

# Oxford Metrics

5 December 2023

Oxford Metrics plc

("Oxford Metrics", the "Company" or the "Group")

## Preliminary Results for the financial year ended 30 September 2023

- Record Revenue and Adjusted PBT performance, ahead of market expectations
- Continued innovation unveiling our new markerless technology at Siggraph 2023
  - In FY23 Vicon manufactured more camera systems than ever before
- Enter FY24 with strong order book and visibility on over half of revenue expectations

Oxford Metrics plc (LSE: OMG), the smart sensing and software company servicing life sciences, entertainment and engineering markets, announces preliminary results for the financial year ended 30 September 2023.

Continuing Operations	FY23	% Change	FY22
Revenue	£44.2m	+53.5%	£28.8m
Adjusted Profit Before Tax*	£6.5m	+151.9%	£2.6m
Adjusted* Basic Earnings per Share	4.57p	+79.2%	2.55p
Ordinary Dividend per Share	2.75p	+10%	2.50p
Statutory Profit after Tax	£5.7m	+66.5%	£3.4m
Statutory Basic Earnings per Share	4.35p	+63.5%	2.66p
Net Cash**	£64.8m	-4.3%	£67.7m
Orders-in-hand	£11.5m	-52.2%	£24.0m

\* Profit Before Tax before Group recharges adjusted for share-based payments, amortisation and impairment of intangibles arising on acquisition and additional Contemplas consideration deemed remuneration.

\*\* Including Fixed Term Deposits and Bank overdraft.

## Financial Highlights

- Record headline revenue of £44.2m (FY22: £28.8m), (up 53.5%, up 52.4% on a constant currency basis), driven by demand for our new flagship system, Valkyrie
- Gross Profit of 65.0% (FY22: 67.5%), reflecting the use of higher cost components acquired during the supply chain challenge of the last few years and changes in product mix
- Adjusted Profit Before Tax\* at £6.5m (FY22: £2.6m), up 151.9% year on year, reflecting the strong revenue performance as well as a planned increase in R&D to deliver the five-year plan and the benefit of increased interest income
- Strong balance sheet with net cash position of £64.8m (FY22: £67.7m), well placed to pursue M&A aspect of the five-year plan
- Board proposes increased final dividend to 2.75p per share (FY22: 2.50p), up 10.0% year on year

## Operational highlights

### Strong execution of orders and continued buyout demand drives revenue growth

- Order book as of 30<sup>th</sup> September 2023 of £11.5m (FY22: £24.0m), reflecting the more normalised buying cycles following the global supply chain challenges now largely abated
- Strong demand across all our market segments
- **Entertainment:** Buoyant demand continued, with revenue up 82%, accounting for 43% of orders in hand
  - Contract wins for major Valkyrie Stages at Cover Japan, Dimension Studio & PUBG Madison
- **Engineering:** revenues up 56% year on year, accounting for 22% of orders in hand
  - Contract wins with ITESM, University of Arizona and University of Manitoba
- **Life Sciences:** revenues grew 40%, accounting for 29% of the orders in hand

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- Notable deals include Hospital Israelita Albert Einstein (HIAE), University of Padova, Victoria University and University of Rochester Medical Centre
- **Location-based Entertainment (LBE):** reported a slight decline year on year of 5% following exceptional growth, accounts for 6% of orders in hand
  - Sandbox VR announced their 45<sup>th</sup> location and Immersive Gamebox opened their 30<sup>th</sup> location in the year, all powered by Vicon technology
- Valkyrie, Vicon's flagship system, continued to drive revenues and orders in the year
- Markerless technology demonstrated at Siggraph 2023 was well-received
  - Technology demonstration of markerless technology follows over four years of R&D focussing on the integration of machine learning and AI into markerless motion capture
  - Established our Pioneer Programme, working closely with both customers and prospects to help refine the product as we start to commercialise markerless
- Imogen Moorhouse appointed Group CEO 1 October 2023

## Extending smart sensing capabilities via M&A – Industrial Vision Systems (IVS)

- Post period end on 1<sup>st</sup> November 2023, acquired Industrial Vision Systems Ltd (“IVS”) adding smart manufacturing to our market-leading portfolio
  - Brings specialised machine learning AI technology for automated quality control, meeting companies' requirements for a “right first time” solution
  - IVS adds IP rich, hard-to-replicate vision software and machine technology, bringing over 23 years of experience in smart vision technology
  - IVS' systems spot patterns and anomalies in real-time manufacturing quality control, ensuring precise and repeatable solutions that continuously learn based on image data

## Outlook

- With encouraging demand, Vicon enters the new financial year with over £11.5m orders in hand and a strong and executable pipeline
- Trading in the first months of the financial year has been in line with our expectations
- Over half of revenue expectations for the full year is underpinned by orders in hand and a strong sales pipeline.
- FY2024 will see the beginning of the commercialisation of our new markerless technology
- Modest expectations for new markerless technology expected in FY24 ahead of contributing more material revenues in FY25
- Following the successful acquisition of IVS in November 2023 the Group will continue to pursue M&A opportunities in known markets possessing hard-to-replicate, deep Intellectual Property in integrated smart sensing with attractive financial metrics

## Commenting on the results Imogen Moorhouse, Chief Executive said:

*“I am delighted to report my first set of results as CEO of Oxford Metrics. Two years into our five-year strategy, we are reporting record revenue and adjusted PBT performance for FY23. This result builds on from our strongest-ever first half as Vicon executed against orders and continued demand for our smart sensing technology continued, driven by positive uptake of our new system, Valkyrie.*

*Our team this year has continued to innovate, manufacturing more advanced camera systems than ever before. At our industry conference Siggraph 2023, we showed the world our new markerless technology. This technological advancement represents a pivotal moment and is expected to drive growth once commercialised in FY24.*

*We continue to pursue M&A opportunities to unlock growth and new market opportunities. Post period end, we successfully delivered on our promise of acquisition activity adding smart manufacturing to our market-leading portfolio with Industrial Vision Systems.*

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*Vicon enters the new financial year with well over half of revenue expectations underpinned by orders in hand and a strong sales pipeline. With an energised team, a clear roadmap and continued market demand, the Board looks forward to the new financial year which is set to see further underlying growth in our existing markets whilst laying the foundations for future growth including the commercialisation of markerless technology.”*

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## **About Oxford Metrics**

Oxford Metrics is a smart sensing and software company that enables the interface between the real world and its virtual twin. Our smart sensing technology helps over 10,000 customers in more than 70 countries, including all of the world's top 10 games companies and all of the top 20 universities worldwide. Founded in 1984, we started our journey in healthcare, expanded into entertainment, winning an OSCAR® and an Emmy®, moved into defence, engineering and smart manufacturing. We have a strong track record of creating value by incubating, growing and then augmenting through acquisition, unique technology businesses.

The Group trades through its market-leading division Vicon and, recently acquired, Industrial Vision Systems. Vicon is a world leader in motion measurement analysis to thousands of customers worldwide, including Red Bull, Imperial College London, Dreamscape Immersive, Industrial Light & Magic, and NASA. Industrial Vision Systems is a specialist in machine vision software and technology for high precision, automated quality control systems trusted by blue-chip, smart manufacturing companies across the globe including BD, DePuy, Jaguar Land Rover, Johnson & Johnson, Zytronic and Alkegen.

The Group is headquartered in Oxford with offices in California, Colorado, Auckland, and Kempten. Since 2001, Oxford Metrics (LSE: OMG), has been a quoted company listed on AIM, a market operated by the London Stock Exchange. For more information about Oxford Metrics, visit [www.oxfordmetrics.com](http://www.oxfordmetrics.com)

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## CHAIRMAN'S STATEMENT

I am delighted to report that Oxford Metrics has delivered a strong financial performance during 2023 reporting both record revenue and Adjusted PBT results. Valkyrie, the Group's most advanced motion capture system to date, launched in July 2022, has continued to drive revenues and has been positively received and widely adopted by new and existing customers alike.

Since the launch of the Group's current five-year plan, we have continued to invest in the future of the business. Over the Summer, at Siggraph, the premier conference for computer graphics and interactive techniques, hosted in Los Angeles, we were able to reveal the fruits of our innovation efforts over the past four years to unveil our new markerless technology. Following successful public demonstrations, this development represents a pivotal moment for the business and, once commercialised, is expected to help drive growth over the coming years.

Given the record performance in FY23, the addition of Industrial Vision Systems (IVS) acquired in November 2023 and the commercialisation of markerless, we remain on track to achieve our five-year plan which aims to grow revenues 2.5x to £70m whilst delivering an Adjusted PBT\* margin of 15% by the end of the FY26.

The Group reported revenues of £44.2m (FY22: £28.8m), adjusting for the deferment of £3.5m of orders we were unable to ship in September 2022; the underlying growth was strong nonetheless at 26%. An Adjusted PBT\* of £6.5m (FY22: £2.6m) is reported, equivalent to a return on sales of 14.8% (FY22: 9.0%). The order book for the year ahead stands at £11.5m (FY22: £24.0m) which represents a more reasonable lead time for our customers, following the easing of supply chain constraints, which we will seek to maintain in the future.

The Group reports a statutory Profit after tax for all operations of £5.7m (FY22: £46.9m) which last year included the disposal of the Yotta business at a highly attractive valuation and on a continuing basis a statutory Profit after tax of £5.7m (FY22: £3.4m) is reported. The net cash position including Fixed Term Deposits was £64.8m (FY22: £67.7m). After the continued investment in the business and the deployment of cash for working capital purposes during the year, the net cash position remains significant and available for the execution of our M&A plans.

The Board proposes a 10% increase to our final dividend to 2.75p per share (FY22 Final Dividend: 2.50p) this year. We remain committed to our progressive dividend policy and aims to achieve average dividend cover of approximately two-times Adjusted PBT\* per share over time.

The success of our business depends on having engaged and dedicated employees. This is reflected in our very high retention rate, 89% globally, of which we are very proud. We understand the importance of environmental and social sustainability within our own operations and our supply chain, and we are taking steps to reduce our impact on the environment from redesigning our products and transforming our operational processes. As an important part of our investment in the future of the business, we have published our Environmental, Social and Governance initiatives on our sustainability webpage [oxfordmetrics.com/sustainability](https://oxfordmetrics.com/sustainability), and we have published our Streamlined Energy and Carbon Reporting ('SECR') data in this year's Annual Report. The Board is committed to taking a holistic view of the business and we will continue to update and review our sustainability webpage throughout 2024.

I would like to take the opportunity on behalf of the Board and our colleagues to thank our former CEO, Nick Bolton, who contributed an enormous amount. Nick successfully led the Group over the last 18 years leaving it well positioned to capitalise on the opportunities ahead of us today. We wish him all the very best in his new role. Following a thorough and orderly CEO transition process, we are delighted to have appointed Imogen Moorhouse, to step up into CEO of Oxford Metrics to lead us forward.

We are very fortunate to have a natural successor; Imogen knows our business inside and out, having spent 22 years at Vicon, the last 12 of which as Vicon CEO. Through this time Imogen has grown the business organically and via M&A and has been integral to the development and implementation of the Group's five-year growth plan.

We were also pleased to announce the acquisition of Industrial Vision Systems. The acquisition is immediately earnings enhancing, adding smart manufacturing to our portfolio and increasing our presence in the Engineering market. Along with our new IVS colleagues and energised team, I look forward to continuing to work with Imogen as we move ahead to achieve our aims of creating a Group focussed on expanding market opportunities in smart sensing.

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Lastly, I would like to thank everyone involved in supporting and building our business – our customers, our shareholders, our partners, and, of course, our brilliant team across the world who responded magnificently, not least the production team who, this year, manufactured more camera systems than ever before.

**Roger Parry**  
Chair

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## CEO STATEMENT

After 12 years as operational CEO for Vicon I am delighted to have taken on the Oxford Metrics CEO role at such an exciting time for the Group.

Delivering the five-year growth plan for Oxford Metrics is my key focus, having worked very closely with my predecessor, Nick Bolton, to formulate the Group's next chapter. In year two of the plan, 2023 has certainly been a year of powering up, delivering a record performance from our Vicon division and unveiling yet more innovation, making our markerless technology a reality at Siggraph. Post year end, we acquired Industrial Vision Systems in November and are encouraged by our start to the new financial year.

We enter year three of the plan in a strong position. Over FY23 I have grown the senior leadership team at Vicon with a series of new appointments.

With an energised team and clear roadmap, we are well-positioned to deliver on the target of growing revenues 2.5x whilst delivering an Adjusted PBT\* margin of 15% by the end of the plan. At the core of the plan is the three elements of smart sensing: **sense, analyse and apply**:

### 1. Extend our sensing capabilities

Firstly, we seek growth by extending our sensing methods through R&D, M&A and fostering key supplier partnerships, which broadens the applicability of our solutions and expands our addressable market.

At Siggraph, we unveiled our markerless technology, receiving a very positive market reaction. At the same time, we launched a Pioneer Programme allowing customers and prospects to work with us on executing product delivery to ensure we capture both the technical, user experience, operational and commercial aspects of the delivery in the right way.

With our post year end acquisition of IVS, we have added machine vision techniques used in the growing smart manufacturing market, an adjacent industry to Vicon, and one where there are clear opportunities to expand its geographic footprint and grow its IP-rich static technology offering with prospects to benefit from Vicon's dynamic sensing. We're excited about the opportunity ahead to extend into yet more applications and industries as inspection automation becomes more mainstream and smart manufacturing becomes the standard.

### 2. Enhance the analysis we can perform

Secondly, we seek to augment the analysis our customers can undertake with our software, thus broadening the range of applications to which our systems can be applied.

Vicon's new life sciences reporting tool, Nexus Insight, is a good example of this. Nexus Insight simplifies reporting, making it easier for customers to visualise, interpret, share, analyse and compare their data. This new tool takes motion capture data, turning it into clear, easy to understand, accessible reports.

### 3. Apply our IP by embedding in other companies' solutions

Finally, we aim to grow by seeing our deep technology incorporated into other business' products and services – which aims to expand our addressable market as we drive the integration of our sensing and analysis IP to specific application domains.

Currently, the best example of our embedding opportunity is in the Location-based Entertainment (LBE) market and in FY23 we saw encouraging next phase rollouts by our partners Sandbox VR and Immersive Gamebox. Sandbox VR recently announced their 45<sup>th</sup> location while Immersive Gamebox have opened their 30<sup>th</sup> location in the year with exciting news announced of their multi-million pound agreement with Merlin entertainments across the UK, Europe, the USA, and Australia. The multi-territory partnership is intended to create immersive experiences that will engage and connect players of all ages, using the Gamebox suite of IP partnerships that include Paw Patrol, Ghostbusters, Netflix, and the Angry Birds game.

In addition, there are opportunities for IVS' proprietary vision modules to be embedded by providers into their solutions in smart manufacturing process to ensure "right first time" products.

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## New markerless technology

Markerless motion capture enables 3D motion capture without the need to wear motion capture suits or attach reflective markers, active markers or inertial sensors. The technology uses the latest machine learning and AI techniques to process video imagery to create 3D visualisations. In a similar way to how Large Language Models are used to drive AI Chatbots, we are building our own proprietary Large Video Models to develop and improve the markerless technology. We showcased our new markerless technology platform in the summer showing the technique seamlessly working in a six-participant real-time immersive VR experience with our LBE partner Dreamscape.

In its nascent state, markerless technology is not yet as accurate as existing marker-based systems so will be a complementary solution. The markerless solution will therefore be suited to situations where it is not practical or desirable to add markers to the subject or where commercial imperatives mean efficiency is key. We expect the markerless technology to have immediate applicability in the LBE and Entertainment segments and, over time, will become relevant in Life Sciences in clinical situations as the technique is validated against marker-based data. Markerless is a complementary capture technique to marker-based and will be of value to most of Vicon's existing 10,000 global customers, as well as expanding our TAM by appealing to those who cannot use markers to adopt the technology.

Ultimately, the markerless product solution will incorporate elements of cloud infrastructure and delivery, exploring the opportunity for subscription and annual recurring revenue (ARR) models alongside the traditional capital goods model.

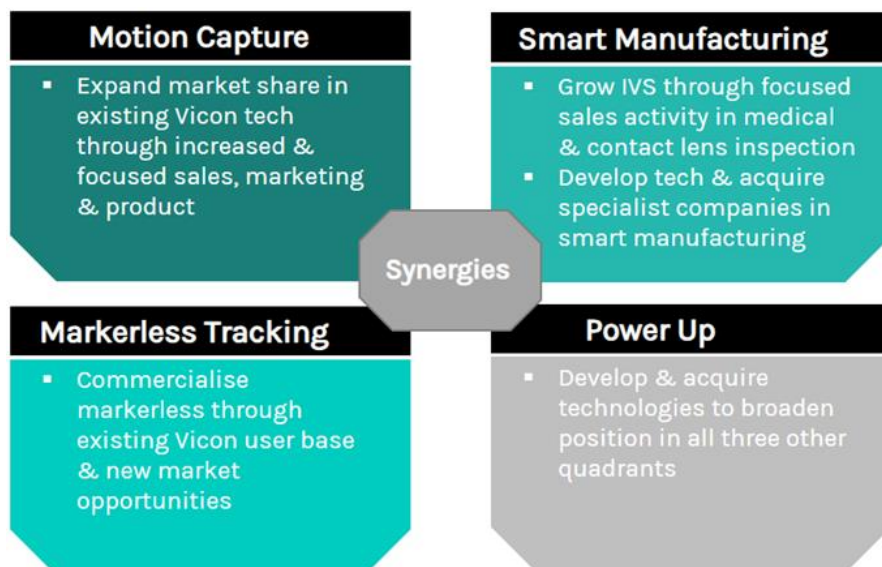
## M&A

During the year, we continued to actively pursue M&A opportunities to complement the five-year plan. Our recent acquisition of IVS in November 2023 fits into our five-year plan and is a good strategic fit, serving as an example of the types of targets we are seeking to acquire. IVS has deep Intellectual Property in integrated smart sensing; has a position of strength in its niche market; is culturally a good fit; has an attractive financial profile and will be immediately earnings enhancing.

Oxford Metrics has a disciplined approach to M&A – we are absolutely determined to find the right acquisitions, at the right price, for the right reasons.

Our M&A pipeline continues to develop and evolve and includes greater focus on certain market opportunities, for example smart manufacturing is emerging as a strong adjacent technology market with global growth potential.

## Quadrants of Growth



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## OPERATIONAL REVIEW

KPI	Revenue		PBT		Adjusted PBT*	
	FY23	FY22	FY23	FY22	FY23	FY22
<b>Vicon</b>	<b>£44.2m</b>	£28.8m	<b>£4.6m</b>	£2.7m	<b>£8.2m</b>	£5.4m
<b>Plc</b>	-	-	<b>£1.6m</b>	-	<b>(£1.7m)</b>	(£2.8m)
<b>Group</b>	<b>£44.2m</b>	£28.8m	<b>£6.2m</b>	£2.7m	<b>£6.5m</b>	£2.6m

Record revenues are reported of £44.2m (FY22: £28.8m) representing an increase of 53.5% (52.4% on a constant currency basis). Order intake for the full year was £31.7m (FY22: £46.9m) reflecting a normalisation of customer buying behaviour compared to last year in which customers were placing orders in advance following the disruption caused by the pandemic and subsequent supply chain challenges. As of 30<sup>th</sup> September 2023, the order book stood at £11.5m (FY22: £24.0m) representing a normalisation of customer buying patterns. Given the operational benefits of having an order book, the business will seek to maintain an order book broadly equivalent to a quarter's revenue in the future.

Continued buoyant performance in our Entertainment segment, which saw year on year revenue growth of 82% and accounts for 43% of orders in hand. Cover Japan purchased a large number of Valkyrie cameras for four motion capture stages to allow V-tubers to capture and purchase content for their channels. Double Negative's partnership with Dimension Studio continued with the purchase of an In-Camera Visual Effects stage which is being shipped globally for projects coming to a theatre or streaming service very soon. While in the USA, PUBG Madison installed the first Valkyrie stage in that territory.

Life Sciences, traditionally our cornerstone market, saw year on year revenue growth of 40% and accounts for 29% of the orders in hand. The Hospital Israelita Albert Einstein (HIAE), the largest gait lab in Brazil, upgraded their system and in Italy the University of Padova's Industrial Engineering in Sports Department are using the new Valkyrie 8 for high speed analysis with the Italian Paralympic team. Elsewhere, in Australia, Victoria University continue to provide gold standard testing for FIFA's research using the Valkyrie 16 and 26 systems, and in the US, the University of Rochester Medical Centre have installed multiple Valkyrie laboratories for spine and other biomechanical research.

Engineering reported year on year revenue growth of 56% and accounts for 22% of orders in hand. ITESM, a private university in Monterrey, Mexico installed a Valkyrie system for drone tracking whilst the University of Arizona also purchased Valkyrie 26 cameras to track tiny 'crazyfly' drones. While the University of Manitoba acquired a large Valkyrie system for both Unmanned Aerial Vehicle (UAV) and ground robot tracking in an indoor agriculture research facility.

LBE reported a slight revenue decline year on year of 5% and accounts for 6% of orders in hand. Despite this, LBE remains an attractive market and presents a clear growth opportunity going forward, but for the time being remains sensitive to customer roll out plans and consumer acceptance of this exciting application. Our partner Sandbox VR recently announced their 45<sup>th</sup> location and Immersive Gamebox opened their 30<sup>th</sup> location in the year with exciting news announced of their multi-million pound and multi-territory agreement with Merlin Entertainments, a family entertainment company.

Overall, Entertainment represented the largest segment of revenues but given strong performances in Life Sciences and Engineering in the second half, it is likely that we can expect a more even balance of revenues in the year ahead.

Included in the Gross Profit, the Product gross margin was 68.0% (FY22: 70.5%). This was largely driven by more expensive components as a consequence of the challenging supply chain constraints over the past two years together with product mix. The supply chain constraints have, for the most part, returned to normal so replenishment of Inventory will be at lower cost. The overall cost base increased during the year reflecting the



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investment set out in our five-year plan, the resources are now largely all in place. Given the above, Vicon reported an improved Adjusted PBT\* of £8.2m (FY22: £5.4m).

In addition to our markerless development outlined earlier, FY23 also saw the development and release of numerous software updates that serve our existing markets including Tracker 4.0 in Engineering, Shogun 1.09 and Shogun 1.10 in Entertainment, Nexus 2.15 and Nexus Insight in Life Sciences and Evoke 1.6 in the LBE market. All these releases kept our solutions relevant, and at the cutting edge, ensuring the best customer experience.

## **CURRENT TRADING AND OUTLOOK**

With ongoing market demand, Vicon starts the new financial year with an Order Book of £11.5m which, together with a growing sales pipeline, provides the business with visibility on over a half of expected revenues for the year ahead. The year ahead will also see the start of the commercialisation of our markerless technology. In this regard, revenue expectations for the year ahead from that product are modest ahead of a more expected material contribution in FY25.

In FY23 we saw decline in product gross margins arising from supply chain cost pressures; the supply chain situation has now normalised, and we expect to see recovery closer to historic performance in FY24.

The cost base increased in FY23, reflecting the planned investment to deliver the five-year plan. We feel the key resources to deliver the plan are in place and will open a new dedicated markerless facility in Oxford in FY24. More generally the cost base is not immune to the current inflationary environment, so some underlying increase is to be expected.

The Group remains in good financial health which includes a net cash position of £64.8m. With these resources the Group can move forward with confidence and in a strong position both to pursue further M&A in line with the five-year plan and enhance earnings per share.

The Board looks forward to the new financial year which is set to see further underlying growth in our existing markets whilst laying the foundations for future growth including the rollout of markerless in Vicon.

**Imogen Moorhouse**  
**CEO**

*\* Profit Before Tax before Group recharges adjusted for share-based payments, amortisation and impairment of intangibles arising on acquisition and additional Contemplas consideration deemed remuneration.*

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## FINANCIAL REVIEW

### Income Statement

The Group reported revenue from continuing operations of £44.2m (FY22: £28.8m) representing a headline increase of 53.5%. The year on year FX effects were modest: on a constant FX basis revenues increased by 52.4%. From a geographical perspective, our Asia Pacific region had a strong year driven by Entertainment reporting 74.8% year on year growth, whilst Vicon USA, our largest market in the year reported year on year growth of 61.0%.

Gross Profit margin declined to 65.0% (FY22: 67.5%), which reflected the usage of higher cost components acquired during the supply chain challenge of the last few years and product mix within year. In real terms Gross Profit improved year on year by £9.3m to £28.7m.

Reviewing the cost base within the Income Statement:

- Sales, Support and Marketing costs increased by £1.6m which was largely due to increased revenue generation activity, additional marketing resources and commission.
- Research & Development expensed through the Income Statement was £6.5m (FY22: £3.5m). The continual investment and innovation in product and services is necessary to maintain the Group's competitive position; this included a number of the new products released during the financial year. In addition, the markerless project, described in the CEO review was expensed during the year as research into the technology progressed toward a marketable and capitalisable product in the future.
- Administration expenses. Excluding the presentational effect of the Yotta disposal, the underlying increase was £1.7m from continuing operations which was due to augmentation of back office and operational management together with performance related payments.

Adjusted PBT\* of £6.5m (FY22: £2.6m) has been determined after adding back to the Statutory PBT £6.3m (FY22: £2.7m) non-cash items such as amortisation and impairment of acquired intangibles, share option charge and non-recurring items. A full reconciliation is available in note 6.

Compared to the first half, second half profitability did benefit both from an increased gross margin as a result of higher revenues and from additional Interest received, however the Adjusted PBT performance in the second half of £2.4m compared with a first half performance of £4.1m. The imbalance was largely caused by costs incurred or accrued in the second half that in practice relate to the full year, such as higher marketing and performance related incentives finalised at the end of the year. Taking this effect into account underlying profitability in the second half was similar to the first half.

### Statement of Financial Position

#### Goodwill and intangibles

The overall balance was largely unchanged at £10.2m (FY22: £10.1m) reflecting the addition of £2.1m (FY22: £3.4m) of capitalised development in the year less amortisation and impairment of development costs £1.7m (FY22: £1.4m) and the amortisation and impairment of acquired intangibles of £0.3m (FY22: £0.3m).

#### Property, plant and equipment

The value of fixed assets increased to £2.5m (FY22: £1.6m). The movement arising due to investment of £1.5m (FY22: £0.6m) in the year which included Leasehold Improvements for the new Denver office, a variety of IT related equipment and a Dreamscape pod. Depreciation charge for the year of £0.6m (FY22: £0.4m).

#### Right of use assets (IFRS16)

The value of Right of Use assets increased to £3.1m (FY22: £1.4m) during the year which reflected the commencement of a new lease for our US operations in Denver and a rent review of at our Oxford facility.

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## Investments

The investment of £0.2m (FY22: £0.2m) relates to a minority interest in Trensl Inc. which provides training VR solutions for the military and healthcare (rehabilitation). The investment comes back-to-back with an exclusive supply agreement to provide all systems.

## Inventories

The inventory position at the end of the financial year was £7.2m (FY22: £4.5m). Given the supply chain situation over the past few years, the Group decided to deploy cash during the year to increase inventory in order to hedge against any further disruption. The supply chain has for the most part normalised, so inventory is expected to return to a lower level in the year ahead.

## Trade and other receivables

At the year-end Trade and other receivables were £9.9m (FY22: £7.4m). The net overall increase is due to higher Vicon Trade receivables £7.6m (FY22: £5.3m), which reflected the pattern of trading in FY23 and Accrued interest £0.6m (FY22: £0.3m).

## Current liabilities

At the year-end, Trade and other payables were £11.3m (FY22: £11.3m). Whilst there was no change overall trade payables decreased at the year-end to £3.8m (FY22: £4.0m), accruals were higher at £3.5m (FY22: £1.9m) and Vicon support contract liabilities were lower at £3.7m (FY22: £5.1m) due in part to exceptional level of customer deposits last year.

The bank overdraft of £1.2m (FY22: £0.0m) relates to a subsidiary current account where there is technically no legal right of set-off, we are therefore required to present this balance separately.

The lease liabilities balance reported at £0.7m (FY22: £0.4m) represents the value of lease payments due within one year relating to right of use assets.

## Non-current liabilities

The £0.2m decrease in other liabilities are due to Vicon Support contract liabilities.

The lease liabilities balance reported of £2.5m (FY22: £1.1m) represents the value of lease payments due greater than one year relating to right of use assets which has increased due to changes described in Right of Use assets.

## Statement of cashflows

The Group finished the year with Net cash of £64.8m (FY22: £67.7m) including Fixed Term deposits of £42.0m (FY22: £55.0m). The amount on fixed term deposit was reduced at year-end in readiness for the acquisition of IVS post yearend.

Cash generated by operating activities was £3.2m (FY22: £3.5m).

The deployment of this cash included continued investment in development giving rise to a purchase of intangibles of £2.1m (FY22: £3.5m), payment of dividends of £3.2m (FY22: £2.5m) and the aforementioned increase in Inventory.

Surplus cash not required for the day to day working capital needs of the business is on a variety of 3-12 month bank deposits with NatWest and Lloyds Bank. Interest received in cash for the year was £1.2m (FY22: £0.0m).

## Tax

The Group tax charge this year is £0.6m (FY22: Credit £0.7m). The tax credit in the prior year arose due to various deferred tax adjustments including but not exclusively Research & Development tax credits which continues to have a beneficial effect on the level of corporation tax payable in the UK.

The Group has a net deferred tax liability of £1.1m (FY22: £0.9m).

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**David Deacon**  
**CFO**

*\* Profit Before Tax before Group recharges adjusted for share-based payments, amortisation and impairment of intangibles arising on acquisition and additional Contemplas consideration deemed remuneration and exceptional costs.*

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## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2023

All amounts relate to continuing operations

	Note	2023 £'000	2022 £'000
Revenue	3	44,240	28,816
Cost of sales		(15,497)	(9,352)
<b>Gross profit</b>		<b>28,743</b>	19,464
Sales, support and marketing costs		(8,202)	(6,608)
Research and development costs		(6,543)	(3,547)
Administrative expenses		(9,146)	(6,814)
<b>Operating profit</b>		<b>4,852</b>	2,495
Finance income		1,561	305
Finance expense		(163)	(67)
<b>Profit before taxation</b>	3,5	<b>6,250</b>	2,733
Taxation	7	(594)	665
Profit from continuing operations		<b>5,656</b>	3,398
Profit from discontinued operations net of tax		-	43,519
<b>Profit attributable to owners of the parent during the year</b>		<b>5,656</b>	46,917
<b>Earnings per share for profit on continuing operations attributable to owners of the parent during the year</b>			
Basic earnings per ordinary share (pence)	8	<b>4.35p</b>	2.66p
Diluted earnings per ordinary share (pence)	8	<b>4.32p</b>	2.62p
<b>Earnings per share for profit on total operations attributable to owners of the parent during the year</b>			
Basic earnings per ordinary share (pence)	8	<b>4.35p</b>	36.70p
Diluted earnings per ordinary share (pence)	8	<b>4.32p</b>	36.11p

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Group 2023 £'000	Group 2022 £'000
<b>Net profit for the year</b>	<b>5,656</b>	46,917
<b>Other comprehensive expense</b>		
<i>Items that will or may be reclassified to profit or loss</i>		
Exchange differences on retranslation of overseas subsidiaries	(110)	953
<b>Total other comprehensive expense</b>	<b>(110)</b>	953
<b>Total comprehensive income for the year attributable to owners of the parent</b>	<b>5,546</b>	47,870

# Oxford Metrics

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

COMPANY NUMBER: 03998880	Group 2023 £'000	Restated Group 2022 £'000
<b>Non-current assets</b>		
Goodwill and intangible assets	10,203	10,081
Property, plant and equipment	2,480	1,638
Right of use assets	3,135	1,367
Financial asset - investments	236	236
Deferred tax asset	-	-
	<b>16,054</b>	<b>13,322</b>
<b>Current assets</b>		
Inventories	7,240	4,462
Trade and other receivables	9,907	7,397
Current tax receivable	-	254
Fixed term deposits	42,000	55,000
Cash and cash equivalents	23,965	12,679
	<b>83,112</b>	<b>79,792</b>
<b>Current liabilities</b>		
Trade and other payables	(11,304)	(11,287)
Current tax payable	(275)	-
Bank overdraft	(1,174)	-
Lease liabilities	(724)	(440)
	<b>(13,477)</b>	<b>(11,727)</b>
<b>Net current assets</b>	<b>69,635</b>	<b>68,065</b>
<b>Total assets less current liabilities</b>	<b>85,689</b>	<b>81,387</b>
<b>Non-current liabilities</b>		
Other liabilities	(820)	(965)
Lease liabilities	(2,498)	(1,064)
Provisions	(48)	(40)
Deferred tax liability	(1,118)	(932)
	<b>(4,484)</b>	<b>(3,001)</b>
<b>Net assets</b>	<b>81,205</b>	<b>78,386</b>
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	326	324
Shares to be issued	65	65
Share premium account	19,487	19,094
Retained earnings	60,451	57,917
Foreign currency translation reserve	876	986
<b>Total equity shareholders' funds</b>	<b>81,205</b>	<b>78,386</b>

# Oxford Metrics

## CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Group 2023 £'000	Group 2022 £'000
<b>Cash flows from operating activities</b>		
Profit for the year	5,656	46,917
Income tax expense/(credit)	594	(934)
Finance income	(1,561)	(305)
Finance expense	163	114
Dividends receivable	-	-
Depreciation and amortisation	2,898	2,555
Impairment of intangible assets	217	-
Profit on sale of property, plant and equipment	(8)	-
Profit on disposal of discontinued operation	-	(43,578)
Share-based payments	59	139
Increase in inventories	(2,799)	(1,919)
(Increase)/decrease in receivables	(2,274)	(3,664)
Increase/(decrease) in payables	205	4,187
<b>Cash generated from operating activities</b>	<b>3,150</b>	<b>3,512</b>
Tax received/(paid)	209	(248)
<b>Net cash from operating activities</b>	<b>3,359</b>	<b>3,264</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,499)	(588)
Purchase of intangible assets	(2,127)	(3,464)
Disposal of discontinued operation, net of cash disposed of	-	47,141
Proceeds on disposal of property, plant and equipment	8	37
Cash placed on fixed term deposits	(67,000)	(65,000)
Fixed term deposits maturing	80,000	10,000
Interest received	1,219	28
<b>Net cash generated from/(used in) investing activities</b>	<b>10,601</b>	<b>(11,846)</b>
<b>Cash flows from financing activities</b>		
Principal paid on lease liabilities	(579)	(460)
Interest paid	(4)	-
Interest paid on lease liabilities	(159)	(112)
Issue of ordinary shares	370	583
Equity dividends paid	(3,246)	(2,542)
<b>Net cash used in financing activities</b>	<b>(3,618)</b>	<b>(2,531)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,342</b>	<b>(11,113)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>12,679</b>	<b>22,957</b>
<b>Exchange (loss)/gain on cash and cash equivalents</b>	<b>(230)</b>	<b>835</b>
<b>Cash and cash equivalents at end of the period</b>	<b>22,791</b>	<b>12,679</b>
<b>Cash and cash equivalents included in current assets</b>	<b>23,965</b>	<b>12,679</b>
<b>Bank overdraft included in current liabilities</b>	<b>(1,174)</b>	<b>-</b>
	<b>22,791</b>	<b>12,679</b>

# Oxford Metrics

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

Group	Share capital £'000	Shares to be issued £'000	Share premium account £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000
Balance as at 30 September 2021	317	65	18,483	13,538	33	32,436
Net profit for the year	-	-	-	46,917	-	46,917
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	953	953
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	(99)	-	(99)
Dividends	-	-	-	(2,542)	-	(2,542)
Issue of share capital	7	-	611	-	-	618
Share based payment charge	-	-	-	103	-	103
Balance as at 30 September 2022	324	65	19,094	57,917	986	78,386
<b>Net profit for the year</b>	-	-	-	<b>5,656</b>	-	<b>5,656</b>
<b>Exchange differences on retranslation of overseas subsidiaries</b>	-	-	-	-	<b>(110)</b>	<b>(110)</b>
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	90	-	90
Dividends	-	-	-	(3,246)	-	(3,246)
Issue of share capital	2	-	393	-	-	395
Share based payment charge	-	-	-	34	-	34
<b>Balance as at 30 September 2023</b>	<b>326</b>	<b>65</b>	<b>19,487</b>	<b>60,451</b>	<b>876</b>	<b>81,205</b>



# Oxford Metrics

## 1. Basis of preparation of the financial information

The financial information in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of IFRS. This announcement does not itself contain sufficient information to comply with IFRS. The Company expects to publish full financial statements that comply with IFRS on 5 December 2023.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies which affect the reported amount of assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reported period. Although the estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 for the years ended 30 September 2023 and 30 September 2022 but is derived from those accounts. The statutory accounts for the year ended 30 September 2022 have been delivered to the Registrar of Companies and those for the year ended 30 September 2023 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts: their report was unqualified, did not contain references to any matters to which the auditors drew attention by way of emphasis and did not contain a statement under Section 498 of the Companies Act 2006 for the year ended 30 September 2023 or 30 September 2022.

## 2. Basis of consolidation

The consolidated financial information incorporates the results of the Company and all of its subsidiary undertakings drawn up to 30 September 2023.

## 3. Revenue from contracts with customers

All revenue is from continuing operations.

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	<b>2023</b>	2022
<b>Revenue</b>	<b>£'000</b>	£'000
<b>Continuing operations</b>		
Vicon UK	<b>25,545</b>	17,338
Vicon USA	<b>18,695</b>	11,478
	<b>44,240</b>	28,816

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# Oxford Metrics

## Timing of the transfer of goods and services 2023

	Vicon UK £'000	Vicon USA £'000	Total £'000
Point in time	23,714	16,032	39,746
Over time	1,831	2,663	4,494
<b>Total</b>	<b>25,545</b>	<b>18,695</b>	<b>44,240</b>

## Contract Counterparties

Direct to consumers	5,341	17,673	23,014
Third party distributor	20,204	1,022	21,226
<b>Total</b>	<b>25,545</b>	<b>18,695</b>	<b>44,240</b>

## By destination

UK	3,176	-	3,176
Germany	1,973	-	1,973
Italy	633	-	633
Netherlands	646	-	646
France	155	-	155
Poland	178	-	178
Spain	88	-	88
Ireland	565	-	565
Rest of Europe	1,087	-	1,087
<b>Total Europe</b>	<b>5,325</b>	<b>-</b>	<b>5,325</b>
Canada	9	1,878	1,887
USA	12	16,533	16,545
<b>Total North America</b>	<b>21</b>	<b>18,411</b>	<b>18,432</b>
Australia	939	13	952
Hong Kong	2,517	-	2,517
Japan	5,680	-	5,680
South Korea	2,835	-	2,835
China	3,957	-	3,957
India	574	-	574
Rest of Asia Pacific	397	-	397
<b>Total Asia Pacific</b>	<b>16,899</b>	<b>13</b>	<b>16,912</b>
Other	124	271	395
<b>Total</b>	<b>25,545</b>	<b>18,695</b>	<b>44,240</b>

# Oxford Metrics

## Timing of the transfer of goods

and services 2022	Vicon UK £'000	Vicon USA £'000	Total £'000
Point in time	15,494	9,175	24,669
Over time	1,844	2,303	4,147
<b>Total</b>	<b>17,338</b>	<b>11,478</b>	<b>28,816</b>

## Contract Counterparties

Direct to consumers	4,256	10,529	14,785
Third party distributor	13,082	949	14,031
<b>Total</b>	<b>17,338</b>	<b>11,478</b>	<b>28,816</b>

## By destination

UK	2,396	-	2,396
Germany	2,156	-	2,156
Italy	304	-	304
Netherlands	441	-	441
France	473	-	473
Poland	332	-	332
Spain	260	-	260
Rest of Europe	1,022	-	1,022
<b>Total Europe</b>	<b>4,988</b>	<b>-</b>	<b>4,988</b>
Canada	39	1,008	1,047
USA	24	10,197	10,221
Rest of North America	-	177	177
<b>Total North America</b>	<b>63</b>	<b>11,382</b>	<b>11,445</b>
Australia	797	-	797
Hong Kong	2,539	-	2,539
Japan	2,334	-	2,334
South Korea	1,314	-	1,314
China	2,158	-	2,158
Rest of Asia Pacific	532	-	532
<b>Total Asia Pacific</b>	<b>9,674</b>	<b>-</b>	<b>9,674</b>
Other	217	96	313
<b>Total</b>	<b>17,338</b>	<b>11,478</b>	<b>28,816</b>

# Oxford Metrics

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	2023	2022
	£'000	£'000
<b>Vicon revenue by market – Continuing operations</b>		
Engineering	8,708	5,581
Entertainment	18,193	10,023
Life sciences	14,841	10,589
Location based entertainment	2,498	2,623
Total	44,240	28,816

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<b>Group revenue by type</b>		
<b>Continuing operations</b>		
Sale of hardware	36,158	22,700
Sale of software	1,974	1,970
Rendering of services	5,209	3,009
SaaS	-	193
Support	899	944
Total	44,240	28,816

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<b>Group revenue by origin</b>		
<b>Continuing operations</b>		
UK	23,690	16,010
Europe	1,852	1,312
North America	18,695	11,478
Asia Pacific	3	16
Total	44,240	28,816

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## Contract balances

	2023	
	Contract assets £'000	Contract liabilities £'000
At 1 October 2022	-	6,043
Amounts included in contract liabilities recognised as revenue during the period	-	(18,400)
Cash received in advance of performance and not recognised as revenue during the period	-	17,138
Foreign exchange differences	-	(253)
<b>At 30 September 2023</b>	<b>-</b>	<b>4,528</b>
	2022	
	Contract assets £'000	Contract liabilities £'000
At 1 October 2021	261	7,474
Transfers from contract assets to trade receivables	(520)	-
Amounts included in contract liabilities recognised as revenue during the period	-	(23,176)
Excess of revenue recognised over cash during the period	770	-
Cash received in advance of performance and not recognised as revenue during the period	-	26,670
Disposal	(511)	(5,325)
Foreign exchange differences	-	400
<b>At 30 September 2022</b>	<b>-</b>	<b>6,043</b>

Contract assets and contract liabilities are included within trade and other assets and trade and other payables and other liabilities respectively on the face of the statement of financial position. They arise primarily from the Group's support contracts which are delivered over time and where the cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contract.

## Remaining performance obligations

The majority of the Group's contracts are for the delivery of goods and services within the next 12 months. However, some software and support contracts are for a period greater than 12 months and the amount of revenue that will be recognised in future periods on these contracts is as follows:

At 30 September 2023	2024 £'000	2025 £'000	2026 £'000	2027 £'000	2028 £'000	2029 and beyond £'000
Support contracts	3,707	493	199	86	39	4

At 30 September 2022	2023 £'000	2024 £'000	2025 £'000	2026 £'000	2027 £'000	2028 and beyond £'000
Support contracts	3,143	595	239	75	44	11

## 4. Segmental analysis

Segment information is presented in the financial statements in respect of the Group's business segments, which are reported to the Chief Operating Decision Maker (CODM). The Group has identified the Board of Directors of Oxford Metrics plc ("the Board") as the CODM. The business segment reporting reflects the Group's management and internal reporting structure.

The Group comprises the following business segments:

- Vicon Group: This is the development, production and sale of computer software and equipment for the engineering, entertainment and life science markets; and

Other unallocated costs represent head office expenses not recharged to subsidiary companies.

Inter segment transfers are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources. This policy was applied consistently throughout the current and prior year. There were no significant inter segment transfers during the current or prior year.

Intra segment sales between Vicon UK and Vicon USA are eliminated prior to management and internal reporting, and hence are not shown separately in the analysis below. The total intra segment sales between Vicon UK and Vicon USA in the year ended 30 September 2023 are £10,376,000 (2022: £5,718,000).

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories and trade and other receivables. Unallocated assets comprise deferred taxation, investments and cash and cash equivalents.

	2023				2022			
	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000
<b>Continuing operations</b>								
Vicon UK	1,692	(287)	2,852	4,257	1,590	(434)	1,426	2,582
Vicon USA	6,542	-	(6,162)	380	3,848	-	(3,712)	136
Vicon Group	8,234	(287)	(3,310)	4,637	5,438	(434)	(2,286)	2,718
Unallocated	(1,689)	(8)	3,310	1,613	(2,840)	(86)	2,941	15
Total continuing operations	6,545	(295)	-	6,250	2,598	(520)	655	2,733

Adjusted profit before tax is detailed in note 6.

	Segment depreciation and amortisation	
	2023 £'000	2022 £'000
<b>Continuing operations</b>		
Vicon UK	2,742	1,810
Vicon USA	328	203
Vicon Group	3,070	2,013
Unallocated	45	59
Total continuing operations	3,115	2,072
<b>Discontinued operations</b>		
Yotta	-	483
<b>Oxford Metrics Group</b>	<b>3,115</b>	<b>2,555</b>

# Oxford Metrics

	Non-current assets		Additions to non-current assets		Carrying amount of segment assets		Carrying amount of segment liabilities	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Vicon UK	12,763	11,635	3,885	3,304	28,161	29,566	(10,717)	(9,817)
Vicon USA	3,010	1,416	1,998	566	13,107	6,445	(6,116)	(4,476)
Vicon Group	15,773	13,051	5,883	3,870	41,268	36,011	(16,833)	(14,293)
Yotta Group	-	-	-	661	-	-	-	-
Unallocated	281	271	55	8	63,950	63,155	(1,128)	(435)
OMG Life Group*	-	-	-	-	(6,052)	(6,052)	-	-
Oxford Metrics Group	16,054	13,322	5,938	4,539	99,166	93,114	(17,961)	(14,728)

\* The negative balance within segment assets represents a cash overdraft which is part of the Group's cash offset facility.

## 5. Profit for the year

The profit for the year is stated after charging / (crediting):

	2023 £'000	2022 £'000
Amortisation of right of use assets	523	496
Depreciation of property, plant and equipment - owned	639	424
Amortisation of intellectual property	274	272
Amortisation of development costs	1,462	1,363
Impairment of development costs	217	-
Share based payments – equity settled	25	36
Share option charges	34	103
Foreign exchange (gain)/loss	(108)	487

## 6. Reconciliation of adjusted profit before tax

The adjusted profit before tax is considered by the Board to more accurately reflect the underlying operating performance of the business on a go-forward basis and complements the statutory measure as reported in the Consolidated Income Statement.

The reconciliation of profit before tax to adjusted profit provided below includes items that are:

- non-recurring in nature, such as redundancy costs incurred from time to time, acquisition costs and results of the Group's equity accounted associate, which are not core to operations or future operating performance.
- non-cash moving items which arise from the accounting treatment of share based payments and the amortisation of acquired intangibles which affect neither future operating performance nor cash generation.

The above definition has been consistently applied historically and is the measure by which the market generally judges PBT performance.

# Oxford Metrics

	2023	2022
	£'000	£'000
Profit before tax – continuing operations	6,250	2,733
Share option charges	34	103
Amortisation of intangibles arising on acquisition	261	261
Costs associated with the acquisition of Contemplas	-	156
Reapportionment Group overheads	-	(655)
Adjusted profit before tax – continuing operations	6,545	2,598

## Adjusted earnings per share for profit on continuing operations attributable to owners of the parent during the year

Basic earnings per share (pence)	4.57p	2.55p
Diluted earnings per share (pence)	4.54p	2.51p

The adjusted profit before tax for the Vicon business segment is shown in detail below;

	Vicon Group	
	2023	2022
	£'000	£'000
Continuing operations		
Profit before tax	4,637	2,718
Share option charges	26	17
Amortisation of intangibles arising on acquisition	261	261
Costs associated with the acquisition of Contemplas	-	156
Reapportionment Group overheads	3,310	2,286
Adjusted profit before tax	8,234	5,438

The Group overheads in the tables above include head office expenses recharged to subsidiaries.

## 7. Taxation

The tax is based on the profit for the year and represents:

	2023	2022
	£'000	£'000
United Kingdom corporation tax at 22.0% (2022: 19.0%)	218	462
Overseas taxation	143	69
Adjustments in respect of prior year	15	(79)
Current taxation	376	452
Deferred taxation	218	(1,386)
Total taxation expense/(credit)	594	(934)

UK corporation tax has been calculated at 19.0% up to 31 March 2023 and 25.0% from 1 April 2023. This gives rise to a blended tax rate of 22.0% for the year.

Continuing and discontinued operations:

	2023	2022
	£'000	£'000
Income tax expense/(credit) from continuing operations	594	(665)
Income tax credit from discontinued operations excluding gain on sale (note 11)	-	(269)
Total tax (credit)/ expense	594	(934)

At 30 September 2023, the Group had an undiscounted deferred tax asset of £1,618,000 (2022: £1,588,000). The asset comprises principally short term timing differences, future tax relief available on the exercise of outstanding employee share options in Oxford Metrics plc and unrelieved trading losses carried forward for which recoverability is reasonably certain.

Deferred tax assets and liabilities have been measured at an effective rate of 25% in both the UK and USA (2022: 25%).



# Oxford Metrics

The tax assessed for the year is lower than the blended rate of corporation tax in the UK of 22.0% (2022: lower than the standard rate of 19%).

The differences are explained as follows:

	2023 £'000	2022 £'000
Profit for the year	5,656	46,917
Income tax expense/(credit) including discontinued operations	594	(934)
Profit on ordinary activities before tax	6,250	45,983
Expected tax income based on the blended rate of corporation tax in the UK of 22.0% (2022: 19.0%)	1,375	8,737
Effect of:		
Expenses not deductible for tax purposes	82	68
Book gain on disposal in excess of tax gain	-	(8,280)
Unrelieved current year losses	170	(335)
Utilisation of losses brought forward	(21)	-
Adjustments to tax charge in respect of prior year current tax	15	(79)
Adjustments to tax charge in respect of prior year deferred tax	(309)	(383)
Higher rates on overseas taxation	44	29
Research and development tax credit	(682)	(467)
Effect of tax rate change	(80)	(224)
Total tax expense/(credit)	594	(934)

During the prior year the UK Government substantively enacted an increase in the corporation tax rate to 25.0% effective from 1 April 2023. The deferred tax asset and liability as at 30 September 2023 has been calculated based on the rate of 25.0% unless the asset/liability is expected to be realised or settled before the rate increase in which case the rate of 19.0% has been used.

## 8. Earnings per share

	2023 Weighted average number of Earnings £'000			2022 Weighted average number of Earnings £'000		
		Per share amount pence			Per share amount pence	
<b>Continuing operations</b>						
<b>Basic earnings per share</b>						
Earnings attributable to ordinary shareholders	5,656	130,162	4.35	3,398	127,840	2.66
Dilutive effect of employee share options	-	904	(0.03)	-	2,081	(0.04)
<b>Diluted earnings per share</b>	<b>5,656</b>	<b>131,066</b>	<b>4.32</b>	<b>3,398</b>	<b>129,921</b>	<b>2.62</b>
<b>Discontinued operations</b>						
<b>Basic earnings per share</b>						
Earnings attributable to ordinary shareholders	-	130,162	-	43,519	127,840	34.04
Dilutive effect of employee share options	-	904	-	-	2,081	(0.54)
<b>Diluted earnings per share</b>	<b>-</b>	<b>131,066</b>	<b>-</b>	<b>43,519</b>	<b>129,921</b>	<b>33.50</b>
<b>Total operations</b>						
<b>Basic earnings per share</b>						
Earnings attributable to ordinary shareholders	5,656	130,162	4.35	46,917	127,840	36.70
Dilutive effect of employee share options	-	904	(0.03)	-	2,081	(0.59)
<b>Diluted earnings per share</b>	<b>5,656</b>	<b>131,066</b>	<b>4.32</b>	<b>46,917</b>	<b>129,921</b>	<b>36.11</b>

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (share options). For share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscriptions rights and outstanding share based payment charges

# Oxford Metrics

attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise price of the share options.

## 9. Dividends

	2023 £'000	2022 £'000
<b>Equity - ordinary</b>		
Final 2021 paid in 2022 (2.00 pence per share)	-	2,542
Final 2022 paid in 2023 (2.50 pence per share)	<b>3,246</b>	-
	<b>3,246</b>	<b>2,542</b>

The directors are proposing a final dividend in respect of the financial year ended 30 September 2023 of 2.75 pence per share (2022: 2.50 pence per share) which will absorb an estimated £3,587,000 of shareholders' funds. This dividend will be paid on 14 February 2024 to shareholders who are on the register of members at close of business on 15 December 2023 subject to approval at the AGM. These dividends have not been accrued in these financial statements.

## 10. Prior year restatement

The Group presented its deferred tax assets and liabilities arising in the same tax jurisdictions on a gross basis in prior periods rather than netting them off in accordance with IAS 12. The incorrect treatment resulted in a presentational error whereby both the Group deferred tax asset and liability were overstated by £1,588,000 at 30 September 2022.

### Impact on financial statements

	Group 2022 £'000
<b>Deferred tax asset</b>	
Deferred tax asset originally presented	1,588
Net of to correct presentation	(1,588)
Deferred tax asset as restated	-

	Group 2022 £'000
<b>Deferred tax liability</b>	
Deferred tax liability originally presented	(2,520)
Net of to correct presentation	1,588
Deferred tax liability as restated	(932)

There is a corresponding error at the beginning of the prior period - the error and its correction at 1 October 2021 are set out below:

	Group 2021 £'000
<b>Deferred tax asset</b>	
Deferred tax asset originally presented	1,877
Net of to correct presentation	(1,877)
Deferred tax asset as restated	-

	Group 2021 £'000
<b>Deferred tax liability</b>	
Deferred tax liability originally presented	(3,058)
Net of to correct presentation	1,877
Deferred tax liability as restated	(1,181)

## 11. Copies of announcement

Copies of this announcement will be available from the Company's registered office at 6 Oxford Pioneer Park, Yarnton, Oxfordshire, OX5 1QU and from the Company's website: [www.oxfordmetrics.com](http://www.oxfordmetrics.com).