

Grant of Options

ARCONTECH GROUP PLC

("Arcontech" or the "Company")

Grant of Options

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, announces that on 4 December 2024 it granted a total of 30,000 options ("Options") over ordinary shares of £0.125 in the Company ("Ordinary Shares") under the Company's EMI scheme to the following person disclosing managerial responsibility ("PDMRs"), Mark Maguire (Head of Customer Support).

The Options have been granted at a price of 125.5p pence per Ordinary Share, being the closing mid-market price of the Company's Ordinary Shares on 3 December 2024. The Options will be exercisable from 30 June 2027 and are not subject to performance criteria.

Following this grant, there are a total of 610,500 options outstanding, representing approximately 4.5% of the current issued share capital of the Company.

Further detail is set out in the PDMR disclosure tables below.

* Fully diluted earnings will be based on: (a) the Company's pre-tax profit excluding exceptional items and the share option charge and (b) the current UK corporation tax rate of 19%, such that the fully diluted earnings calculation takes no account of R&D and deferred tax credits. For the purposes of the fully diluted earnings calculation, the applied rate of corporation tax will remain constant at 19% irrespective of any current or future changes to corporation tax.

Enquiries:	
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Arcontech Group plc	020 7256 2300
Geoff Wicks, Chairman and Non-Executive Director	
Matthew Jeffs, Chief Executive Officer	
Cavendish Capital Markets Ltd (Nomad & Broker)	
Carl Holmes/Rory Sale (Corporate Finance) Harriet Ward (Corporate Broking)	020 7220 0500

To access more information on the Group please visit:
www.arcontech.com

1.	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Mark Maguire
2.	Reason for the Notification	
a)	Position/status	Head of Customer Support
b)	Initial notification/Amendment	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Arcontech Group Plc
b)	LEI	21380007PM9V79TP7523
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	

a)	Description of the Financial instrument, type of instrument	Options over Ordinary Shares of £0.125
	Identification code	ARC GB00BDBBJZ03
b)	Nature of the transactions	Grant of Options over Ordinary Shares
c)	Price(s) and volume(s)	Price(s) Volume(s) 125.5p 30,000
d)	Aggregated information: Aggregated volumesPrices	See 4(c) above
e)	Date of the transaction	04 December 2024
f)	Place of the transaction	Off market transaction

Director/PDMR Shareholding

ARCONTECH GROUP PLC

("Arcontech" or the "Company")

Director/PDMR Shareholding

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, announces the following Director/PDMR dealing in Arcontech's ordinary shares ("Ordinary Shares").

Matthew Jeffs, Chief Executive Officer, and his wife, a person closely associated to Matthew Jeffs, have purchased an aggregate total of 60,000 Ordinary Shares across a number of small transactions at an average price of 119 pence per share. Following this purchase, Matthew Jeffs has a beneficial interest of 995,000 ordinary shares in the Company representing 7.44% of the issued share capital.

Further information is disclosed below pursuant to Article 19(3) of the Market Abuse Regulation.

Enquiries:	
Arcontech Group plc	020 7256 2300
Geoff Wicks, Chairman and Non-Executive Director	
Matthew Jeffs, Chief Executive Officer	
Cavendish Capital Markets Ltd (Nomad & Broker)	
Carl Holmes/Rory Sale (Corporate Finance) Harriet Ward (Corporate Broking)	020 7220 0500
To access more information on the Group please visit: www.arcontech.com	

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1.	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Matthew Jeffs
2.	Reason for the Notification	
a)	Position/status	Chief Executive Officer
b)	Initial notification/Amendment	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Arcontech Group Plc
b)	LEI	21380007PM9V79TP7523

4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the Financial instrument, type of instrument	Ordinary Shares of £0.125
	Identification code	ARC GB00BDBBJZ03
b)	Nature of the transactions	Purchase of Ordinary Shares
c)	Price(s) and volume(s)	Price(s) Volume(s) 1) 120p 2) 118p 50,000 10,000
d)	Aggregated information: · Aggregated volumes · Prices	See 4(c) above
e)	Date of the transaction	7 November 2024 (50,000) 8 November 2024 (10,000)
f)	Place of the transaction	London Stock Exchange

Result of Annual General Meeting

ARCONTECH GROUP PLC

("Arcontech", the "Company" or the "Group")

Result of Annual General Meeting

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, announces that at the Annual General Meeting of the Company

held earlier today, all Resolutions were duly passed.

Enquiries:

Arcontech Group plc	020 7256 2300
Geoff Wicks, Chairman and Non-Executive Director	
Matthew Jeffs, Chief Executive	
Cavendish Capital Markets Ltd (Nomad & Broker)	020 7220 0500
Carl Holmes / Rory Sale – Corporate Finance Harriet Ward – ECM	

To access more information on the Group please visit:
www.arcontech.com

Notice of Annual General Meeting 9 October 2024

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

If you have sold or transferred all of your ordinary shares in Arcontech Group PLC, you should pass this document to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

ARCONTECH GROUP PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice of Annual General Meeting

Notice of the annual general meeting which has been convened for 10.00am on 9 October 2024 at the offices of the Company at 1st Floor, 11-21 Paul Street, London EC2A 4JU is set out at pages 5 and 6 of this document.

To be valid, proxy votes must be received by the Company's registrar, Link Group, as soon as possible and in any event no later than 10.00am on 7 October 2024.

ARCONTECH GROUP PLC

(Incorporated and registered in England and Wales under company number 4062416)

Registered Office

1st Floor

11-21 Paul Street

London EC2A 4JU

17 September 2024

To the Holders of Arcontech Group PLC Shares

Dear Shareholder,

Notice of Annual General Meeting

I am pleased to be writing to you with details of our annual general meeting (**AGM**) which we are holding at the Company's offices at 1st Floor, 11-21 Paul Street, London EC2A 4JU at 10.00am on 9 October 2024. The formal notice of the AGM is set out on pages 5 and 6 of this document.

If you would like to vote on the resolutions but cannot attend the AGM, please complete your proxy appointment using one of the methods detailed below. Please note that the Company's registrars, Link Group, must receive your proxy appointment no later than 10.00am on 7 October 2024.

Explanatory notes on all the business to be considered at this year's AGM can be found on pages 7 to 9.

Last year, to further reduce our environmental impact, shareholders were notified that we will be removing paper from the voting process for meetings in favour of a quicker and more secure method of voting online via our registrars' website; <https://investorcentre.linkgroup.co.uk/Login/Login>. If you have not already registered for the Link Investor Centre you will need your Investor Code, which can be found on your share certificate. Once registered you will be able to vote immediately.

In the event that you do require a hard copy form of proxy, or you do not know your Investor Code, you can request this from our registrar, Link Group, by emailing shareholderenquiries@linkgroup.co.uk or calling them on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. If you complete a hard copy form of proxy, please ensure that you return it to the Company's registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible and no later than 10.00am on 7 October 2024.

Dividend

I am pleased to announce your Board proposes, subject to the approval of an ordinary resolution of shareholders at the AGM,

to pay a dividend of 3.75 pence per share for the year ended 30 June 2024 to those shareholders on the register as at the close of business on 4 October 2024, with an ex-dividend date of 3 October 2024. If approved at the AGM, the dividend will be paid on 1 November 2024.

Buy back of shares

A special resolution is proposed to grant the Company authority to purchase its own ordinary shares in the market. The Directors will seek authority, to expire on 9 October 2025 or at the end of the annual general meeting in 2025 whichever is earlier, for the Company to purchase its own ordinary shares in the market up to a maximum of 1,337,281 ordinary shares having an aggregate nominal value of £167,160 being 10 per cent of the existing ordinary share capital in issue as at 16 September 2024 (being the latest practicable date prior to the publication of the AGM notice). The terms of this authority and its effect are described in the explanatory notes to the resolutions at the end of the AGM notice.

Recommendation

The board considers that all of the resolutions are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the board unanimously recommends that you vote in favour of all resolutions.

Yours Sincerely

Geoff Wicks

Chairman

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Notice of AGM posted to Shareholders	17 September 2024
Shares become ex-dividend	3 October 2024
Record date for dividend	4 October 2024
Latest time and date for receipt of Proxy Votes	10.00am on 7 October 2024
Annual general meeting	10.00am on 9 October 2024
Payment of dividend	1 November 2024

Notice of Annual General Meeting

ARCONTECH GROUP PLC

Company Number 4062416

NOTICE IS HEREBY GIVEN that the annual general meeting of Arcontech Group PLC (the “**Company**”) will be held at the Company’s offices, 1st Floor, 11-21 Paul Street, London EC2A 4JU at 10.00am on 9 October 2024 to consider, and if thought fit, pass the Ordinary and Special Resolutions specified below. Resolutions 1 to 5 will be proposed as Ordinary Resolutions and Resolutions 6 and 7 as Special Resolutions:

Ordinary Business

That the following resolutions be considered as Ordinary Resolutions:

1. **THAT** the audited financial statements of the Company for the financial year ended 30 June 2024 together with the reports on those financial statements of (i) the directors of the Company (the “**Directors**”) and (ii) the auditors of the Company (the “**Auditors**”) be received and adopted.

- **THAT** a final dividend of 3.75 pence per ordinary share in respect of the financial year of the Company ended 30 June 2024, be declared and be paid on 1 November to ordinary shareholders whose names appear in the register of members at the close of business on 4 October 2024.
- **THAT** PKF Littlejohn LLP be appointed as Auditors to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company, and that the Directors be authorised to determine their remuneration.
- **THAT** Matthew Jeffs, who retires by rotation under Article 106 of the Company's articles of association, be re-elected a director of the Company.

Special Business

That the following resolution be considered as an Ordinary Resolution:

- **THAT** in accordance with section 551 of the Companies Act 2006 ("**2006 Act**"), the Directors of the Company ("**Directors**") be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £410,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the day falling fifteen months after the passing of this resolution or at the conclusion of the annual general meeting of the Company to be held in 2025 (whichever is earlier) save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be

granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.

THAT the following resolutions be considered as Special Resolutions:

- **THAT** subject to the passing of Resolution 5 above and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) for cash pursuant to the authority conferred by Resolution 5 above and/or be and are hereby empowered pursuant to section 573 of the 2006 Act to sell ordinary shares (as defined in section 560 of the Act) held by the Company as treasury shares (as defined in section 724 of the 2006 Act) for cash, in each case for the duration of this authority, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided the power to allot equity securities and sell treasury shares shall:

6.1 in connection with a rights issue, open offer or any other pre-emptive offer in favour of holders of equity securities (as required by the rights of those securities) in proportion (as nearly as may be) to their respective holdings, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical difficulties in or under the laws of any territory or the requirements of any regulatory body or stock

exchange; and

6.2 (otherwise than pursuant to sub-paragraph 6.1 above) be limited to the allotment of equity securities and sale of treasury shares up to an aggregate nominal amount of £410,000; and

6.3 expire on the day falling fifteen months after the passing of this resolution or at the conclusion of the annual general meeting of the Company to be held in 2025 (whichever is earlier) (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

- THAT the Company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the Companies Act 2006 to make market purchases (as defined in section 693 of that Act) of ordinary shares of 12.5 pence each in the capital of the Company provided that:

(i) the maximum number of shares which may be purchased is 1,337,281;

(ii) the minimum price which may be paid for each share is 12.5 pence;

(iii) the maximum price which may be paid for a share is an amount equal to the higher of (a) 105 per cent of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which

such share is contracted to be purchased or (b) the higher of the price of the last independent trade and the highest current bid as stipulated by the European Commission adopted Regulatory Technical Standards pursuant to Article 5(6) of the Market Abuse Regulation; and

(iv) this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2025, or on 9 October 2025, whichever is the earlier, (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

By _____ Order _____ of _____ the
Board

Registered Office:

	1 st Floor
	11-21 Paul Street
	London
.....	EC2A 4JU
Ben Hodges Secretary	
17 September 2024	

EXPLANATORY NOTES TO EACH RESOLUTION

The following notes give an explanation of the proposed resolutions

Ordinary Resolutions

Resolutions 1 to 5 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour

of the relevant resolution.

Report and Accounts (Resolution 1)

The directors of the Company must present the accounts to the meeting.

Dividend (Resolution 2)

The Company proposes to pay a dividend of 3.75 pence per share to shareholders on the register of members at close of business on 4 October 2024.

Reappointment and Remuneration of Auditors (Resolution 3)

Resolution 3 proposes the appointment of PKF Littlejohn LLP as Auditors of the Company and authorises the directors of the Company to fix their remuneration.

Re-election of Director (Resolution 4)

The Company's articles of association require that any Director who was elected, or last re-elected, a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation, subject to re-election by a simple majority of the members. Matthew Jeffs is offering himself for re-election pursuant to the Company's articles of association.

Authority to Allot Shares (Resolution 5)

Directors may only allot shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting ("AGM") is due to expire at the conclusion of this year's AGM. Therefore, this resolution seeks to grant a new authority to allow authority to allow the Directors to allot shares until the conclusion of the next AGM or until 15 months from the date of this meeting, whichever is the earlier. The maximum amount of shares which the Directors would be able to allot without further authority from shareholders is

3,280,000. It is expected that this amount will be sufficient for the day to day running of the Company.

Special Resolutions

Resolutions 6 and 7 are proposed as special resolutions. This means that for the resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolutions.

Disapplication of Pre-emption Rights (Resolution 6)

Under the requirements of the 2006 Act, ordinarily if the Directors wish to allot any of the unissued shares or sell any treasury shares (i.e. shares it has bought back in the market), they must first offer them to existing shareholders on a pro-rata basis in proportion to their shareholdings. There may be occasions however where the Directors will need the flexibility to finance business opportunities through the issue of shares or sale of treasury shares without a pre-emptive offer to existing shareholders. This resolution asks shareholders to waive the pre-emption rights on shares issued and treasury shares sold up to a maximum aggregate number of shares of 3,280,000. As with resolution 6, this authority will expire at the next AGM or within 15 months of the date of this meeting, whichever is earlier.

Buy Back of Shares (Resolution 7)

A special resolution is proposed to grant the Company authority to purchase its own ordinary shares in the market. The Directors will seek authority, to expire on 9 October 2025 or at the end of the annual general meeting in 2024 whichever is earlier, for the Company to purchase its own ordinary shares in the market up to a maximum of 1,337,281 ordinary shares having an aggregate nominal value of £167,160, being 10 per cent of the existing ordinary share capital in issue as at 16 September 2024 (being the latest practicable date prior to the publication of this Notice).

The Company's exercise of this authority is subject to the upper and lower limits on the price payable stated in the resolution. As at 16 September 2024 (being the latest practicable date prior to the publication of this Notice), there were options outstanding to subscribe for 580,500 ordinary shares. If the outstanding options were fully exercised, they would represent 4.16 per cent of the 13,953,311 issued ordinary shares of the Company. If the buy back authority were exercised in full, that percentage would be 4.60 per cent of the reduced share capital of 12,616,030 shares.

The Directors consider it desirable and in the Company's interests for shareholders to grant to the Company authority to exercise this power, within certain limits, to enable the Company to purchase its own ordinary shares. This authority would only be exercised if and when conditions are favourable, with a view to enhancing net asset value per share. Any shares purchased would be held as treasury shares which may, at the discretion of the Directors, be resold for cash, transferred in connection with an employee share scheme, or cancelled. No dividends will be paid on and no voting rights will be exercised in respect of treasury shares.

Notes:

1. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members registered in the register of members of the Company at the close of business two days before the meeting or any adjournment thereof, shall be entitled to attend, speak or vote at the meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the relevant register of securities later than this shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting.

2. Information regarding the meeting, including the information required by section 311A of the 2006 Act, can be found at the Company's website www.arcontech.com, including information on the number of shares and voting rights.
3. Any member who is entitled to attend and vote at this meeting is entitled to appoint one or more persons as proxies to attend, speak and vote on their behalf at the meeting or any adjournment of it. A proxy need not be a member of the Company. You can only appoint a proxy using the procedure set out on page 2 of this notice.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's registrar, Link Group, on the details set out on page 2 of this notice.
5. Link Investor Centre is a free app for smartphone and tablet provided by Link Group (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Link Investor Centre via a web browser at: <https://investorcentre.linkgroup.co.uk/Login/Login>.



6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Link Group (ID RA10) by 10.00 am on 7 October 2024.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable their CREST sponsors or voting system providers are referred, in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.00am on 7 October 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the

platform instructing the removal of your proxy vote.

8. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
9. If you need help with voting online or require a hard copy form of proxy, please contact our Registrar, Link Group by email at shareholderenquiries@linkgroup.co.uk, or you may call Link on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. If you complete a hard copy form of proxy, please ensure that you return it to the Company's registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible and no later than 10.00am on 7 October 2024.
10. The register of Directors' share interests will be available for inspection at the meeting convened by this notice, as will the Directors' service contracts.
11. Any corporate entity which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be

accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which their names stand on the register of members of the Company.

13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information; or (ii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Annual Report & Notice of AGM

ARCONTECH GROUP PLC

("Arcontech", the "Company" or the "Group")

Posting of Annual Report & Notice of AGM

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, confirms that its Annual Report and Accounts for the year ended 30 June 2024, together with the Notice of the Annual General Meeting, have been posted to shareholders. The documents will be available to download from the Company's website www.arcontech.com later this afternoon.

The Company's Annual General Meeting will be held at the Company's offices at 1st Floor, 11-21 Paul Street, London EC2A

4JU at 10.00 a.m. on 9 October 2024.

If you will be attending the Annual General Meeting, please ensure you bring proof of identity and share ownership.

Enquiries:

Arcontech Group plc	020 7256 2300
Geoff Wicks, Chairman and Non-Executive Director	
Matthew Jeffs, Chief Executive	
Cavendish Capital Markets Ltd (Nomad & Broker)	020 7220 0500
Carl Holmes/Rory Sale Harriet Ward – ECM	

To access more information on the Group please visit:
www.arcontech.com

Final Results for the year ended 30 June 2024

ARCONTECH GROUP PLC

(“Arcontech”, the “Company” or the “Group”)

Final Results for the year ended 30 June 2024

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, is pleased to announce its final audited results for the year ended 30 June 2024.

Financial Highlights:

- Turnover was £2,910,232 (2023 £2,730,172)
- Profit before taxation was £1,098,959 (2023 £985,696) up by £113,263
- Recurring revenues represented 99% of total revenues for the period (2023: 100%)
- Net cash of £7,160,177 (2023 £6,411,241), an increase of 11.7%
- Final dividend increased 7.1% to 3.75 pence per share (2023: 3.50 pence per share)

Operational Highlights:

- Overall engagement with the market much stronger than the previous two years
- Sales team has been increased to identify growth opportunities with existing clients
- Several PoC (Proof of Concept) with prospective clients have been started
- Working with clients on additional planned developments to round out offering

Commenting on the results, Geoff Wicks, Chairman and Non-Executive Director of Arcontech said:

“We are optimistic that revenue growth will continue and our strategy will be to concentrate on our core market and build out our geographic presence. We will continue to improve our products to enable us to compete in more areas of the market. We have a stable customer base and maintaining this will be key to leveraging our recurring revenue to build higher levels of growth”.

Enquiries:

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Carl Holmes/Rory Sale – Corporate Finance Harriet Ward – ECM	

To access more information on the Group please visit:
www.arcontech.com

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

Chairman's Statement

In the year to 30 June 2024 Arcontech started to benefit from its strong sales pipeline and the Company experienced revenue growth for the first time in three years. The last four years have been challenging but the Company has maintained its market position with much of its excellent customer base intact and although lead times remain long, as is often the case with large organisations with complex requirements, new customers are coming on board and there is growth at existing customers.

We remain well placed competitively as a cost-effective provider and customers and potential customers are moving forward on projects that have been under discussion for some time. Product development has put us in a more competitive

position and recent additions to our sales and support operation are helping us to broaden our base.

Turnover was £2,910,232 (2023: £2,730,172) up 6.6% on last year. A large new customer at the start of the year replaced a previously reported customer cancellation and other new sales through the year have driven this improvement, Profit before taxation (PBT) was £1,098,959 (2023: £985,696) up 11.5% on last year as a result of revenue growth flowing through to the bottom line with planned costs being delayed. Statutory earnings per share for the year to 30 June 2024 were 7.98p (2023: 7.33p).

Nearly all our revenue is recurring and, as has been reported before, many of our larger customers are on longer term contracts. So while lead times remain long, with a growing sales pipeline we are confident that we will be able to continue to grow our customer base. PBT in the year to end June 2024 benefited from planned growth in our sales and support team coming later in the year than expected so the planned costs were lower. Staff costs will therefore be at a higher level for the whole of the current year. As the current level of opportunity is continuing we will keep the need to increase the size of the team under review.

Financing

Cash balances were £7,160,177 (2023: £6,411,241) at the year end, an increase of 11.7%. This strong balance sheet allows the Company to continue to invest in organic growth. There is also potential to invest in building a revenue streams in an adjacent financial market while continuing to look at potential acquisitions in our core market.

Dividend

I am pleased to announce that subject to approval at the Annual General Meeting we intend to pay a dividend of 3.75p per share for the year ended 30 June 2024 (2023: 3.5 pence) an

increase of 7.1%, to those shareholders on the register as at the close of business on 4 October 2024 with a dividend payment date of 1 November 2024.

Outlook

We are optimistic that growth will continue. Our strategy is to concentrate on our core market and to build our geographic presence`. We will continue to improve products to enable us to compete in more areas of the market. We have a stable customer base and maintaining this will be key to leveraging our recurring revenue to build higher levels of growth.

Geoff Wicks

Chairman and Non-Executive Director

Chief Executive's Review

The 2023/24 financial year saw us return to revenue growth of 6.6% as the market continues to normalise and the relationships we have built over the years bear fruit. Whilst more than 90% of our revenues were on a recurring basis a proportion was on a flexible basis allowing certain customers to adjust usage with business demands.

After the recent inflationary period our clients and prospects are also showing greater motivation to gain control of increasing market-data costs which for many are now at a level that renders the risk and discomfort of changing their market-data platform a secondary consideration to reducing cost.

During the year we have worked to meet the needs of our larger global clients. As would be expected with the critical nature of our software, the need to integrate with existing systems and work with client developers whilst conducting extensive testing takes time and we should benefit from this work in the coming year.

The year has also seen us engage with several prospective

clients and embark on proof of concept (PoC) exercises with them. Each new engagement brings new requirement requests which invariably round out our product offerings to create new opportunities at existing clients and other prospects alike. The projects being worked on are situated across the globe and consist local and global organisations.

For our existing clients we have seen interest in reducing overall market-data costs by exploring the replacement of the major providers with our solutions. Our clients appear to have broadened the number of vendors across which cost reductions are being sought which plays to our strengths and flexibility in being able to manage data from multiple vendors and sources including clients' internal data.

We now also have dedicated sales resources to oversee our support function whilst increasing our business with existing clients by encouraging greater engagement through our support relationships. At the same time our relationship with the Asia based consultancy has facilitated engagement with several new opportunities.

All our integration and customisation work is very ably supported by our in-house development team. As a result of our increasing engagements, our short term development pipeline envisages Arcontech having the ability to offer a complete market-data platform in the coming months. This will enable us to effect the wholesale replacement of other more expensive software platforms rather than at present where we are able to replace a number of core components with one or two remaining. Already a factor in some PoC exercises we anticipate the completion of this development to make our solution a more compelling option.

During the year we have also continued to look for and had discussions with prospective acquisitions, with growth potential and fit being the primary considerations. Whilst those discussions did not progress, we continue to seek the

right opportunity.

Our staff are a key asset to the Company and have continued to provide exemplary service and support to our clients. I would like to express my thanks for their continued commitment.

With our increased engagement and the encouraging signs from existing clients and prospects alike, we feel optimistic for the year ahead and beyond.

Matthew Jeffs

Chief Executive

Strategic Report

The Directors present the group strategic report for Arcontech Group plc and its subsidiaries for the year ended 30 June 2024.

Principal activities

The principal activities of the Company and its subsidiaries during the year were the development and sale of proprietary software and provision of computer consultancy services.

Review of the business and prospects

A full review of the operations, financial position and prospects of the Group is given in the Chairman's Statement and Chief Executive's Review on pages 2 to 3.

Key performance indicators (KPIs)

The Directors monitor the business using management reports and information, reviewed and discussed at monthly Board meetings. Financial and non-financial KPIs used in this report include:

Financial KPIs:

Revenue £2,910,232 (2023: £2,730,172; 2022:
£2,757,795) Measurement:

Revenue from sales made to all customers (excluding intra-group sales which eliminate on consolidation)

Performance:

Increase from 2023 with the win of a new customer and an increase in flexible licences from certain customers.

Adjusted EBITDA £1,030,898 (2023: £1,044,522; 2022:
£1,019,478) Measurement:

EBITDA before the release of accruals for administrative costs in respect of prior years, and share-based payments. This is an alternative, non-IFRS performance measure, that is considered relevant as it provides a more accurate reflection of trading performance than EBITDA. The adjusted EBITDA is EBITDA less the amount of accruals for administrative costs released as disclosed in the footnote to the Income Statement and share-based payments. The accruals release for 2023 includes a release of £110,000 which is disclosed separately in the Group Statement of Income.

Performance:

Adjusted EBITDA is flat year-on-year, reflective of both an increase in revenue and staff costs

Adjusted profit £1,043,054 (2023: £861,716; 2022:
£601,566) Measurement:

Profit after tax and before release of accruals for administrative costs in respect of prior years. This is an alternative, non-IFRS performance measure, that is considered relevant as it provides a more accurate reflection of trading performance than net profit after tax. The adjusted profit is Net profit after tax less the amount of accruals for administrative costs released as disclosed in the footnote to

the Income Statement. The accruals release for 2023 includes a release of £110,000 which is disclosed separately in the Group Statement of Income.

Performance:

Revenue and interest income increased, partially offset by an increase in staff costs

Strategic Report (continued)

Cash	£7,160,177	(2023:	£6,411,241;	2022:
	£6,026,468)		Measurement:	

Cash and cash equivalents held at the end of the year

Performance:

The Group continues to maintain healthy cash balances

subject to any exceptional circumstances or acquisition

opportunities

Earnings per share (basic)	7.98p	(2023:	7.33;	2022:
	4.57p)		Measurement:	

Earnings after tax divided by the weighted average number of shares

Performance:

Increase due to higher interest income

Earnings per share (diluted) 7.96p (2023: 7.32p; 2022: 4.56p)
Measurement:

Earnings after tax divided by the fully diluted number of shares

Performance:

higher interest income Increase due to

Non-financial KPIs:

Staff retention rate (net) 94% (2023: 94%; 2022: 87%)
Measurement:

Net retention after adjusting for joiners and leavers during the year

Performance:

Staff morale from our dedicated employees remains strong, reflected in the stable retention rate

ESG

Arcontech Group plc qualified as a low energy user in the year ending 30 June 2024 and accordingly is not required to disclose energy consumption and Greenhouse Gas emission information.

Principal risks and uncertainties

The Group's performance is affected by a number of risks and uncertainties, which the Board monitor on an ongoing basis in order to identify, manage and minimise their possible impact. General risks and uncertainties include changes in economic conditions, interest rate fluctuations and the impact of competition. The Group's principal risk areas and the action taken to mitigate their outcome are shown below:

Risk area	Nature	Mitigation
Competition	Loss of business due to existing competition or new entrants into the market	Ongoing investment in research and development responding to the changing needs of clients to remain competitive
Loss of key personnel	Inability to execute business plan due to the risk of losing key personnel	Employee share option scheme in place
Brexit	Business made difficult due to increased regulations between the UK and Europe caused by Brexit	Arcontech is a global company and as such seeks growth across a geographically diverse customer base

Strategic Report (continued)

Relations with shareholders

Section 172(1) Statement – Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;

- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- Consider the impact of the Company's operations on the community and the environment.

Section 172(1) Companies Act 2006

The Board takes decisions with the long term in mind, and collectively and individually aims to uphold the highest standards of conduct. Similarly, the Board understands that the Company can only prosper over the long term if it understands and respects the views and needs of its customers, distributors, employees, suppliers and the wider community in which it operates.

A firm understanding of investor needs is also vital to the Company's success. The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006. The text of Section 172(1) of the Companies Act 2006 has been sent out to each main Board Director.

The Board ensures that the requirements are met, and the interests of stakeholders are considered as referred to elsewhere in this report and through a combination of the following:

- A rolling agenda of matters to be considered by the Board through the year, which includes an annual strategy review meeting, where the strategic options for the following year are developed;

- At each board meeting, to receive and discuss a will report on customers, employees and other colleagues, and investors;
 - Standing agenda points and papers;
 - A review of certain of these topics through the Audit Committee and the Remuneration Committee agenda items referred to in this report; and
-
- Detailed consideration is given to of any of these factors where they are relevant to any major decisions taken by the Board during the year.

The Group's operation is the development and sale of proprietary software and provision of computer consultancy services. The Board has identified its key stakeholders as its customers, shareholders, employees and suppliers. The Board keeps itself appraised of its key stakeholders' interests through a combination of both direct and indirect engagement, and the Board has regard to these interests when discharging its duties.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the year to 30 June 2024:

- Allocation of the Group's capital in a way which offers significant returns to shareholders in line with the Company's dividend policy, while also ensuring that the Group retains flexibility to continue to deploy capital towards profitable growth;
- Continuation of a hybrid location working format for staff as working environments continue to evolve post Covid-19, while ensuring that the Group continued to deliver both the high level of service and security that our customers depend on without compromising the health and safety of employees.

During the year to 30 June 2024, the Board assessed its current activities between the Board and its stakeholders, which demonstrated that the Board actively engages with its stakeholders and takes their various objectives into consideration when making decisions. Specifically, actions the Board has taken to engage with its stakeholders over the last twelve months include:

- All Directors attended the 2023 AGM to answer questions and receive additional feedback from investors;
- The outcome of the AGM is published on the Company's corporate website;
- The Board receives regular updates on the views of shareholders through briefings and reports from the executive directors, and the Company's brokers;
- Arranged meetings with certain stakeholders to provide them with updates on the Company's operational activities and other general corporate updates;
- We discussed feedback from investors' and analysts' meetings following the release of our annual and half-year announcements. We have an investor relations programme of meetings with existing and potential shareholders;
- Monitored company culture and engaged with employees on efforts to continuously improve company culture and morale; and
- A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's corporate website: www.arcontech.com.

The Board believes that appropriate steps and considerations have been taken during the year so that each Director has an understanding of the various key stakeholders of the Company. The Board recognises its responsibility to contemplate all such stakeholder needs and concerns as part of its

discussions, decision-making, and in the course of taking actions, and will continue to make stakeholder engagement a top priority in the coming years.

Approved on behalf of the board on 30 August 2024 by:

Matthew Jeffs	
Chief Executive	

Group Income Statement and Statement of Comprehensive Income

For the year ended 30 June 2024

	Note			2024		2023
				£		£
Revenue	3			2,910,232		2,730,172
Administrative costs				(2,040,541)		(1,924,962)
Operating profit	4			869,691		805,210
Net finance income	5			229,268		70,486
Changes in estimated variable remuneration liability	2			—		110,000
Profit before taxation				1,098,959		985,696
Taxation	9			(31,302)		(5,587)
Profit for the year after tax				1,067,657		980,109

Total comprehensive income for the year				1,067,657		980,109
Earnings per share (basic)	10			7.98p		7.33p
Adjusted* Earnings per share (basic)	10			7.80p		6.44p
Earnings per share (diluted)	10			7.96p		7.32p
Adjusted* Earnings per share (diluted)	10			7.78p		6.43p

*Adjusted to exclude the release of accruals for administrative costs of £24,603 (2023: £118,393, which included the £110,000 shown in the comparative above in respect of estimated variable remuneration liability releases in respect of prior years). This is a non-IFRS alternative performance measure that the Board considers to be a more accurate indicator of underlying trading performance. This measure has been adopted as a KPI and is disclosed in the Strategic Report on page 4.

All of the results relate to continuing operations.

There was no Other Comprehensive Income other than Profit for the year after tax for the year under review (2023: nil).

The notes on pages 33 to 59 form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2024

Group:

	Share capital	Share premium	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£

Balance at 30 June 2022	1,671,601	115,761	270,825	4,913,137	6,971,324
Profit for the year	–	–	–	980,109	980,109
Total comprehensive income for the year	–	–	–	980,109	980,109
Dividend paid	–	–	–	(434,616)	(434,616)
Share-based payments	–	–	97,328	–	97,328
Transfer between reserves	–	–	(88,698)	88,698	–
Balance at 30 June 2023	1,671,601	115,761	279,455	5,547,328	7,614,145
Profit for the year	–	–	–	1,067,657	1,067,657
Total comprehensive income for the year	–	–	–	1,067,657	1,067,657
Dividend paid	–	–	–	(468,048)	(468,048)
Share-based payments	–	–	51,291	–	51,291

Balance at 30 June 2024	1,671,601	115,761	330,746	6,146,937	8,265,045
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Company:

	Share capital	Share premium	Share option reserve	Retained earnings	Total equity
	£	£	£	£	£
Balance at 30 June 2022	1,671,601	115,761	270,825	4,354,279	6,412,466
Profit for the year	–	–	–	304,044	304,044
Total comprehensive expense for the year	–	–	–	304,044	304,044
Dividend paid	–	–	–	(434,616)	(434,616)
Share-based payments	–	–	97,328	–	97,328
Transfer between reserves	–	–	(88,698)	88,698	–
Balance at 30 June 2023	1,671,601	115,761	279,455	4,312,406	6,379,222
Profit for the year	–	–	–	328,596	328,596
Total comprehensive income for the year	–	–	–	328,596	328,596

Dividend paid	–	–	–	(468,048)	(468,048)
Share-based payments	–	–	51,291	–	51,291
Balance as at 30 June 2024	1,671,601	115,761	330,746	4,172,954	6,291,061

The notes on pages 33 to 59 form part of these financial statements.

Statements of Financial Position

Registered number: 04062416

As at 30 June 2024

		Group 2024 £		Group 2023 £		Company 2024 £		Company 2023 £
	Note							
Non-current assets								
Goodwill	11	1,715,153		1,715,153		–		–
Property, plant and equipment	12	5,404		5,950		–		–
Right of use asset	17	503,190		73,152		–		–
Investments in subsidiaries	13	–		–		2,017,471		2,017,471
Deferred tax asset	19	358,000		328,000		71,000		68,000

Trade and other receivables	14	141,750		—		—		—
Total non-current assets		2,723,497		2,122,255		2,088,471		2,085,471
Current assets								
Trade and other receivables	14	677,069		499,861		4,069,235		3,842,300
Cash and cash equivalents	15	7,160,177		6,411,241		287,606		518,678
Total current assets		7,837,246		6,911,102		4,356,841		4,360,978
Current liabilities								
Trade and other payables	16	(1,688,025)		(1,308,888)		(154,251)		(67,227)
Lease liabilities	17	(110,308)		(40,324)		—		—
Provisions	18	—		(50,000)		—		—
Total current liabilities		(1,798,333)		(1,399,212)		(154,251)		(67,227)

Non-current liabilities							
Lease liabilities	17	(427,365)		–		–	–
Provisions	18	(70,000)		(20,000)		–	–
Total non-current liabilities		(497,365)		(20,000)		–	–
Net current assets		6,038,913		5,511,890		4,202,590	4,293,751
Net assets		8,265,045		7,614,146		6,291,576	6,383,222
Equity							
Called up share capital	20	1,671,601		1,671,601		1,671,601	1,671,601
Share premium account	21	115,761		115,761		115,760	115,760
Share option reserve	21	330,746		279,455		330,746	279,455
Retained earnings	21	6,146,937		5,547,328		4,172,954	4,312,406
		8,265,045		7,614,145		6,291,061	6,379,222

As permitted by s408 of the Companies Act 2006, the Company has not presented its own income statement. The Company profit for the year was £328,596 (2023: £304,044).

The notes on pages 33 to 59 form part of these financial statements.

Approved on behalf of the board on 30 August 2024 by:

Matthew Jeffs	
Chief Executive	

Group Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024		2023	
		£		£	
Cash generated from operations	22	1,051,177		901,422	
Tax paid		(15,586)		–	
Net cash generated from operating activities		1,035,591		901,420	
Investing activities					
Interest received		247,903		76,977	
Receipts from the sale of plant and equipment		417		–	
Purchases of plant and equipment		(12,055)		(3,480)	
Net cash generated from investing activities		236,265		73,497	
Financing activities					
Dividend paid		(468,048)		(434,616)	
Payment of lease liabilities	17	(54,872)		(155,529)	

Net cash used in financing activities		(522,920)	(590,145)	
Net increase in cash and cash equivalents		748,936	384,772	
Cash and cash equivalents at beginning of year		6,411,241	6,026,469	
Cash and cash equivalents at end of year	15	7,160,177	6,411,241	

For the year to 30 June 2024, the Group had no debt, and there were no material non-cash transactions.

The notes on pages 33 to 59 form part of these financial statements.

Company Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024		2023	
		£		£	
Net cash generated by / (used in) operating activities	22	227,448		(129,978)	
Tax paid		(1,706)		—	
Net cash generated from / (used in) operating activities		225,742		(129,978)	
Investing activities					
Interest received		11,234		8,978	

Net cash generated from investing activities		11,234		8,978	
Financing activities					
Dividend paid		(468,048)		(434,616)	
Net cash used in financing activities		(468,048)		(434,616)	
Net decrease in cash and cash equivalents		(231,072)		(555,616)	
Cash and cash equivalents at beginning of year		518,678		1,074,294	
Cash and cash equivalents at end of year	15	287,606		518,678	

For the year to 30 June 2024, the Company had no debt, and there were no material non-cash transactions.

The notes on pages 33 to 59 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period covered by these financial statements except where changes have been noted below.

Reporting entity

Arcontech Group plc (“the Company”) is a company incorporated in England and Wales with a registered address at 1st floor, 11-21 Paul Street, London, EC2A 4JU. The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (together referred to as “the Group”).

Principal Activity

The principal activities of the Company and its subsidiaries during the year were the development and sale of proprietary software and provision of computer consultancy services.

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

On the basis of current projections, confidence of future profitability and cash balances held, the Directors have adopted the going concern basis in the preparation of the financial statements.

The financial statements have been prepared under the historical cost convention. As at 30 June 2024 all assets and liabilities are recorded at amortised cost, and there were no assets or liabilities recorded at fair value.

Going Concern

On the basis of current projections and having regard to the Group’s existing cash reserves, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the Directors have projected cash flow out twelve months from the date of signing this report. Revenue projection has been based on recurring revenue streams from existing customers and a forecast for new revenue from

additional sales that the Directors feel is achievable. The Group has a highly stable cost base which has been reviewed to incorporate the impact of additional costs for revenue generation activities such as industry trade shows. The Directors have stress tested the cash flow projections assuming no new revenue generation and an increase in costs of up to 15%, given the current inflationary environment. Under this scenario given expected cash generation from operations and existing cash balances, the Group will have sufficient resources to continue trading for well in excess of the next twelve months. Accordingly, the Directors have adopted the going concern basis in the preparation of the financial statements.

Changes in accounting policies and disclosures

a. New and amended Standards and Interpretations adopted by the Group and Company

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations per the table below. The amendments and revisions were applicable for the period year 30 June 2024 but did not result in any material changes to the financial statements of the Group.

Standard	Impact on initial application	Effective date
IAS 1 (Amendments)	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IAS 8 (Amendments)	Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023

IAS 12 (Amendments)	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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Notes to the Financial Statements

For the year ended 30 June 2023 (continued)

1. Accounting policies (continued)

- *New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 July 2023*

Standard	Impact on initial application	Effective date
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	TBC
IFRS S2	Climate-related Disclosures	TBC
IAS 1 (Amendments)	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2024
IAS 7 (Amendments)	Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	TBC
IFRS 18	Presentation and disclosure of financial instruments	TBC
IFRS 9 (Amendments)	Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments	TBC

The new and amended Standards and Interpretations which are in

issue but not yet mandatorily effective is not expected to be material.

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared to 30 June 2024. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains

control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The acquisition method is used to account for the acquisition of subsidiaries.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations and goodwill

On acquisition, the assets and liabilities and contingent liabilities of subsidiaries are measured at their fair value at the date of acquisition. Any excess of cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

1. Accounting policies (continued)

Revenue recognition

Revenue is recognised in accordance with the transfer of promised services to customers (i.e. when the customer gains control of the service) and is measured as the consideration which the group expects to be entitled to in exchange for

those services. Consideration is typically fixed on the agreement of a contract except for quarterly flexible license contracts. Payment terms are agreed on a contract by contract basis.

A service is distinct if the customer can benefit from the service on its own or together with other resources that are readily available to the customer and the entity's promise to transfer the service to the customer is separately identifiable from other promises in the contract.

Contracts with customers do not contain a financing component.

Under IFRS 15, revenue earned from contracts with customers is recognised based on a five-step model which requires the transaction price for each identified contract to be apportioned to separate performance obligations arising under the contract and recognised either when the performance obligation in the contract has been performed (point in time recognition) or over time as control of the performance obligation is transferred to the customer.

The group recognises revenue when it satisfies a performance obligation by transferring a promised service to the customer as follows:

- Revenue from recurring license fees and other license fees is recognised on an over time basis via a straight line across the period the services are provided. In reaching this conclusion the group has assessed that ongoing contractual obligations are not separately identifiable from other promises in the contract and are not distinct from the licence, and hence are accounted for as a single performance obligation. As the license is not distinct the combined performance obligation is recognised over time.

In assessing whether a licence is distinct the Group considered the continuing requirement to:-

- optimise functionality;
 - optimise performance; and
 - provide enhancements to ensure user regulatory compliance.
- Revenue from flexible license contracts that include variable consideration are quarterly contracts assessed at the end of each calendar quarter and revenue is recognised based on actual usage confirmed for that quarter at the point of customer acceptance;
 - Revenue from project work is recognised on satisfactory completion of each project, as this is considered to be the point in time the customer gains control over the results of the project work.

Taxation

The tax charge/(credit) represents the sum of the tax payable/(receivable) and any deferred tax.

Research and development tax credits are recognised when received.

The tax payable/(receivable) is based on the taxable result for the year. The taxable result differs from the net result as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

1. Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net

basis.

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the income statement.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Fair value is measured by the use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations. A cancellation of a share award by the Group or an employee is treated consistently, resulting in an acceleration of the remaining charge within the consolidated income statement in the year of cancellation.

Impairment of tangible and intangible assets

The carrying amounts of the Group's and Company's tangible and intangible assets are reviewed at each year end date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Expenses incurred on Research & Development are currently expensed through the income statement as the expenditure is incurred on the maintenance and enhancement of existing products. The applicability of this treatment is reviewed regularly by the Company.

For goodwill, the recoverable amount is estimated at each year end date, based on value in use. The recoverable amount of other assets is the greater of their net selling price and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

1. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, on the following bases:

Leasehold property	– over the period of the lease
Computer equipment	– 33% – 40% on cost

Office furniture and equipment	– 20% – 25% on cost or reducing balance
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Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

Financial instruments

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

Financial assets

The Group does not hold any investments other than investments in subsidiaries.

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Group do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short-term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three

months or less.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

(a) Classification

The Group classifies its financial assets in the following measurement categories:

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

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). See Note 16 for further details.

(b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost; Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Leases

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

1. Accounting policies (continued)

Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at

the commencement date;

- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a

purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £4k) are recognised on a straight-line basis as an expense in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

Research and development

Research costs are charged to the income statement in the year incurred. Development expenditure is capitalised to the extent that it meets all of the criteria required by IAS 38, otherwise it is charged to the income statement in the year incurred. In order for development expenditure to meet the capitalisation criteria of IAS 38, it must be both technically feasible to complete the work, and there must be the intention to either use or sell the asset created.

Pension costs and other post-retirement benefits

The Group makes payments to occupational and employees' personal pension schemes. Contributions payable for the year are charged in the income statement.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Where consideration is received in advance of revenue being recognised the date of the transaction reflects the date the consideration is received. Foreign currency monetary assets and liabilities are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors. The accounting policies of the reportable segments are consistent with the accounting policies of the group as a whole. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of foreign exchange gains or losses, investment income, interest payable and tax. This is the measure of profit that is reported to the Board of Directors for the purpose of resource allocation and the assessment of segment performance. When assessing segment performance and considering the allocation of resources, the Board of Directors review information about segment assets and liabilities. For this purpose, all assets and liabilities are allocated to reportable segments with the exception of cash and cash equivalents and current and deferred tax assets and liabilities.

2. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to

make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

Determination of performance obligations and satisfaction thereof

For the purposes of recognising revenue, the Directors are required to identify distinct services in contracts and allocate the transaction price to the performance obligations. Details of determining performance obligations, passing of control and amounts recognised as costs incurred to obtain or fulfil a contract are given in Note 1 – Revenue recognition. There has been no change in the Group's business model from the previous year and the Directors are satisfied that the revenue recognition policy remains correct for the year under review.

Changes in estimated variable remuneration liability

The Group Income Statement in the comparative year includes the release of £110,000 in accrued bonuses which has been disclosed separately. The Board's best estimate of the liability to pay bonuses as at 30 June 2022 was £170,000 and this was recorded with the prior year accruals balance. In the 2023 year, £110,000 of this liability was released to the Group Income Statement following annual reappraisal of the estimated liability at 30 June 2023. The balance carried forward to future periods, is the Board's estimation of a constructive obligation with regards to bonuses in respect of

work undertaken to date in progressing new business development and sales opportunities.

Capitalisation of development costs

As described in Note 1, the Group capitalises development costs when certain criteria are met including the probability of relevant future economic benefits. The key variable in making judgement of the correct treatment of development costs is new product development versus modification and maintenance of existing products. The development work undertaken has been to existing products, and having assessed the likelihood of future economic benefit, the Directors have judged it appropriate to not capitalise any development costs (2023 – £Nil).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

2. Critical accounting judgments and key sources of estimation uncertainty (continued)

Estimates

Impairment of intangible assets and investment in subsidiary

Determining whether non-current assets are impaired requires an estimation of the value in use of the cash generating units to which non-current assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The key variables used in cash flow projections are: a timeline of fourteen years (the “time period”); the forecast for the next year which is used as the base for future years; revenue and cost projections for the time period using the average rate of increase / (decrease) achieved over the preceding ten years. No provision for impairment was made in

the year to the carrying value of goodwill (see *note 11*) or investments in subsidiaries (see *note 13*).

Recognition of deferred tax assets

As described in Note 1, the Group recognises deferred tax assets arising from unused tax losses when certain criteria are met including the probability that future relevant taxable profits will be available. The directors have assessed the likelihood of future taxable profits being available and have judged it appropriate to recognise deferred tax assets for unused losses. The key variables used in the calculation of deferred tax assets are: a timeline of three years out from reporting date; revenue and cost projections on the same basis as used in the assessment of impairment of goodwill; a cost of capital of 8.44%. At the year-end a deferred tax asset of £358,000 (2023 – £328,000) was recognised.

Share based payment transactions

The Company has made awards of options and over its unissued share capital to certain Directors and employees as part of their remuneration package.

The valuation of these options involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 20.

3. Revenue

An analysis of the Group’s revenue is as follows:

		2024		2023	
		£		£	

Software development, licence fees and project work	2,910,232	2,730,172
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All of the Group's revenue relates to continuing activities.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

4. Operating profit for the year is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of plant and equipment (see note 12)	4,752	4,074
Depreciation of leased assets (see note 17)	129,766	146,303
Interest on leased assets (see note 17)	18,435	6,471
Staff costs (see note 8)	1,499,656	1,374,676
Research and development	521,853	476,491
Release of accruals for administrative costs in respect of prior years	(24,603)	(8,393)

5. Finance income and Finance costs:

	2024 £	2023 £
Finance income		
Interest on cash and cash equivalents	247,903	76,977
Finance costs		
Lease interest expense	(18,435)	(6,471)
Other interest expense	(200)	(20)

Net finance income	229,268	70,486
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6. Auditor's remuneration:

	2024 £	2023 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	40,500	37,750
Fees payable to the Group's auditor for other services:		
– audit of the Company's subsidiaries	7,000	7,000
	47,500	44,750

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

7. Operating segments:

The Group reports internally to the Chief Operating Decision Maker (CODM), who is considered to be the Board. Intersegment license fees and management charges are not included in the reports reviewed by the CODM during the year but are calculated for statutory reporting purposes and therefore are excluded from the following revenue and operating profit disclosures.

	2024	2023
	£	£
Revenue by segment		
Software development and licence fees	2,910,232	2,730,172
External segment revenue	2,910,232	2,730,172

Operating profit by segment					
Software development and licence fees		1,375,772		1,366,930	
Unallocated overheads		(524,716)		(458,211)	
Total operating profit		851,056		908,719	
Finance income		247,903		76,977	
Total profit before tax as reported in the Group income statement		1,098,959		985,696	
		2024		2023	
		£		£	
Segment total of assets					
Software development and licence fees		10,056,804		8,295,757	
Unallocated assets		4,564,942		4,559,078	
		14,621,746		12,854,835	
Less intercompany debtors		(4,061,003)		(3,821,478)	
Total assets		10,560,743		9,033,357	
		2024		2023	
		£		£	
Segment total of liabilities					

Software development and licence fees		6,202,071		5,172,801	
Unallocated liabilities		154,630		67,889	
		6,356,701		5,240,690	
Less intercompany creditors		(4,061,003)		(3,821,478)	
Total liabilities		2,295,698		1,419,212	

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

7. Operating segments (continued):

		2024		2023	
		£		£	
Additions of property, plant and equipment assets by segment					
Software development and licence fees		12,055		3,480	
Total additions		12,055		3,480	
		2024		2023	
		£		£	
Depreciation of property, plant and equipment assets recognised in the period by segment					
Software development and licence fees		4,752		4,074	
Total depreciation		4,752		4,074	
Non-current assets by country		2024		2023	
		£		£	
UK		2,723,497		2,122,255	

Total non-current assets		2,723,497		2,122,255	
Geographical information – External revenue		2024		2023	
		£		£	
UK		1,958,953		1,979,802	
Europe (excluding UK)		585,263		584,987	
Africa		45,000		42,500	
North America		287,788		89,656	
Australia		12,604		12,603	
Asia Pacific		20,624		20,624	
		2,910,232		2,730,172	

During the year there were 5 customers (2023: 4) who accounted for more than 10% of the Group's revenues as follows:

	2024			2023		
	Value of sales £	% of Total		Value of sales £	% of Total	
Customer 1	668,506	23%		685,720	25%	
Customer 2	520,990	18%		520,990	19%	
Customer 3	437,978	15%		361,152	13%	
Customer 4	337,900	12%		342,588	13%	
Customer 5	378,186	10%		—	—	
	2,343,560	78%		1,910,451	70%	

These revenues are attributable to the software development and licence fees segment.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

8. Staff costs:

		2024 £		2023 £	
a) Aggregate staff costs, including Directors' remuneration					
Wages and salaries		1,267,472		1,114,182	
Social security costs		152,473		136,786	
Pension contributions		28,420		26,380	
Share-based payments		51,291		97,328	
		1,499,656		1,374,676	
b) The average number of employees (including Directors) was:					
Sales and administration			7		7
Development and support			10		9
			17		16
		£		£	
c) Directors' emoluments					
Short-term employee benefits		322,365		252,883	
Pension contributions		5,512		5,513	
Share-based payments		21,000		45,673	
		348,877		304,069	
Social security costs		40,554		31,260	
Total Director compensation		389,431		335,329	

Directors' emoluments represent the staff costs of the Company.

The average number of employees of the parent company is 3 (2023: 3)

The highest paid Director received remuneration of £270,377 (2023: £192,114).

The number of Directors that are members of a defined contribution pension scheme is 1 (2023: 1). Pension contributions paid to a defined contribution scheme in respect

of the highest paid Director amounted to £5,512 (2023: £5,513).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

9. Taxation

	2024	2023
	£	£
Current tax	(61,302)	(15,587)
Deferred tax	30,000	10,000
Total tax charge for the year	31,302	5,587

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2024 £	2023 £
Profit on ordinary activities before tax	1,098,959	985,696
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 25.00% (2023: 20.49%)	274,740	201,969
Effects of:		
Disallowed expenses	68	52
Temporary differences on deferred tax	1,921	494

Deferred tax asset movement		(30,000)		(10,000)	
Brought forward losses utilised		(215,427)		(186,928)	
Total tax charge for the year		31,302		5,587	

Factors which may affect future tax charges

At 30 June 2024 the Group has tax losses of approximately £7,600,000 (2023: £8,000,000) to offset against future trading profits.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

10. Earnings per share

		2024		2023	
		£		£	
Earnings					
Earnings for the purpose of basic and diluted earnings per share being net profit attributable to equity shareholders		1,067,657		980,109	
		1,067,657		980,109	
		No.		No.	
Number of shares					
Weighted average number of ordinary shares for the purpose of basic earnings per share		13,372,811		13,372,811	
Number of dilutive shares under option		31,620		14,805	

Weighted average number of ordinary shares for the purposes of dilutive earnings per share	13,404,431	13,387,616
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The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is done to determine the number of shares that could have been acquired at fair value, based upon the monetary value of the subscription rights attached to outstanding share options.

11. Goodwill

	2024	2023
	£	£
Cost and net book amount		
At 1 July 2023 and at 30 June 2024	1,715,153	1,715,153

Goodwill acquired in a business combination is allocated at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	2024	2023
	£	£
Arcontech Limited	1,715,153	1,715,153
	1,715,153	1,715,153

The CGU used in these calculations is Arcontech Limited. The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The discount rate is estimated using pre-tax rates that reflect current market assessments of

the time value of money and the risks specific to the CGUs. Long-term growth rates are based on industry growth forecasts. Changes in selling prices are based on past practices and expectations of future changes in the market. Changes in direct costs are based on expected cost of inflation of 6.0% and 1.8% after year 5.

Cashflow forecasts are based on the latest financial budgets and extrapolate the cashflows for the next five years based on an estimated growth in revenue representing an average rate of 3.4% (2023: 3.4%) per annum, after which the UK long-term growth rate of 1.8% is applied. The Directors consider that this rate is appropriate, given the current sales pipeline. Fluctuation in revenue is the most sensitive of assumptions. Should revenue fall by more than an average of 5% per annum then this could result in the value of goodwill being impaired.

As the Group does not have any borrowings, the rate used to discount all the forecast cash flows is 8.8% (2023: 8.8%), which represents the Group's cost of capital.

Goodwill on the purchase of Arcontech Limited is attributable to the operating synergies that have arisen as a result of the combination.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

12. Property, plant and equipment – Group

		Leasehold Property		Office furniture & equipment		Total	
Cost		£		£		£	
At 1 July 2022		26,199		105,941		132,140	

Additions		–		3,480		3,480
Disposals		–		(6,056)		(6,056)
At 1 July 2023		26,199		103,365		129,564
Additions		–		4,471		4,471
Disposals		(26,199)		(795)		(26,994)
At 30 June 2024		–		107,041		107,041
Depreciation						
At 1 July 2022		23,520		102,076		125,596
Charge for the year		1,461		2,613		4,074
Disposals		–		(6,056)		(6,056)
At 1 July 2023		24,981		98,633		123,614
Charge for the year		1,218		3,534		4,752
Disposals		(26,199)		(530)		(26,729)
At 30 June 2024		–		101,637		101,637
Net book amount at 30 June 2024		–		5,404		5,404

Net book amount at 30 June 2023		1,218		4,732		5,950	
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13. Investment in subsidiaries

		2024		2023	
Carrying amount		£		£	
At 1 July 2023		2,017,471		2,017,471	
At 30 June 2024		2,017,471		2,017,471	

Details of the investments in which the Group and the Company holds 20% or more of the nominal value of any class of share capital are listed below. The Goodwill recognised in Note 11 is in connection with investments made in subsidiaries:

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

13. Investment in subsidiaries (continued)

	Country of Incorporation	Address	Nature of business	Ordinary shares held
Arcontech Solutions Limited	England	11-21 Paul Street, London EC2A 4JU	Dormant	100%
Cognita Technologies Limited	England	11-21 Paul Street, London EC2A 4JU	Software development	100%

Arcontech Limited	England	11-21 Paul Street, London EC2A 4JU	Software development and consultancy	100%
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14. Trade and other receivables

	Group 2024 £		Group 2023 £		Company 2024 £		Company 2023 £	
Due within one year:								
Trade and other receivables	458,227		136,250		—		—	
Amounts owed by group undertakings	—		—		4,060,904		3,821,378	
Prepayments and accrued income	218,842		221,861		8,331		20,922	
Other receivables	—		141,750		—		—	
	677,069		499,861		4,069,235		3,842,300	
	Group 2024 £		Group 2023 £		Company 2024 £		Company 2023 £	
Due after more than one year:								

Other receivables	141,750		–		–		–	
	141,750		–		–		–	

Trade receivables, which are the only financial assets at amortised cost, are non-interest bearing and generally have a 30-90 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value. A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision based on the expected lifetime default rates and estimates of loss on default.

As at 30 June 2024, trade receivables of £Nil were impaired (2023: £Nil) and during the year an impairment charge relating to trade receivables of £Nil (2023: £Nil) was recognised. As at 30 June 2024 trade receivables of £214,142 (2022: £63,314) were past due but not impaired as full recovery is expected. The ageing analysis of these trade receivables is as follows:

	Group 2024 £		Group 2023 £		Company 2024 £		Company 2023 £	
Up to 3 months past due	214,142		63,314		–		–	
3 to 6 months past due	–		–		–		–	
	214,142		63,314		–		–	

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

15. Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three

months or less. The Directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

16. Trade and other payables

	Group 2024 £		Group 2023 £		Company 2024 £		Company 2023 £	
Trade payables	61,328		44,995		3,437		4,595	
Amounts owed to group undertakings	—		—		100		100	
Other tax and social security payable	106,899		58,185		12,612		12,740	
Other payables and accruals	426,963		323,850		138,102		49,792	
Deferred income	1,092,835		881,858		—		—	
	1,688,025		1,308,888		154,251		67,227	

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

Trade payables and other payables and accruals constitute the financial liabilities within the category “Financial liabilities at amortised cost.” The total value of Financial liabilities at amortised cost is £488,291 (2023: £368,845) which includes provisions (*Refer to note 18*).

17. Leases

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all leases on its balance sheet. The only lease applicable under IFRS 16 is the Group's office.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position are as follows:

As at 30 June 2024		Lease liability £		Right of use asset £		Income statement £
Carrying value at 30 June 2023		(40,324)		73,152		—
Additions		(552,221)		559,804		—
Depreciation		—		(129,766)		(129,766)
Interest		(18,435)		—		(18,435)
Lease payments		73,307		—		—
Carrying value at 30 June 2024		(537,673)		503,190		(148,201)

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

17. Leases (continued)

Reconciliation of lease liabilities	Operating cash flow £	Financing cash flow £	Non-cash £	Total £
As at 1 July 2023	—	—	—	40,324
Cash flows:				
Interest paid	(18,435)	—	—	(18,435)
Liability reduction	—	(54,872)	—	(54,872)

Non-cash changes:				
New lease	–	–	552,221	552,221
Interest expense	–	–	18,435	18,435
As at 30 June 2024	(18,435)	(54,872)	570,656	537,673
As at 30 June 2023		Lease liability £	Right of use asset £	Income statement £
Carrying value at 30 June 2022		(195,853)	219,455	–
Depreciation		–	(146,303)	(146,303)
Interest		(6,471)	–	(6,471)
Lease payments		162,000	–	–
Carrying value at 30 June 2023		(40,324)	73,152	(152,774)
Reconciliation of lease liabilities	Operating cash flow £	Financing cash flow £	Non-cash £	Total £
As at 1 July 2022	–	–	–	195,853
Cash flows:				
Interest paid	(6,471)	–	–	(6,471)
Liability reduction	–	(155,529)	–	(155,529)
Non-cash changes:				
Interest expense	–	–	6,471	6,471
As at 30 June 2023	(6,471)	(155,529)	6,471	40,324
Contractual maturity analysis of lease liabilities as at 30 June 2024				

	Less than 3 months £	3 – 12 Months £	1 – 5 Year £	Longer than 5 years £	Total £
Lease liabilities	37,800	113,400	386,473	–	537,673

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

18. Provisions

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
As at 1 July	70,000	50,000	–	–
Increase in provision	–	20,000	–	–
As at 30 June	70,000	70,000	–	–
Disclosed as:				
Current liabilities	–	50,000	–	–
Non-current liabilities	70,000	20,000	–	–

Provisions consists of dilapidations for the Office premises of £70,000 (2023: £70,000). Refer to note 1 for the Accounting Policy for Provisions. The total estimate of dilapidation costs for the Paul Street office is £50,000 which is disclosed as a current liability as at 30 June 2024, as the lease is due to beyond twelve months. The £20,000 non-current dilapidations provision relates to a potential liability in connection with a previous office. The value of the provisions has not been discounted as the impact is not material.

19. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the tax rate of 20.4% which is the effective tax rate of the Group. The movement on the deferred tax account is as shown below:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
At 1 July	328,000	318,000	68,000	56,000
Effect of change in tax rate	—	78,000	—	16,000
Effect of movement in temporary differences	30,000	(68,000)	3,000	(4,000)
At 30 June	358,000	328,000	71,000	68,000

The deferred tax asset has been recognised in relation to forecast taxable profits which are considered probable.

Losses to offset against future trading profits at 30 June 2024 amounted to approximately £7,600,000 (2023: £8,000,000).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

20. Share capital

The Company has authorised share capital of 16,000,000 Ordinary shares of £0.125 each.

Company Allotted and fully paid:	Shares of 12.5p each	Share Capital £	Share Premium £
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As at 1 July 2023		13,372,811		1,671,601		115,761
As at 30 June 2024		13,372,811		1,671,601		115,761

Share options

Under the Company's approved 2002 Share Option Scheme, certain Directors and employees held options at 30 June 2024 for unissued Ordinary Shares of 12.5 pence each as follows:

Share options	At 1 July 2023	Granted	Exercised	Lapsed	At 30 June 2024	Exercise price	Normal exercise period
Employees:	100,000	—	—	—	100,000	64.50 pence	25 Apr 20 – 24 Apr 27
	50,000	—	—	—	50,000	110.00 pence	30 Jun 21 – 29 Jun 28
	20,000	—	—	—	20,000	196.00 pence	30- Jun 22 – 27 Sep 29
	43,000	—	—	—	43,000	164.50 pence	30 Jun 23 – 2 Oct 30
	67,500	—	—	—	67,500	130.50 pence	30 Jun 24 – 11 Oct 31
	70,000	—	—	—	70,000	76.50 pence	30 Jun 25 – 21 Oct 32
Directors:		—		—			
		—		—			

Geoff Wicks	30,000	–	–	–	30,000	164.50 pence	30 Jun 23 – 2 Oct 30
		–		–			
Matthew Jeffs	100,000	–	–	–	100,000	110.00 pence	30 Jun 21 – 29 Jun 28
	50,000	–	–	–	50,000	130.50 pence	30 Jun 24 – 11 Oct 31
	50,000	–	–	–	50,000	76.50 pence	30 Jun 25 – 21 Oct 32
Total	580,500	–	–	–	580,500		
Weighted average exercise price	109.2 pence	–	–	–	109.2 pence		

The number of options exercisable at 30 June 2024 was 460,500 (at 30 June 2023: 343,000), these had a weighted average exercise price of 117.7 pence (2023: 113.3 pence).

The weighted average share price as at the exercise date of the shares exercised in the year was nil pence (2023: nil pence) and of the shares were forfeited in the year was nil pence (2023: 166.2).

Options granted under the Company's approved 2002 Share Option Scheme are forfeited when the Optionholder ceases to be a Director or employee of a Participating Company. The Directors may before the expiry of 3 months following cessation of employment permit an Optionholder to exercise their Option within a period ending no later than 12 months from the cessation of employment.

The highest price of the Company's shares during the year was

112.0 pence, the lowest price was 61.2 pence and the price at the year-end was 92.5 pence.

The weighted average remaining contractual life of share options outstanding at 30 June 2024 was 6 years (2023: 7 years).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

20. Share capital (continued)

Share-based payments

The Group operates an approved Share Option Scheme for the benefit of Directors and employees. Options are granted to acquire shares at a specified exercise price at any time following but no later than 10 years after the grant date. There are no performance conditions on the exercise of the options granted prior to 1 July 2018. The performance conditions of those granted after 1 July 2018 which apply to executive directors and certain key staff, are set out below.

The options issued to certain directors and members of staff in November 2018, September 2019², October 2020³, October 2021 and in October 2022 will be exercisable from 30 June 2021, 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025 respectively, dependent on the Company's compound annual rate of growth in fully diluted earnings* for the three financial years ending 30 June 2022, 2023, 2024 and 2025, respectively.

Options issued date	Exercisable from	Dependent on the Company's compound annual rate of growth in fully diluted earnings ¹ for the three financial years ending
November 2018	30 June 2021	30 June 2021

September 2019	30 June 2022	30 June 2022
October 2020	30 June 2023	30 June 2023
October 2021	30 June 2024	30 June 2024
October 2022	30 June 2025	30 June 2025

The Options will vest subject to performance criteria as follows:

- compound annual earnings growth of 10% or more – fully vested (100%);
- compound annual earnings growth between 5%-10% – partial vesting between 0% and 100% on a sliding scale; and
- compound annual earnings growth of 5% and below – nil.

Any Ordinary Shares arising from the vesting of Options must be held for a period of two years after vesting.

¹ Fully diluted earnings will be based on: (a) the Company's pre-tax profit excluding exceptional items and the share option

charge and (b) the current UK corporation tax rate of 19%, such that the fully diluted earnings calculation takes no account

of R&D and deferred tax credits. For the purposes of the fully diluted earnings calculation, the applied rate of corporation tax

will remain constant at 19% irrespective of any current or future changes to corporation tax.

² 70,000 options issued in September 2019 lapsed on 30 June 2022 as compound annual earnings growth targets for the financial years ended 30 June 2020, 2021 and 2022 were not achieved.

³ 70,000 options issued in October 2020 lapsed on 30 June 2023 as compound annual earnings growth targets for the financial years ended 30 June 2021, 2022 and 2023 were not achieved.

The fair value of options is valued using the Black-Scholes pricing model. An expense of £51,291 (2023: £97,328) has been recognised in the year in respect of share options granted. The cumulative share option reserve at 30 June 2024 is £330,746 (2023: £279,455).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

20. Share capital (continued)

The inputs into the Black-Scholes pricing model are as follows:

Directors & Employees						
Grant date	25 Apr 2017	29 Nov 2018	27 Sep 2019	2 Oct 2020	11 Oct 2021	21 Oct 2022
Exercise price	64.5 pence	110.0 pence	196.0 pence	164.5 pence	130.5 pence	76.5 pence
Expected life	10 years	10 years	10 years	10 years	10 years	10 years
Expected volatility	50%	50%	50%	49%	45%	44%
Risk free rate of interest	0.5%	0.75%	0.75%	0.00%	0.60%	3.69%
Dividend yield	Nil	Nil	Nil	0.01%	0.01%	0.04%
Fair value of option	36.7 pence	57.0 pence	115.0 pence	91.92 pence	70.03 pence	45.47 pence

Volatility has been estimated based on the historic volatility

over a period equal to the expected term from the grant date.

21. Reserves

Details of the movements in reserves are set out in the Statement of Changes in Equity. A description of each reserve is set out below.

Share capital reserve

This is used to record the aggregate nominal amount of the Company's shares on issue.

Share premium account

This is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at a premium, net of issue costs, less amounts cancelled by court order.

Share option reserve

This relates to the fair value of options granted which has been charged to the income statement over the vesting period of the options, less amounts transferred to retained earnings.

Retained earnings

This relates to accumulated profits and losses together with distributable reserves arising from capital reductions, less amounts distributed to shareholders.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

22. Net cash generated from operations – Group

	2024		2023
	£		£

Operating profit and exceptional items before tax	869,691		915,210
Depreciation charge	134,518		150,377
Non cash share option charges	51,291		97,328
Profit on disposal of plant and equipment	(151)		—
Lease interest paid	(18,435)		(6,471)
Other interest paid	(200)		(20)
(Increase) in trade and other receivables	(318,958)		(9,425)
Increase / (decrease) in trade and other payables	333,421		(265,577)
(Increase) in provisions	—		20,000
Cash generated from operations	1,051,177		901,422

Net cash generated from operations – Company

	2024		2023
	£		£
Operating profit	316,497		284,772
Non cash share option charges	21,000		45,673
Increase in trade and other receivables	(196,644)		(469,614)
Increase in trade and other payables	86,595		9,191
Cash generated from / (used in) operations	227,448		(129,978)

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

23. Related party transactions

Group

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are disclosed in this part of the note.

Key management compensation

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group. In the opinion of the Board, the Group's key management are the Directors of Arcontech Group

PLC. Information regarding their compensation is given in notes 8 and 20 for each of the categories specified in IAS 24 *Related Party Disclosures*. All emoluments given in notes 8 and 20 relate to short-term employee benefits and there are no post-employment or other long-term benefits.

The financial statements include the following amounts in respect of services provided to the Group:

Company

Transactions between the Parent Company and its subsidiaries during the year were as follows:

Management charges payable by subsidiaries £626,698 (2023: £546,676).

The amounts due from/to subsidiaries at the balance sheet date were as follows:

		2024 £		2023 £	
Amount due from subsidiaries		7,443,477		7,415,999	
Less: Provision for impairment		(3,382,474)		(3,594,521)	
Amount due from subsidiaries – net		4,061,003		3,821,478	

During the year a provision of £212,047 was released (2023: £193,659) in respect of balances due from subsidiaries.

		2024 £		2023 £	

Amount due to subsidiaries	626,698	546,676	
	626,698	546,676	

24. Dividends

A final dividend of 3.75 pence will be proposed at the Annual General Meeting but has not been recognised as it requires approval (2023: 3.5 pence).

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

25. Financial instruments

The Group's financial instruments comprise cash and cash equivalents, and items such as trade payables and trade receivables, which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Company's finance department.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the Board. Trade receivables are considered in default and subject to additional credit control procedures when they are more than 30 days past due in line with industry practice. Trade receivables are only written off when there is

no reasonable expectation of recovery due to insolvency of the debtor.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group 2024 £		Group 2023 £		Company 2024 £		Company 2023 £	
Trade receivables	458,227		136,250		—		—	
Cash and cash equivalents	7,160,177		6,411,241		287,606		518,678	
Amounts owed by group undertakings	—		—		4,069,092		3,821,378	
	7,618,404		6,547,491		4,356,698		4,340,056	

Interest rate risk

The Group has interest bearing assets and no interest-bearing liabilities. Interest bearing assets comprise only cash and cash equivalents, which earn interest at a variable rate.

The Group has not entered into any derivative transactions during the period under review.

The Group does not have any borrowings.

The Group's cash and cash equivalents earned interest at variable rates, between 4.35% below bank base rate and 0.25% below bank base rate and at fixed/variable rates of between 1.56% below bank base rate and 0.56% below bank base rate (2023: variable rates of between 3.65% below bank base rate and 0.25% below bank base rate and at fixed/variable rates of

of between 2.53% below bank base rate and 0.06% below).

Liquidity risk

The Group has no short-term debt finance. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The Group's financial liabilities comprise trade payables and other payables, provisions and accruals, excluding deferred income, with a carrying value equal to the gross cash flows payable of £488,291 (2023: £368,845) all of which are payable within 6 months.

Notes to the Financial Statements

For the year ended 30 June 2024 (continued)

25. Financial instruments (continued)

Market risk and sensitivity analysis

Equity price risk

The Directors do not consider themselves exposed to material equity price risk due to the nature of the Group's operations.

Foreign currency exchange risk

The Directors do not consider themselves exposed to material foreign currency risk due to the nature of the Group's operations. All invoices are raised in sterling.

Interest rate risk

The Group is exposed to interest rate risk as a result of positive cash balances, denominated in sterling, which earn interest at variable and fixed rates. As at 30 June 2024, if bank base rate had increased by 0.5% with all other variables held constant, post-tax profit would have been £35,801 (2023: £32,056) higher and equity would have been £35,801 (2023:

£32,056) higher. Conversely, if bank base rate had fallen 0.5% with all other variables held constant, post-tax profit would have been £35,801 (2023: £32,056) lower and equity would have been £35,801 (2023: £32,056) lower.

26. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure.

The Group defines capital as being share capital plus reserves. The Board of Directors continually monitors the level of capital.

The Group is not subject to any externally imposed capital requirements.

27. Ultimate controlling party

There is no ultimate controlling party.

28. Copies of these statements

Copies of this statement are available from the Company Secretary at the Company's registered office at 1st Floor, 11-21 Paul Street, London, EC2A 4JU or from the Company's website at www.arcontech.com.

Arcontech trading update year

end 2024

ARCONTECH GROUP PLC

("Arcontech" or the "Company")

Trading Update & Notice of Results

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading announces that for the year ended 30 June 2024 (FY24) turnover is expected to be ahead of market expectations by approximately 4% as result of increased use of product by certain customers, whilst adjusted profit before tax is expected to be ahead by approximately 20%, as a result of the aforementioned increased product usage and certain planned staff costs only being incurred at the end of the financial year (FY24).

Expectations for the current financial year (FY25) remain unchanged.

Financial expectations noted above are preliminary and subject to year-end financial close and audit review processes.

Notice of Results

The Company's results for the 12 months ended 30 June 2024 are expected to be announced in early September 2024 and the Board look forward to updating shareholders with further details at that time.

Enquiries:

Arcontech Group plc	020 7256 2300
Geoff Wicks, Chairman and Non-Executive Director	
Matthew Jeffs, Chief Executive	

Cavendish Capital Markets Ltd (Nomad & Broker)	020 7220 0500
Carl Holmes/George Dollemore Harriet Ward (ECM)	

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

About Arcontech

Arcontech Group Plc (LSE: ARC) is the leading independent provider of financial market-data infrastructure and display solutions. With multi-source data collection, value added processing, publishing, distribution and display, Arcontech provides a highly performant, cost effective and flexible alternative to traditional market data infrastructure or building it in-house.

Solutions can be “off-the-shelf”, customised or completely new developments; Cloud, On-prem or Hybrid. Our deep domain knowledge and automated test suite ensure the right solution at the right time at the right price.

We are also Bloomberg, Refinitiv and Symphony development partners underlining our independence and ability to deliver viable, value added, vendor agnostic solutions to meet financial institutions real-time market data workflow needs.

Our clients include Global Tier 1 and Tier 2 financial market participants along with key market regulators.

For more information about us and what we can do for you, please visit: www.arcontech.com

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

ARCONTECH GROUP PLC

("Arcontech" or the "Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

Arcontech (AIM: ARC), the provider of products and services for real-time financial market data processing and trading, reports its unaudited results for the six months ended 31 December 2023.

Overview:

- Revenue increased by 6.8% to £1,448,804 (H1 2022: £1,357,041) reflecting the new business secured during the period under review
- Profit before tax increased by 44.7% to £538,790 (H1 2022: £372,414) reflecting the contribution from higher revenues and higher interest earned on cash deposits
- Our preferred measure of adjusted profit before tax, which excludes the release of accruals unrelated to the underlying business, increased by 45.3% to £534,775 (H1 2022: £367,914)
- Recurring revenues represented 100% of total revenues for the period (H1 2022: 100%)
- Net cash of £5,734,226 at 31 December 2023, down 2.9% (H1 2022: £5,908,814) after a record dividend payment of £468,048 paid on 3 November 2023

- Revenue expectation for the full year remains in line with current market expectations however, profit before tax for the year to 30 June 2024 is expected to be slightly ahead of market expectations. This is the result of higher interest income on cash balances received than previously forecast, and a reduction in operational expenditure.

Geoff Wicks, Chairman of Arcontech, said:

“We believe our strategy has brought us through a difficult period of poor market conditions well. Our focus is firmly on our core markets where we believe we are best placed to build sustainable growth. We have invested in our ability to grow globally and although lead times and competitive markets mean slow progress, we have started to experience some growth and we are confident about this continuing.”

Enquiries:

Arcontech Group plc	020 7256 2300
Geoff Wicks, Chairman and Non-Executive Director	
Matthew Jeffs, Chief Executive	
Cavendish Capital Markets Ltd (Nomad & Broker)	020 7220 0500
Carl Holmes/George Dollemore Harriet Ward (ECM)	

To access more information on the Group please visit:
www.arcontech.com

The interim report will only be available to view online enabling the Group to communicate in a more environmentally friendly and cost-effective manner.

Chairman’s Statement

Arcontech is beginning to see some small improvements in market conditions and new projects we have been working on come to fruition. There remain challenges in the market and lead times are longer than before but we announced one major new contract recently and we have the start of growth at existing customers. Our pipeline is improving and we are confident that we are in a good position to recover some of the ground we lost over the last few years.

We have retained a significant customer base, much of which is now on longer contracts. Nearly all our revenue is now recurring which provides good visibility and will help us to maintain growth. While we have been investing in our sales and support operations, careful cost control has allowed us to grow profit, although the last year's H1 profit was depressed by the impact of lost business, so flatters this year's number.

Revenue was £1.44 million, up 6.8% on the same period last year, Profit before tax ("PBT") was £0.54 million, up 44.7% on the same period last year. Adjusted profit before tax, which is PBT before the release of accruals for administrative costs in respect of prior years was £0.53 million, up 45.3% on the previous year.

Financing

Our balance sheet remains robust with net cash of £5.7 million, £0.2 million lower than at 31 December 2022, and £0.7 million lower than the level at 30 June 2023 after payment to shareholders of a record dividend of £0.4 million, and a change to the billing cycle for a large customer. As at the date of releasing this report the net cash balance is £6.8m. This cash position allows for continued investment in sales and products and for us to remain alert to opportunities to acquire small complementary businesses.

Dividend

No interim dividend is proposed to be paid in respect of the half year. The Board expects to continue its policy of paying a dividend following the announcement of its full year results.

Outlook

We believe our strategy has brought us through a difficult period in poor market conditions in good shape. Our focus is firmly on growth in our core markets where we believe we are best placed to build sustainable growth. We have invested in our ability to grow globally and although lead times and competitive markets mean slow progress we are confident about future growth.

Geoff Wicks

Chairman and Non-Executive Director

GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

		Note	Six months ended 31 December		Six months ended 31 December		Year ended 30 June
			2023		2022		2023
			(unaudited) £		(unaudited) £		(audited) £
Revenue			1,448,804		1,357,041		2,730,172
Administrative costs			(1,039,456)		(995,636)		(1,924,962)
Operating profit		4	409,348		361,405		805,210

Finance income			126,055		15,840		76,977
Finance costs		13	3,387		(4,831)		(6,491)
Changes in estimated variable remuneration liability		5	–		–		110,000
Profit before taxation			538,790		372,414		985,696
Taxation		7	–		–		(5,587)
Profit for the period after tax			538,790		372,414		980,109
Total comprehensive income			538,790		372,414		980,109
Profit per share (basic)			4.03p		2.78p		7.33p
Adjusted* Profit per share (basic)			4.00p		2.75p		6.44p
Profit per share (diluted)			4.02p		2.77p		7.32p

Adjusted* Profit per share (diluted)			3.99p		2.74p		6.43p

All of the results relate to continuing operations and there was no other comprehensive income in the period.

* Before release of accruals for administrative costs in respect of prior years.

GROUP BALANCE SHEET

	Note	31 December 2023		31 December 2022		30 June 2023
		(unaudited) £		(unaudited) £		(audited) £
Non-current assets						
Goodwill		1,715,153		1,715,153		1,715,153
Property, plant and equipment		6,325		4,420		5,950
Right of use asset	13	559,098		146,303		73,152
Deferred tax asset		328,000		318,000		328,000
Trade and other receivables	10	141,750		141,750		—

Total non-current assets		2,750,326		2,325,626		2,122,255
Current assets						
Trade and other receivables	10	1,335,408		1,584,539		499,861
Cash and cash equivalents		5,734,226		5,908,814		6,411,241
Total current assets		7,069,634		7,493,353		6,911,102
Current liabilities						
Trade and other payables	11	(473,512)		(891,203)		(427,030)
Deferred income		(1,013,405)		(1,854,240)		(881,858)
Lease liabilities	13	(68,869)		(118,994)		(40,324)
Provisions		(50,000)		—		(50,000)
Total current liabilities		(1,605,786)		(2,864,437)		(1,399,212)
Non-current liabilities						

Lease liabilities	13	(483,641)		—		—
Provisions		(20,000)		—		(20,000)
Total non-current liabilities		(503,641)		—		(20,000)
Net current assets		5,463,848		4,628,916		5,511,890
Net assets		7,710,533		6,954,542		7,614,146
Equity						
Share capital		1,671,601		1,671,601		1,671,601
Share premium account		115,761		115,761		115,761
Share option reserve		305,101		306,440		279,455
Retained earnings		5,618,070		4,860,740		5,547,328
		7,710,533		6,954,542		7,614,145

GROUP CASH FLOW STATEMENT

		Note	Six months ended 31 December		Six months ended 31 December		Year ended 30 June
			2023		2022		2023
			(unaudited) £		(unaudited) £		(audited) £

Cash (used in) / generated from operating activities		12	(296,937)		383,087		901,422
Tax paid		7	–		(4,993)		–
Net cash generated from operating activities			(296,937)		378,094		901,422
Investing activities							
Interest received			126,055		15,840		76,977
Proceeds on disposal of fixed assets			417		–		–
Purchases of plant and equipment			(3,471)		(114)		(3,480)
Net cash generated from investing activities			123,001		15,726		73,497

Financing activities						
Dividends paid			(468,048)	(434,616)	(434,616)	
Payment of lease liabilities			(35,031)	(76,859)	(155,529)	
Net cash used in financing activities			(503,079)	(511,475)	(590,145)	
Net (decrease) / increase in cash and cash equivalents			(677,015)	(117,655)	384,772	
Cash and cash equivalents at beginning of period			6,411,241	6,026,469	6,026,469	

Cash and cash equivalents at end of period			5,734,266		5,908,814		6,411,241
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GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share-based payments reserve	Retained earnings	Total
	£	£	£	£	£
At 1 July 2022	1,671,601	115,761	270,825	4,913,137	6,971,324
Profit for the period	–	–	–	372,414	372,414
Total comprehensive income for the period	–	–	–	372,414	372,414
Transfer between reserves	–	–	(9,805)	9,805	–
Dividends paid	–	–	–	(434,616)	(434,616)
Share-based payments	–	–	45,420	–	45,420
Total transactions with owners	–	–	35,615	(424,811)	(389,196)
At 31 December 2022	1,671,601	115,761	306,440	4,860,740	6,954,542
Profit for the period	–	–	–	607,695	607,695
Total comprehensive income for the period	–	–	–	607,695	607,695
Transfer between reserves	–	–	(78,893)	78,893	–
Share-based payments	–	–	51,908	–	51,908

Total transactions with owners	–	–	(26,985)	78,893	51,908
At 30 June 2023	1,671,601	115,761	279,455	5,547,328	7,614,145
Profit for the period	–	–	–	538,790	538,790
Total comprehensive income for the period	–	–	–	538,790	538,790
Dividends paid	–	–	–	(468,048)	(468,048)
Share-based payments	–	–	25,646	–	25,646
Total transactions with owners	–	–	25,646	(468,048)	(442,402)
At 31 December 2023	1,671,601	115,761	305,101	5,618,070	7,710,533

NOTES TO THE FINANCIAL INFORMATION

1. The figures for the six months ended 31 December 2023, and 31 December 2022, are unaudited and do not constitute statutory accounts. The accounting policies adopted are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 30 June 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2023, but these do not have a material impact on the interim condensed consolidated financial statements of the Group.
2. The financial information for the year ended 30 June 2023 set out in this interim report does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2023, which were prepared in accordance with UK-adopted international accounting standards, have been delivered to the Registrar of

Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

3. Copies of this statement are available from the Company Secretary at the Company's registered office at 1st Floor 11-21 Paul Street, London, EC2A 4JU or from the Company's website at www.arcontech.com.
4. Operating profit is stated after release of accruals for administrative expenses in respect of prior years of £4,014 (31 December 2022: £4,500; 30 June 2023: £8,393).
5. During the year to 30 June 2023, the Group Income Statement included the release of £110,000 in accrued bonuses which was been disclosed separately. The Board's best estimate of the liability to pay bonuses as at 30 June 2022 was £170,000 which was recorded with the prior year accruals. In the year to 30 June 2023, £110,000 of this liability was released to the Group Income Statement following annual reappraisal of the estimated liability at 30 June 2023.
6. Earnings per share have been calculated based on the profit after tax and the weighted average number of shares in issue during the half year ended 31 December 2023 of 13,372,811 (31 December 2022: 13,372,811 30 June 2023: 13,372,811).

The number of dilutive shares under option at 31 December 2023 was 26,988 (31 December 2022: 18,612; 30 June 2023: 14,805). The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is done to determine the number of shares that could have been acquired at the average market price during the period, based upon the issue price of the outstanding share options including future charges

to be recognised under the share-based payment arrangements.

7. Taxation is based on the unaudited results and provision has been estimated at the rate applicable to the Company at the time of this statement and expected to be applied to the total annual earnings. No corporation tax has been charged in the period as any liability has been offset against tax losses brought forward from prior years. The tax paid represents the cash payment of tax liability from the preceding income tax year.
8. A final dividend in respect of the year ended 30 June 2023 of 3.5 pence per share (2022: 3.25 pence per share) was paid on 3 November 2023.
9. The Directors have elected not to apply IAS 34 Interim financial reporting.
10. Trade and other receivables

	31 December 2023 £ (unaudited)		31 December 2022 £ (unaudited)		30 June 2023 £ (audited)
Due within one year:					
Trade and other receivables	1,137,648		1,468,165		136,250
Prepayments and accrued income	197,760		116,374		221,861
Other receivables	–		–		141,750
	1,335,408		1,584,539		499,861

	31 December 2023 £ (unaudited)		31 December 2022 £ (unaudited)		30 June 2023 £ (audited)
Due after more than one year:					
Other receivables	141,750		141,750		—
	141,750		141,750		—

11. Trade and other payables

	31 December 2023 £ (unaudited)		31 December 2022 £ (unaudited)		30 June 2023 £ (audited)
Trade payables	27,055		33,078		44,995
Other tax and social security payable	69,714		319,265		58,185
Other payables and accruals	376,743		538,860		323,850
	473,512		891,203		427,030

12. Cash generated from operations

		Six months ended 31 December		Six months ended 31 December		Year ended 30 June				
		2023		2022		2023				
		(unaudited) £		(unaudited) £		(audited) £				

office.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position are as follows:

	Right of use asset £		Lease liability £		Income statement £
As at 1 July 2023	73,152		(40,324)		–
Recognition of new lease under IFRS 16	559,803		(552,220)		–
Depreciation	(73,857)		–		(73,857)
Liability write- back at expiry	–		5,293	1	5,293
Interest	–		(765)		(765)
Lease payments	–		35,506		–
Carrying value at 31 December 2023	559,098		(552,510)		(69,329)

1 The lease interest charge for the period under review included a credit entry to write-off the balance of the old office lease liability at expiry of the lease. The credit arose due to the final lease payment being applied on a pro-rata basis for the final quarter. The final lease payment made was £35,506 and not £40,500 which was the amount used when calculating the initial value of the lease liability.

	Right of use asset £		Lease liability £		Income statement £
As at 1 July 2022	219,455		(195,853)		–
Depreciation	(73,152)		–		(73,152)
Interest	–		(4,141)		(4,141)
Lease payments	–		81,000		–

Carrying value at 31 December 2022	146,303		(118,994)		(77,293)
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Contractual maturity analysis of lease liabilities as at 31 December 2023

	Less than 3 months £	3 – 12 months £	1 – 5 Years £	Longer than 5 Years £	Total £
Lease liabilities	–	113,400	439,110	–	552,510

[Arcontech Interim Results for the six months ended 31 December 2023](#)