



Sedex Holdings Ltd Annual Report 2024



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Introduction



About SHL

Sedex Holdings Ltd (SHL) is a membership organisation incorporated as a company limited by guarantee under English law.

As a membership organisation, SHL is governed by our Memorandum and [Articles of Association](#), which contain our Purpose and rules relating to the use of income and capital. You can find out more about the governance of SHL [here](#).

Our Purpose is to promote improved labour and other corporate social responsibility practices, including facilitating communication of information within supply chains relating to improving labour practices and standards such as the Conventions and Recommendations of the International Labour Organization.

With more than 20 years of expertise, our membership comprises over 90,000 businesses and 115,000 supply chain sites across 35 sectors globally. This includes some of the world's most recognisable brands such as Reckitt, Nestlé, Tesco, Molson Coors, Yum! Brands, Marks & Spencer, DP World, Mengniu, Asahi, Li & Fung, John Lewis Partnership (JLP) and Barclays.

Since August 2023 SHL has been the majority shareholder in Sedex Information Exchange Ltd (SIEL) which operates the Sedex Platform, assessment tools (including the SMETA audit methodology) and services to supply chain businesses, to help them manage and improve their labour and other corporate social responsibility practices. We hold this interest in Sedex Information Exchange Ltd alongside minority investor Lloyds Development Capital (LDC).

As our organisation and the supply chain landscape evolve, SHL will continue to look at opportunities to expand or adapt our activities to deliver our Purpose.

[Visit our website for more information](#)



Letter from the Chair

I am pleased to report on an excellent year for the company.



SHL oversaw another robust performance in 2024, in our first full year following the **investment in SIEL** from our minority partner, LDC. With this funding, SHL is guiding the successful delivery of an ambitious strategy to

expand and enhance Sedex’s solutions, supporting the effective leadership team at SIEL.

We maintained strong growth across turnover, profit and membership numbers, continuing our positive trend in total revenue at an increase of 30% year-on-year. Our membership numbers, and revenue from these, continue to increase as new members join existing ones in the global Sedex ecosystem.

It is wonderful to see more and more businesses, including the leaders in various markets, recognise the value of our solutions. This value is particularly evident in three major product releases in 2024 – a new Environment Self-Assessment Questionnaire (SAQ), a revised Service Provider assessment and the SMETA 7.0 methodology. These were delivered alongside significant improvements to the Sedex Platform, which remains a powerful hub for supply chain sustainability data.

Our Platform and solutions continue to be essential aids for businesses navigating a shifting landscape of operational challenges and stakeholder expectations. Geopolitical tensions continue, regulations grow ever-more complex yet are mired in uncertainty, and supply chain shocks both domestically and internationally bring significant potential to impact business continuity. The impacts from extreme weather events, regional regulatory developments and local disruption reverberate around the world, due to the inescapably intertwined nature of our supply chains.

SIEL’s data-led, technology-powered solutions enable the supply chain visibility and insight for companies to navigate these challenges with agility. Businesses must prioritise pragmatism and informed decision-making in the face of such uncertainty, as they increasingly recognise social and environmental factors as critical to sustaining long-term success and operational resilience.

As the pressure mounts for businesses to evidence progress, their stakeholders expect this evidence to use data from multiple sources that go beyond desktop and self-reported information. Our customers can demonstrate prioritisation and tangible improvement based on credible methodologies – like the many thousands of SMETA non-compliances resolved in 2024, identified through in-person observation.

By evolving the Sedex offering, we retain and grow our status as the indispensable partner for supply chain sustainability, with an unmatched combination of scale and depth. We continue to lead the field on in-person assessment – moving the boundaries of social auditing with the “Collaborative Action Required” finding introduced in SMETA 7.0, which emphasises the necessity of collaboration between businesses in a supply chain to address complex root causes.

My congratulations to our CEO Jon Hancock, the wider leadership team and all staff for the successes of 2024, especially the whole-business efforts to develop, launch and maintain both the new and significantly updated keystone products in our suite.

I am also pleased to introduce two new members to the Sedex Holdings Ltd Board in 2024, whose experience and knowledge will further guide our organisation. Welcome to Leilani Latimer as Independent Non-Executive Director, and Austin Zhang as the new Member Director voted for by SHL members in our 2024 Annual General Meeting.

I look forward to the business building on 2024’s significant achievements, as we further expand our solutions offering and the Sedex network in 2025. Our growth reflects our ultimate objective to empower businesses in delivering the sustainable, resilient, transparent supply chains that are essential for their success.

Sincerely,

Steven Esom
Chair of the Board

Letter from the Chief Executive Officer

Jon Hancock reflects on a dynamic and pivotal year.



I am delighted to share our operational achievements and progress in 2024. We built on the groundwork laid in 2023 to deliver major product updates, Platform enhancements and growth, solidifying our position as a leader in supply chain sustainability.

Financially, we delivered excellent year-on-year growth to a turnover of £40.7 million, with both a healthy increase in new business and good retention rates across our membership. The strong trend extends to our products, with consultancy services revenue and audit revenues growing substantially, thanks in part to high demand for SMETA audits. We finished the year with revenue, profit and cash above our original expectations post-investment – a fantastic achievement and a powerful indicator of our potential.

The SMETA audit also represents one of our biggest accomplishments this year, with the launch of the 7.0 methodology. This is a major update to the world's most widely used social audit, through a multi-year effort that involved in-depth engagement with hundreds of organisations and individuals, from best-practice frameworks to on-the-ground perspectives from supply chains. This extensive consultation reinforces our pulling power and network, demonstrating our ability to bring together diverse stakeholders to create meaningful change.

We also launched the new Environment SAQ and Service Provider SAQ – the first time we've delivered three product launches in the same quarter. We made the final strides in our Platform transformation, another significant initiative over the past few years to build a faster, more powerful and more accessible solution to streamline and scale supply chain sustainability.

As the leading audit owner and a longstanding industry pioneer, it is fitting that Sedex Information Exchange Ltd is at the forefront of these advances. Through this continual evolution, we retain our unique ability to offer essential support to businesses as they look deeper into their supply chains. Our data-driven technology enables in-depth visibility, standardised data, analysis, action and reporting at scale. At the end of 2024, our network encompassed over 115,000 supply chain sites across 180 countries – offering new and existing customers the ability to leverage detailed information on environmental management, workers, employment practices and more from these worksites.

I welcome our many new customers of 2024, which includes several world-leading brands. I am proud of the value they and our existing members place in us, reflecting our continued ability to support their operational and reputational success.

These companies face a convergence of supply chain shocks, competing stakeholder demands and market uncertainty, where every decision is scrutinised. Data is the key to navigating these challenges with confidence – not just in developing strategies, but also in evidencing intelligent, informed decisions. This is precisely what Sedex offers: enabling integration of multiple sources both on our Platform, and beyond if needed, facilitating accurate prioritisation and insightful decision-making to meet multiple objectives and build resilience to withstand external turbulence.

We are committed to evolving our solutions further as our customers' and their stakeholders' requirements evolve. Our new Sedex Advisory Committee, which I'm honoured to sit on, wraps in viewpoints from academia and policy to business and non-governmental organisations, to better inform our future solutions development in a way that supports triple-bottom-line goals.

The successes of 2024 highlight our significant potential – and we're just getting started. 2025 is the year we cement our leadership in multiple key territories, including exciting plans for a European expansion to better service these regional customers, and delivering our next development priorities. With these goals in mind, I am delighted to welcome Eileen Jackson and François Cadillon to our leadership team, in the roles of Chief Financial Officer and Chief Growth Officer respectively.

2024 was a testament to our vision of driving sustainable practices across global supply chains, and I am immensely proud of the entire team for their dedicated efforts in this. Thank you to our teams around the world for your hard work, which results in our business delivering even greater value for our stakeholders. I look forward to our continued growth in 2025, expanding our reach to the benefit of all and helping companies sustain long-term success through change and challenge.

Sincerely,

Jon Hancock
Chief Executive Officer

Company information

Sedex Holdings Limited
Company number 05015443

Sedex Holdings Ltd global head office

5 Old Bailey
London EC4M 7BA
United Kingdom

Independent auditors

RSM UK Audit LLP
25 Farringdon Street
London EC4A 4AB
United Kingdom



Strategic Report



2024 in numbers



90,000+
members



115,000+
supply chain worksites



180
countries



60,000+
SMETA audits carried out through the Sedex Platform

In 2024, SHL recorded Group revenue at £40.7 million, maintaining a robust growth rate at 30% (29% in 2023) year-on-year. We delivered profit before taxation of £2.3 million compared to a loss of £2.8 million in 2023, on the back of strong revenue growth coupled with economies of scale and a focus on operational efficiencies.

While delivering product enhancements and major releases, we increased our active Platform users by 33% year-on-year and a 37% increase in active suppliers, demonstrating our growing scale and influence across industries and regions.

We continued to transform our Platform, solutions suite and supporting services with £8.6 million in investment, building further on the £8.3 million of investment in 2023. We averaged a major initiative or release every month in 2024, with hundreds of improvements and new features on our Sedex Platform. These solve key problems for users, enabling them to carry out essential supply chain data tasks faster, and maintaining our role as a trusted partner. We also further improved our Platform stability and security to support our organisational maturity and scale.

Our achievements were delivered through intensive efforts and collaboration across our regional offices: London, Chicago, Gurugram, Santiago, Shanghai and Sydney, with a Madrid office opening in early 2025 as we continue expanding our international presence. Together we deliver greater value and further empower supply chain sustainability for business globally.

Evolving on-site auditing with SMETA 7.0

In September 2024 we launched the latest iteration of the SMETA methodology. The result of an in-depth, multi-year project, SMETA 7.0 introduces significant enhancements designed to provide even greater transparency, accountability and impact – enabling companies to identify and address issues more effectively.

Key changes include:

- **Collaborative Action Required finding:** Introducing a new type of finding for social auditing, designed to identify where additional activities and collaboration between supply chain actors are needed to sustain improvements. This is particularly necessary for complex concerns such as living wages, responsible recruitment and child labour.
- **Workplace Requirements:** Creating clearly defined expectations for workplace conditions as per the [ETI Base Code](#), ensuring a consistent approach to assessing compliance with labour standards.
- **Management Systems Assessment:** A deeper dive into management systems to identify potential gaps, risks and opportunities for improvement.

[Read more about SMETA 7.0 here.](#)

- **Improved processes, workflows and user journeys:** Alongside the new methodology, we improved user journeys, workflows and much more for our members and partner audit companies, to increase accessibility and efficiency throughout the SMETA process.

On-Platform assessment

In the second half of 2024, SIEL introduced two on-Platform assessments: the new Environment Self-Assessment Questionnaire (ESAQ), and an improved Service Provider Self-Assessment Questionnaire (SAQ). Both are designed to support companies with gathering and analysing additional, standardised data in a way that is accessible, user-friendly and efficient for supplier businesses.

The ESAQ addresses the pressing need for standard and structured environmental assessments, ensuring consistent, comparable data across a supplier base.

Buyer members gather qualitative and quantitative data on environmental policies, practices and processes that are aligned to the disclosure requirements of common reporting frameworks and regulations, including the CSRD, CSDDD, GRI and CDP. Supplier members are provided with an ESAQ that addresses multiple regulations in one assessment, with clear guidance to explain what they are being asked for and why.

The Service Provider SAQ increases the supplier types our members can confidently assess and gather standardised data from, with our new characteristics-based SAQ. Along with improvements to the onboarding journey, this provides a tailored onboarding and initial assessment for non site-based businesses such as labour providers, agents and other service industries. The data gathered feeds into Platform integration and analysis capabilities, including risk scoring, to provide insights on these suppliers.

By the end of 2024, thousands of ESAQs and Service Provider SAQs had been completed – enabling greater visibility into environmental and social practices, risk-based prioritisation and further action.

Enhancing the Platform experience

We continued to improve the Sedex Platform across 2024, focusing on efficiency, user experience and security.

Efficiency and user experience: We streamlined user journeys and processes across onboarding, account management, link management, payment processes and more. Key improvements include new user tours and Help Centre functionality, easier translation processes and smoother link management. These changes simplify and speed up key administrative and due diligence tasks without sacrificing accuracy.

Performance and security: We reduced loading times to ensure a smoother and faster workflow for our users globally, while also enhancing our security credentials. We integrated **Stripe**, a highly secure and stable payment system, alongside a seamless auto-renew process. We rolled out multi-factor authentication, and significantly increased our production deployments while also reducing both the failure rate and time to deploy. These improvements have been crucial in maintaining a high level of Platform stability, security, user satisfaction and trust.

Our Platform enhancements are also part of the preparations for moving all remaining activities and workflows off of our legacy platform in Q1 2025, into the current Sedex Platform complete with improvements. This will enable us to sunset the old platform, which will result in substantial efficiencies alongside a superior Platform for customers across all tasks, functionality, performance and visual experience.

Services

Our Consulting and Ethical Trade Coordinator teams delivered an increase of more than 70% in revenue this year, including through an expanded team of 25 Ethical Trade Coordinators who now manage thousands of suppliers' data on behalf of SIEL customers.

Each product launch and major release was supported with thorough programmes from our Training team, contributing both to successful launches and additional revenue with some commercialised add-on courses.

We also formalised our API offering and added a new audit file-sharing product, helping our biggest clients leverage their Sedex Platform data however they wish to.

Sedex network & Community

Our aim is to empower our customers to navigate a shifting landscape with confidence, enabling visibility, responsiveness, prioritisation and insight. We are committed to enabling tangible evidence of progress and accurate decision-making, ultimately supporting our members' supply chain goals.

Launching the Sedex Advisory Committee:

Our new Sedex Advisory Committee, launched at the end of 2024, reflects these aims by bringing together experts from academia, policy and business to influence our product development. This Committee further extends the reach of Sedex's network and integrates multiple viewpoints to the ultimate benefit of our members, through shaping more effective, workable solutions.

The Sedex Community remains an invaluable source for shared learning, training and feedback throughout 2024. Over 12,000 individuals from across our membership base joined in-person or online Community events. These included meet-ups for new SIEL customers, product feedback and training sessions, virtual roadshows and the Xplore North America conference in Chicago. These events provide essential safe spaces for our members to openly discuss the challenges they face, pressures from stakeholders, solutions, lessons learned and their most critical requests for Sedex.

Our ESG impact

As a separate entity and holding company SHL itself is a very small organisation, comprised of our Board plus occasional ad-hoc support. See below for details of our Board of Directors. We are pleased that our Board in 2024 had an equal gender balance of 50:50.

SHL's primary impact on ESG issues continues to be through SIEL and our 90,000+ members, as outlined above. This year we also introduced and updated key ESG policies, including a group Global Tax Policy and a Human Rights Anti-Slavery and Human Trafficking Statement, steered and supported by SHL.

Further details, including Group carbon disclosures, can be found in the Directors' Report [\(p.25\)](#).

Financial review for the year ended 31 December 2024

Turnover

Turnover for 2024 was £40.7 million (2023: £31.3 million), delivering strong year-on-year revenue growth of 30% (29% in 2023). This was driven by attracting new buyer and supplier members to the Sedex Platform and successfully maintaining strong customer retention rates across all membership types. Customer satisfaction has been boosted further through product launches in 2024 as well as functionality improvements, both delivered and featuring on future roadmaps.

Our other service offerings continued their positive trends, with significant growth of 83% in our audit offering in 2024 (2023: 35%), driven by strong demand for SMETA audits across the globe combined with the launch of SMETA 7.0 methodology. Our consultancy practices, which include Sedex Consulting and Ethical Trade Coordinators also grew by 72% year on year (2023: 19%) to contribute £2.0 million of revenue (2023: 1.2 million). These complementary services support our members to gain an even deeper understanding of their supply chain sustainability practices and risks, build and execute sustainability programmes specific to their needs and meet relevant legislation across multiple jurisdictions.

Profit before tax

The Group made a profit before tax of £2.3 million (2023: loss before tax of £2.8 million). The profit before tax number improved significantly due to strong revenue growth, economies of scale and well-controlled operational costs, driven by investments in technologies to improve the efficiency of business processes. It is pleasing to see a return to profitability as the business realises a return on its historic and ongoing product investments.

Taxation

SHL is careful to ensure it complies with tax legislation in the jurisdictions within which it operates around the world (please see our Tax Policy [here](#)). We do not engage in aggressive tax planning. We understand our responsibility to comply fully with the laws in the countries we operate in but also respect the underlying tax policy intent and ensure our tax payments are fair and equitable across our subsidiaries.

SHL has utilised current year and brought forward tax losses to relieve group taxable profits in the UK in 2024 where possible. Surrendered tax losses are paid for by the receiving group entity to the surrendering entity. As at 31 December 2024, the UK entities carry forward £1.3 million of trading losses into future years (2023: £4.9 million). Non-UK entities recognise tax expense where relevant based on the tax legislation and requirements of their respective jurisdictions.

We have not recognised any income tax benefit for 2024 UK research and development (R&D) claims as these have not yet been agreed with HMRC. Our policy is to recognise R&D tax credits to profit and loss on receipt from UK HMRC. We successfully submitted our 2023 R&D claim totalling £0.4m in September 2024 which was reimbursed by HMRC before the end of 2024 and therefore recognised in our 2024 financial results.

Cashflow

We closed the year with a cash and short-term investments balance of £41.7 million (2023: £36.8 million). From an operational perspective, we generated £12.1 million from operating activities in 2024 (2023: £6.5 million). We used some of these funds to continue to invest in our technology, with £8.6 million spent on our Platform (2023: £8.3 million). The excess cash held by the business earned £1.4 million of cash interest income in the period.

SHL does not have any external debt loans or facilities. It is working capital self-sufficient.

Auditors

In 2024, SHL continues to engage RSM UK Audit LLP as our independent auditors.

Risks and internal controls

Our risk management approach

While the majority of the operational risks and day-to-day risk management is managed by the SIEL Board, the SHL Board is ultimately responsible for the risk management of the group. The SHL Audit and Risk Committee reviews the overall risks on a regular basis, receiving updates on risks, mitigations and controls to ensure that business risks are minimised where possible. We recognise that to have an effective risk management framework, we need to continue developing an appropriate risk management culture, controls and supporting processes.

The Board operates in a financially prudent manner with a low-to-medium risk appetite. Risks are identified and reviewed on a regular basis and risk mitigation strategies are implemented. Separate serious incident management policies and frameworks are in place for IT and data breaches, and more generally for the business.

Principal risks and uncertainties as of 31 December 2024

The principal risks and uncertainties facing the business are detailed below. Risks are assessed on a regular basis according to our current view of their potential severity (being the combination of impact and likelihood) and taking into account the expected effectiveness of measures in place to mitigate the risks. The list below is not an exhaustive list of all risks the Group faces, but is a list of only the principal risks and uncertainties.



Description	Controls / mitigation
Pace of change in the sustainability industry RISK UNCHANGED	
<p>We see increasing amounts of regulation and demands on our members to improve their sustainability understanding, impact and reporting. We must have the flexibility and agility to keep up to the pace with the market to offer our members the right services to meet their needs.</p>	<ul style="list-style-type: none"> ● We have rolled out SMETA 7.0 this year as well as an improved ESAQ and Service Provider SAQ. ● Further improvements to our product offerings are planned in 2025 and beyond. ● We have maintained our member engagement, through training and Community events, to understand industry requirements, plan our responses and demonstrate the full Sedex offering available to members.
Organisational capacity RISK INCREASING ↑	
<p>We must balance the pace of change in the sustainability market with affordability for our members, SIEL customers and capacity within our teams. We recognise if the balance is not right it could impact member satisfaction, which in turn could impact our retention rates.</p>	<ul style="list-style-type: none"> ● We invest in our people, through headcount growth and development opportunities. ● We use the contractor market to access talented resources promptly, where needed. ● We have performed competitor analysis and benchmarking to improve our staff offering to increase staff retention.
Technological advancement RISK REDUCING ↓	
<p>The success of our strategy is dependent on the ability of our team to develop our Platform on time and offer the right products and services to our customers. We risk not delivering on this strategy if an element of our technological advancement is not achieved.</p>	<ul style="list-style-type: none"> ● We have ringfenced resources and built in contingency to deliver our strategy on time. ● We have established an investment appraisal process which will ensure technological advancement is being appropriately prioritised based on multiple factors. ● Significant Platform and methodology improvements have been launched in 2024.

Description	Controls / mitigation
Reputational damage through member and operational failure RISK INCREASING ↑	
<p>Members have supply chains which extend far beyond their boundaries. As an organisation committed to improving social and environmental responsibility in supply chains globally, we will come across areas of non-compliance and we recognise that there is a risk that in identifying these we could be damaged by association.</p>	<ul style="list-style-type: none"> ● The Audit Quality Programme assesses the quality and independence of the audit firms using the SMETA audit methodology. ● We have reduced the time it takes for information to flow to our members, enabling them to make assessments of their supply chain in a timely manner. ● We limit our responsibility to our standard tools and methodologies only identifying and highlighting the non-compliances and guiding how to address and follow up on these. The responsibility to ensure changes are made falls to our customers.
Cyber security RISK UNCHANGED	
<p>We recognise that we are a technology platform which is therefore at risk of cyber attacks and other cyber security threats. We acknowledge that all organisations suffer this risk but that the data we hold is important to our members to protect appropriately.</p>	<ul style="list-style-type: none"> ● We back up our data regularly and securely. ● We encrypt all data both at rest and in transit. ● We use third party security consultants to assess the security of our systems and platform and remediate issues. ● Our staff have cyber security training on at least an annual basis. ● We continue to improve our resilience to cyber security threats through a continuous improvement process.
Geopolitical and macroeconomic environment RISK INCREASING ↑	
<p>After a number of years of geopolitical uncertainty and significant unexpected shocks to the macroeconomic environment, including COVID-19 and the wars in Ukraine and Palestine, we acknowledge that these risks continue to be front of mind to us and to our members. These unexpected shocks can have a significant impact on the way we run our business, as well as that of our members.</p>	<ul style="list-style-type: none"> ● We continuously monitor situations and operational impacts for SHL, SIEL and our members. ● We regularly review where we can better support members through tools and services to support their responsible business operations. ● There is regular communication with SIEL staff, members and stakeholders where appropriate. ● Our strategy has been stress-tested for unexpected decline in markets or increases in costs.

Governance



Corporate governance

Sedex Holdings Ltd (SHL) is a membership organisation and is incorporated in the UK as a company limited by guarantee.

As a membership association, SHL is governed by our Memorandum and [Articles of Association](#), and operates for the benefit of all its members. These contain our Purpose, which is to promote improved labour and other corporate social responsibility practices, including facilitating communication of information within supply chains relating to improving labour practices and standards such as the Conventions and Recommendations of the International Labour Organization.

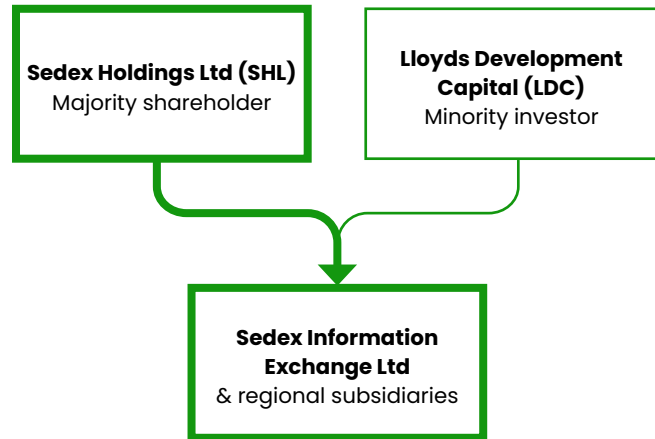
SHL is a private company, and although it is not strictly required to comply with the UK Corporate Governance Code, it draws on best practice principles of the Code to report to its members.

Since August 2023 SHL has been the majority shareholder in Sedex Information Exchange Ltd (SIEL) which operates the Sedex Platform, assessment tools (including the SMETA audit methodology) and services to supply chain businesses, to help them manage and improve their labour and other corporate social responsibility practices. We hold this interest in Sedex Information Exchange Ltd alongside external minority investor Lloyds Development Capital (LDC).

The SHL Board continues to work closely with LDC to guide SIEL strategy in alignment with SHL’s purpose; SHL’s Chair and one Independent Non-Executive Director sit on the Board of SIEL as representatives of SHL. The SHL Board reports to SHL members at the Annual General Meeting and through this document.

SIEL is a private company that operates independently of SHL and holds the Executive Team to account for delivery of the SIEL strategy, business plan and global operations. Both SHL and SIEL Boards manage conflicts of interest by checking whether conflicts arise, at every Board and Committee meeting, and ensuring that any Director who is conflicted on any agenda item recuses themselves from influencing or making a decision on that item.

Our corporate structure



SHL is headquartered in London, UK.

Sedex Holdings Limited Board of Directors

Board of Directors 1 January – 31 December 2024

Steven Esom

Chair of the Board

Jon Hancock

Chief Executive Officer

Sonny Bangar

Chief Financial Officer
(resigned 8 April 2024)

Eileen Jackson

joined as Chief Financial Officer in January 2025.
She sits on the Audit and Risk Committee.

Susan Barton

Independent Non-Executive Director

Stephen Bolton

Independent Non-Executive Director

Tim Brooks

Independent Non-Executive Director

Leilani Latimer

Independent Non-Executive Director
(joined 2 September 2024)

Barbara Gregory

Member Director

Katie Knaggs

Member Director

Katie Smothers

Member Director

Michelle French

Member Director

Austin (Chenguang) Zhang

Member Director
(joined 25 June 2024)

Deborah Cullen

Chief Legal Counsel

supports the Board and Standing Committees on all governance matters.

Board Committees

The Board works closely with its Standing Committees:

- **Nomination Committee** – oversees appointments to the Board and the Member Director elections process.
- **Audit and Risk Committee** – oversees risk, the independent audit process, the appointment of the auditors and the integrity of the financial accounts, and ensures sound risk mitigation strategies are in place.
- **Remuneration Committee** – approves material remuneration decisions, such as Executive pay and bonus awards.

These are the Standing Committees of the Board, and they meet regularly, as the business requires (and not less than quarterly in the case of the Audit and Risk Committee). These Standing Committees report to the Board regularly as a standing item on the Board agenda. From time to time, they also require attendance of the Chief Executive Officer and/or Chief Financial Officer.

Composition of Standing Committees in 2024

Nomination Committee

Stephen Bolton
Non-Executive Director – Chair

Jon Hancock
Chief Executive Officer

Steven Esom
Non-Executive Director

Katie Knaggs
Member Director

Audit and Risk Committee

Susan Barton
Non-Executive Director – Chair

Sonny Bangar
Chief Financial Officer
(resigned 8 April 2024)

Stephen Bolton
Non-Executive Director

Tim Brooks
Non-Executive Director

Barbara Gregory
Member Director

Michelle French
Member Director

Remuneration Committee

Steven Esom
Non-Executive Director – Chair

Jon Hancock
Chief Executive Officer

Susan Barton
Non-Executive Director

Tim Brooks
Non-Executive Director

Katie Knaggs
Member Director

Katie Smothers
Member Director



Board members

Steven Esom

Chair of the Board

Steven is an experienced board member and chairs several membership and private company boards. His current directorships include Advantage Travel Partnership, Andrews Property Group and British Wrestling Association, responsible for developing community participation and potential Olympic athletes. His retail career board experience included Executive Director at Marks & Spencer and Executive Director, John Lewis Partnership plc as Waitrose Managing Director where he repositioned Waitrose as the leading UK fresh food retailer, initially joining the John Lewis Partnership as Waitrose's Director of Buying. Before joining the Partnership, Steven spent most of his career at Sainsbury's in commercial roles.

Jon Hancock

Chief Executive Officer

Jon joined Sedex as CEO in January 2022. As a technology sector professional with over 10 years' experience in executive leadership, he brings extensive experience in driving high-performing growth strategies for international organisations. He is passionate about the power of technology to improve people's lives, and the potential of Sedex's exciting plans to support this vision. Jon's career spans retail banking, consulting, and IT-related professional services. Previous roles include Corporate Vice-President at HCL Technologies and Chief Operating Officer at Axon Group.

Sonny Bangar

Chief Financial Officer

(resigned 8 April 2024)

Sonny substantial experience is drawn from a 30-year career in senior finance and operational roles across listed and non-listed businesses of various sizes in the technology, digital media, and managed services industries. Sonny is a qualified accountant and Board representative experienced in business-wide transformation through both organic and inorganic growth, which includes raising investment and M&A activity. He takes on accountability for financing the Group's ambitious growth plans.

Susan Barton

Independent Non-Executive Director

Susan joined the SHL Board in June 2020 and brings over 20 years of experience in strategy development, operational performance and business transformation built within the postal, logistics and professional services industries. She has held leadership positions with the UK Post Office, PA Consulting and Accenture, and is a member of the Chartered Institute of Management Accountants. Susan is an accredited mediator and sits on the Board of Escher alongside her role at SHL.

Stephen Bolton

Independent Non-Executive Director

Stephen has been a fellow of the Chartered Institute of Management Accountants since 1992 and is an experienced finance director. He has nearly 40 years of experience in operational and strategic finance, investor relations, M&A, audit risk and compliance, coupled with a strong understanding of international markets and supply chains gained whilst working for Unilever plc and Diageo. He is an Honorary Doctor of Business from Solent University, and is a Non-Executive Director of Clarks, the iconic shoe company, and Naked Wines Plc, the leading online wine retailer.

Tim Brooks

Independent Non-Executive Director

Tim is chair of Public Digital, a global digital transformation consultancy, and of the Advisory Council of the British Library. Four decades' work in the media industry have seen Tim chair or manage businesses in China, India, the USA, and Australia, as well as the UK, and lead famous brands such as The Guardian and The BMJ. In his spare time he is a Samaritans' listening volunteer, and a member of Samaritans' Audit & Risk Committee.

Leilani Latimer

Independent Non-Executive Director

Leilani is a global C-suite executive and board director with a track record of growing B2B, SaaS, and enterprise technology companies. She is recognised for her strategic go-to-market leadership, passion for data-driven insights, and customer-centric mindset. Leilani's unique perspective on corporate risk and reputation is shaped by her specialisation in ESG (environment, social and governance), cross-sector industry experience and global expertise (15 years in the EU). Leilani is an Independent Board Director at Black Diamond Group (TSE: BDI) and an Advisory Board Member at Fiatur, CIRT.TECH and FoodMesh.ca, and is NACD Directorship Certified. Previously she was an Independent Director at Rayont, Inc (RAYT), an Executive Board Member of the Global Sustainable Tourism Council, and Chair / President of a national non-profit organisation.

Barbara Gregory

Member Director

Barbara currently holds the position of Senior Manager on Walmart's Responsible Sourcing team. She is a 19-year Walmart associate with over 15 years' experience in supply chain compliance and investigations. In her current role, Barbara works to promote positive impacts in the areas of human rights, including gender-based violence, and the environment. Alongside this work, one of her primary responsibilities is to manage the relationships with the third-party social audit programmes that Walmart accepts and engage collaboratively with them to influence enhancements in their processes and protocols, with the aim of positively impacting the global supply chain as a whole. During her tenure, she has gained significant expertise in social standards comparison and indicators of forced labour.

Katie Knaggs

Member Director

Katie is a sustainability and ethical trade professional with over 20 years' experience in the food and agricultural sector. She is based in Australia and works as the Group Ethical Sourcing Manager for Costa Pty Ltd. In her role, she has developed and implemented the company strategy on ethical sourcing. Katie's passion for responsible sourcing and social sustainability evolved through developing ethical sourcing standards for UK fresh produce farms in 2002; she then found an outlet to go beyond compliance in her previous role as Head of Sustainability at International Procurement Limited (IPL). In this role, she developed and implemented projects focusing on living wages for workers, livelihoods for smallholders, women's empowerment, and modern slavery mitigation.

Katie Smothers

Member Director

Katie Smothers is Director, Business Development at Edison Energy focusing on enabling organisations to deliver on strategic, financial and sustainability goals by addressing today's key energy challenges. Katie engages with organisations across the value chain, with a key focus on the food and beverage industry, by leveraging her background in sustainability and human rights programme management in the sector. Prior to this she spent over 10 years in finance, procurement, and sustainability management and consulting roles. Katie has a Master's degree in Environmental Science and Sustainability from Loyola University and a Bachelor's degree in Finance from the University of Kentucky.

Michelle French

Member Director

Michelle is Director of Global Sustainability Programs at Archer Daniels Midland Company (ADM) focusing on sustainable supply chain initiatives, including implementation of the company's human rights policy and sustainable agriculture programmes. Michelle engages with stakeholders in the supply chain, growers, customers, and other stakeholders such as NGOs and investors to communicate the company's sustainability strategy. Prior to this role, she spent 10 years in environmental compliance. Michelle has a BSc in Natural Resources and Environmental Science from the University of Illinois Urbana Champaign and currently serves as Secretary of the Board of Directors for Field to Market.

Austin (Chenguang) Zhang

Member Director

Austin Zhang is the Deputy Director of Sustainable Development at Inner Mongolia Yili Group, with 15 years of industry experience in sustainability.

His main responsibilities at Yili Group include developing sustainability strategies, monitoring strategy implementation, managing ESG information disclosure and overseeing ESG rating. Since joining Yili Group in January 2023, he has completed the company's Sustainability Strategy for the next five years and enhanced its MSCI ESG rating from "A" to "AA". Before joining Yili, Austin worked in PwC's sustainability and climate change team for eight years and in the ERM transaction services team for four years. During his time there, he worked closely with the supply chain management teams of multinational companies, helping them optimise the sustainable development of their supply chains, and conducted EHS/ESG due diligence for foreign mergers and acquisitions projects in China.

Financial Statements



Sedex Holdings Limited Directors' report

For the year ended 31 December 2024

The directors present their annual report and the audited consolidated financial statements of the group and company for the period ended 31 December 2024.

Principal activities

The principal activity of the group continues to be that of the provision of a business information exchange platform. The platform's purpose is to enable members to share information on ethical trading practices across supply chains.

Sedex Holdings Limited is a membership organisation limited by guarantee.

Results

The results for the period are set out on [page 33](#).

In 2023, a restructure took place where Sedex Holdings Ltd hived down its trade, assets and subsidiaries into a newly incorporated entity, Sedex Information Exchange Ltd. The company results for 2023 reflect 6 months of trading activities before this hive down took place. In 2024, the company was a holding company only.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

S Barton
S Bolton
T S Brooks
S D Esom
M French
B Gregory
J Hancock
K Knaggs
K M Smothers
L C Latimer (Appointed on 2 September 2024)
C Zhang (Appointed on 25 June 2024)
E F Jackson (Appointed on 6 January 2025)
S K Bangar (Resigned on 8 April 2024)

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the directors' report. It has done so in respect of key performance indicators, principal risks and uncertainties, future developments and employee engagement statements.

Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Independent auditors

The auditor, RSM UK Audit LLP, was appointed in the year and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Research and development

The group continues to invest in the development of its bespoke business information exchange platform.

Post balance sheet events

There have been no post-balance sheet events affecting the financial position or operations of the company since the end of the reporting period.

Sedex Holdings Limited Directors' report (continued)

For the year ended 31 December 2024

Promotion for the success of Sedex Holdings Ltd

As part of the duty the directors have to promote the success of the company, they have considered key stakeholders including employees, customers, suppliers and other stakeholders; including the wider global workforce impacted by the results of Sedex' platform. When making decisions, each director ensures that they act in the way that they consider, in good faith, would most likely promote the success of the Sedex Holdings Limited group for the benefit of all its key stakeholders, and in doing so have regard to:

- A. The likely consequences of any decision in the long term;
The Board remains committed to delivering long-term, sustainable growth. Strategic decisions, such as investment oversight decisions, future strategic objectives and risk management consider long-term impacts to the company and the group.
- B. The interests of all employees;
The company has no employees. However the wider group continues to invest in employees through training, wellbeing initiatives and career progression opportunities. The Board obtains regular updates on employee matters, including retention, reward and headcount planning.
- C. The need to foster business relationships with suppliers, customers and other stakeholders;
Maintaining strong, collaborative relationships across our stakeholder network is a key focus. The operating group engages regularly with customers through account management teams and feedback mechanisms. In 2024, the Sedex Advisory Committee was launched, combining the insights of policymakers, thought leaders and our customers to inform business decisions. In 2024, a new supplier code of conduct was established to better reflect ESG commitments.
- D. The impact of Sedex's operations on the community and the environment;
Sedex's impact on the community and environment remains of utmost importance to achieve the overall mission to empower businesses to create more sustainable and ethical global supply chains by providing data-driven insights, tools, and services. In 2024, the sustainability practice was established and an environmental policy was considered and approved by the operating company's Board.

E. The desirability of Sedex to maintain a reputation for high standards of business conduct;
Ethical business practices and corporate governance are core to our culture. We have introduced a refreshed code of conduct. In addition, we have undertaken a review of our anti-bribery, human rights and data protection procedures and an independent whistleblowing mechanism was rolled out.

In 2024, other specific initiatives that contributed to the group's success and benefited stakeholders include:

- establishment of an internal sustainability practice to enhance our sustainability efforts, ensuring responsible practices across all operations;
- rollout of new SAQs that expanded our customer base and provided greater transparency through additional reporting use cases, fostering trust with clients;
- introduction of the new SMETA methodology to better identify and mitigate risks in supply chains, which ensures more sustainable and ethical practices;
- continued engagement with employees and customers through feedback forums, strengthening relationships and addressing stakeholder concerns;
- ongoing focus on maintaining the financial health of the organisation, ensuring future stability and resilience; and,
- collaborating with advisors to leverage expertise in areas where specialized knowledge is necessary.

Governance and oversight

The Board has implemented structured processes to ensure the interests of all key stakeholders are considered when making decisions. Board papers include relevant impact assessments. Key stakeholders are embedded through the governance structures of the Group, the Sedex Advisory Committee and the Board itself. The outcomes of key decisions taken during the year are reviewed regularly in the context of the duties under Section 172.

Sedex Holdings Limited Directors' report (continued)

For the year ended 31 December 2024

These actions reflect our commitment to promoting the success of the company while acting in the best interests of our stakeholders, both now and in the long term.

Environmental impact – Energy consumption and greenhouse gas emissions

Under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI 2018/1155') the Group is obliged to reports its UK energy use and greenhouse gas ('GHG') emissions in their annual report for the first time, therefore it is not practical to present comparatives.

We are pleased to have implemented a sustainability practice in 2024 and look forward to sharing more details about our progress in this space. We recognise that the disclosures below are minimal and do not reflect the full extent of our carbon emissions for the group.

The following table sets out the Company's UK energy consumption and associated greenhouse gas emissions:

Category	2024
Total energy consumption (MWh)	136
Scope 1 emissions (tCO ₂ e)	3
Scope 2 emissions (tCO ₂ e)	65
Total scope 1 & 2 emissions (tCO ₂ e)	68
Carbon intensity (tCO ₂ e per £m revenue)	1.67

Methodology

The Company has reported its GHG emissions in accordance with the SECR framework and used the latest UK Government conversion factors to calculate CO₂e emissions.

Energy Efficiency Measures

During the reporting period, the Company implemented the following energy efficiency measures:

- Travel policy implemented with a focus on environmentally efficient methods of transport;
- Established a sustainability practice to investigate and prioritise energy efficiency; and
- Began calculating and reporting Scope 1-3 emissions, with full reporting planned for 2025.

Intensity Ratio

The Company has chosen tCO₂e per £m revenue as its intensity metric, as it provides a relevant measure of emissions in relation to business performance.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S D Esom
Director
20 May 2025

Sedex Holdings Limited Directors' responsibilities statement

For the year ended 31 December 2024

The directors are responsible for preparing the strategic report and the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members of Sedex Holdings Limited

Opinion

We have audited the financial statements of Sedex Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and company statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Sedex Holdings Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Sedex Holdings Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on [page 28](#), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent auditor's report to the members of Sedex Holdings Limited (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection (GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations, reviewed legal expenditure for evidence of claims and obtained reports monitoring the company's compliance.

The group audit engagement team identified the risk of management override of controls and revenue recognition (existence, valuation and cut-off) as the areas where the financial statements were most susceptible to material misstatement due to fraud.

Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. In respect of revenue, identifying and investigating transactions posted to nominal ledger codes outside of the normal revenue cycle using a data analytics tool and selecting a sample of sales made around the year end verifying these to supporting documentation to confirm these have been recognised in the correct period.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Hough

David Hough
(Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP,
Statutory Auditor

Chartered Accountants
25 Farringdon Street
London EC4A 4AB

20 May 2025

Sedex Holdings Limited

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Turnover	3	40,720	31,281
Cost of sales		<u>(4,716)</u>	<u>(3,843)</u>
Gross profit		36,004	27,438
Administrative expenses		<u>(33,522)</u>	<u>(27,536)</u>
Operating profit / (loss)	7	2,482	(98)
Exceptional costs	6	<u>(2,033)</u>	<u>(3,383)</u>
Earnings before interest and tax		449	(3,481)
Interest receivable and similar income	10	1,811	639
Profit / (Loss) before taxation		<u>2,260</u>	<u>(2,842)</u>
Tax on profit	11	<u>(1,412)</u>	<u>(61)</u>
Profit / (Loss) for the financial year		<u>848</u>	<u>(2,901)</u>
Other comprehensive income			
Currency translation differences		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year		<u>848</u>	<u>(2,901)</u>
Profit / (loss) and total comprehensive income / (loss) attributable to:			
Owners of the parent		554	(2,512)
Non-controlling interests		<u>294</u>	<u>(389)</u>
		<u>848</u>	<u>(2,901)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Sedex Holdings Limited

Consolidated statement of financial position

For the year ended 31 December 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Non-current assets					
Intangible assets	12		21,013		16,917
Tangible assets	13		83		69
			<u>21,096</u>		<u>16,986</u>
Current assets					
Debtors: falling due within one year	16	11,186		11,260	
Debtors: falling due after one year	16	1,654		1,501	
Investments	17	22,600		-	
Cash at bank and in hand		19,081		36,806	
		<u>54,521</u>		<u>49,567</u>	
Creditors: amounts falling due within one year	18	<u>(28,028)</u>		<u>(22,658)</u>	
Net current assets			<u>26,493</u>		<u>26,909</u>
Total assets less current liabilities			47,589		43,895
Creditors: amounts falling due after more than one year	18		(6,169)		(3,309)
Provisions for liabilities	11		(1,951)		(1,965)
Net assets			<u>39,469</u>		<u>38,621</u>
Capital and reserves					
Profit and loss reserves	22		92		(462)
Non-controlling interests	22		39,377		39,083
			<u>39,469</u>		<u>38,621</u>

The financial statements were approved by the board of directors and authorised for issue on 20 May 2025 and are signed on its behalf by:

J P Hancock
Director

Sedex Holdings Limited

Company statement of financial position

For the year ended 31 December 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Non-current assets					
Tangible assets	13		35		52
Investments in subsidiaries	14		93,333		93,333
			<u>93,368</u>		<u>93,385</u>
Current assets					
Debtors: falling due within one year	16	319		313	
Debtors: falling due after one year	16	20		-	
Investments	17	2,600		-	
Cash at bank and in hand		<u>1,264</u>		<u>4,169</u>	
		4,203		4,482	
Creditors: amounts falling due within one year					
	18	<u>(22)</u>		<u>(201)</u>	
Net current assets					
			<u>4,181</u>		<u>4,281</u>
Total assets less current liabilities					
			<u>97,549</u>		<u>97,666</u>
Provisions for liabilities					
	11		<u>-</u>		<u>(3)</u>
Net assets					
			<u>97,549</u>		<u>97,663</u>
Capital and reserves					
Profit and loss reserves	22		<u>97,549</u>		<u>97,663</u>
			<u>97,549</u>		<u>97,663</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £114,000 (2023: £1,438,000). The company's total other comprehensive loss for the year was £114,000 (2023: profit £94,121,000).

The financial statements were approved by the board of directors and authorised for issue on 20 May 2025 and are signed on its behalf by:



J P Hancock
Director

Company registration number: 05015443

Sedex Holdings Limited

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Profit and loss reserves £'000	Non- controlling interest £'000	Total equity £'000
Balance at 1 January 2023	5,547	-	5,547
Year ended 31 December 2023:			
Total changes in ownership interests in subsidiaries that do not result in a loss of control	(3,497)	39,472	35,975
Loss for the year	(2,512)	(389)	(2,901)
Other comprehensive income:			
Currency translation differences	-	-	-
Total comprehensive income for the year	<u>(6,009)</u>	<u>39,083</u>	<u>33,074</u>
Balance at 31 December 2023	<u>(462)</u>	<u>39,083</u>	<u>38,621</u>
Year ended 31 December 2024:			
Profit for the year	554	294	848
Other comprehensive income:			
Currency translation differences	-	-	-
Balance at 31 December 2024	<u><u>92</u></u>	<u><u>39,377</u></u>	<u><u>39,469</u></u>

Sedex Holdings Limited

Company statement of changes in equity

For the year ended 31 December 2024

**Profit and loss
reserves
£'000**

Balance at 1 January 2023

3,542

Year ended 31 December 2023:

Loss and total comprehensive loss for the year

(1,438)

Other comprehensive income - unrealised gain on hive down

95,559

Balance at 31 December 2023

97,663

Year ended 31 December 2024:

Loss and total comprehensive loss for the year

(114)

Balance at 31 December 2024

97,549

Sedex Holdings Limited

Consolidated statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash generated from operations	26	10,026	7,436
Income taxes refunded/(paid)		2,106	(921)
Net cash inflow from operating activities		12,132	6,515
Investing activities			
Purchase of intangible assets net of proceeds on disposal	12	(8,613)	(8,317)
Proceeds from the disposal/(purchase of) tangible fixed assets		(53)	(3)
Interest received		1,369	638
Investment in short-term deposits	17	(22,600)	-
Net cash used in investing activities		(29,897)	(7,682)
Financing activities			
Sale of equity shares		40	32,594
Net cash used in financing activities		40	32,594
Net (decrease)/increase in cash and cash equivalents		(17,725)	31,427
Cash and cash equivalents at beginning of year		36,806	5,379
Cash and cash equivalents at end of year		19,081	36,806

Sedex Holdings Limited

Company statement of cash flows

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash absorbed by operations	27	(508)	(1,151)
Income taxes paid		(1)	(40)
Interest paid		-	(159)
		<u> </u>	<u> </u>
Net cash outflow from operating activities		(509)	(1,350)
Investing activities			
Purchase of intangible assets		-	(955)
Interest received		204	45
Investment in short-term deposits	17	<u>(2,600)</u>	<u>-</u>
Net cash (used in) / generated from investing activities		<u>(2,396)</u>	<u>(910)</u>
Financing activities			
Net proceeds from the sale of trade, assets and subsidiaries		<u>-</u>	<u>2,782</u>
Net cash generated from financing activities		<u>-</u>	<u>2,782</u>
Net (decrease)/increase in cash and cash equivalents		<u>(2,905)</u>	<u>522</u>
Cash and cash equivalents at beginning of year		<u>4,169</u>	<u>3,647</u>
Cash and cash equivalents at end of year		<u><u>1,264</u></u>	<u><u>4,169</u></u>

Sedex Holdings Limited

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies

General information

Sedex Holdings Limited (“the company”) is a private company limited by guarantee and domiciled and incorporated in England and Wales. The address of the company’s registered office and principal place of business is 5 Old Bailey, London, EC4M 7BA.

The group consists of Sedex Holdings Limited and all of its subsidiaries. The group’s principal activities and nature of operations are disclosed in the Directors’ Report.

In 2023, a restructure took place where Sedex Holdings Ltd hived down its trade, assets and subsidiaries into a newly incorporated entity, Sedex Information Exchange Ltd. The company results for 2023 reflect 6 months of trading activities before this hive down took place. In 2024, the company was a holding company only.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £1,000, unless stated otherwise.

The financial statements have been prepared under the historical cost convention, modified to include the remeasurement of cash-settled long term incentive plans at fair value. The principal accounting policies are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel;
- Section 26 ‘Share based Payment’: Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of hedging fair value changes recognised in profit or loss and in other comprehensive income.

The financial statements of the company are consolidated within these financial statements which are publicly available from Companies House.

1. Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate those of the company and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

The consolidated financial statements merge the financial statements of the subsidiary undertakings as if they had been combined throughout the current and comparative accounting period. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. The total comprehensive income, assets and liabilities of the entities are amended, where necessary, to align the accounting policies.

Foreign subsidiaries are converted from their own currency to pounds sterling using the year end conversion rate for the balance sheet and using the average yearly exchange rate for profit and loss items. Any differences are treated as exchange rate differences and recognised in the profit and loss.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. The group and company have a strong net current asset position (Group: £26,493,000; Company £4,181,000) including cash at bank and on hand (Group £19,081,000; Company £1,264,000) and short-term investments in interest bearing deposits (Group £22,600,000; Company £2,600,000). In 2023 the comparable cash at bank and on hand was £36,806,000 for the Group and £4,169,000 for the Company.

The directors continue to adopt the going concern basis of accounting in preparing the financial statements, for a period of at least 12 months from the signing of the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover is recognised when the significant risks and rewards of ownership have been transferred to the buyer and the group retains no continuing involvement, the amount of revenue can be reliably measured and it is expected that future economic benefit will flow to the group. Overall it is recognised by revenue stream as follows.

Membership

Membership revenue is made up of an initial onboarding fee and annual membership component. The initial onboarding fee is recognised upfront when the membership is started to cover the work before the member joins the platform including setup arrangements, training and account management. The annual membership element is recognised on a straight line basis over the membership term. This is recognised when the membership is granted to the member.

Services

Services revenue is recognised as the relevant service is performed and the risks and rewards of ownership are transferred to the buyer.

Other income

Other income is recognised as the revenue generating activities are performed.

1. Accounting policies (continued)

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets consist of externally and internally generated software. The cost for internally generated software includes contractor and employment costs for staff directly contributing to the development of assets.

An asset is recognised once it is confirmed that probable economic benefit will flow from the asset with particular reference to the technical, commercial and financial feasibility of the software. Any cost of research prior to this point will be treated as an expense in the profit and loss account.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Intangible assets 5 years straight line

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the rate calculated to write off the cost less estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Fixtures, fittings & equipment between 3 and 5 years or over the life of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities.

Impairments of assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1. Accounting policies (continued)

Impairments of assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts owed to group undertakings and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the proceeds received net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred taxation

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

1. Accounting policies (continued)

Taxation (continued)

Deferred taxation (continued)

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities. This will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax, other than the tax effects of distributions to owners, is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity. The tax expense or income effects of distributions to owners are recognised in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions for liabilities

Provisions are recognised within the financial statements when:

- the company has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate of the cost to settle the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required in order to settle the obligation using a pre-tax rate which reflects current market assessments of the time value of money and the risks which are specific to the obligation. Increases in the provision at each balance sheet date attributable to the passage of time are recognised in profit or loss as an interest expense.

Share-based payments

The group issues share appreciation rights ("cash-settled share-based payments") to certain employees.

Cash-settled

The group operates cash-settled long term incentive plans at an operating business level for certain members of management. A liability for the plans is raised on the estimated amount payable in terms of the incentive scheme plans at the reporting date.

1. Accounting policies (continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2. Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Internally generated assets

The group reviews all costs relating to the internally generated platform on a case by case basis and only capitalise the costs when it is evidenced that economic benefit from the project is likely. This includes a portion of staff salaries and contractor costs where the staff member or contractor is working on a capitalisable asset. To determine whether the internally generated project meets the criteria to be recognised as an intangible asset, consideration is paid to the expected use of the asset, feasibility of the project and the expected future economic benefit to the group.

Impairment of intangible assets and investment in subsidiaries (company only)

On an annual basis, or earlier if indicators of impairment exist, the group performs an impairment assessment for intangible assets and the company performs an impairment assessment over investment in subsidiaries to identify if there are any impairment indicators which would require an impairment calculation to be performed. The directors judge that given the expected use of the platform, the estimated fair value of the business, external market conditions and internal conditions, that there are no impairment indicators relevant as at the year end and therefore no impairment exists.

2. Judgements and key sources of estimation uncertainty (continued)

Critical judgements (continued)

Recognition of accumulated tax losses

Included in the deferred tax asset balance are deferred tax assets in relation to taxable losses incurred in 2024 and prior years. These can only be recognised to the extent that the directors expect that future taxable profits will be generated. The directors judge that, although the group currently reclaims an amount of research and development expenditure, it is probable the deferred tax asset relating to the losses will be recovered against future taxable profits and so the full deferred tax asset has been recognised.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Fair value of business

To support the assessment of long-term incentive plan as well as impairment of group receivables, the fair value of the business needs to be estimated. This estimate is made by the directors using the fair value less cost to sell method, using evidencable inputs including data from the most recent investment in 2023 and current financial performance of the group.

Accounting for the long term incentive plan

There exists long term incentive plans which key management and directors participate in. The accounting for this includes estimates over the expected value of any future liability payable to participants of the scheme as well as the expected number of leavers between the reporting date and the maturity of the long-term incentive plan. These estimates are made by the directors using best available evidence including estimated market valuations and in conjunction with experts where relevant and historical management attrition rates.

3. Turnover and other revenue

Turnover analysed by class of business

	2024 £'000	2023 £'000
Membership	30,267	24,549
Services	10,306	6,426
Other income	147	306
	<u>40,720</u>	<u>31,281</u>

Turnover analysed by geographical market

United Kingdom	9,930	8,478
Rest of Europe	5,792	5,120
USA/Canada	3,191	2,602
China	5,992	5,045
India	2,295	1,994
Rest of World	13,520	8,042
	<u>40,720</u>	<u>31,281</u>

4. Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

Group		Company	
2024	2023	2024	2023
Number	Number	Number	Number
295	228	4	82

Their aggregate remuneration comprised:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	19,501	15,380	139	4,923
Social security costs	2,442	1,718	15	493
Pension costs	1,416	1,054	1	332
	<u>23,359</u>	<u>18,152</u>	<u>155</u>	<u>5,748</u>

Wages and salaries include long term incentive plan payments fair value movements of £nil (2023: £21,000).

All pension costs relate to defined contribution schemes. A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the reporting date, contributions of £10,000 (2023: £102,000) remained outstanding and are included within other creditors.

Intangible assets consist of externally and internally generated software. The cost for internally generated software includes resourcing costs directly contributing to the development of assets. The group employee costs above include capitalised costs of £8,613,000 (2023: £8,317,000). See note 12 for further details.

5. Directors and key management personnel remuneration

Directors remuneration

	2024	2023
	£'000	£'000
Directors remuneration for qualifying services	841	1,063
Pension contributions to defined contribution schemes	42	72
	<u>883</u>	<u>1,135</u>

The number of directors to whom retirement benefits are accruing under money purchase schemes was two (2023: two). The number of directors who received shares under long-term incentive schemes in period was one (2023: 4).

5. Directors and key management personnel remuneration

Directors remuneration (continued)

Remuneration for the highest paid director was as follows:

	2024	2023
	£'000	£'000
Remuneration for qualifying services	437	407
Pension contributions to defined contribution schemes	29	31
	<u>466</u>	<u>438</u>

The highest paid director received shares under long-term incentive schemes in the period.

Key management personnel remuneration

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2024	2023
	£'000	£'000
Salaries and other short-term benefits	2,891	2,402
Post-employment benefits	258	267
	<u>3,149</u>	<u>2,669</u>

The number of key management who received shares under an incentive scheme in the period was 3 (2023: 9).

6. Exceptional costs

	2024	2023
	£'000	£'000
Share-based payment expense	386	-
Long term incentive scheme	614	-
Restructuring costs	1,033	-
Transformation costs	-	3,383
	<u>2,033</u>	<u>3,383</u>

Exceptional costs relate to one-off or non-operating expenses which have been incurred during the reporting period. In 2024 this includes long-term incentive plans (share and cash settled) as well as costs associated with one-off restructuring of executive and higher level management. In 2023, these related to group reconstructions to which merger accounting was applied.

7. Operating profit

	2024 £'000	2023 £'000
<i>Operating profit for the year includes:</i>		
Income from R&D claim	431	-
<i>Operating profit for the year is stated after charging:</i>		
Depreciation of tangible assets	39	185
Amortisation of intangible assets	4,517	3,377
Operating lease charges	1,194	643

8. Auditor's remuneration

	2024 £'000	2023 £'000
<i>Fees payable to the company's auditor and associates:</i>		
For audit services		
Audit of the financial statements of the group and company	115	127
Audit of the financial statements of the company's subsidiaries	13	20
	<u>128</u>	<u>147</u>
For other services		
Tax compliance services	-	15
	<u>128</u>	<u>162</u>

9. Share-based payments

A group subsidiary provides certain employees with cash-settled long-term incentive plans. Amounts payable under the plan are dependent on the business performance. Employees are required to remain in employment with the group to receive the cash payment. The group does not set aside assets to fund the payments and pays the benefits out of cash resources. The date for when these amounts are expected to be paid is unknown.

During the year, the group increased the liability by £331,000 for cash-settled incentive plans (2023: £100,000) to £431,000 (2023: £100,000) and is included in other creditors in creditors amounts falling due within one year.

10. Interest receivable and similar income

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest income				
Interest on bank deposits	<u>1,811</u>	<u>639</u>	<u>151</u>	<u>45</u>
Investment income includes the following:				
Interest on financial assets not measured at fair value through profit or loss	<u>1,811</u>	<u>639</u>	<u>151</u>	<u>45</u>

11. Taxation

	2024	2023
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	-	-
Adjustments in respect of prior periods	-	(1,244)
Total UK current tax	-	(1,244)
Foreign current tax on profits for the current period	531	917
Current tax	531	(327)
Deferred tax		
Deferred tax on profits for the current period	1,193	131
Adjustments in respect of prior periods	(312)	257
Deferred tax	881	388
Total current tax	1,412	61

The total tax charge/(credit) for the year included in the statement of comprehensive income can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2024	2023
	£'000	£'000
Profit before taxation	2,260	(2,842)
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.52%)	565	(668)
Expenses not deductible for tax purposes	1,829	560
Income not subject to tax	(1,090)	(137)
Fixed asset differences	369	(8)
Effect of overseas tax rates and losses	48	130
Adjustment to prior years due to R&D tax credits	(312)	-
Adjustment to prior years for other reasons	(27)	-
Change in unrecognised deferred tax assets	-	(400)
Taxes chargeable on restructure	-	533
Other tax adjustments, reliefs and transfers	30	51
Taxation charge	1,412	61

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the reporting date have been measured using the enacted tax rates and reflected in these financial statements.

11. Taxation (continued)

Deferred tax asset reconciliation

	Group	Company
Opening (1 January 2024)	1,501	-
Adjustments in respect of prior periods	825	-
Tax benefit	(1,720)	20
Closing (31 December 2024)	<u>606</u>	<u>20</u>

The Group's deferred tax asset of £606,000 (2023: £1,501,000) is expected to reverse after more than 12 months and relates to temporary timing differences on overseas deferred revenue.

Deferred tax liability reconciliation

	Group	Company
Opening (1 January 2024)	(1,965)	(3)
Adjustments in respect of prior periods	(513)	-
Tax charge	527	3
Closing (31 December 2024)	<u>(1,951)</u>	<u>-</u>

The Group's deferred tax liability of £1,951,000 (2023: £1,965,000) is expected to reverse after 12 months and relates to accelerated capital allowances offset by carried forward tax losses expected to be used beyond the next 12 months, which relate to the same tax jurisdiction.

12. Intangible assets

Group	Intangible assets £'000
Cost	
At 1 January 2024	28,703
Additions	8,613
At 31 December 2024	<u>37,316</u>
Amortisation and impairment	
At 1 January 2024	11,786
Amortisation charged for the year	4,517
At 31 December 2024	<u>16,303</u>
Carrying amount	
At 31 December 2024	<u>21,013</u>
At 31 December 2023	<u>16,917</u>

Intangible assets consist of externally and internally generated software. Amortisation charges are included in cost of sales in the statement of comprehensive income.

13. Tangible assets

Group	Fixtures, fittings & equipment £'000
Cost	
At 1 January 2024	659
Additions	53
At 31 December 2024	<u>712</u>
Depreciation and impairment	
At 1 January 2024	590
Depreciation charged in the year	39
At 31 December 2024	<u>629</u>
Carrying amount	
At 31 December 2024	<u>83</u>
At 31 December 2023	<u>69</u>
Company	
Cost	
At 1 January 2024	136
At 31 December 2024	<u>136</u>
Depreciation and impairment	
At 1 January 2024	84
Depreciation charged in the year	17
At 31 December 2024	<u>101</u>
Carrying amount	
At 31 December 2024	<u>35</u>
At 31 December 2023	<u>52</u>

Depreciation charges are included in administrative expenses in the statement of comprehensive income.

14. Investment in subsidiaries

	Notes	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investments in subsidiaries	15	-	-	93,333	93,333

Company

	Shares in group undertakings
	£'000
Movements in fixed asset investments	
Cost or valuation	
At 1 January 2024	93,333
At 31 December 2024	93,333
Carrying amount	
At 31 December 2024	93,333
At 31 December 2023	93,333

15. Subsidiaries

Name of undertaking	Country	Nature of business	Class of shares held	% Held	Direct/Indirect
Sedex Australia Pty Limited	1 Australia	See below	Ordinary	65.35	Indirect
Sedex Information Exchange (Shanghai) Limited	2 China	See below	Ordinary	65.35	Indirect
Sedex Chile SpA	3 Chile	See below	Ordinary	65.35	Indirect
Sedex Solutions Limited	4 UK	See below	Ordinary	65.35	Indirect
Sedex India Private Limited	5 India	See below	Ordinary	65.35	Indirect
Sedex USA LLC	6 USA	See below	Ordinary	65.35	Indirect
Sedex Information Exchange Limited	7 UK	See below	Ordinary and preference	65.35	Direct

Registered numbers and office addresses

Registration number	Registered address
1 621 825 009	Suite 2003 Level 20, 109 Pitt Street, Sydney NSW 2000, Australia
2 91310000596413673N	Room 701-703, Office Block of Shanghai International Equatorial Hotel, 65 West Yan An Road, Shanghai 200040, China
3 10.059-2018	Providencia 1650, of 1303, Santiago, 7500027 Chile
4 8183688	5 Old Bailey, London, EC4M 7BA, United Kingdom
5 U74999HR2019FTC078252	14th Floor, Tower 5B, DLF Epitome, DLF Cyber City Phase – III, Gurugram, Haryana 122002, India
6 87-2784199	920 North King Street, 2nd Floor, Wilmington, New Castle County, Delaware 19801
7 14708906	5 Old Bailey, London EC4M 7BA

15. Subsidiaries (continued)

The main business scope of Sedex Information Exchange Limited is the provision of a business information exchange platform to customers.

The main business scope of Sedex Australia Pty Ltd, Sedex Information Exchange (Shanghai) Limited, Sedex Chile SPA and Sedex India Private Ltd includes business information consulting and business administration consulting in Oceania, Southeast Asia, South America and Central Asia respectively.

The main business scope of Sedex USA LLC is the provision of sales and marketing support for Sedex Information Exchange Limited in North America.

Sedex Solutions Limited sold its trade and assets to Sedex Information Exchange Limited during 2024. The main continuing business scope is that of a closed entity.

16. Debtors

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	9,125	6,410	-	-
Corporation tax recoverable	-	2,613	-	-
Amounts owed by group undertakings	-	-	100	-
Other debtors	659	786	98	190
Prepayments and accrued income	1,402	1,451	121	123
	<u>11,186</u>	<u>11,260</u>	<u>319</u>	<u>313</u>

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Non-current trade debtors	1,048	-	-	-
Deferred tax asset	606	1,501	20	-
	<u>1,654</u>	<u>1,501</u>	<u>20</u>	<u>-</u>

Amounts owed by group undertakings are unsecured, not interest bearing and repayable on demand.

17. Investments

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investments	22,600	-	2,600	-

Investments include cash deposited into short-term (less than 12 months) interest bearing term deposits. All funds are receivable within 3 months of the reporting period.

18. Creditors

	Notes	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due within one year:					
Trade creditors		172	359	-	-
Amounts owed to group undertakings		-	-	-	187
Other taxation and social security		566	481	7	6
Corporation tax payable		20	-	-	-
Deferred income	20	21,625	15,458	-	-
Other creditors		929	787	-	-
Accruals		4,716	5,573	15	8
		<u>28,028</u>	<u>22,658</u>	<u>22</u>	<u>201</u>

	Notes	Group		Company	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts falling due after more than one year:					
Other creditors		916	-	-	-
Deferred income	20	5,253	3,309	-	-
		<u>6,169</u>	<u>3,309</u>	<u>-</u>	<u>-</u>

19. Financial instruments

	Group	
	2024	2023
	£'000	£'000
Financial liabilities measured at fair value through profit or loss		
Employee benefits	1,252	543
Cash-settled share-based payments	431	100
	<u>1,683</u>	<u>643</u>

The fair value of the cash-settled share-based payments liability was calculated using tier 2 of the fair value hierarchy as a result of a recent transaction in the entities shares, with the independent market valuation being carried out on 18 September 2023 by a third-party valuation firm. The directors consider there to not be a material change in valuation between 18 September 2023 and the year-end date. This is recorded within creditor amounts falling due after one year.

20. Deferred income

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred income	<u>26,878</u>	<u>18,767</u>	<u>-</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Current liabilities	21,625	15,458	-	-
Non-current liabilities	5,253	3,309	-	-
	<u>26,878</u>	<u>18,767</u>	<u>-</u>	<u>-</u>

21. Share capital

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up, such amounts as may be required, not exceeding £1.

22. Reserves

Profit and loss reserve

Cumulative profit and loss net of distributions to owners.

Non-controlling interest

Portion of the results which is attributable to non-controlling interests.

23. Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for minimum payments under non-cancellable operating rental lease agreements, which fall due as follows:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within one year	483	493	356	396
Between two and five years	197	447	-	447
	<u>680</u>	<u>940</u>	<u>356</u>	<u>843</u>

24. Related party transactions

Group

The group had transactions with a company who has a non-controlling interest in Sedex Information Exchange Limited. Sedex Information Exchange Limited paid £101,000 (2023: £40,000) in management fees to this related company.

As part of the sale of shares to the non-controlling interest the group incurred arrangement fees of £nil (2023: £1,184,000)

Company

At the year end date the company had balances owed by the subsidiary undertaking, Sedex Information Exchange Limited of £100,000 (2023: owed from subsidiary £187,000)

25. Controlling party

The company is controlled by its members.

26. Cash generated from operations – group

	2024 £'000	2023 £'000
Profit for the year after tax	848	(2,901)
Adjustments for:		
Taxation recoverable	1,412	61
Investment income	(1,811)	(638)
Amortisation and impairment of intangible assets	4,517	3,377
Depreciation and impairment of tangible fixed assets	39	185
Exceptional costs capitalised into equity	-	3,383
Movements in working capital:		
Increase in debtors	(3,147)	(4,281)
Increase/(decrease) in creditors	57	3,169
Increase in deferred income	8,111	5,081
Cash generated from operations	<u>10,026</u>	<u>7,436</u>

27. Cash generated from operations – company

	2024 £'000	2023 £'000
Profit for the year after tax	(114)	(1,438)
Adjustments for:		
Taxation recoverable	(23)	(532)
Investment income	(151)	(45)
Finance costs	-	159
Depreciation and impairment of tangible fixed assets	17	252
Exceptional costs capitalised into equity	-	1,186
Movements in working capital:		
Decrease / (increase) in debtors	(59)	14,243
Decrease in creditors	(178)	(2,895)
(Decrease) / increase in deferred income	-	(12,081)
Cash absorbed by operations	<u>(508)</u>	<u>(1,151)</u>

28. Analysis of changes in net funds – group

	1 January 2024 £'000	Cash flows £'000	31 December 2024 £'000
Cash at bank and in hand	36,806	(17,725)	19,081
	<u>36,806</u>	<u>(17,725)</u>	<u>19,081</u>

29. Financial commitments, guarantees and contingent liabilities

The company is included in a group registration for VAT. At 31 December 2024 the company had a receivable under this registration of £44,000 (2023: £189,000). The group owed HM Revenue & Customs £7,000 (2023: receivable £330,000) at the year end in respect of VAT.

30. Events after the reporting period

There have been no post-balance sheet events affecting the financial position or operations of the company since the end of the reporting period.



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