13 August 2024

IQ-AI Limited (the "Company" or the "Group")

Half Yearly Report for the Period Ended 30 June 2024

The Board of IQ-AI Ltd is pleased to announce the Company's half yearly report for the period ended 30 June 2024.

For further information, please contact:

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Chief Executive's Statement

Financial Highlights

First half revenue was £444,000, an increase of 57% over the comparable period in 2023.
Net assets have increased from £94,924 at 31 December 2023 to £433,189 at 30 June 2024.

Phase 1 Clinical Trial (IB003, gallium maltolate)
The trial is in its final stages. As soon as all the results are available, an End of Phase 1 ("EOP1") meeting will be held with the US Food and Drug Administration ("FDA"). The EOP1 meeting is critical. In an FDA Fast Track Designated development program, FDA resources are assigned to help abbreviate various aspects of the development pathway, including offering strategic guidance for the phase 2 protocol that is currently being drafted. We anticipate this will happen before the end of this year.

Since receiving FDA approval to proceed with the EAP, 32 patients have expressed an interest in participating. We are working closely with eligible patients to help them navigate the on-boarding process and we are providing resources and information to help them cover the costs of the EAP. We are waiting for various sites across the US to obtain final administrative approval and anticipate the first site to become active in late August.

The development of IB003 and the EAP remain our priority. We are continually exploring how we can further utilise the regulatory milestones achieved last year (our two Orphan Drug and two Rare Paediatric Disease Designations). Data from a phase 2 trial will be represent a significant step towards having an approved agent. If granted approval by the FDA, the Directors believe that the ensuing commercial impact would be significant for IQAI.

IB Clinic
We will be introducing the next software release of IB Clinic later in Q3. This release includes important new features and enhancements requested by current and prospective clients, along with some necessary upgrades in cybersecurity and general updates to the code base. Of most significance, will be the ability to post-process Spin and Gradient Echo ("SAGE") data. This development is the result of funding provided by the National Institutes of Health ("NIH") under a multi-centre grant. To our knowledge, we will be the first company to offer SAGE processing. An enhancement to IB Neuro, it will be the only processing application built upon a cross-vendor effort to implement SAGE. SAGE permits the collection of rCBV information with a variable sensitivity to vessels of different diameters, as well as additional tissue biophysical metrics relevant to changes observed with cancer and treatment and represents the future of perfusion MRI.

In parallel with the next release, we will be offering an artificial intelligence (AI) based pipeline that enables the automatic generation of quantitative perfusion class maps (also known as "FTB" or fractional tumour burden). This long-awaited and highly demanded feature eliminates the need for an end user, such as a neuroradiologist or skilled MR technologist, from performing a manual segmentation step. As more and more groups are reporting, FTB maps are demonstrating direct clinical benefit in terms of diagnostic and treatment assessment capabilities, as well as heightening inter-reader confidence. Our channel partners are anxiously waiting for the imminent release of this automated pipeline as their platforms only support fully automated applications.

An exciting new application of our quantitative imaging capabilities is using Delta T1™ maps for assessing the extent of surgical resection using laser interstitial thermal therapy ("LITT"). Essentially, Delta T1 maps can intraoperatively assessment whether neurosurgeons have removed the viable tumour tissue. It is well acknowledged that the removal of tumour tissue directly correlates with Overall Survival.

In development is the launch of a new product development program to process arterial spin labelling ("ASL") data. ASL is an MR perfusion technique that uses no exogenous contrast agent. Instead, it tags the patient's own blood which then acts as the contrast medium during MRI exams. While not as commonly accepted as the technology contained in IB Neuro, IB ASL™ offers potential application into new pathologies (such as Alzheimer, epilepsy, and infectious diseases) and populations. For example, children who require follow-up imaging or people who may have adverse reactions to gadolinium-based contrast agents find ASL an attractive imaging modality.

IB Nimble

Development work is nearing completion. The remaining work packages concern the homogenization of the legacy IB Nimble code base into a single, robust platform that is compatible with both Android and iOS, and the ability to view medical images directly on the mobile app. This work is expected to be completed in late Q1 2025, but discussions are already underway with multiple new cancer centres who are interested in adopting IB Nimble for metastatic brain cancer. Ultimately, cancer centres across the world who adopt IB Nimble will benefit from what could conceivably be the world's largest repository of mineable healthcare data and outcomes. While this will take some time to populate, our vision for this potentially huge source of imaging data presents significant benefits for predicting health outcomes, improving accuracy, personalizing medicine, boosting operational efficiency, continuing research and development, and addressing health disparities across patient populations.

Outlook

Our diversified product portfolio continues to evolve and proliferate. While the basic message may now be familiar to shareholders, the directors believe that the years of sustained development and innovation will, in due course, yield positive results for the company.

Trevor Brown
Chief Executive

Results for the 2024 interim financial period

A summary of the key financial results is set out in the table below:

	30 June 2024
	£
Revenue	**444,247**
Gross Profit	**442,200**
Operating expenses	**(716,919)**
Finance costs	**410**
Loss for the period from discontinued operations	**-**
Loss for the period	**(274,309)**

Interest

The net interest cost for the Group for the period was (£410) (2023: £5,311).

Loss before tax

Loss before tax for the period was £274,309, which includes a Share Based Payment expense of £259,081 (2023: £300,473).

Taxation

Taxation charge was £nil for the period (2023: £nil).

Earnings per share

Basic and diluted earnings per share for the period were 0.13p loss (2023: 0.16p loss).

Financial position

The Group's balance sheet as at 30 June 2024 can be summarised as set out in the table below:

	Net assets
	£
Non-current assets	**639,150**
Net current liabilities	**(205,962)**
Net assets and total equity	**433,188**

Cash flow

Net cash inflow for the period was £47,368 (2023: £223,779 outflow).

Consolidated Income Statement
For the six months ended 30 June 2024

	Half year ended 30 Jun 2024 £	(Audited) Full year ended 31 Dec 2023 £	Half year ended 30 Jun 2023 £
Continuing operations			
Revenue	**444,247**	609,390	282,652
Cost of sales	**(2,047)**	(11,636)	(4,042)
Gross profit	**442,200**	597,754	278,610
Administrative expenses	**(716,921)**	(1,004,086)	(573,777)
Other income	**2**	8	5
Operating loss	**(274,719)**	(406,324)	(295,162)
Impairment of goodwill and intangible assets	**-**	(207,627)	-
Finance costs	**410**	(9,865)	(5,311)
Loss before income tax	**(274,309)**	(623,816)	(300,473)
Income tax	**-**	-	-
Loss for the year from continuing operations	**(274,309)**	(623,816)	(300,473)
Discontinued operations			
Loss for the period from discontinued operations	**-**	-	-
Loss for the year attributable to owners of the Company	**(274,309)**	(623,816)	(300,473)
Earnings per share attributable to owners of the Company			
From continuing operations:			
Basic & diluted (pence per share)	**(0.13)**	(0.34)	(0.16)
From discontinued operations:			
Basic & diluted (pence per share)	**(0.00)**	(0.00)	(0.00)
Total earnings per share (pence per share)	**(0.13)**	(0.34)	(0.16)

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2024

	Half year ended 30 Jun 2024 £	(Audited) Full year ended 31 Dec 2023 £	Half year ended 30 Jun 2023 £
Loss for the period	**(274,309)**	(623,816)	(300,473)
Other comprehensive income			
Items that may be subsequently reclassified as profit or loss			
Exchange differences on translation of foreign operations	**39**	(3,100)	3,241
Total comprehensive loss for the year attributable to the owners of the Company	**(274,270)**	(626,916)	(297,232)
Total comprehensive loss for year arises from:			
Continuing operations	**(274,270)**	(626,916)	(297,232)
Discontinuing operations	**-**	-	-
	(274,270)	(626,916)	(297,232)

Consolidated Balance Sheet
As at 30 June 2024

	30 Jun 2024	(Audited) 31 Dec 2023	30 Jun 2023
	£	£	£
Non-current assets			
Property, plant and equipment	**1,050**	1,677	2,867
Goodwill	**71,904**	71,420	214,044
Intangible assets	**566,196**	340,870	452,588
Total non-current assets	**639,150**	413,967	669,499
Current assets			
Trade and other receivables	**249,463**	168,018	355,520
Cash	**186,119**	138,751	90,206
Assets classified as held for sale	**-**	-	-
Total current assets	**435,582**	306,769	445,727
Current liabilities			
Trade and other payables	**641,544**	625,812	699,151
Liabilities directly associated with assets classified as held for sale	**-**	-	-
Total current liabilities	**641,544**	625,812	699,151
Net current assets/(liabilities)	**(205,962)**	(319,043)	(253,424)
NET ASSETS	**433,188**	94,924	416,075
Equity			
Share capital	**2,217,098**	1,906,715	1,826,214
Share premium	**20,705,137**	20,555,087	20,553,499
Capital redemption reserve	**23,616**	23,616	23,616
Merger reserve	**160,000**	160,000	160,000
Convertible loan note reserve	**-**	100,953	223,095
Share based payment reserve	**340,777**	81,696	81,696
Foreign currency reserve	**16,878**	22,866	25,228
Retained losses	**(23,030,318)**	(22,756,009)	(22,477,273)
Equity attributable to owners of the Company	**433,188**	94,924	416,075
TOTAL EQUITY	**433,188**	94,924	416,075

Consolidated statement of changes in equity

For the six months ended 30 June 2024

	Share Capital	Share premium	Capital redemption reserve	Merger reserve	Convertible loan note reserve	Share based payment reserve	Foreign currency reserve	Retained losses	TOTAL EQUITY
	£	£	£	£	£	£	£	£	£
Balance at 1 January 2023	**1,826,214**	**20,553,499**	**23,616**	**160,000**	**217,784**	**81,696**	**21,064**	**(22,176,800)**	**707,073**
Loss for the year	-	-	-	-	-	-	-	(623,816)	(623,816)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(3,100)	-	(3,100)
Total comprehensive loss for the year	-	-	-	-	-	-	(3,100)	(623,816)	(626,916)
Transactions with shareholders:									
Loan conversion	84,464	42,232	-	-	(126,696)	-	-	-	-
Shares cancelled	(3,963)	(40,644)	-	-	-	-	-	44,607	-
Movement in the year	-	-	-	-	9,865	-	4,902	-	14,767
Transactions with owners, recognised directly in equity	80,501	1,588	-	-	(116,831)	-	1,802	(579,209)	(612,149)
Balance at 31 December 2023	**1,906,715**	**20,555,087**	**23,616**	**160,000**	**100,953**	**81,696**	**22,866**	**(22,756,009)**	**94,924**
Loss for the period	-	-	-	-	-	-	-	(274,309)	(274,309)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	39	-	39
Total comprehensive loss for the period	-	-	-	-	-	-	39	(274,309)	(274,270)
Transactions with shareholders:									
Loan conversion	63,050	37,493	-	-	(100,543)	-	-	-	-
Shares issued	247,333	123,667	-	-	-	-	-	-	371,000
Cost of shares issued	-	(11,110)	-	-	-	-	-	-	(11,110)
Share based payments	-	-	-	-	-	259,081	-	-	259,081
Movement in the year	-	-	-	-	(410)	-	(6,027)	-	(6,437)
Transactions with owners, recognised directly in equity	**310,383**	**150,050**	**-**	**-**	**(100,953)**	**259,081**	**(5,988)**	**(274,309)**	**338,264**
Balance at 30 June 2024	**2,217,098**	**20,705,137**	**23,616**	**160,000**	**-**	**340,777**	**16,878**	**(23,030,318)**	**433,188**

Consolidated Cash Flow Statement

For the six months ended 30 June 2024

	Half year ended 30 Jun 2024 £	(Audited) Full year ended 31 Dec 2023 £	Half year ended 30 Jun 2023 £
Cash flows from operating activities:			
Operating loss	**(274,309)**	(623,816)	(300,473)
Adjustment for:			
Depreciation and amortisation	**22,064**	115,401	53,790
Impairment of intangible assets	**-**	207,627	-
Share based payment expense	**259,082**	-	-
Foreign exchange loss/(gain)	**(10,305)**	37,338	37,197
Finance costs	**(410)**	9,865	5,311
(Increase)/Decrease in receivables	**(81,446)**	29,254	(158,247)
Increase in payables	**15,732**	127,502	138,643
Net cash used in operating activities	**(69,592)**	(96,829)	(223,779)
Cash flows from investing activities			
Purchase of equipment	**-**	-	-
Purchase of intangible assets	**(242,930)**	(78,405)	-
Net cash used in investing activities	**(242,930)**	(78,405)	-
Cash flows from financing activities			
Funds raised from shares issued	**371,000**	-	-
Cost of shares issued	**(11,110)**	-	-
Net cash from financing activities	**359,890**	-	-
Net increase/(decrease) in cash and cash equivalents	**47,368**	(175,234)	(223,779)
Cash and cash equivalents brought forward	138,751	313,985	313,985
Effects of exchange rate changes on cash and cash equivalents	**-**	-	-
Cash and cash equivalents carried forward	**186,119**	138,751	90,206

Summary of significant accounting policies

IQ-AI Limited (the “Company”) is a limited liability company incorporated and domiciled in Jersey.

The financial statements are presented in pounds sterling (£) since that is the currency of the primary environment in which the Group and Company operates.

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

Basis of preparation

These financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union.

The financial statements have been prepared under the historical cost convention, as modified for the assets held for sale measured at fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed under the heading ‘Critical accounting estimates and judgements’ below.

Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive Officer’s Statement.

The current economic conditions continue to create uncertainty, particularly over (a) the level of demand for the group’s products; and (b) the availability of finance for the foreseeable future. The group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that additional funding will be required either via an issue of equity or through the issuance of convertible loan notes. The Directors are reasonably confident that funds will be forthcoming if and when they are required. The Chief Executive Officer has provided a letter of financial support to the Group to make sufficient funds available, if required, to ensure the Group can meet its obligations over the going concern period.

Taking in to account the comments above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements

New standards, amendments and interpretations adopted by the Group and Company

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standards /interpretations	**Application**
IAS 1 amendments	Presentation and Classification of Liabilities as Current or Non current
IAS 16 Amendments	Lease liability in a sale and leaseback
IAS 1 Amendments	Presentation of Financial Statements

New standards, amendments and interpretations not yet adopted

Standards /interpretations	Application

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries ("the Group"). Subsidiaries include all entities over which 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. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, and the equity interests issued. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition related costs are expensed as incurred. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Investments in subsidiaries

Investments in subsidiaries are held at cost less any impairment.

Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets and contingent liabilities acquired. Identifiable assets are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually, or when trigger events occur, for impairment and is carried at cost less accumulated impairment losses.

Segment reporting

An operating segment is a component of the Group that engages in business activity from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with and of the Group's other components. All operating segments' operating results, for which discrete financial information is available, are reviewed regularly by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance. As a result of the acquisition during the year, the Group reports on a two-segment basis – holding company expenses and medical software.

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within 'finance income or costs.'

The results and financial position of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each Income Statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Intangible Assets – Intellectual property and internally generated software

Separately acquired intellectual property is shown at historic cost. Intellectual property acquired in a business combination is recognised at fair value at the acquisition date. Amortisation is calculated using the straight-line method over the estimated useful life of up to 5 years.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 5 years. Amortisation commences when regulatory approval is obtained, and the product is commercially available.

Impairment of Non-Financial Assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Financial instruments

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

Financial assets

The Group classifies its financial assets in the following categories financial assets as "at fair value through profit and loss" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables are held with the objective of collecting the contractual cash flows. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value.

A financial asset is assessed at each reporting date to determine whether there is any evidence that it is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individual significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. In the consolidated Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

Financial liabilities and equity instruments issued by the group

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

Non-Current Assets (or Disposal Groups) Held-for-Sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. A discontinued operation is a component of the Group that is classified as held for sale and that represents a separate line of business or geographical area of operations. The results of discontinued operations are presented separately in the Consolidated Income Statement.

Convertible loan notes

The convertible loan note ("CLN") is a compound financial instrument that can be converted to share capital at the option of the holder. As the CLN, and the accrued interest, can only be repaid by the issue of shares, it has been recognised in equity only, with no liability component. Interest is accounted for on an accruals basis and charged to the Consolidated Income Statement and added to the carrying amount of the equity component of the CLN.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method. The carrying amounts of trade and other payables are considered to be the same as their fair values.

Share capital

Ordinary shares

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

Share-Based Payments

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Revenue recognition

The group derives revenue from the transfer of goods and services at a point in time and over time. Revenue from external customers arise on the sales of software licences, including associated maintenance, and consultancy services.

Revenue from licence sales is measured at the agreed transaction price at a point in time. A receivable is recognised when access to the software is granted, since this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Support and maintenance services are provided on the product supplied; this is deemed to be a separately identifiable product and is recognised over time. Revenue from consulting services are recognised in the accounting period in which the services are rendered.

Taxation

The Company is registered in Jersey, Channel Islands and is taxed at the Jersey Company standard rate of 0%. However, the Company's subsidiaries are situated in jurisdictions where taxation may become applicable to local operations.

The major components of income tax on profit or loss include current and deferred tax.

The tax currently payable is based on the taxable profit for the period using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from the net profit 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised of the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Critical accounting estimates and judgements

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

Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets held for sale. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on best observable data available as far as possible. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Critical judgments in applying the entity's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of internally developed software

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

Earnings per share

Basic and diluted

Earnings per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of Ordinary shares in issue during the period, excluding Ordinary shares purchased by the Company and held as treasury shares.

	Half year ended 30 Jun 2024	Audited Full year ended 31 Dec 2023	Half year ended 30 Jun 2023
Loss attributable to equity holders of the Company (£)	**(274,309)**	(623,816)	(300,473)
Loss from discontinued operation attributable to equity holders of the parent (£)	**-**	-	-
Weighted average number of shares in issue (number)	**214,158,129**	183,700,212	182,621,390
Potentially dilutive ordinary shares	**24,922,974**	6,792,500	6,792,500
For diluted earnings per ordinary share	**239,081,103**	190,492,712	189,413,890
Loss per share (pence)			
-From continuing operations	**(0.13)**	(0.34)	(0.16)
-From discontinued operations	**(0.00)**	(0.00)	(0.00)