.0
Allotted, called up and fully paid 108,008,562 (2024: 108,008,562) ordinary shares of 5 pence each	**5.4**	5.4

Share options

			Number of options	
Year of grant	Exercise period	Option price	**2025 '000**	2024 '000
FY21	2023–2030	40.50p	**885**	900
FY22	2024–2031	56.03p	**600**	738
FY23	2025–2032	30.29p	**1,305**	3,793
FY24	2026–2033	20.69p	**1,120**	1,295
FY25	2027–2034	9.77p	**5,894**	—

The weighted average exercise price of all options in 2025 was 20.2 pence (2024: 35.3 pence).

Movement in share options during the year:

	2025		2024	
	No. of shares '000	**Weighted average**	No. of shares '000	Weighted average
Outstanding at beginning of the year	**6,726**	**35.3p**	7,731	39.0p
Granted during the year	**6,006**	**9.8p**	1,518	25.7p
Exercised during the year	**—**	**—**	—	—
Forfeited during the year	**(2,928)**	**29.3p**	(2,523)	43.2p
Outstanding at the year end	**9,804**	**20.2p**	6,726	35.3p
Exercisable at the end of the period	**1,560**	**46.9p**	900	40.5p

During the year, 6,006,000 (2024: 1,517,500) share options were granted to the following schemes:

- 256,000 to the Company Share Option Plan (CSOP) scheme launched in 2022;
- 1,550,000 to the existing EMI scheme launched in 2020; and
- 4,000,000 under LTIP
- 200,000 unapproved share options to the USA Subplan.
- 1,560,000 share options were eligible to be exercised during the year.

As at 31 January 2025, 9,803,500 (2024: 6,725,653) share options remain outstanding as follows:

- 1,683,500 (2024: 1,702,500) shares in a CSOP;
- 3,212,500 (2024: 2,810,653) shares in an EMI Plan;
- 4,500,000 (2024: 2,000,000) shares under a LTIP; and
- 407,500 (2024: 212,500) shares in a USA Subplan.

For further details see page 45 of the Remuneration report.

Valuation of share awards

Share-based payments, including awards under the EMI, CSOP and LTIP, are valued using an independent probability valuation model and take account of performance criteria (if any).

The Group recognised a charge of £0.1m in the year (2024: charge of £0.2m).

Reserves

The nature of the reserves shown in the consolidated balance sheet and consolidated statement of changes in equity is as follows:

Share premium

Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve

The cumulative nominal value of own shares acquired by the Company.

Translation reserve

Gains and losses arising on retranslating the net assets of overseas operations into Sterling of less than £0.1m (2024: less than £0.1m).

Other reserves

A reserve arising from the application of IFRS 2 “Share-based Payments”.

Retained earnings

Cumulative gains and losses recognised in the consolidated statement of comprehensive income not included above.

21. Capital commitments

Expenditure sanctioned but not contracted for amounted to £nil (2024: £nil), and expenditure contracted but not provided for in the financial statements amounted to £nil (2024: £nil).

22. Leases

The right-of-use assets recognised and the movement during the year is as follows:

	Property £m	Motor vehicles and equipment £m	Total £m
Cost			
At 1 February 2023	1.1	0.5	1.6
Additions	—	0.2	0.2
Disposals	—	—	—
At 31 January 2024	1.1	0.7	1.8
Additions	0.2	0.1	0.3
Disposals	(0.4)	—	(0.4)
At 31 January 2025	**0.9**	**0.8**	**1.7**
Depreciation			
At 1 February 2023	0.6	0.4	1.0
Charge for the year	0.2	0.1	0.3
Disposals	—	—	—
At 31 January 2024	0.8	0.5	1.3
Charge for the year	0.1	0.1	0.2
Disposals	(0.4)	—	(0.4)
At 31 January 2025	**0.5**	**0.6**	**1.1**
Net book value			
At 31 January 2024	0.3	0.2	0.5
At 31 January 2025	**0.4**	**0.2**	**0.6**

	Total £m
As at 1 February 2024	0.5
New leases entered into during the year	0.3
Disposals	—
Payments made during the year	(0.2)
At 31 January 2025	**0.6**
Presented as:	
Lease liability within one year	(0.2)
Lease liability in more than one year	(0.4)
At 31 January 2025	**(0.6)**

The table below summarises the maturity profile of the Group's financial liabilities based upon the contractual undiscounted payments as at 31 January 2025.

	2025 £m
No later than one year	**(0.2)**
Later than one year and no later than five years	**(0.4)**
Later than five years	—
	(0.6)

23. Retirement benefit schemes

The Group operates a Group Personal Pension Plan (which is a defined contribution scheme) for all qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of the trustees.

Contributions to the Group Personal Pension Plan and to other personal pension plans are charged to the statement of comprehensive income as they become payable. The pension cost charge for the year was £0.3m (2024: £0.4m) and outstanding contributions at the year end amounted to £0.1m (2024: less than £0.1m).

24. Financial assets and liabilities

(i) Financial instruments

The Group's financial instruments comprise cash and cash equivalents, and various items such as trade receivables and payables that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The Group has not entered into derivative transactions nor does it trade in financial instruments as a matter of policy. The main risk arising from the Group's financial instruments is liquidity risk. The Board's policy on each is described in Note 1 and is subject to regular monitoring and review, and remains unchanged since 2021. Operations are financed through working capital management and existing cash resources.

Treasury matters are dealt with on a Group basis and are approved by the Board.

(ii) Financial assets

Details of trade and other receivables are provided in Note 16. The only other current financial asset held is cash and cash equivalents. The cash balances as at 31 January 2025 are detailed below:

	2025 £m	2024 £m
US Dollar	**0.6**	0.3
Pound Sterling	**4.5**	8.7
	5.1	9.0

(iii) Financial liabilities

At 31 January 2025, the Group had no borrowings.

(iv) Maturity

All financial liabilities are contractually due within six months.

(v) Fair value of financial assets and liabilities

IFRS 7 "Financial Instruments" requires disclosure of fair value measurements by the level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets (Level 1);
- inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (Level 3).

There are no applicable financial assets at the end of 31 January 2025 (2024: £nil).

(vi) Committed undrawn borrowing facilities

At the year end, the Group had committed undrawn facilities of £nil (2024: £nil).

(vii) Currency risk

The Group's principal functional currency remains Pound Sterling with transactions in Euro and US Dollar.

The Group does not trade in derivatives or make speculative hedges. At 31 January 2025, the Group had no commitments under non-cancellable forward contracts (2024: £nil).

(viii) Categories of financial instruments

Financial assets held at amortised cost	**2025 £m**	2024 £m
Cash and bank balances	**5.1**	9.0
Trade and other receivables (Note 16)	**3.7**	4.5
	8.8	13.5

Financial liabilities held at amortised cost	**2025 £m**	2024 £m
Trade and other payables (Note 17)	**1.9**	1.9

25. Related party transactions

(a) Transactions between Group companies, which are related parties, have been eliminated on consolidation and have therefore not been disclosed.

(b) Key management of the Group are the Directors and other members of the Executive leadership team of the Group business segments.

Key management personnel remuneration was:

	2025 £m	2024 £m
Short-term employee benefits:		
Salaries including bonuses	**1.3**	1.6
Social security costs	**0.2**	0.2
Post-employment benefits:	**1.5**	1.8
Defined contribution pension plans	**0.1**	0.1
Total remuneration	**1.6**	1.9

Share-based payments to key management amounted to £nil (2024: £0.1m).

26. Non-GAAP performance measures

A reconciliation of non-GAAP performance measures to reported results is set out below:

Profit measures — LBITDA

	2025 £m	2024 £m
LBITDA	**(2.3)**	(3.4)
Depreciation and amortisation	**(1.5)**	(1.3)
Share-based payment charge	**(0.1)**	(0.2)
Non-recurring or special items	**(0.5)**	(0.2)
Operating loss for the year	**(4.4)**	(5.1)

Parent company balance sheet

as at 31 January 2025

	Notes	2025 £m	2024 £m
Fixed assets			
Investments in subsidiary undertakings	3	**14.5**	14.5
Intangible assets		**0.2**	0.4
Tangible fixed assets	4	**0.2**	0.2
Total non-current assets		**14.9**	15.1
Current assets			
Debtors	5	**24.7**	22.2
Cash in hand and at bank		**3.1**	7.5
Total current assets		**27.8**	29.7
Total assets		**42.7**	44.8
Current Liabilities			
Creditors: amounts falling due within one year	6	**(5.6)**	(5.6)
Total current liabilities		**(5.6)**	(5.6)
Long-term liabilities			
Long-term contract lease liabilities		**(0.1)**	(0.1)
Long-term provisions	7	**(0.1)**	(0.2)
Total long-term liabilities		**(0.2)**	(0.3)
Total liabilities		**(5.8)**	(5.9)
Net assets		**36.9**	38.9
Capital and reserves			
Called up share capital	8	**5.4**	5.4
Share premium		**23.3**	23.3
Capital redemption reserve		**6.4**	6.4
Other reserves		**0.6**	0.5
Profit and loss account		**1.2**	3.3
Shareholders' funds		**36.9**	38.9

The parent company's loss for the financial year amounted to £2.1m (2024: £0.2m profit).

The notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 23 April 2025 and were signed on its behalf by:

Kit Kyte
Chief Executive Officer

Kristian Shaw
Chief Financial and Operations Officer

Parent company statement of changes in equity

year ended 31 January 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Profit and loss account £m	Total £m
At 1 February 2023	5.4	23.3	6.4	0.2	3.1	38.4
Profit for the year	—	—	—	—	0.2	0.2
Total comprehensive income for the year	5.4	23.3	6.4	0.2	3.3	38.6
Own shares	—	—	—	0.3	—	0.3
At 31 January 2024	5.4	23.3	6.4	0.5	3.3	38.9
Loss for the year	—	—	—	—	(2.1)	(2.1)
Total comprehensive income for the year	5.4	23.3	6.4	0.5	(2.1)	(2.1)
Share based payments	—	—	—	0.1	—	0.1
At 31 January 2025	**5.4**	**23.3**	**6.4**	**0.6**	**1.2**	**36.9**

Notes to the parent company financial statements

as at 31 January 2025

1. Accounting policies

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in Note 1 to the consolidated financial statements except as noted below:

Investments

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

2. Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year amounted to £2.1m (2024: £0.2m profit).

3. Investments in subsidiary undertakings

	2025 £m	2024 £m
At 1 February	**14.5**	14.5
Provisions	**—**	—
At 31 January	**14.5**	14.5

Investment in subsidiary undertakings are made up as follows:

			Net book value	
	Cost £m	Impairment £m	**2025 £m**	2024 £m
Checkit Europe Limited	9.0	—	**9.0**	9.0
Checkit UK Limited	10.5	(5.0)	**5.5**	5.5
Checkit Inc	—	—	**—**	—
Hartest Precision Instruments India Private Limited	—	—	**—**	—
Hartest Precision Instruments Limited	—	—	**—**	—
	19.5	**(5.0)**	**14.5**	**14.5**

The Group is loss making and this is an indicator for potential impairment of its investments. Management has completed impairment reviews through estimating the recoverable value of these assets and concluded that impairments should remain unchanged as set out above.

4. Tangible fixed assets

	Property — right-of-use asset £m
Cost	
At 1 February 2024	0.9
Additions	—
Disposals	(0.2)
At 31 January 2025	**0.7**
Depreciation	
At 1 February 2024	0.7
Charge for the year	0.0
Disposals	(0.2)
At 31 January 2025	**0.5**
Net book value	
At 1 February 2024	0.2
At 31 January 2025	**0.2**

Amounts owed by subsidiary undertakings are repayable on demand and do not bear interest.

5. Debtors: Amounts falling due within one year

	2025 £m	2024 £m
Amounts owed by subsidiary undertakings	**24.3**	21.3
Other debtors and repayments	**0.4**	0.9
	24.7	22.2

Amounts owed by subsidiary undertakings are repayable on demand and do not bear interest.

6. Creditors: Amounts falling due within one year

	2025 £m	2024 £m
Amounts owed to subsidiary undertakings	**4.2**	4.2
Other creditors	**1.3**	1.3
Contract lease liabilities	**0.1**	0.1
	5.6	5.6

Amounts owed by subsidiary undertakings are repayable on demand and do not bear interest.

7. Provisions

	Dilapidation costs £m
At 1 February 2024	0.2
Utilised	(0.1)
Increase in provision	—
At 31 January 2025	**0.1**
Anticipated utilisation	
Within one year	0.0
Beyond one year	0.1

8. Share capital and reserves

Details of the share capital and reserves are given in Note 20 of the notes to the consolidated financial statements.

9. Capital expenditure commitments

Expenditure sanctioned but not contracted for amounted to £nil (2024: £nil), and expenditure contracted but not provided for in the financial statements amounted to £nil (2024: £nil).

10. Related party transactions

Related party transactions are the same for the Company as for the Group. Details can be found in Note 25 of the notes to the consolidated financial statements.

Web property and advisers

Web property

Checkit

www.checkit.net

Advisers

Group General Counsel and Company Secretary

Hugh Wooster

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