

Company Registration No. 03184978

CROMA SECURITY SOLUTIONS GROUP PLC  
REPORT AND FINANCIAL STATEMENTS  
AS AT 30 JUNE 2025

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## COMPANY INFORMATION

<b>Directors</b>	R M Fiorentino T Andreeva S Naylor	(Chief Executive Officer) (Chief Financial Officer) (Non-Executive)
<b>Registered Office</b>	Unit 7&8, Fulcrum 4 Solent Way Whiteley Fareham Hampshire PO15 7FT	
<b>Registered Number</b>	03184978	
<b>Nominated advisers and brokers</b>	Zeus Capital Limited 125 Old Broad Street London EC2N 1AR	
<b>Registered independent statutory auditor</b>	UHY Hacker Young LLP Quadrant House, 4 Thomas More Square London, England E1W 1YW	
<b>Solicitors</b>	Shoosmiths Forum 5 Parkway Whiteley PO15 7PA	
<b>Registrars</b>	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD	
<b>Principal Bankers</b>	NatWest 36 St Andrews Square Edinburgh United Kingdom EHY 2YB	
<b>Website</b>	www.cssgplc.com	

CROMA SECURITY SOLUTIONS GROUP PLC  
CEO'S STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2025

**CEO's Statement - "A year of steady growth"**

**Introduction**

I am pleased to report another successful year for Croma Security Solutions, with the Group delivering positive organic growth and a robust trading performance, despite a challenging economic environment. This performance underlines the resilience of our business model and the successful execution of our strategy.

Security continues to be a priority for both businesses and consumers alike as criminal activity remains an ongoing concern in daily life. Croma is positioned to be part of the solution, focused on crime prevention, the protection of individuals and property, and providing expert guidance on security protocols and compliance with relevant laws. Reflecting this, our total revenues grew by 10% with both our Fire & Security and Locksmiths divisions contributing positively.

**Strategy**

Formulated two years ago following the divestment of Vigilant in 2023, we have continued our growth strategy of establishing a national security network and remained focused on strengthening our core operations and expanding our network of Security Centres. Our balance sheet remains strong, with cash proceeds from the sale of Vigilant being received steadily, supporting the Group's ability to identify and acquire suitable locksmith stores for conversion to becoming Croma security centres.

The pipeline of potential high-quality acquisition opportunities is expanding, driven by growing recognition of the Croma brand as a credible acquirer within the locksmith industry. This increased awareness has led to a rise in inbound enquiries. At the same time, the executive team's ability to swiftly identify and evaluate strategically aligned opportunities is further accelerating this growth.

The opportunity ahead lies in executing the stated strategy and scaling the business to drive Group profitability. To realise this, it became evident that the executive management team required additional support to capitalise on the growing acquisition pipeline and deliver the targeted expansion rate of three to five acquisitions per year. As a Board, we have committed to investing further in talent, with additional senior hires in Operations, Sales, HR and Administration.

**Acquisitions**

During the year under review, we completed two strategic acquisitions: Meridian Security Systems Ltd in February 2025 for £150,000 and Benn Lock & Safe in April 2025 for £200,000. In addition to the acquisition of Meridian, we acquired the freehold retail property for a market value of £275,000. Meridian is a well-established, family run locksmith business based in Horsforth, Leeds, extending the Croma network presence in the North and is in easy reach of the Group's security centre in Bury just 40 miles away. Benn Lock & Safe, a well-established, Peterborough based locksmith and security provider will be consolidated with our existing Croma Security Centre located just two miles away, creating immediate cost savings and synergies. These acquisitions not only expand our geographic reach but also enhance our service capabilities and customer offering.

Following the acquisition of three freehold properties for £1.03 million, our property portfolio now comprises of a positive balance of freehold and leasehold properties. The Board believes that ownership of freehold properties is a strategic advantage, providing long-term security, potential rental income, and the flexibility to adapt premises to support the Group's evolving operational needs. All freehold properties are currently unencumbered, which gives us a valuable platform for raising investment capital, should future opportunities require it.

The Croma model, which focuses on the integration of Locksmiths and Fire & Security services through our network, is now firmly established across the Group. With an aim of acquiring three to five locksmith businesses each year and adding them into our network, we are moving into the next phase of growth.

CROMA SECURITY SOLUTIONS GROUP PLC  
CEO'S STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2025

**The Board**

I am also pleased to confirm the appointment of new Non-Executive Chairman, John Wakefield, together with Andy Wonnacott as a Non-Executive Director. Both John and Andy are highly experienced public company Board Directors and bring considerable financial and commercial expertise to the business. Their appointments will commence on 1 November 2025, following the decision by Jo Haigh to step down from being the Chair and leave the Company in September and Steve Naylor's decision to not seek re-election as a Non-Executive Director at the upcoming AGM in December. We thank both Jo and Steve for their contributions to the business and hope they have success in their future endeavours. As part of their new roles John will also Chair the remuneration committee and Andy will Chair the audit committee.

**Dividend**

Reflecting the ongoing strength of the business and our commitment to delivering shareholder value, the Board will be proposing a dividend of 2.4p for the year.

**Outlook**

We have started the new financial year well, and with a very strong pipeline of acquisition opportunities lined-up and close to completion, we expect these new stores, as they are acquired and integrated into the business, will drive a step-up in Group revenues.

Overall, I am excited about where we are as a business and, more importantly, where we are heading. We have a proven strategy, a clear focus, and the resources in place to deliver sustainable long-term growth.

*Roberto Fiorentino*

**Roberto Fiorentino – CEO**  
31 October 2025

**CROMA SECURITY SOLUTIONS GROUP PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR END 30 JUNE 2025**

**Financial and Operational Review**

The Directors present the Group Strategic Report for Croma Security Solutions Group PLC and its subsidiary companies for the year ended 30 June 2025.

Group sales were up 10% to £9.63 million, (FY24 £8.74 million), reflecting acquisitions made during the year as well as organic growth within the core businesses of 5%.

Gross margin for the year was 43.4% (FY24: 45.8%). The reduction reflects a stock adjustment for the acquired businesses to align with our existing provision policy.

EBITDA on the trading businesses before central costs for the year was £1.92 million (FY24: £1.73 million), an increase of 11%. Adjusting for central Group overheads, EBITDA was up 10.4% at £1.17 million (FY24: £1.06 million).

Group net profit from operations for the year was £0.79 million (FY24: £0.54 million), an increase of 46.3% and EPS increased by 44.8% to 5.72p (FY24: 3.95p).

The solid underlying cash generation enabled us to end the year with no borrowings and cash and cash equivalents of £4.33 million (FY24: £2.14 million). Our cash position and no bank debt allow us to continue our stated strategy of acquiring locksmiths and building out our security centres network where there is scope to enhance the offering and deliver synergies.

**Croma Locksmiths**

Croma Locksmiths delivers comprehensive security solutions to both commercial and residential customers. As of the financial year end, the business operated 18 centres. Following the addition of two new sites during the year, a strategic post-year-end consolidation of the two Peterborough locations and two of the three Southampton branches has since reduced the total number of centres to 16. This streamlined footprint is expected to enhance operational efficiency, reduce overheads, and improve service delivery across the network.

The division recorded a good trading period with sales up 10% to £5.62 million (FY24: £5.10 million, and EBITDA of £1.12 million also up 12% from £1.00 million).

The security centres are all former locksmith stores and have been converted into a network, servicing not only local communities but also national accounts. Larger commercial customers within this division encompass a broad range of industries including travel, leisure, utilities, housing associations, student housing, healthcare and defence.

Demand continues to be driven by replacement and upgrade cycles, heightened safety concerns, and innovation through technology partnerships such as ASSA/Abloy electronic and mechanical locking solutions and ILOQ. The day-to-day sales over the counter in the individual security centres are made up of relatively low costs items such as locks, padlocks, key cutting services and security fittings. Of the division's principal sectors, retail, FM, housing associations, healthcare and utilities generated the most activity during the year under review.

The innovative mobile phone powered door lock called ILOQ, is a popular choice in the student accommodation market. Croma is a preferred supplier of ILOQ in the UK and continues to develop this enterprising product across the UK.

Known for its well-established customer base built from decades of consistent and high-quality service to individuals and businesses. The division acts as a natural gateway to our Fire & Security services, providing an integrated solution for our customers. Typically, corporate security spend allocates around 20% to locksmith services and 80% to Fire & Security, a dynamic that positions us well for cross-selling opportunities.

**Croma Fire and Security**

Croma Fire and Security provide a full range of electronic security solutions and services to commercial and individual customers and has strong commercial relationships across the public health and hospitality sectors.

Croma Fire and Security recorded sales for the year of £4.09 million (FY24: £3.80 million) up 8%. EBITDA for the period was up 11% to £0.81 million (FY24: £0.73 million).

**CROMA SECURITY SOLUTIONS GROUP PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR END 30 JUNE 2025**

Operating out of Southampton, Bury (Manchester), Peterborough and Leeds, an experienced team of specialist engineers supports a range of commercial and domestic customers.

The Fire & Security division delivered a solid performance this year, as usual benefitting from the support and lead generation from our Locksmiths network. The team continued to expand the products on offer, this year saw the introduction of an Industrial doors division covering all types of doors and motorised doors and shutters which has already generated a strong response from key customers.

Similarly, the division expanded its working relationship with the market leading AJAX intruder alarm business. The system is fast to install, provides accurate external sensors able to differentiate between a human and another object, and operates from a single app. Installation is also quicker making it more cost efficient for the customer, a clear advantage in the current environment. All these factors combine to make it a compelling offer for new installations, and the Division has been collaborating successfully with AJAX on further upgrades and developments to the system. Recently the addition of fully compliant Fire systems that operate within the AJAX eco system complete the already highly impressive AJAX offering.

In May 2024, Croma formed a partnership with bSafe the personal security App which offers round the clock protection using voice activated technology. The product is being made available widely through mobile device manufacturers at source but provides a valuable addition for Croma clients where remote support may be needed over and above the immediate panic facilities provided for clients in properties.

A key progression during the year was the investment on the soon to be completed software upgrade to the Division's computer systems. The new platform being installed, like the one successfully installed for the locksmith division, will drive efficiencies across the business, standardising quotations, monitoring time on projects, collect and store sales data more efficiently and support staff training.

**Proceeds from Vigilant sale**

In June 2023, the Group sold its manned guarding business Vigilant for £6.5 million, in order to focus on the Group's core businesses, Croma Locksmiths and Croma Fire & Security. The proceeds from the Vigilant sale are staggered over 10 quarterly instalments from 31 March 2024. As of the date of these accounts, from the total £6.5 million consideration, £4.9 million has been received with a further £1.7 million to be received quarterly by June 2026.

<b>Group financials</b>	<b>2025</b>	<b>2024</b>
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The Group financials can be summarised as follows:

Revenue	£9,633k	£8,737k
Gross profit	£4,180k	£3,999k
Gross margin %	43.39%	45.77%
Administrative expenses	£3,643k	£3,395k
EBITDA	£1,166k	£1,061k
Operating profit	£596k	£607k
Profit for the year	£786k	£543k
Basic earnings per share	5.72p	3.95p
Net assets	£15,728k	£15,224k
Cash generated from operations	£632k	£723k
Cash and cash equivalents	£4,328k	£2,142k
Dividend per share in relation to the year	2.4p	2.3p

	<b>Croma Locksmiths £000s</b>	<b>Croma Fire &amp; Security £000s</b>	<b>Central £000s</b>	<b>Total £000s</b>
EBITDA	<u>1,115</u>	<u>808</u>	<u>(757)</u>	<u>1,166</u>

## Risk Management

The Board has established a comprehensive framework for identifying, assessing, and managing risks to ensure the long-term sustainability of the Group. This framework supports the protection of our business, stakeholders, reputation, and environmental footprint.

Risks are categorised as:

- Critical risks: those that could prevent the business from operating or significantly impact profitability or reputation.
- Key risks: those requiring ongoing mitigation in the normal course of business.

All risks are documented in the Group's risk register and reviewed regularly by the Board, which is responsible for monitoring and implementing appropriate action plans.

Risk area	Description	Controls and Mitigation Strategies
Regulatory Environment	Inability to comply with evolving regulations could impact operations.	Monitored by experienced staff and external consultants.
Health & Safety	Non-compliance could endanger people, the environment, and reputation.	Delegated to trained staff with external support; employee training provided.
Fraud & Uninsured Losses	Risk of fraud in retail operations or financial phishing attacks.	Segregation of duties, internal systems, timely reporting, and insurance coverage.
Cyber Security	Risk of data breaches, asset loss, and reputational damage.	Managed by internal IT and Executive teams; early detection systems, regular reviews, staff training, cyber insurance.
Data Privacy	Non-compliance with data laws could result in fines and reputational harm.	Policies and controls reviewed by compliance team and third-party experts; staff training provided.
IT Systems	System failures could disrupt operations and damage reputation.	Investment in infrastructure, change management policies, and skilled IT personnel.
Customer Service	Poor service could undermine business performance.	Regular satisfaction surveys; Board-level complaints addressed promptly.
Credit Risk	Late payments could affect cashflow and liquidity.	Managed by experienced finance staff; no significant issues to date.
Liquidity & Funding	Poorly appraised investments could strain working capital.	CFO oversight; robust budgeting and forecasting; strong banking relationships.



### Climate-Related Risks (TCFD Framework)

The Group also considers climate-related risks, classified as:

- Physical risks: due to long-term shifts in climate patterns
- Transitional risks: arising from the shift to a low-carbon economy

Risk Identified	Impact	Type	Timeframe
Increased rainfall over UK winters increases flood risk	Minimal exposure; flood risk assessed during SAR and insurance reviews.	Physical	Short
Drier/hotter summers lead to droughts/water shortages	Water stress and increased energy costs for cooling and refrigeration.	Physical	Short
Extreme weather events disrupt supply chains	Global droughts may impact supplier reliability and availability.	Physical	Medium
Compliance and cost risk from new government regulation	Rising costs to meet climate targets; risk of penalties and reputational damage.	Transitional	Medium
Cultural shift towards sustainability	Increased expectations from customers and employees; impacts on fleet, recruitment, and reputation.	Transitional	Medium

### The Board

#### Executive Directors:

R Fiorentino – Chief Executive Officer  
T Andreeva – Chief Financial Officer

#### Non-Executive Directors:

B J Haigh-Rosser – Non-Executive Chairman (resigned on 2 September 2025)  
S Naylor – Non-Executive Director

### Matters reserved for the Board

The Board reserves formulation, dissemination, and implementation of strategy to itself, it also handles stakeholder relations, dividend policy and oversight of cash management.

Other operational matters are devolved to Directors and managers, except for investment-level decisions involving material balances which require Board consideration.

Any Director needing independent professional advice in the furtherance of their duties may obtain this advice at the expense of the Group.

## Board Meetings

The Board formally meet on a monthly basis face-to-face and via video conference to review and discuss strategy, financial results, business planning, sales, operations and HR matters.

Director's attendance at formal Board and Committee meetings during the year was as follows:

Name of Director	Board Meetings		Audit Committee		Remuneration Committee		Risk Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
R M Fiorentino	12	12	-	-	-	-	2	2
T Andreeva	12	12	-	-	-	-	2	2
B J Haigh-Rosser	12	12	2	2	2	2	2	2
S Naylor	12	12	2	2	2	2	2	2

Rules concerning the appointment and replacement of Directors of the Group are contained in the Articles of Association ("Articles"). Amendments to the Articles must be approved by the special resolution of shareholders. Under the Articles, all Directors are subject to election by shareholders at the first Annual General Meeting following their appointment, and to re-election thereafter at intervals of no more than three years.

## Internal control

The Board is responsible for maintaining an appropriate system of internal controls to safeguard the shareholders' investment and Group assets. Where appropriate, the Board may delegate responsibility to the CFO to review internal controls and then feedback to the Board.

The Directors continue to review the financial reporting procedures and internal controls of the Group companies to ensure they are robust enough to deliver timely, detailed reporting that will allow accurate monitoring of the Group's performance.

Internal financial control procedures undertaken by the Board include:

- Review of monthly financial reports and monitoring performance
- Approval of all significant expenditure including all major investment decisions
- Review and approval of treasury policy

In the context of the Group's overall strategy the Board undertakes a review of internal controls. The review covers the key business, operational, compliance and financial risks facing the Group's operations in the light of the following:

- The nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective
- The threat of such a risk becoming a reality
- The Group's ability to reduce the incidence and impact of risk on its performance
- The cost and benefits to the Group of operating the relevant controls

The Board has reviewed the operation and effectiveness of the Group's system of internal control and risk assessment for the financial year and the period up to the date of approval of these financial statements.

## **Relations with shareholders**

Communication with shareholders is given a high priority by the Board and the Directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and vote at our Annual General Meeting.

## **Section 172 statement**

Section 172 of the UK Companies Act 2006 requires Directors to act in a way they consider, in good faith, would promote the success of the Group for the benefit of its members as a whole. In doing this the Directors are required to have regard to the interest of the Group's employees and other stakeholders, including the impact of its activities on the community, environment and the Group's reputation, when making decisions. Details on how the Board operates and the way Directors reach decisions, including some of the matters discussed during the year and the key stakeholder considerations that were central to those discussions, are included in the Corporate Governance Report on pages 14 to 21.

The Board considers that the impact of the Group's operations on the community and environment are minimal. However, measures including the regular replacement of Company vehicles, so that our fleet meets the most up to date emission standards; occupation of modern energy efficient premises; route planning and vehicle tracking to minimise Company mileage, so as to reduce their carbon footprint; are all matters which are given consideration.

The Group reports under the Energy Savings Opportunity Scheme (ESOS) and receives reports from its advisors giving further recommendations the Group can take to reduce its environmental impact. Our Greenhouse gas emissions, energy consumption and energy efficiency actions are reported in the Directors report on pages 23-25.

## **Audit committee matters**

The Audit Committee are to assist the Board in discharging its collective legal responsibility for ensuring that:

- the Group's financial and accounting systems provide accurate and up-to-date information on its current financial position.
- the Group's published financial statements represent a true and fair reflection of this position.
- the external audit, which the law requires to provide independent confirmation that these legal responsibilities are being met, is conducted in a thorough, efficient, and effective manner. The external auditor may attend Audit Committee meetings.

## **Non-Financial and Sustainability Report**

### **Sustainability at Croma**

We are committed to making sustainability a core part of everything we do, from the security products and services we provide to the way we run our operations. Our approach balances environmental responsibility, support for our people, and strong governance practices.

We recognise that our activities have an environmental footprint, and we work hard to minimise it through careful monitoring of energy use, reductions in greenhouse gas emissions, and the adoption of more efficient ways of working. At the same time, we are investing in our people, building an inclusive culture, and maintaining the high standards of governance expected of a trusted security business.

During the year, we continued to consolidate our business operations, reducing our office footprint and overall energy consumption. We also made progress in modernising our vehicle fleet with low-emission and electric alternatives, ensuring our growth is aligned with our environmental commitments.

CROMA SECURITY SOLUTIONS GROUP PLC  
STRATEGIC REPORT  
FOR THE YEAR END 30 JUNE 2025

**Our Environmental Commitment**

In FY25 we tracked our energy use across company vehicles, offices and employee travel reimbursements, converting all data into CO<sub>2</sub> equivalent emissions:

- 166 tonnes from transport (FY24: 165 tonnes)
- 18 tonnes from natural gas (FY24: 23 tonnes)
- 29 tonnes from electricity (FY24: 31 tonnes)

This equates to 2.39 tonnes of CO<sub>2</sub> per employee, down from 2.51 in the prior year.

We are taking practical steps to reduce our footprint:

- Replacing company vehicles with low-emission and electric models where practicable
- Implementing route planning and vehicle tracking to reduce mileage
- Occupying modern, energy-efficient premises
- Consolidating operations through acquisitions and divestments, which has reduced office space and energy use

We also report under the Energy Savings Opportunity Scheme (ESOS) and continue to receive guidance from external advisors on further opportunities to improve efficiency.

**Our People**

Our strength lies in our people. With fewer than 250 employees, we remain agile while committed to building a workplace that is safe, inclusive and diverse.

- Employees are regularly consulted through staff councils, meetings and updates.
- Recruitment is based on competence and integrity, supported by clear anti-bribery and anti-slavery policies.
- We welcome and support disabled colleagues through tailored training, career planning and retraining where required.
- Our Fire and Security division runs a trainee programme and overseas sponsorship scheme to broaden access to employment opportunities.

**Strong Governance**

Good governance underpins our long-term success. The Board is responsible for setting strategy, managing risk and embedding sustainability into business operations. Audit, Remuneration and Risk Committees support oversight, ensuring accountability and transparency across the Group.

**Climate-Related Financial Disclosure**

Croma first reported under the Climate-related Financial Disclosure Regulations 2022 in FY23, when the Group employed more than 500 people. Following the divestment of Vigilant, headcount has reduced to under 250 employees, and the requirement no longer applies.

However, we continue to review climate-related risks and opportunities, embedding them into operational and financial planning. We assess resilience against potential scenarios outlined by the London Stock Exchange, including:

- An orderly transition to a low-carbon economy
- A delayed or disorderly transition
- A failure to transition

Although outcomes are difficult to predict, the Board believes the Group remains well placed to adapt and respond effectively.

**Looking Ahead**

Sustainability at Croma is about doing the right thing in the right way: reducing emissions, supporting our people, and operating responsibly. As we grow, we will continue to refine our strategy in a proportionate and commercial manner, ensuring that our commitments to people, planet and governance remain central to our success.

CROMA SECURITY SOLUTIONS GROUP PLC  
STRATEGIC REPORT  
FOR THE YEAR END 30 JUNE 2025

**Key performance indicators**

**Croma Locksmiths**

Indicator	Performance
Sales and retail performance	<p>Our custom EPOS and BI systems deliver valuable metrics on sales and customer traffic, supporting management in tracking store trends and performance. Croma managers regularly visit and consult with branches, assisting managers in driving growth. Ongoing meetings with branch staff have improved collaboration among stores, helping introduce new products and services more effectively.</p> <p>Despite an exceptional large order in FY24, which was not repeated in FY25, this has led to continuous growth of sales by 10% to £5.62m (FY24: £5.10m) with £0.05m of this organic and £0.47m of this growth driven by the acquisition of our new branches in Leeds and Peterborough.</p> <p>Our strategy remains focused on enhancing our current geographic presence through the expansion of our security centre branch network, thereby capitalising on increased economies of scale. Concurrently, we aim to secure more lucrative commercial contracts as a direct result of this growth.</p>
Cash	<p>At the year-end cash balances were £0.26m (FY24: £0.39m). We invested £0.35m on two acquisitions and £1.03m to acquire three freeholds in Southampton, Leeds and Worthing.</p> <p>We continue to hold excess cash over and above working capital requirements in the parent company within interest-bearing accounts.</p>

**Croma Fire and Security**

Indicator	Performance
Sales	Sales saw an improvement of 8% to £4.09m (FY24: £3.80m). Our shift to a sales model led by highly experienced technical staff continues to deliver superior security solutions for our clients, fully in line with our core values.
Customer retention	Customer loyalty remains strong, as evidenced by a 93% annual renewal rate for maintenance contracts among existing clients. This level of retention has been consistently upheld through the strategic implementation of a dedicated customer retention policy, ensuring ongoing satisfaction and long-term partnerships.
Engineers	The engineer market remains highly active, with retention and remuneration closely monitored, and the business continuing to face a shortage of high-quality engineers. However, our trainee program launched last year is raising standards, enabling our trainee engineers to better support business needs, while we continuously strive to upskill and keep employee engagement high.
Cash	At the year-end cash balances are £0.13m (FY24: £0.27m). We continue to hold excess cash over and above working capital requirements in the parent company within interest-bearing accounts.

*Roberto Fiorentino*

**Roberto Fiorentino – Chief Executive Officer**

31 October 2025

## ***Statement of Corporate Governance***

### **The Board**

The Board is responsible for the governance of the Group and Company, governance being the systems and procedures by which the Group and Company is directed and controlled. A prescribed set of rules does not itself determine good governance or stewardship of a company and, in fulfilling their responsibilities, the Directors believe that they govern the Group and Company in the best interests of the shareholders, whilst having due regard to the interests of other stakeholders in the Group including, in particular, customers, employees and creditors.

The Board comprises, the Non-Executive director and Chairman B J Haigh-Rosser (resigned on 2 September 2025), the Chief Executive Officer R M Fiorentino, the Chief Financial Officer T Andreeva and the Non-Executive director S Naylor.

The biographies of the Directors are set out in this document on page 22. These show the range of business and financial experience upon which the Board can call. The Board's goal is to ensure that its membership should be balanced between Executives and Non-Executives and have all the appropriate skills and experience and knowledge of the business.

### **Chairman**

The Chairman is responsible for making sure that the Board agenda concentrates on the key issues, both operational and financial, with regular reviews of the Company's strategy and its overall implementation. The Chairman should ensure that the Board receives accurate, timely and clear information and there should be good information flows within the Board and its committees as well as between the non-executive directors and senior management.

### **Non-Executives**

Non-Executive Directors should be independent, be able to provide appropriate oversight and to perform their role. The non-executive Directors of the Company:

- Are required to commit an appropriate amount of time to the Company of approximately 15 days on an ongoing basis, including attendance at 12 Board meetings per annum of which 5 face to face meetings per year where possible, and on regular conference calls with the Board, and to be available to shareholders as required.
- Are appointed to the three Board committees with formal terms of reference.
- Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- Are responsible for determining appropriate levels of remuneration of executive Directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning.
- Uphold high standards of integrity and probity, supporting the executive Directors in instilling the appropriate culture, values and behaviours in the Boardroom and beyond.
- Will receive high-quality information sufficiently in advance of Board and committee meetings, which is accurate, clear, comprehensive, up-to-date and timely.
- Have access to the Chief Executive Officer, the Chief Financial Officer and the Company's advisers.
- Are able to call upon independent professional advice at the Company's expense if they consider it necessary to discharge their responsibilities as Directors.
- Are expected to receive ongoing training and development; and
- Will have their performance assessed on a regular basis (along with the executive Directors).

CROMA SECURITY SOLUTIONS GROUP PLC  
CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 30 JUNE 2025

The QCA guidelines acknowledge for growing companies it may not be possible for boards to meet the definition of "independence" for Non-Executive Directors, however it sets out that it is important for the board to foster an attitude of independence of character and judgement.

Based on the QCA guidelines the Board concludes that the non-executives are independent in terms of character and judgement in how they execute their role as Non-Executive Directors.

The Board is mindful of the threat to independence and actively manages the potential risk to ensure that the non-executives provide the independent constructive challenge to help develop the Board's proposals on strategy.

### **Board Committees**

The standing committees of the Board are the Audit, Remuneration and Risk Committees. At the current time it is not felt that a Nominations Committee is appropriate given the size and scope of the Group's operations, with any tasks and responsibilities in respect to nominations being handled by the Board as a whole.

### **Audit Committee**

The Audit Committee comprises of B J Haigh-Rosser (resigned on 2 September 2025) and is chaired by S Naylor, who is an FCA Chartered Accountant and has relevant financial experience. The Audit Committee reviews the external audit activities, monitors compliance with statutory requirements for financial reporting and reviews the half year and annual financial statements before they are presented to the Board for approval. The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Auditor and the effectiveness of the Group's internal control systems.

The Group does not have an independent Internal Audit function, as it is not considered appropriate given the scale of the Group's operations. However, the Groups' CFO is continuously improving on internal control, by evaluating and testing the Group's financial control procedures and standardise processes around best practice. Any significant issues are reported to the Chairman of the Audit Committee and shared with the external Auditors as appropriate.

The Group CFO and the external Auditors attend meetings of the Audit Committee by invitation. The Committee may also hold separate meetings with the external Auditors, as appropriate.

### **Remuneration Committee**

The Remuneration Committee comprises of S Naylor and is chaired by B J Haigh-Rosser (resigned on 2 September 2025). Although not a member of the Committee, the Committee would normally consult the Chief Executive on proposals relating to the remuneration of members of the Group's senior management team, though never for matters related to his own remuneration package. The Committee, on behalf of the Board, determines all elements of the remuneration packages of the executive Directors and would also approve any compensation arrangements resulting from the termination by the Company of a Director's service contracts. For Directors' remuneration see note 8.

### **Risk Committee**

The Risk Committee comprises of B J Haigh-Rosser (resigned on 2 September 2025), T Andreeva, R Fiorentino and is chaired by S Naylor.

The primary objective of the Board Risk Committee is to assist the Board in overseeing the management of risk across the Group. This role is performed by ensuring that key risks are identified, and steps are taken by management to mitigate them within the risk appetite levels agreed by the Board. Consideration is given to all significant matters relating to governance, control, regulatory and compliance issues. The identified risks and the reporting of the risk assessment is included in the annual report and accounts within the Strategic Report.

### **Frequency of meetings**

During the year, the Board met on a formal basis every month. Relevant information is distributed to Directors in advance of the meetings. The Board makes decisions on all material matters including long term and commercial strategy, annual operating and capital budgets, capital structure and financial and internal controls.

The Group has a formal schedule of matters reserved to the Board which is periodically reviewed and approved by the Board.

### **Evaluating Board Performance**

The Board has a number of sources of information from which it judges its own performance and that of the individual Directors, and these include but are not limited to:

- Financial performance indicators including, revenue, order book (including contract wins and losses), gross margin, net margin, earnings per share and cash flow;
- The Company's share price;
- Reports from external auditors;
- Shareholder feedback;
- Customer feedback; and
- Employee feedback.

All these factors are considered, and action taken to improve performance as appropriate.

### **Communication with shareholders**

The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategies, and financial position, in addition to having regard to its obligations as a quoted public company and the AIM Rules.

The Group holds meetings with significant shareholders on a regular basis and regards the Annual General Meeting as a good opportunity to communicate directly with shareholders via an open question and answer session.

The Group lists contact details on its website should shareholders wish to communicate with the Board. All announcements and results, including those released via RNS and RNS Reach, are available on the Group's website.

### **Internal controls**

The Board reviews and approves an Annual Budget and Business Plan prior to the start of each financial year. This includes reviewing the key strategic, operational and financial objectives for the year, together with a detailed financial budget.

The Executives are accountable to the Board for delivery of the Annual Business Plan. The Executives report performance against the plan on a monthly basis, which includes detailed analysis of budgetary variances and updated financial projections.



To provide a framework for the delivery of the Group's strategy and plans, the Board has developed an organisational structure with clear roles and responsibilities, and clear lines of reporting.

### **City code on takeovers and mergers**

The Company is subject to the City Code on Takeovers and Mergers.

### **QCA Corporate governance code**

In accordance with AIM rule 26 the Company has adopted the QCA code and is in the process of transitioning to the 2023 QCA code. Sets out below how the Company has adopted and complied with the QCA code.

#### **1. Establish a purpose and business model which promotes long-term value for shareholders**

The strategy and business model of the Group is expressed more clearly in the CEO's Statement and the Strategic Report. In summary, the Group seeks to build a recognised brand that is synonymous with the provision of the highest level of security products and services. The Group is stringently focused upon delivering outstanding service delivery for all our clients, and in such a way that in time our clients can have all their security needs met by one service provider.

The values we adopt are largely driven on endeavouring to engage employees that can deliver a capable, well-trained, highly motivated service. We continue to believe that this approach will deliver market leading full-service security offerings to the top end of the corporate and residential markets, as well as leading public service providers such as utilities, hospitals and schools.

The Group has a strategy to acquire new businesses and applies rigorous checks to the sustainability and value of any such decisions.

The business has a reasonable appetite for risk, and we actively engage in developing new technologies to assist our service provisions even where such new technologies have a long development phase.

Our markets are highly regulated, audited and accredited by a number of regulatory bodies, including the NSI, BAFE and CHAS, all of which require our Board and operational employees to be personally regulated, thus adding to the maintenance of the values and standards we operate to.

#### **2. Seek to understand and meet shareholder needs and expectations**

The Group seeks to maintain a dialogue with its shareholders in order to communicate the Group's strategy and results and to understand the needs and expectations of its shareholder base.

The Board is aware of the need to protect the interests of the minority shareholders and balancing those interests with those of any more substantial shareholders.

Beyond the Annual General Meeting, the Executives seek to meet with all significant shareholders after the release of the half year and full year results. The Chief Executive is the primary point of contact for the shareholders and is available to answer queries over the phone or via email from shareholders throughout the year.

### **3. Consider wide stakeholder and social responsibilities and their implications for long-term success**

The Directors are aware of the impact that its business activities have on the communities in which the Group's businesses operate and is aware of its corporate responsibilities to its stakeholders including staff, suppliers, customers and the wider society. The Group endeavours to consider feedback received from stakeholders, by making amendments to its business plans and operations as appropriate.

The Board endeavours to create a platform for delivering a high-quality service and this requires us to utilise best in class suppliers (such as AJAX, ASSA/Abloy, iLOQ, Hitachi, Avigilon and Bosch), for customers who appreciate and therefore pay for a higher level of service, and a workforce that is trained to the highest of standards to always give of its best.

We constantly solicit feedback from all stakeholders, some of which is on the website of the Company in terms of customer experiences, and supplier confidence in us and in our operations.

Our customers are of course pivotal to the success of our business. Through our sales and operations teams, we endeavour to supply a knowledgeable and targeted service. Our security solutions are tailored to exactly meet our client's requirements. We are well placed to meet our customers security needs by bringing all the skills across our divisions together to provide a one-stop solution.

We operate an open-door policy, and employees can speak and engage with senior management or the Board about issues or ideas.

We have a formal induction and appraisal processes for new and existing employees. We have a web-based employee portal, primarily used for scheduling holidays and access to company policies and information. This portal undergoes continuous development. We also have a cross company integrated email system and utilise video conferencing software for collaboration between stakeholders internally and externally.

### **4. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**

The Board has overall responsibility for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss.

The Board has established Audit, Risk and Remuneration Committees, a summary of which is set out above, and in this Corporate Governance section.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors, as well as against material loss or claims against the Group. The insurance cover in place is reviewed on a periodic basis.

### **5. Establish and maintain the Board as a well-functioning, balanced team led by the Chair**

The Board, the identities and biographies, the Board committees and the timing of Board meetings and a detailed summary of attendances at those meetings is considered in the Strategic Report, the Directors' Report and elsewhere in the Accounts.

The Board considers that both its non-executive Directors are independent and that they have the time necessary to be able to provide rigorous challenge to the executive Directors when necessary as well as support as needed. Nevertheless, guidance on time served by non-executives and the expansion in the business means the Board keep this under review.

The Board considers itself sufficiently independent. The QCA Code suggests that a board should have at least two independent non-executive Directors. The Board have considered each non-executive Directors' length of service

and interests in the share capital of the Group and consider that B J Haigh-Rosser (resigned on 2 September 2025) and S Naylor are independent of executive management and free from any undue extraneous influences which might otherwise affect their judgement. All board members are fully aware of their fiduciary duty under company law and consequently seek at all times to act in the best interests of the Company as a whole.

**6. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities**

Directors who have been appointed to the Company have been chosen because of the skills and experience they offer and their personal qualities and capabilities. Full biographical details of the Directors are included under "the Directors biographies" section of the website which give an indication of their breadth of skills and experience. This is also summarised on page 22.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing strategy of the Group.

All members of the Board are encouraged to attend management development courses. The Board is rigorous in reviewing the performance of each of its Directors and where there are actions that need to be taken, the Board is proactive in carrying out what needs to be done.

**7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

The non-executive Directors monitor the personal and corporate performance of the Chief Executive, including asking the Company's senior management, auditors, and other advisors to report on his performance.

The Executives participate in an annual performance related bonus arrangement. As soon as reasonably practicable after the announcement of the preliminary results or the publication of the accounts of the Company for each financial year, the Remuneration Committee considers the performance of the Company and the Executives in that year against relevant targets and then, in its absolute discretion, determines the value of any bonus to be received by the Executives in respect of that year.

Succession planning is considered by the entire Board. The Board recognises the importance of considering succession planning, and each division has a leader and deputies, who are able, effectively, to step into the shoes of the leader.

The Chairman will conduct an effectiveness review by means of a questionnaire, with comment on the Chairman passed to the Non-Executive Director. Comments will also be made on non-executive Directors and the Committees' effectiveness. The results of this exercise will be reviewed, and individual feedback will be provided for each of the Directors, and the Board as a whole. Feedback will be provided by the Chairman in respect of assessments of each of the other Directors and the Board as a whole, and by the Non-Executive Director to the Chairman herself.

The outcome of the appraisal is to assess if the Board has been effective in discharging its duties during the year and it will be formally discussed at a Board meeting, with conclusions in the areas of major shareholder representation in the Board, how the NEDs interact with the Board, the development of strategy and the presentation of recommendations to the Board.

**8. Promote a corporate culture that is based on ethical values and behaviours**

The Group has no formal values statement, but the business is still driven by a guiding set of principles or ways of behaving and doing business. The Group is focused on principled performance, and transparent reporting from the businesses to the Board, and from the Board to the Shareholders and advisors through regular meetings, presentations, the Annual Report and at the Annual General Meeting.

Senior management are encouraged to take personal responsibility for achieving the Group's objectives and to act

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CORPORATE GOVERNANCE  
FOR THE YEAR ENDED 30 JUNE 2025

with openness, integrity and trust. Staff are encouraged to ask for help, admit to their mistakes and put things right. The Group does not operate a blame culture. The non-executive members of the Board are encouraged to have open dialogues with senior management around the Group about their opinions and concerns.

Senior management across the organisation are comfortable coming forward with legal, compliance, and ethics questions and concerns without fear of retaliation at the frequent subsidiary level Board meetings, which are all attended by the Chief Executive and the CFO.

The Group recruits and screens employees based on integrity, as well as competence. Employees are well-treated when they leave or retire.

The Group has in place an anti-bribery policy and an anti-slavery policy which are both reviewed at appropriate intervals.

**9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Board has overall responsibility for the strategic direction and performance of the Group. The executive Directors have day-to-day responsibility for the operation of the Group's businesses and implementing the strategy of the Board.

The Board meets once a month. The Board is provided with detailed financial reports of the Group's financial performance on a regular monthly basis with more frequent updates if required. Detailed written reports are provided one week prior to the Company's Board meetings. Written recommendations from the executive Directors are delivered in a timely manner with supporting documentation, supplemented as required by reports from external professional advisers so that the Board can constructively challenge recommendations before making decisions.

The Group has an Audit, Risk and Remuneration committee. The Audit Committee comprises B J Haigh-Rosser (resigned on 2 September 2025) and is chaired by S Naylor. The Remuneration Committee comprises S Naylor and is chaired by B J Haigh-Rosser (resigned on 2 September 2025). The Risk Committee comprises B J Haigh-Rosser (resigned on 2 September 2025), T Andreeva, R Fiorentino and is chaired by S Naylor.

Formal terms of reference have been agreed for Board Committees. The responsibilities of each of these have been summarised below:

**Audit Committee**

- To meet at least twice a year and otherwise as required
- To oversee the appointment of external auditors
- To review the nature and scope of the audit proposed by the external auditors
- To review the effectiveness of Group's internal control framework
- To review the effectiveness of Group's risk management framework
- To review the annual financial statements, and challenge where necessary, the actions and judgments of management in relation to these
- To attend the Annual General Meeting to answer any shareholder queries

#### **Remuneration Committee**

- To set the remuneration for the Board including basic pay, any bonus basis and awards and participation in share incentive schemes.
- To agree the terms of employment of all Board members, including those on cessation of employment, ensuring all payment are fair to both the employee and the Group.
- To continue to review the appropriateness of the remuneration policies, with reference to the conditions across the Group and up-to-date information in other companies.
- To ensure that all requirements on the disclosure of remuneration are fulfilled.
- To meet at least twice a year and otherwise as required.
- To attend the Annual General Meeting to answer any shareholder queries.

The Board has considered the requirements of the QCA code and our responsibilities. Where we have not made the relevant disclosures as per the QCA code, we consider this appropriate for the size and nature of the business.

#### **Risk Committee**

- Consider and challenge the effectiveness of the business and recommend any changes to the Board.
- Consider, review and approve the overall risk appetite, risk attitude and risk strategy.
- Oversee and monitor current risk exposures and emerging/future risk strategy.
- Ensure that the processes for managing risks are fit for purpose and implemented appropriately by management.
- Monitor the Group's most significant risk exposures.

#### **10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.**

The Company communicates governance and performance in the annual report along with regular announcements. We further engage with shareholders and other stakeholders through general meetings, webinars and road shows. On occasions, one-on-one meetings are held. In addition, the Company's website communicates annual reports, results announcements and notices of general meetings.

The Board offer to meet with all significant shareholders after the release of the half year and full year results and encourage all shareholders to attend and ask questions of the Board as a whole at the annual general meeting.

There is a strong focus on transparent reporting in the half-year interim results and annual report, including the challenges faced by the Group both in the reporting periods and in the future.

The Group's website is regularly updated. The Group's financial reports and annual reports, notices of general meetings of the Company can be located under the "Company Documents" section of the website.

The results of voting on all resolutions at future general meetings will be posted to the Group's website, including any actions to be taken as a result of resolutions for which votes against have comprised a significant proportion of votes.

## **Directors Biographies**

### **BJ Haigh - Rosser - Non-Executive Chairman (resigned on 2 September 2025)**

B J Haigh-Rosser brings significant experience to the Group. Currently, she is Chairman of FDS Director Services Limited, provider of corporate finance services, with a focus on supporting companies develop, expand and then secure successful exits. Alongside her M&A advisory work, Jo provides specialist director training services. In 2018 she founded Onboarding Officers, an exclusive community for exiting military officers to help them transfer their skills into the commercial world and become world-class business leaders.

### **R Fiorentino – Chief Executive Officer**

R Fiorentino is responsible for overseeing the delivery and implementation of the Group's strategy, ensuring that all initiatives are aligned with both short-term objectives and the organisation's long-term vision. His acute awareness of ongoing developments in crime prevention and security products allows him to guide the Group's strategic direction and ensure it remains at the forefront of innovation. Drawing on a wealth of experience accumulated over many years in the security industry, he plays a pivotal role in identifying opportunities for growth—both organically and through acquisitions—while providing the insight and leadership necessary to secure the Group's continued success.

### **T Andreeva – Chief Financial Officer**

Teo Andreeva stepped into the role of Chief Financial Officer for the Group in April 2023. With over 16 years of experience at Croma, she possesses a comprehensive and in-depth understanding of every aspect of the business. Her leadership was instrumental in introducing robust financial management practices and leading critical change management initiatives. Teo works alongside Roberto to drive the Group's acquisition strategy, focusing on sustainable growth and expansion. Her strategic insights and financial expertise are central to the Group's ongoing success. As a CIMA-certified professional, Teo demonstrates competence and skill in financial management and strategy execution.

### **Steve Naylor - Non-Executive Director**

Steve Naylor, non-executive Director, is an experienced CFO of both public and private companies. Currently he provides fractional director services to growing businesses, where he has worked with a number of ecommerce, telecommunication and software companies. Previously Steve was a CFO for Advanced Smartcard Technologies PLC, an AIM listed company, and the company secretary of main market listed Sanderson Group PLC. Steve is an FCA Chartered Accountant.

CROMA SECURITY SOLUTIONS GROUP PLC  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2025

The Directors submit their report and the audited annual financial statements of Croma Security Solutions Group PLC and its subsidiary undertaking for the year ended 30 June 2025.

**Principal activities**

**Croma Locksmiths:-** Provide mechanical solutions via our 16 retail outlets, online store, as well as our team of onsite engineers. This allows us to supply, install and maintain Locks, Padlocks, Safes, Ironmongery, UPVC mechanisms, Security shutters, Grilles and Doors.

**Croma Fire and Security:-** Operate from our offices in the South and the North and design, supply, install, monitor and maintain Intruder Alarms systems, CCTV, Fire and Life Safety systems, Access Control Systems, Perimeter Detection Systems, Barriers, Gates, Bollards, Industrial and Automatic Doors/Shutters.

**Directors**

The Directors who have held office at any time during the reported period and up to the date of this report are as follows:

**Executive Directors**

R M Fiorentino  
T Andreeva

**Non-Executive Directors**

B J Haigh – Rosser (resigned on 2 September 2025)  
S Naylor

Including all immediate relatives, the Directors who have held office at any time during the reported period had the following beneficial interest in the ordinary shares of the Company:

	<b>FY25</b>	<b>FY24</b>
R M Fiorentino	4,031,090	4,037,587
T Andreeva	25,000	15,000
B J Haigh-Rosser	-	-
S Naylor	-	-

**Major shareholdings**

Apart from the interest of the Directors referred to above, the Company has received the following notifications of holdings of more the 3% of the ordinary share capital of the Company at 30 June 2025:

Liontrust asset management	9.9%
Russell Long	6.7%
Securities Services Nominees	6.1%
Mr Francis Maurice Erard	4.2%

There are 222,000 (FY24: 107,500) options in issue over the Company's shares of which 28,000 (FY24: 12,000) are held by the Directors.

At 30 June 2025, 2,130,401 (FY24: 2,168,936) shares were held in treasury, being 13.4% (FY24: 13.6%) of the issued share capital. The decrease in treasury shares arose from their issuance as part of the consideration for the acquisition of Benn Lock and Safe Limited in April 2025.

CROMA SECURITY SOLUTIONS GROUP PLC  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2025

**Matters covered in the strategic report**

Statutory disclosures required under company law within the Directors report are included where relevant within the strategic report.

**Financial risk management**

Details of exposure to price, credit, liquidity and cash flow risk are included in note 23.

**R&D**

There was no significant research and development expenditure during the year or the prior year.

**Employment of disabled persons**

The Group considers applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**Carbon Metrics**

In FY25 we collected data and calculated the energy consumption levels and CO2 emissions across the Group. This included all fuel purchased for Company vehicles, gas and electricity purchases for Company offices and reimbursements to employees who used their own vehicles for business travel. This information was converted to equivalent kilograms of carbon dioxide (Kg of CO2) emissions in all cases. We will use this data as a springboard to enable us to track our progress to lowering our overall emissions and carbon footprint. The Group's emissions from energy use during the year are reported in the section below.

**Environmental policy**

The Group recognises the importance of environmental responsibility. The nature of its activities has a minimal effect on the environment but where it does the Group aims to act responsibly and is aware of its obligations at all times.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The Group has collected data on its energy consumption and CO2 emissions for the year. This considered all fuel purchased for Company vehicles, gas and electricity purchases for Company offices and reimbursements to employees who used their own vehicles for business travel. This information was converted to equivalent kilograms or carbon dioxide (kg of CO2) emissions in all cases.

The Group's emissions from energy use during the year were:

- Direct and indirect emissions from transport use were 166 tonnes of CO2 (FY24: 165 tonnes)
- Direct emissions the combustion of natural gas were 18 tonnes of CO2 (FY24: 23 tonnes)
- Indirect emissions from the use of electricity were 29 tonnes of CO2 (FY24: 31 tonnes)

Total emissions were the equivalent to 2.39 tonnes per employee (FY24: 2.51 tonnes)

The Directors recognise the importance of energy efficiency and during the year have continued to replace the Group's vehicle fleet with lower emission and electric alternatives.



CROMA SECURITY SOLUTIONS GROUP PLC  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2025

**Employee involvement**

The Group continues to be committed to maintaining full transparency through regular contact and dialogue with our employers. For the year under review total number of employees was less than 250. We adopt the policy of ensuring employees are consulted on all matters which are likely to affect employees' interests through staff councils and via meetings. Information on matters of concern to employees, especially in the year under review, is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance, and particularly in regard to health and safety when at the workplace.

**Political and charitable donations**

Charitable donations were £150 (FY24: £200). There were no political donations in the current year and prior year.

**Dividends**

A final dividend of 2.3p per share was declared for the year ended 30 June 2024 on 4 November 2024 and paid on 18 December 2024 at a cost of £0.32m. Subject to approval at the AGM, the Board recommends a final dividend of 2.4p per share for the year ended 30 June 2025.

**Post balance sheet events**

Subsequent to the reporting date, the Company experienced notable changes in its Board composition:

On 2 September 2025, B J Haigh-Rosser, the Chairman of the Board, resigned with immediate effect. This change occurred after the reporting date and does not relate to conditions existing at year-end. The Group remains committed to maintaining strong governance and continues to evaluate Board composition in line with strategic priorities. Following B J Haigh-Rosser's departure, new non-executive appointments have been made to ensure continuity of leadership. The Group has also maintained its non-executive composition on the Board, preserving a balanced and independent governance structure.

On 30 September 2025, the Group received a payment of £0.4 million plus interest from Vigilant in respect of the outstanding consideration. This receipt reduced the remaining balance to £1.2 million, which is contractually due in three equal quarterly instalments by 30 June 2026.

**Outlook**

The outlook for the business remains positive. The Group continues to invest in infrastructure and other opportunities to expand operations and deliver growth.

**Auditors**

UHY Hacker Young LLP were appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the forthcoming Annual General Meeting.

**Statement of disclosure to auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- a) So far as they are aware, there is no relevant audit information of which the Group and Company's auditors are unaware and;
- b) They have taken all the steps that they ought to have taken as Directors to make themselves aware if any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

By order of the Board

*Teo Andreeva*

**T Andreeva – Chief Financial Officer**

31 October 2025

CROMA SECURITY SOLUTIONS GROUP PLC  
STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 30 JUNE 2025

**Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, Directors' report and the Group and Parent company 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 Group financial statements in accordance with UK-adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102, the Financial Reporting Standard applicable in the UK).

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
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for the Group's system of internal financial control, safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for ensuring that they meet their responsibilities under the AIM Rules.

**Website publication**

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Signed on behalf of the Board

*T Andreeva*

**T Andreeva – Chief Financial Officer**  
31 October 2025

## Independent auditors' report to the members of Croma Security Solutions Group Plc

### Opinion

We have audited the Group and Parent Company financial statements of Croma Security Solutions Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statement of financial position, the consolidated and parent statement of cash flows, the consolidated and parent statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company's financial statements is FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102' or 'UK GAAP') and in accordance with the provisions of the Companies Act 2006.

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 30 June 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with FRS 102 and as applied in accordance with the provisions of the Companies Act 2006; and
- the Group financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### 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 statement is appropriate.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment	Key observations
Management have prepared detailed consolidated cash flow, profit and loss, and balance sheet forecasts incorporating all entities within the Group covering the period to 31 December 2026. These are based on their expectation of future costs, including budgeted operating and capital expenditure.	The Group incurred a net profit from operations of £786k for the year ended 30 June 2025 (2024: £543k). It generated net cash from operating activities of £632k for the year ended 30 June 2025 (2024: £723k) and had a cash balance of £4.33m as at 30 June 2025 (2024: £2.14m). Net assets of the group were £15.73m at the year-end (2024: £15.22m).

<p>We evaluated the directors' going concern assessment and performed the following procedures:</p> <ul style="list-style-type: none"> <li>Assessed the transparency and the completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's consolidated cashflow, profit and loss, and balance sheet projections for the forecast period to December 2026 and challenging the underlying assumptions.</li> <li>We obtained post year-end trading results and compared these to the forecasts to ensure forecasting is reasonable and to evaluate whether post year-end results are in line with expectations.</li> <li>Evaluated and sensitised the key assumptions in the forecasts, which were consistent with our knowledge of the business and considered whether these were supported by the evidence we obtained.</li> <li>Discussed plans for the Group going forward with management, ensuring these had been incorporated into budgeting and would not have an impact on the going concern status of the group.</li> <li>We reviewed the disclosures relating to the going concern basis of preparation and found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.</li> <li>We have further obtained management's documented assessment of whether the group is a going concern. We have reviewed this and found this is consistent with the evidence we obtained.</li> </ul>	<p>Clear and full disclosure of the facts and the Directors' rationale for the use of the going concern basis of preparations, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter. Upon review of the disclosures in the accounts we found that the going concern disclosures in both the Group and Parent Company financial statements are appropriate.</p> <p>We have reviewed the latest management accounts available which were to the 30 September 2025. We noted that the post year-end trading results are materially in line with the forecasts. We have further reviewed the cash balances as of 30 September 2025 which showed these are in line with the cashflow forecast.</p> <p>We have evaluated the key assumptions in the forecasts, and their sensitivity to changes in assumptions by sensitising the revenue and profit before tax figures. From this we concluded that appropriate headroom is in place around the key assumptions.</p> <p>We also note that the group currently has no bank borrowings and holds freehold properties with a net book value at year-end of £2.6m, thus the group could secure financing using this should it need to.</p> <p>Based on the audit procedures performed we concluded that the Group and Parent Company have appropriately adopted the going concern basis of preparation. Further, we did not identify any material disclosures that should be included regarding any material uncertainty in respect of the going concern basis of preparation.</p>
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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 entity'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.

## Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Group and Parent Company's financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Parent Company and the Group, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

Our Group audit scope includes all of the group companies. At the Parent Company level, we also tested the consolidation procedures. The audit team met and communicated regularly throughout the audit with the Chief Financial Officer ('CFO') and Chief Executive Officer ('CEO') in order to ensure we had a good knowledge of the business of the Group. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during the audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

Key audit matters	How our audit addressed the key audit matters
<p><b>Locksmith, Fire and Security revenue recognition</b>  <i>(applicable to the Group financial statements)</i></p> <p>Under ISA 240 (UK) there is a presumed risk of fraud that revenue may be misstated due to the improper recognition of revenue.</p> <p>The revenue reported represents information of significant interest to many users of the financial statements.</p> <p>The Locksmith business delivers a one stop shop selling security solutions to both commercial and residential customers and now comprise of 16 security centres across the UK. There are till sales, account sales and cash sales and comprises of high volume and low value items. Therefore, for these reasons this creates greater risk of manipulation, bias and misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• We updated our documentation of the revenue process and controls in place, this included assessing the design and implementation of those controls;</li> <li>• Tested a sample of transactions to agreements and supporting evidence. We have audited both Locksmith, and Fire and Security revenue for occurrence by tracing sales from the sales ledgers by company to the underlying transaction recorded in the invoice, and then through to bank statements;</li> <li>• For the Locksmith we have audited revenue for completeness for sales, on a sample basis, by agreeing transactions from the Z-report for the day, sales orders and Shopify and have agreed this back to their respective invoices and the sales ledger;</li> </ul>

<p>The Fire and Security business provides a full range of electronic security solutions and services to commercial and individual customers. Services includes installation and maintenance. Due to the number of contracts involved and timing of the services provided there is a risk of revenue not being recognised correctly.</p> <p>We therefore, considered that there is a significant risk over the occurrence, accuracy and cut-off assertions relating to revenue recognition. We have also recognised a low risk over the completeness of sales, given minimal incentives are considered present for management to purposefully understate revenue.</p>	<ul style="list-style-type: none"> <li>• For the Fire and Security business we have audited revenue for completeness for sales, on a sample basis, by agreeing transactions from the customer approval or annual maintenance reminder. This is agreed back to their respective engineer visit report, invoice and back to the sales ledger;</li> <li>• Assessed whether revenue was accounted in accordance with the accounting policy on revenue recognition;</li> <li>• Analytically reviewed revenues and verified significant movements; and</li> <li>• Reviewed the assessment made by management in relation to the application of the correct cut-off processes.</li> </ul> <p>The Group's accounting policy on revenue recognition is shown in note 1 to the group financial statements and related disclosures are included in note 3.</p> <p><b>Key observations</b>  As a result of the audit procedures we performed, we have concluded that revenue recognition is materially complete, accurate, has occurred and recognised on an appropriate basis and no significant or reportable adjustments were noted based on the work performed.</p>
<p><b>Impairment of Investments in Subsidiaries</b>  <i>(applicable to the Parent Company financial statements only)</i></p> <p>The Parent Company's investment in its subsidiaries is highly material, as per note E of the Parent Company financial statements, they had a total carrying amount of £6,940k at the year-end (2024: £6,940k). Management should carry out an impairment review where events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.</p> <p>The estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting the profitability of the subsidiaries. Where indicators of impairment have been identified a robust review of the investments held by the Parent Company and any amounts due from subsidiaries to the Parent Company should be undertaken by the directors to confirm the value in use of these amounts and that there are no indications, or requirements for, impairments of the amounts.</p> <p>We therefore identified the risk over the valuation over the impairment of investments in subsidiaries as a significant risk and key audit matter.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• Assessing the Parent Company's accounting policy on impairment of investments in subsidiaries for consistency of application and for appropriateness in respect to the requirements of Financial Reporting Standard 102;</li> <li>• Critically evaluated management's assessment of their impairment reviews of each investment in subsidiary balance, for whether any impairment of assets is required and their appropriateness;</li> <li>• We completed our own impairment review on the investment in subsidiary balances by comparing their carrying value to their future expected discounted cashflows, EBITDA for the year, and by reviewing their net assets at the year-end; and</li> <li>• Assessed the adequacy of the disclosures included within the Parent Company financial statements for compliance with FRS 102 as appropriate.</li> </ul> <p><b>Key observations</b>  We concluded that management has completed sufficiently robust assessments of impairment, which indicated that there was no requirement to impair the value of investments held as at the year-end. From the audit procedures we performed we concur that no material impairments were required.</p>

<p><b>Impairment of Goodwill</b>  <i>(applicable to the Group financial statements)</i></p> <p>The Group has material goodwill at the year-end totalling £5,274k.</p> <p>As per IAS 36, Goodwill is required to have an impairment review by management at each year-end.</p> <p>The goodwill arises from the acquisition of several businesses, as part of the Group's continuing strategy to expand the network of security centres.</p> <p>The Group's assessment of the recoverability of the goodwill requires significant judgement regarding future cash flows from each CGU, growth rates, discount rates and sensitivity assumptions.</p> <p>We therefore identified impairment of goodwill as a significant risk and key audit matter.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of the goodwill balance in the accounting records and ensured that the measurement of goodwill is in accordance with the applicable financial framework and considered whether there is an indication of impairment;</li> <li>• Reviewed management's impairment assessment of goodwill;</li> <li>• Compared the goodwill of each CGU to the respective net assets of that CGU at the year-end and EBITDA of the CGU for the current year;</li> <li>• Reviewed the assumptions present in the cashflow forecasts and compared this to the actual level of growth in revenue, costs and overheads from the prior year to the current year;</li> <li>• We reviewed the discount factor (WACC) used by management in their value to perpetuity calculations, and reviewed the WACC used for appropriateness;</li> <li>• Furthermore, we have sensitised management's forecast using sensitivities for revenue, direct costs and indirect costs, using these cashflows we have recalculated a sensitised valuation to perpetuity; and</li> <li>• Considered whether the assumptions used the forecasts are appropriate and in line with actuals and industry norms.</li> </ul> <p>The Group's accounting policy on impairment of goodwill is shown in the notes to the group financial statements. These policies, along with related disclosures, including the significant uncertainty involved in estimating the value in use of goodwill, are included in note 1 and 2.</p> <p><b>Key observations</b></p> <p>As a result of the audit procedures, we performed, and after considering management's disclosures of the significant uncertainty present in estimating the value in use of goodwill along with other assumptions used in the impairment review such as the discount rate used, we have concluded no significant or reportable adjustments were noted based on the work performed.</p> <p>We found management's assumptions on which the impairment reviews had been based to be reasonable and in line with expectations. The calculations were found to be accurate and with sufficient headroom present, which confirmed that no material impairments were required to goodwill as at the year-end.</p>
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## Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.



We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality Measure	Group	Parent Company
Overall materiality	We determined materiality for the financial statements as a whole to be £237,000 (2024: £222,000).	We determined Parent Company materiality to be £165,000 (2024: £155,000).
How we determine it	Based on a benchmark of 2.5% of Group revenue.	Based on the component discount factor to be applied of 70% of Group overall materiality.
Rationale for benchmarks applied	We believe 2.5% of revenue to be the most appropriate benchmark due to revenue generated being one of the key drivers of the business and is a key KPI for stakeholders.	The Parent Company's materiality was originally calculated based on the Parent Company's gross assets at 3%, however this exceeds group materiality so, we have capped the Parent Company's materiality at component materiality.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Group's control environment, our judgement is that performance materiality for the Group financial statements should be 75% of materiality, and was set at £177,000 (2024: £144,000).	On the basis of our risk assessment, together with our assessment of the Group's control environment, our judgement is that performance materiality for the Parent Company financial statements should be 75% of group performance materiality, and was set at £123,750 (2024: £100,00).
Specific materiality	A lower materiality has been used for the cash element of Directors' remuneration being £2,000.	A lower materiality has been used for the cash element of Directors' remuneration being £2,000.
Reporting threshold	<p>We agreed with the Audit Committee that we would report to them all misstatements over £11,000 (5% of Group materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds.</p> <p>We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.</p>	<p>We agreed with the Audit Committee that we would report to them all misstatements over £8,250 (5% of Parent Company materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds.</p> <p>We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.</p>

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' 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 Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with UK tax legislation, Company Law, employment and health and safety regulations, anti-bribery, corruption and fraud and accreditations with regulatory bodies such as the National Security Inspectorate ("NSI"), The Contractors Health and Safety Assessment Scheme ("CHAS"), SafeContractor and ISO 27001 and we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, UK adopted International Accounting Standards, and United Kingdom Generally Accepted

Accounting Practice. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and the QCA's Code on Corporate Governance and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Review of the financial statement disclosures to underlying supporting documentation;
- Review of correspondence with tax authorities;
- Discussing with management their policies and procedures regarding compliance with laws and regulations;
- Enquiries of management and review of board minutes in so far as they related to the financial statements;
- Enquiring of management as to actual and potential litigation and claims;
- Review of relevant legal or professional costs within the accounting records for any evidence of previously undetected or un-reported instances of non-compliance;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

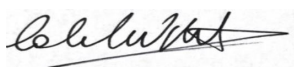
- Making enquiries of the management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Substantively testing of revenue and testing of journals to identify unusual transactions and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud;
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Investigated the rationale behind any significant or unusual transactions;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 Parent Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Colin Wright**  
**(Senior Statutory Auditor)**

**For and on behalf of UHY Hacker Young**  
Chartered Accountants and Statutory Auditor

*UHY Hacker Young*  
*4 Thomas More Square*  
*London E1W 1YW*

31/10/2025

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CROMA SECURITY SOLUTIONS GROUP PLC  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 £000s	2024 £000s
<b>Revenue</b>	3	9,633	8,737
Cost of sales		(5,453)	(4,738)
<b>Gross profit</b>		4,180	3,999
Administrative expenses		(3,643)	(3,395)
Other operating income		59	3
<b>Operating profit</b>		596	607
<b>Analysed by:</b>			
Earnings before interest, tax, depreciation, impairment and amortisation of intangible assets (EBITDA)		1,166	1,061
Amortisation		(85)	(62)
Depreciation		(485)	(392)
Operating profit		596	607
Financial expenses	5	(32)	(27)
Financial income	6	261	217
<b>Profit before tax</b>		825	797
Tax	9	(39)	(254)
<b>Profit for the period</b>		786	543
<b>Profit and total comprehensive income for the period attributable to owners of the parent</b>		786	543
<b>Earnings per share</b>			
Basic earnings per share (pence) from total operations	10	5.72	3.95
Diluted earnings per share (pence) from total operations	10	5.71	3.95

CROMA SECURITY SOLUTIONS GROUP PLC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2025

	Notes	2025 £000s	2024 £000s
<b>Assets</b>			
<b>Non current assets</b>			
Goodwill	13	5,274	5,042
Other intangible assets	14	-	85
Property, plant and equipment	15	3,582	2,576
Right-of-use assets	16	525	552
Other receivables	18	-	1,651
Total non current assets		9,381	9,906
<b>Current assets</b>			
Inventories	17	1,551	1,203
Trade and other receivables	18	3,161	4,818
Cash and cash equivalents	29	4,328	2,142
		9,040	8,163
<b>Total assets</b>		18,421	18,069
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	(1,840)	(1,876)
Lease liabilities	22	(149)	(114)
		(1,989)	(1,990)
<b>Non current liabilities</b>			
Provisions	21	(111)	(161)
Deferred tax	24	(174)	(217)
Lease liabilities	22	(419)	(477)
Total non current liabilities		(704)	(855)
<b>Total liabilities</b>		(2,693)	(2,845)
<b>Net assets</b>		15,728	15,224
<b>Equity attributable to owners of the parent</b>			
Share capital	25	794	794
Treasury shares		(929)	(946)
Share premium		6,150	6,133
Merger reserve		2,139	2,139
Capital redemption reserve		51	51
Retained earnings		7,523	7,053
<b>Total equity</b>		15,728	15,224

These financial statements were approved and authorised for issue by the Board of Directors on 31 October 2025.

*Roberto Fiorentino*

**Roberto Fiorentino – CEO**

Croma Security Solutions Group PLC - Company Number: 03184978

CROMA SECURITY SOLUTIONS GROUP PLC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 £000s	2024 £000s
<b>Cash flows from operating activities</b>			
Profit before taxation		825	797
Depreciation, amortisation and impairment losses		570	454
(Profit) on sale of property, plant and equipment		(2)	-
Net changes in working capital	28	(335)	(136)
Interest payable	5	32	27
Interest receivable	6	(261)	(217)
Corporation tax paid		(197)	(202)
<b>Net cash generated from operations</b>		<b>632</b>	<b>723</b>
<b>Cash flows from investing activities</b>			
Purchase of businesses net of cash acquired	12	(336)	(73)
Purchase of property, plant and equipment	15	(1,288)	(793)
Proceeds on disposal of discontinued operations		3,363	538
Proceeds on disposal of property, plant and equipment		2	-
<b>Net cash from/(used) in investing activities</b>		<b>1,741</b>	<b>(328)</b>
<b>Cash flows from financing activities</b>			
Payments to reduce lease liabilities	22	(134)	(117)
Treasury shares sale proceeds/(acquired)		34	(168)
Financial income (net)		229	190
Dividends paid		(316)	(302)
<b>Net cash used in financing activities</b>		<b>(187)</b>	<b>(397)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>2,186</b>	<b>(2)</b>
Cash and cash equivalents at beginning of period		2,142	2,144
<b>Cash and cash equivalents at end of period</b>	29	<b>4,328</b>	<b>2,142</b>

CROMA SECURITY SOLUTIONS GROUP PLC  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Capital redemption reserve	Treasury shares	Share premium	Merger reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1 July 2023</b>	794	51	(778)	6,133	2,139	6,812	15,151
Treasury shares acquired	-	-	(168)	-	-	-	(168)
Profit for the year	-	-	-	-	-	543	543
Dividends paid	-	-	-	-	-	(302)	(302)
<b>Balance at 30 June 2024</b>	<u>794</u>	<u>51</u>	<u>(946)</u>	<u>6,133</u>	<u>2,139</u>	<u>7,053</u>	<u>15,224</u>
Treasury shares sold	-	-	17	17	-	-	34
Profit for the year	-	-	-	-	-	786	786
Dividends paid	-	-	-	-	-	(316)	(316)
<b>Balance at 30 June 2025</b>	<u><u>794</u></u>	<u><u>51</u></u>	<u><u>(929)</u></u>	<u><u>6,150</u></u>	<u><u>2,139</u></u>	<u><u>7,523</u></u>	<u><u>15,728</u></u>

**CROMA SECURITY SOLUTIONS GROUP PLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

The following notes form part of the primary financial statements:

**1. Accounting policies**

Croma Security Solutions Group PLC is a public limited company incorporated and domiciled in England and Wales and is on the London Stock Exchange.

The address of the registered office is Unit 7&8 Fulcrum 4, Solent Way, Whiteley, Fareham, Hampshire PO15 7FT.

The Group financial statements have been prepared under the historical cost convention and approved by the Directors in accordance with UK-adopted international accounting standards.

**Going concern**

The Group financial statements have been prepared on a going concern basis.

The Group's activities are funded by long-term equity capital and by cash generated from trading. Further cash supporting the business trading has become available from the disposal of the Vigilant business. With £4.8 million received to date and a further £1.7 million due over the next 4 quarters.

In considering the ability of the Group to meet its obligations as they fall due, the Board has considered the expected trading and cash requirements of the Group until the end of December 2026. The Board continues to be positive about the retention of customers and the outlook of its trading operations. Profit and cash flow projections support the Board's view that the Group will meet its obligations as they fall due with the use of cash surpluses from trading.

**Changes in accounting policies and disclosures**

**A) New and amended Standards and Interpretations applied**

The following new and amended Standards and Interpretations have been issued and are effective for the current financial period of the group. Their adoption has not had any material impact on the disclosures in, or on the amounts reported in, these financial statements

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

**B) New and revised Standards and Interpretations in issue but not yet effective**

These standards are effective for annual periods commencing on or after 1 January 2026. At the date of authorisation of these financial statements, the group has not early adopted any of these amendments to Standards and Interpretations that have been issued but are not yet effective.

These have been endorsed and adopted for use in the UK. The directors do not expect any material impact as a result of adopting the standards.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
Annual Improvements to IFRS Accounting	Volume 11
Amendments to IFRS 9 and IFRS 7	Power purchase arrangements

The effect on the consolidated financial statements of the Group for these new standards, interpretations and amendments has not yet been assessed.



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**Basis of consolidation**

Where the Company has power over the investee; has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns, the investee is classified as a subsidiary.

The consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

**Segment reporting**

The Directors consider there to be two continuing operating segments namely ‘Croma Fire and Security’ which comprises the business of CSS Total Security Limited, Safecell Security Ltd and The Safecell Security Group Limited; and ‘Croma Locksmiths’, which comprises the business of Croma Locksmiths & Security Solutions Limited, Basingstoke Locksmiths Limited, Safeguard (NW) Ltd, Southern Stronghold Limited, Authorized Access Systems Limited City Locks Limited, Meridian Security Systems Limited and Benn Lock and Safe Limited.

The operating segments identified above are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors collectively.

**Revenue recognition**

Revenue is measured at the transaction price of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Group's performance obligations, as described below.

- Revenue in respect of security personnel services is recognised over the term of the contract or, where sales contracts are on a “cost plus” basis, at the point at which manpower services have been provided.
- Sale of goods is recognised at the point that the goods are delivered to a client on signature of a goods received note or to a customer in one of our retail outlets which is the point that control of over the asset is transferred.
- Installation income is recognised straight line over the period of the installation.
- Maintenance and service fees are recognised when the service has been provided, which is typically within a three-month period after the customer has been invoiced. Where the service has not been provided at year end, this leads to contract liabilities which is held under ‘Accruals and contract liabilities’ being part of ‘Trade and other payables’ in the consolidated statement of financial position.
- Monitoring income is recognised over the term of the contract; customers are invoiced in advance for the full contract term leading to contract liabilities which is also held under ‘Accruals and contract liabilities’ being part of ‘Trade and other payables’ in the consolidated statement of financial position.

**Cost of sales**

Cost of sales are the direct costs relating to customer generated revenue and comprise direct labour payroll costs, other costs associated with direct labour, stock purchases, installation and subcontracted costs all sold on to customers.

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**Intangible assets**

(a) Goodwill

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

(b) Other intangible assets

Intangible assets acquired separately are carried initially at cost. An intangible asset acquired as part of a business combination is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Intangible assets with a finite life are amortised on a straight-line basis over their expected useful life as follows:

• Customer relationships	–	10 years
• Brand royalties	–	4 years
• R&D	–	3 years
• Brands	–	10 years
• Software licences	–	10 years

(c) Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the Group's development activity is recognised only if all of the conditions of IAS 38 are met.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

**Impairment testing**

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows). Goodwill is allocated on initial recognition to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included separately in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed.

**Business combinations**

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

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**Property, plant and equipment**

Property, plant and equipment are stated at costs less depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset less its estimated residual value evenly over its estimated useful life, as follows;

Freehold property (land is not depreciated)	-	Between 2% and 5% on cost
Leasehold property	-	Over the term of the lease
Plant and office Equipment	-	Between 10% and 35% on cost
Motor vehicles	-	Between 20% and 35% on cost

**Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis together with costs in bringing it to its present condition and location. A provision is made at the end of each financial year to provide for excessive loss in the value of stock held likely to be incurred in the future through obsolescence, damage, expired shelf life, or lack of historic and future expected movement. Work in progress and finished goods include attributable overheads. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when interim dividends are paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

**Taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the deferred tax liabilities/ (assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

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**Provisions for liabilities**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

**Leased assets**

A right of use asset and a lease liability has been recognised for all leases except leases of low value assets, which are considered to be those with a fair value below £4,500, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the consolidated statement of financial position, right-of-use assets have been disclosed separately from property, plant and equipment.

**Share capital**

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

**Share-based payments**

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

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of grant.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non- market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the profit or loss within the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

Fair value is measured by the use of a Black- Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. When share options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

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**Financial assets**

Financial assets are trade receivables and other receivables.

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

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

Other receivables held within non-current assets in the Statement of Financial Position are held in order to collect the contractual cash flows which are due after 12 months and are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment. The amount of any provision for impairment is recognised in profit or loss.

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Where the Group has transferred trade receivables under invoice discounting arrangements and it retains substantially all the risks and rewards of ownership of the transferred trade receivables, the Group continues to recognise the trade receivables and also recognises a liability for the proceeds received.

**Financial liabilities**

Trade payables and other short-term monetary liabilities are initially recognised at their fair value and subsequently at their amortised cost.

**Capital management**

The Group manages capital to safeguard its ability to continue as a going concern with the aim of strengthening its capital base to provide returns to shareholders. Excluding credit card and lease liabilities the Group has no short or long-term debt.

The Group considers its capital to comprise its ordinary share capital, share premium, merger reserve, and accumulated retained earnings.

**Cash and cash equivalents**

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**Discontinued operations**

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group, and which represents a separate major line of business operation.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale under IFRS 5.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

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**Disposal of subsidiaries**

At the date of disposal of a subsidiary all assets and liabilities of the disposed subsidiary are derecognised in the financial statements.

The fair value of consideration is recognised in the financial statements and any resulting gain or loss in profit or loss attributable to the parent.

**2. Critical Accounting Estimates and Judgements**

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Estimates and assumptions:**

*Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cashflows expected to arise from the cash generating unit. In order to derive the present value, the discount rate that has been calculated is 15% (FY24:15%).

The carrying amount of goodwill at the consolidated statement of financial position was £5,274k (FY24: £5,042k). Details relating to the allocation of goodwill to cash generating units are given in note 13. Based on the review performed by the directors at the year-end, the goodwill required no impairment (FY24: £0k).

*Stock provision*

A stock provision is estimated based upon a formula that has been judged fair for the industry which calculates slow moving stock. This formula works on the basis of the quantity of an item we have in stock against the projected number of years required to sell it, based on our sales data. The stock provision for FY25 is £277k (FY24: £206k) as per note 17.

*Property dilapidations*

From this financial year onwards, it is our policy to accrue an amount equivalent to 12 months' rent for dilapidations, up to the end of each lease term. This approach is based on our informed judgement and reflects our usual practice of maintaining properties in good condition, with the accrued sum considered sufficient to cover standard redecoration, such as painting and decorating, at lease expiry. While we do not commission builders' reports annually, we believe this provision offers a prudent and consistent estimate of our obligations in the absence of yearly reports.

The provision for FY25 is £111k (FY24: £161k) as per note 21.

The Directors do not consider there to be any key areas of judgement.

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<b>3. Segmental reporting</b>	<b>Croma Fire and Security</b>	<b>Croma Locksmiths (Locks)</b>	<b>Central</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>2025 Business Segments</b>				
Segment revenues	4,087	5,615	-	9,702
Inter-segment revenue	(22)	(47)	-	(69)
Revenue from external customers	4,065	5,568	-	9,633
Gross profit	1,918	2,262	-	4,180
Administrative expenses	(1,110)	(1,208)	(757)	(3,075)
Amortisation	-	(85)	-	(85)
Depreciation	(202)	(283)	-	(485)
Other operating income	-	59	-	59
Profit/(loss) on disposal	-	2	-	2
Operating profit/(loss)	606	747	(757)	596
EBITDA	808	1,115	(757)	1,166
Segment assets	4,155	8,409	5,857	18,421
Segment (liabilities)	(932)	(920)	(841)	(2,693)
Segment net assets	3,223	7,489	5,016	15,728
Additions to non-current assets	155	1,199	-	1,354

The difference between the segments revenue and consolidated income revenue is due to internal sales between the segments of £69k

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3. Segmental reporting (continued)	Croma Fire and Security	Croma Locksmiths (Locks)	Central	Total
	£000s	£000s	£000s	£000s
<b>2024 Business Segments</b>				
Segment revenues	3,799	5,095	-	8,894
Inter-segment revenue	(81)	(76)	-	(157)
Revenue from external customers	3,718	5,019	-	8,737
Gross profit	1,998	2,072	-	4,070
Administrative expenses	(1,270)	(1,076)	(666)	(3,012)
Amortisation	-	(60)	(2)	(62)
Depreciation	(174)	(218)	-	(392)
Other operating income	-	3	-	3
Operating profit/(loss)	554	721	(668)	607
EBITDA	728	999	(666)	1,061
Segment assets	2,740	6,037	9,292	18,069
Segment (liabilities)	(1,003)	(1,131)	(711)	(2,845)
Segment net assets	1,737	4,906	8,580	15,224
Additions to non-current assets	239	668	7	914

The difference between the segments revenue and consolidated income revenue is due to internal sales between the segments of £157k



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### 3. Segmental reporting (continued)

An analysis of revenue by type is shown below:

	2025 £000s	2024 £000s
<b>Revenues from UK sources</b>		
Sale of Goods & Installation Services	8,450	7,691
Monitoring Maintenance and Service fees	952	860
Web shop	231	186
	<u>9,633</u>	<u>8,737</u>

There is no revenue from non-UK sources.

The following is an estimate of future revenues arising from unsatisfied performance obligations based on contract renewal dates and projected monthly billing:

	2025 £000s	2024 £000s
To be satisfied in the next financial year	<u>246</u>	<u>359</u>
	<b>246</b>	<b>359</b>

There were no customers where revenue was greater than 10% of the total (FY24: 0)

### 4. Expenses

	2025 £000s	2024 £000s
Amount of inventory expensed as cost of sales	3,752	3,387
Depreciation - owned assets	348	239
Depreciation - right of use assets	137	153
Amortisation	85	62

Auditors' remuneration:

Audit of parent company and consolidated financial information	69	60
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### 5. Financial expenses

	2025 £000s	2024 £000s
Interest on lease liabilities	27	27
Other interest	<u>5</u>	<u>-</u>
	<b>32</b>	<b>27</b>

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<b>6. Financial income</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>

Interest receivable	261	217
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<b>7. Staff and staff costs</b>	<b>2025</b>	<b>2024</b>
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The average monthly number of persons (including directors) employed by the Group during the year was:

	<b>No.</b>	<b>No.</b>
Management and administration	33	32
Service and product provision	56	55
	<b>89</b>	<b>87</b>

Staff cost (for the above persons):	<b>£000s</b>	<b>£000s</b>
Wages and salaries	3,072	2,821
Pension	89	68
Social security costs	324	272
	<b>3,485</b>	<b>3,161</b>

**8. Directors' and key management personnel remuneration**

<b>2025</b>	<b>Salary and bonus £000's</b>	<b>Estimated value of benefits £000's</b>	<b>Pension £000's</b>	<b>Total £000's</b>
R M Fiorentino	262	7	-	269
T Andreeva	151	3	18	172
B J Haigh-Rosser	50	-	10	60
S Naylor	30	-	-	30
	<b>493</b>	<b>10</b>	<b>28</b>	<b>531</b>

16,000 share options were granted to directors during the year (FY24: 10,000 options granted) and no share options were exercised in the period (FY24: nil). The total outstanding share options held by the directors at the year-end is 28,000 (FY24: 12,000). The number of exercisable share options held by the directors at the year-end is 2,000 (FY24: nil).

<b>2024</b>	<b>Salary and bonus £000's</b>	<b>Estimated value of benefits £000's</b>	<b>Pension £000's</b>	<b>Total £000's</b>
R M Fiorentino	246	4	-	250
T Andreeva	150	3	8	161
B J Haigh-Rosser	50	-	8	58
S Naylor	28	-	-	28
	<b>474</b>	<b>7</b>	<b>16</b>	<b>497</b>

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<b>9. Taxation</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
<b>Analysis of the tax charge in the year</b>		
Current year tax charge		
UK corporation tax charge on profit for the year	248	191
Adjustments for prior periods	(166)	-
Total current tax	<u>82</u>	<u>191</u>
<b>Deferred tax (note 24)</b>		
Current year	(32)	63
Adjustments for prior periods	(11)	-
Total deferred tax	<u>(43)</u>	<u>63</u>
<b>Tax on profit on ordinary activities</b>	<u><b>39</b></u>	<u><b>254</b></u>
<b>Factors affecting the tax charge for the year</b>		
	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Profit before taxation	825	797
Profit multiplied by the standard rate of taxation in the UK of 25%	206	199
Effects of:		
Expenses not deductible for tax purposes	10	55
Adjustments for prior years	(177)	-
<b>Total tax charge for the year</b>	<u><b>39</b></u>	<u><b>254</b></u>

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## 10. Earnings per share

The calculation of basic earnings per share ("EPS") is based on the profit attributable to ordinary shareholders, from continuing operations, divided by the weighted average number of shares in issue during the year, calculated on a daily basis.

The calculation of diluted EPS is based on the basic EPS adjusted to allow for the issue of shares and the post-tax effect of dividends and interest on the assumed conversion of all other dilutive options and other potential ordinary shares.

	2025 £000s	2024 £000s
<i>Numerator</i>		
Earnings for the year used in basic and diluted EPS	786	543
<i>Denominator</i>		
Weighted average number of shares used in basic EPS (000s)	13,739	13,766
Weighted average number of shares used in diluted EPS (000s)	13,754	13,778
	<b>Pence</b>	<b>Pence</b>
Basic EPS	5.72	3.95
Diluted EPS	5.71	3.95

## 11. Dividends

A final dividend of 2.3p per share was declared for the year ended 30 June 2024 on 4 November 2024 and paid on 18 December 2024 at a cost of £0.32m. Subject to approval at the AGM, the Board recommends a final dividend of 2.4p per share for the year ended 30 June 2025

## 12. Business combinations (acquisitions)

As part of the Group's continuing strategy to expand the network of security centres, on 3 February 2025 Croma Locksmiths and Security Solutions Limited acquired a business comprising 100% of the share capital of Meridian Securities System Limited ("Meridian"), a well-established, family run locksmith business based in Horsforth, Leeds.

The fair value of net assets acquired is set out below:	<b>£000's</b>
Purchase consideration (satisfied entirely by cash)	150
Less: the fair value of assets acquired	
Property, plant and equipment	(26)
Inventory	(105)
Trade and other receivables	(28)
Cash and cash equivalents	(7)
Add: the fair value of liabilities	
Trade and other payables	155
Goodwill	(139)
	<hr/> -

Transaction costs of 11k relating to the acquisition of Meridian have been recognised as an expense and included within administrative expenses in the statement of profit or loss.

Meridian contributed £328k to the Group's revenue and made a loss of £32k for the period from the date of acquisition to the year-end date. The loss is due to one-off accounting adjustment to stock provision of £54k. Without the adjustment, Meridian would have delivered £22k profit before tax. If the acquisition of Meridian had been completed on the first day of the financial year, this would have added £784k to the Group's revenue and £33k to Group profit before tax.

The book values of the assets and liabilities acquired at the acquisition date were considered to be approximate of their fair values. In addition, the property was acquired by the vendor's SIPP for a value of £275,000.

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In addition to the above acquisition, on 1 April 2025, the Group acquired the acquired a business comprising 100% of the share capital of Benn Lock and Safe Limited ("Benn Lock & Safe"), a well-established, Peterborough based locksmith and security provider.

The fair value of net assets acquired is set out below:	<b>£000's</b>
Purchase consideration (satisfied by cash and shares)	200
Less: the fair value of assets acquired	
Property, plant and equipment	(40)
Inventory	(76)
Trade and other receivables	(82)
Cash and cash equivalents	(7)
Add: the fair value of liabilities	
Trade and other payables	98
Goodwill	(93)

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Transaction costs of £8.5k relating to the business purchase of Benn Lock & Safe have been recognised as an expense and included within administrative expenses in the statement of profit or loss.

This addition contributed £146k to the Group's revenue and made a loss of £1k for the period from the date of acquisition to the year-end date. The loss is due to one-off accounting adjustment to stock provision of £16k. Without the adjustment, Benn Lock and Safe Limited would have delivered £14k profit before tax. If the acquisition of Benn Lock & Safe had been completed on the first day of the financial year, this would have added £680k to the Group's revenue and £55k to Group profit before tax.

The book values of the assets and liabilities acquired at the acquisition date were considered to be approximate of their fair values.

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### 13. Goodwill

<b>Cost</b>	<b>£000s</b>
At 1 July 2024	6,526
Addition	<u>232</u>
At 30 June 2025	6,758

#### Accumulated impairment losses

At 1 July 2024	<u>(1,484)</u>
At 30 June 2025	(1,484)

Net book value

At 1 July 2024	5,042
<b>At 30 June 2025</b>	<b>5,274</b>

#### Impairment testing

During the year, goodwill was reviewed for impairment in accordance with IAS 36 "Impairment of Assets". An impairment charge of £nil (FY24: £nil) occurred as a result of this review. For this review goodwill was allocated to individual cash generating units (CGU) on the basis of the group's operations.

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
The carrying value of goodwill by each CGU is as follows:		
Croma Fire and Security	2,620	2,620
Croma Locksmiths	<u>2,654</u>	<u>2,422</u>
	<b>5,274</b>	<b>5,042</b>

#### Forecasts, growth and discount rates

The recoverable amount relating to Croma Fire and Security and Croma Locksmiths was determined based on value-in-use calculations, covering a detailed forecast for the five-year period to 30 June 2030, followed by extrapolation of expected cashflows for the remaining useful lives using a 2% growth rate. Forecasts are based on management's best estimate of future growth based on combination of their past experience and knowledge of the business. The present value for the expected cashflows was determined using a pre-tax discount rate of 15% (FY24: 15%) which is based on a number of factors including the risk-free rates in the UK (using the yield from 20 year gilts, with a nominal zero coupon, as at 30 June 2025), the Group's estimated market risk premium, the anticipated future rates of corporation tax and a premium to reflect the size of the Group and the current uncertain economic environment.

#### Cashflow assumptions

##### Croma Fire and Security

As noted above for the year ended 30 June 2025 we have retained all our major customers, whilst also gaining new work during this period. We achieved our revenue growth forecasts for the year ended 2025 and have forecast 10% increase in turnover for the year ending 30 June 2026.

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For the period from 1 July 2026 to 30 June 2030 the following assumptions have been made:

- Revenue growth of 4.25% (FY24: 4.25%) per annum
- Direct cost growth of 3.80% (FY24: 3.69%) per annum
- Overheads growth of 3.76% (FY24: 3.30%) per annum

For the year ended 30 June 2029 onwards, revenues less costs are assumed to increase by 2% per annum.

The net present value of future cashflows is £3,756k which when compared to the carrying value of goodwill has resulted in an impairment loss of £0k (FY24: £0k).

### **Croma Locksmiths**

During the year to 30 June 2025 sales increased by 11% due to acquisition and organic growth. For the year ended 30 June 2025 we continue to forecast positive growth of 2% in sales from our existing locksmith businesses and from iLOQ for which we continue to receive strong customer interest.

For the period from 1 July 2025 to 30 June 2029 the following assumptions have been made:

- Revenue growth of 4.25% (FY24: 4.25%) per annum
- Direct cost growth of 3.80 % (FY24: 3.69%) per annum
- Indirect costs growth of 3.68% (FY24: 2.99%) per annum

For the year ended 30 June 2030 onwards, revenues less costs are assumed to increase by 2% per annum.

The net present value of future cashflows is £8,004k which when compared to the carrying value of goodwill has resulted in an impairment loss of £0k (FY24: £0k).

### *Sensitivities*

The discount rate used remained at 15% (FY24 15%).

The Directors have applied sensitivity analysis to future cashflows to estimate the likelihood of future impairment.

The cashflow forecasts for Croma Locksmiths and Croma Fire and Security are sensitive to changes in the discount rate and to long term revenue growth.

In Croma Locksmiths for example, for each 0.1% increase in the discount rate, the value of future cashflows reduces by approximately £277k and for each 0.1% decrease in the long-term revenue growth rate the value of future cashflows reduces by approximately £366k.

In Croma Fire and Security for example, for each 0.1% increase in the discount rate, the value of future cashflows reduces by approximately £132k and for each 0.1% decrease in the long-term revenue growth rate the value of future cashflows reduces by approximately £175k.



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**14. Other intangible assets**

	<b>R&amp;D £000's</b>	<b>Customer relationships £000's</b>	<b>Brands £000's</b>	<b>Software licences £000's</b>	<b>Brand Royalties £000's</b>	<b>Total £000's</b>
<b>Cost</b>	86	1,727	295	224	31	2,363
<b>Accumulated Amortisation</b>						
<b>At 30 June 2023</b>	86	1,582	295	222	31	2,216
Charge for the year	-	60	-	2	-	62
<b>At 30 June 2024</b>	86	1,642	295	224	31	2,278
Charge for the year	-	85	-	-	-	85
<b>At 30 June 2025</b>	86	1,727	295	224	31	2,363
<b>Net book value</b>						
<b>At 1 July 2024</b>	-	85	-	-	-	85
<b>At 30 June 2025</b>	-	-	-	-	-	-

The amortisation expense of £85k (FY24: £62k) has been categorised as an administrative expense in the Consolidated Statement of Comprehensive Income.

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**15. Property, plant and equipment**

	<b>Property £000s</b>	<b>Plant and office equipment £000s</b>	<b>Motor vehicles £000s</b>	<b>Total £000s</b>
<b>Cost</b>				
<b>At 30 June 2023</b>	<b>1,618</b>	<b>812</b>	<b>505</b>	<b>2,935</b>
Additions	440	72	281	793
Additions from acquisitions	-	71	1	72
Disposals	-	-	-	-
<b>At 30 June 2024</b>	<b>2,058</b>	<b>955</b>	<b>787</b>	<b>3,800</b>
Additions	1,057	98	133	1,288
Additions from acquisitions	7	24	35	66
Disposals	(31)	(140)	(95)	(266)
<b>At 30 June 2025</b>	<b>3,091</b>	<b>937</b>	<b>860</b>	<b>4,888</b>
<b>Accumulated depreciation</b>				
<b>At 30 June 2023</b>	<b>211</b>	<b>545</b>	<b>229</b>	<b>985</b>
Charge for the year	37	89	113	239
On disposal	-	-	-	-
<b>At 30 June 2024</b>	<b>248</b>	<b>634</b>	<b>342</b>	<b>1,224</b>
Charge for the year	55	138	155	348
On disposal	(31)	(140)	(95)	(266)
<b>At 30 June 2025</b>	<b>272</b>	<b>632</b>	<b>402</b>	<b>1,306</b>
<b>Net book value</b>				
At 1 July 2024	1,810	321	445	2,576
<b>At 30 June 2025</b>	<b>2,819</b>	<b>305</b>	<b>458</b>	<b>3,582</b>

Included within the NBV of Property of £2,819k (FY24: £1,810k) is £2,624k (FY24: £1,627k) that relates to the NBV of freehold properties held, and £195k (FY24: £183k) that relates to the NBV of leasehold properties held.

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**16. Right-of-use assets**

	<b>Property £000s</b>	<b>Motor vehicles £000s</b>	<b>Total £000s</b>
<b>Cost</b>			
<b>At 30 June 2023</b>	1,020	97	1,117
Additions	49	-	49
Disposals	-	-	-
<b>At 30 June 2024</b>	<b>1,069</b>	<b>97</b>	<b>1,166</b>
Additions	70	40	110
Disposals	-	-	-
<b>At 30 June 2025</b>	<b>1,139</b>	<b>137</b>	<b>1,276</b>
<b>Accumulated depreciation</b>			
<b>At 30 June 2023</b>	388	73	461
Charge for the year	139	14	153
Disposals	-	-	-
<b>At 30 June 2024</b>	<b>527</b>	<b>87</b>	<b>614</b>
Charge for the year	130	7	137
Disposals	-	-	-
<b>At 30 June 2025</b>	<b>657</b>	<b>94</b>	<b>751</b>
<b>Carrying amount</b>			
<b>At 30 June 2024</b>	<b>542</b>	<b>10</b>	<b>552</b>
<b>At 30 June 2025</b>	<b>482</b>	<b>43</b>	<b>525</b>

**17. Inventories**

	<b>2025 £000s</b>	<b>2024 £000s</b>
Finished goods, raw materials and consumables	1,446	1,119
Work in progress	105	84
	<b>1,551</b>	<b>1,203</b>

Included in the finished goods, raw materials and consumables amount is a stock provision of £277k (FY24: £206k).

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<b>18. Trade and other receivables</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Trade receivables	1,289	1,247
Other receivables	1,651	3,365
Prepayments	221	206
<b>Total trade and other receivables due within 1 year</b>	<b>3,161</b>	<b>4,818</b>
<b>Total trade and other receivables due after 1 year</b>	<b>-</b>	<b>1,651</b>

The balance of 'Other receivables' due within 1 year relates entirely from the disposal of Vigilant.

Owing to the short-term nature of the trade receivables, their fair value is the same as the book value. A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default. There was no provision for impairment of trade receivables at 30 June 2025 (FY24: £0).

In the view of the Board the level of credit risk remains low, due to a wide mix of clients in different trade sectors. The maximum exposure to credit risk at the reporting date is the carrying value of each class or receivable set out above.

<b>Age profile</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Debts not past due	625	657
30-60 days	365	285
60-90 days	12	184
Over 90 days	116	121
	<b>1,118</b>	<b>1,247</b>
Debtor days	35	43

<b>19. Categories of financial assets and liabilities</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Trade and other receivables	2,940	4,612
Cash at bank and in hand	4,328	2,142
<b>Total financial assets at amortised cost</b>	<b>7,268</b>	<b>6,754</b>
Trade payables	(1,052)	(921)
Accrued expenses	(65)	(78)
Other payables	(18)	-
<b>Total financial liabilities at amortised cost</b>	<b>(1,135)</b>	<b>(999)</b>

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<b>20. Trade and other payables</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Trade payables	1,052	921
Other payables	18	-
	<u>1,070</u>	<u>921</u>
Other taxes and social security	352	270
Corporation tax liability	107	217
Accruals and deferred income	311	468
<b>Total trade and other payables, excluding lease liabilities due within 1 year</b>	<b>1,840</b>	<b>1,876</b>

<b>21. Provisions</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Provisions for leasehold property dilapidations	111	161
	<u>111</u>	<u>161</u>

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## 22. Leases

The Group has lease contracts for property, vehicles and other assets which have lease terms varying between 1 and 10 years. The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value; £6k (FY24: £5k) has been expensed in relation to such leases in accordance with the practical expedients permitted under IFRS 16.

Contracts may contain both lease and non-lease components. The Group allocates consideration between lease and non-lease components based on the price a lessor or similar supplier, would charge to purchase that component separately.

The lease terms begin at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 30 June 2025. The Group's incremental borrowing rate is that rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 5.1% (FY24: 3.5%).

	2025 £000s	2024 £000s
<b>Minimum lease payments fall due as follows:</b>		
Gross obligations repayable		
Within 1 year	172	136
Between 1 and 5 years	427	474
Over 5 years	20	20
Net obligations repayable		
Within 1 year	149	114
Between 1 and 5 years	399	418
Over 5 years	20	59
	<b>419</b>	<b>477</b>
<b>Amounts recognised in the consolidated statement of comprehensive income:</b>		
Interest on lease liabilities	27	27
<b>Amounts recognised in the consolidated statement of cash flows:</b>		
Payments to reduce lease liabilities	134	117

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**23. Interest rate and liquidity risk**

<b>2025</b>	<b>Weighted average effective interest rate %</b>	<b>Less than 1 month or on demand £000's</b>	<b>1-12 Months £000's</b>	<b>After 1 year £000's</b>	<b>Total £000's</b>
<b>Fixed rate</b>					
Trade and other payables		1,070	-	-	1,070
Lease obligations	5.16%	-	172	447	619
Accruals		-	65	-	65
		<u>1,070</u>	<u>237</u>	<u>447</u>	<u>1,754</u>
<b>2024</b>	<b>Weighted average effective interest rate %</b>	<b>Less than 1 month or on demand £000's</b>	<b>1-12 Months £000's</b>	<b>After 1 year £000's</b>	<b>Total £000's</b>
<b>Fixed rate</b>					
Trade and other payables		921	-	-	921
Lease obligations	3.50%	-	136	494	630
Accruals		-	270	-	270
		<u>921</u>	<u>406</u>	<u>494</u>	<u>1,821</u>

*Interest rate risk*

This is not a material risk since the Group has no bank borrowings. Currently surplus cash is invested in quick access interest bearing accounts to take advantage of the favourable interest rates and improve the cash position until it is required for future acquisitions.

*Liquidity risk*

The Group has sufficient liquid resources to meet the operating needs of the business as per its current forecasts. As we progress with our acquisition strategy, a need for debt finance may arise. The Group monitors liquidity ratios on a monthly basis.

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<b>24. Deferred tax</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>

The movement on the deferred tax account is shown below:

<b>At 1 July 2024</b>	217	154
Charged to the statement of comprehensive income	(43)	63
<b>At 30 June 2025</b>	<b>174</b>	<b>217</b>

The deferred tax provision at 30 June comprises the following temporary differences:

Capital allowances in advance of depreciation	174	217
	<b>174</b>	<b>217</b>

The Group has tax losses of approximately £1.8m (FY24: £1.8m) to carry forward which could not be utilised against trading profits. The potential deferred tax asset arising on these tax losses of £450k (FY24: £450k) has not been recognised as it is doubtful that it will be utilised in the foreseeable future, since the parent company has not generated trading profits in the current year or historically and these losses are restricted to offset against those profits only.

<b>25. Share capital</b>	<b>2025</b>	<b>2024</b>
	<b>£000's</b>	<b>£000's</b>

**Authorised, allotted, called up and fully paid:**

Ordinary shares of 5 pence each	794	794
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	<b>Number</b>	<b>Number</b>
	<b>000's</b>	<b>000's</b>

**Issued and fully paid**

Ordinary shares of 5 pence at the start and end of the year	15,899	15,899
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The Group operates the CSSG Share Option Scheme 2014 (the Scheme), which is a share option scheme approved by HMRC.

The Board keep the scheme under review, and consider new options to motivate, retain and recruit high calibre employees and with regard to the contribution that such employees are expected to make in achieving the Group's objectives.

During the year 146,000 (FY24: 92,000) new options were issued and there were 222,000 (FY24: 107,500) options outstanding at 30 June 2025.



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Details of share options outstanding during the year for the Group's share option scheme are as follows:

	Number of share options	Weighted average exercise price (£)
Options outstanding at 1 July 2024	107,500	0.61
Granted during the year	146,000	0.85
Forfeited during the year	(31,500)	0.70
Exercised during the year	-	-
Options outstanding at 30 June 2025	222,000	0.75

There are 28,000 (2024: nil) share options exercisable at 30 June 2025 at a strike price of 93.5p per share

During the year 146,000 share options were issued, details of these and their fair value (using the Black-Scholes method) are noted below.

Date issued	25 Nov 24	5 Mar 25
Share price at grant date (£)	0.84	0.865
Exercise price (£)	0.84	0.865
Expected volatility	30%	30%
Vesting period	3 years	3 years
Risk-free interest rate	5.30%	5.30%
Fair value at grant date (£)	£0.23	£0.24

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The closing price of the Company's shares at the year-end was £0.825.

In FY25, there has been no charge recognised in the Consolidated Statement of Comprehensive Income with respect to share options. This mirrors the previous financial year of 2024, where the charge recognised was also £0, owing to the insignificance of the values involved.

If the share options had been charged for the financial year 2025, the amount would have been £9k (FY24: £5k).

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## 26. Reserves

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value less related professional and regulatory fees.
Merger reserve	The merger reserve arose on the acquisition of the CSS Group to the extent that this was funded by the issue of new shares.
Retained Earnings	Cumulative net gains and losses recognised in the statement of comprehensive income less amounts distributed to shareholders.
Capital Redemption Reserve	The capital redemption reserve arose on the purchase and cancellation of own shares.
Ordinary Shares	Amount subscribed for share capital at nominal value.
Treasury Shares Reserve	Arose on the purchase of own shares.

## 27. Related party transactions

### Identity of related parties

The Parent Company has a controlling related party relationship with its subsidiary companies. The Group has a related party relationship with its directors, executive officers, pension funds and trusts, who with their immediate relatives control 29.5% of the voting shares.

### *Premises transactions*

R M Fiorentino and his family are beneficiaries of the County Access Systems Limited Retirement Benefits Scheme from which the Group leases trading and ex-trading premises. The total rental on these premises was £73k (FY23: £86k) and in respect of these leases, £159k (FY24: £212k) is included in lease liabilities on 30 June 2025.

On 9 January 2025, Croma Locksmiths and Security Solutions Limited acquired the Shirley (Southampton) property for £440,000 from County Access Systems Limited Retirement Benefits of which R M Fiorentino and his family are beneficiaries.

### *Salaries paid to close family members*

During the year, salaries totalling £64k (FY24: £60k) were paid to close family members of key management personnel. Close family of the directors hold 8,000 (FY24: 4,000) of share options in the group outstanding at the year-end, of which 2,000 are exercisable (FY24: nil). 4,000 (FY24: 2,000), share options were granted to them during the year which had a fair value each at the grant date of £0.9k (FY24:£0.2k).

### *Services provided by close family members*

During the year no services were provided (FY24: £5k) by close family member of a director. There was no outstanding balance at the year end. All transactions were conducted on an arm's length basis and in accordance with our corporate governance protocols to ensure fairness and transparency.

### *Intercompany trading with shared board members*

During the year, Safecell Security Limited provided services for the value of £28k (FY24: £14k) to Fresh Start Waste Services Limited, with whom the Group share a common board member. The year end balance was £1k (FY24: £1k). All transactions were conducted on an arm's length basis and in accordance with our corporate governance protocols to ensure fairness and transparency.

Directors' remuneration for the year is disclosed above in Note 8.

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**28. Notes supporting the cash flow statement**

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
<b>Net changes in working capital</b>		
(Increase) in inventories	(167)	(63)
Decrease/(increase) in trade and other receivables	55	(317)
(Decrease)/increase in trade and other payables	(223)	244
	<b>(335)</b>	<b>(136)</b>

**29. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Cash at bank and in hand	4,328	2,142

**30. Reconciliation of liabilities arising from financing activities**

	<b>Lease liabilities</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>
<b>At 30 June 2023</b>	<b>659</b>	<b>659</b>
New lease liabilities	49	49
Cash flows	(117)	(117)
<b>At 1 July 2024</b>	<b>591</b>	<b>591</b>
New lease liabilities	111	111
Cash flows	(134)	(134)
<b>At 30 June 2025</b>	<b>568</b>	<b>568</b>

**31. Contingent liabilities**

There are no contingent liabilities either at the year-end or up to the date of signing the financial statements.

**32. Subsidiary audit exemption**

The wholly owned subsidiaries of Croma Security Solutions Group PLC: CSS Total Security Limited, CSS Locksmiths Limited, Croma Locksmiths and Security Solutions Limited, Safeguard (N/W) Limited, Basingstoke Locksmiths Limited, Southern Stronghold Limited and The Safecell Security Group Limited and its subsidiaries Safecell Security Limited, Authorized Access Systems Limited and City Locks Limited, Meridian Security Systems Limited and Benn Lock and Safe Limited are exempt from the requirements of Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

### **33. Post balance sheet events**

Subsequent to the reporting date, the Company experienced notable changes in its Board composition:

On 2 September 2025, B J Haigh-Rosser, the Chairman of the Board, resigned with immediate effect. This change occurred after the reporting date and does not relate to conditions existing at year-end. The Group remains committed to maintaining strong governance and continues to evaluate Board composition in line with strategic priorities. Following B J Haigh-Rosser's departure, new non-executive appointments have been made to ensure continuity of leadership. The Group has also maintained its non-executive composition on the Board, preserving a balanced and independent governance structure.

On 30 September 2025, the Group received a payment of £0.4 million plus interest from Vigilant in respect of the outstanding consideration. This receipt reduced the remaining balance to £1.2 million, which is contractually due in three equal quarterly instalments by 30 June 2026.

CROMA SECURITY SOLUTIONS GROUP PLC  
COMPANY FINANCIAL STATEMENTS  
AS AT 30 JUNE 2025

CROMA SECURITY SOLUTIONS GROUP PLC  
COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2025

	Notes	2025 £000s	2024 £000s
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	E	6,940	6,940
Trade and other receivables	F	-	1,651
Total non-current assets		6,940	8,591
<b>Current assets</b>			
Trade and other receivables	F	4,605	5,224
Cash and cash equivalents		3,914	1,490
		8,519	6,714
<b>Total assets</b>		15,459	15,305
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	G	(745)	(754)
		(745)	(754)
<b>Net assets</b>		14,714	14,551
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	H	794	794
Treasury shares		(929)	(946)
Share premium		6,150	6,133
Merger reserve		2,139	2,139
Capital redemption reserve		51	51
Retained earnings		6,509	6,380
<b>Total equity</b>		14,714	14,551

Company profit for the year totalled £445k (FY24: £336k). As permitted by section 408 of the Companies Act 2006, a separate profit and loss account has not been presented for the holding company.

The financial statements were approved by and authorised for issue by the Board of Directors on 31 October 2025 and signed on their behalf by:

*Roberto Fiorentino*

**Roberto Fiorentino Director**

Croma Security Solutions Group Plc – Company no. 03184978

CROMA SECURITY SOLUTIONS GROUP PLC  
COMPANY STATEMENT OF CASHFLOWS  
FOR THE YEAR END 30 JUNE 2025

	Notes	2025 £000s	2024 £000s
<b>Cash flows from operating activities</b>			
Profit before taxation		412	336
Net changes in working capital	J	643	(982)
Interest receivable		(252)	(217)
<b>Net cash generated from/(used in) operations</b>		<b>803</b>	<b>(863)</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of subsidiary		1,651	538
<b>Net cash generated from investing activities</b>		<b>1,651</b>	<b>538</b>
<b>Cash flows from financing activities</b>			
Treasury shares sold/(acquired)		34	(168)
Financial income (net)		252	217
Dividends paid		(316)	(302)
<b>Net cash used in financing activities</b>		<b>(30)</b>	<b>(252)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,424</b>	<b>(578)</b>
Cash and cash equivalents at beginning of period		1,490	2,068
<b>Cash and cash equivalents at end of period</b>		<b>3,914</b>	<b>1,490</b>

CROMA SECURITY SOLUTIONS GROUP PLC  
COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR END 30 JUNE 2025

Attributable to owners of the parent

	Share capital	Capital redemption reserve	Treasury shares	Share premium	Merger reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1 July 2023</b>	794	51	(778)	6,133	2,139	6,346	14,685
Treasury shares acquired	-	-	(168)	-	-	-	(168)
Profit for the year	-	-	-	-	-	336	336
Dividends paid	-	-	-	-	-	(302)	(302)
<b>Balance at 30 June 2024</b>	<u>794</u>	<u>51</u>	<u>(946)</u>	<u>6,133</u>	<u>2,139</u>	<u>6,380</u>	<u>14,551</u>
Treasury shares sold	-	-	17	17	-	-	34
Profit for the year	-	-	-	-	-	445	445
Dividends paid	-	-	-	-	-	(316)	(316)
<b>Balance at 30 June 2025</b>	<u><u>794</u></u>	<u><u>51</u></u>	<u><u>(929)</u></u>	<u><u>6,150</u></u>	<u><u>2,139</u></u>	<u><u>6,509</u></u>	<u><u>14,714</u></u>



CROMA SECURITY SOLUTIONS GROUP PLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR END 30 JUNE 2025

**A. Significant accounting policies**

Croma Security Solutions Group PLC is a public limited company incorporated and domiciled in England and Wales and is AIM listed.

The address of the registered office is Unit 7&8, Fulcrum 4, Solent Way, Whiteley, Fareham, Hampshire PO15 7FT.

**Basis of accounting**

The separate financial statements of the Company have been prepared under the historical cost convention and in accordance with Financial Report Standard 102. The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**Going Concern**

These financial statements have been drawn up on the going concern basis.

The Company made a net profit for the year of £445k (FY24: £336k). Dividends of £800k were received from its subsidiary undertakings (FY24: £800k)

The Company's activities are funded by long-term equity capital and by profits and cash generated from the activity of a holding company.

The financial statements do not reflect the adjustments that would be necessary were the performance of the Company to deteriorate. However, the Directors have considered the expected cash requirements of the Company until 31 December 2026 and these projections suggest that the Company will meet its obligations as they fall due at least until this date.

**Investments**

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

**Financial instruments**

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provision of the instrument.

**Financial liabilities and equity**

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 after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument they are classified as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity are debited direct to equity.

CROMA SECURITY SOLUTIONS GROUP PLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR END 30 JUNE 2025

**Taxes**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

**Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**B. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Estimates and assumptions:**

At each year end, the directors review each of the investment balances and produce an impairment assessment, which reviews the forecasted figures for each subsidiary and also the actual achieved to date to determine whether an impairment is necessary.

An impairment adjustment of £0 (FY24: £0k) against fixed assets investments has been recorded. At the year end the carrying value of investments totalled £6,940k (FY24: £6,940k).

The directors do not consider there to be any other key areas of judgement.

**C. Profit attributable to ordinary shareholders**

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. The profit dealt within the financial statements of the Company was £445k (FY24: £336k).

CROMA SECURITY SOLUTIONS GROUP PLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR END 30 JUNE 2025

**D. Staff and staff costs** **2025** **2024**

The average monthly number of persons (including directors) employed by the Company during the year was:

	<b>No.</b>	<b>No.</b>
Management and administration	4	4

Staff cost (for the above persons):	<b>£000s</b>	<b>£000s</b>
Wages and salaries	470	357
Pension	28	9
Social security costs	65	45
Estimated value of benefits	10	4
	<b>573</b>	<b>415</b>

**E. Fixed asset investments** **£000s**

At 1 July 2024 and 30 June 2025:

Cost	7,746
Accumulated impairment losses	(806)
Net book value	<b>6,940</b>

CROMA SECURITY SOLUTIONS GROUP PLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR END 30 JUNE 2025

**Fixed asset investments are as follows:**

<b>Company</b>	<b>% Ordinary shareholding</b>	<b>Nature of business</b>
CSS Total Security Limited	100% directly	CCTV and security systems
Croma Locksmiths & Security Solutions Limited	100% directly	Locksmithing, Keys and Safes
Safeguard (N/W) Limited	100% indirectly	Locksmithing, Keys and Safes
The Safecell Security Group Limited	100% indirectly	Holding company
Southern Stronghold Limited	100% indirectly	Locksmithing, Keys and Safes
Safecell Security Limited	100% indirectly	CCTV and security systems
Authorized Access Systems Limited	100% indirectly	Locksmithing, Keys and Safes
City Locks Limited	100% indirectly	Locksmithing, Keys and Safes
Meridian Security Systems Limited	100% indirectly	Locksmithing, Keys and Safes
Benn Lock and Safe Limited	100% indirectly	Locksmithing, Keys and Safes
Basingstoke Locksmiths Limited	100% indirectly	Dormant
Access Locksmiths Limited	100% indirectly	Dormant
CSS Locksmiths Limited	55% directly 45% indirectly	Dormant
Centre Security Limited	100% indirectly	Dormant
Stronghold Direct Limited	100% indirectly	Dormant
Access Key and Lock Limited	100% indirectly	Dormant

The registered office of all group companies is Units 7 & 8 Fulcrum 4, Fareham, Whiteley PO15 7FT.

<b>F. Trade and other receivables</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Amounts due from subsidiary undertakings, repayable on demand	2,936	1,826
Other debtors	1,651	3,342
Prepayments	18	56
Trade and other receivables falling due within 1 year	<b>4,605</b>	<b>5,224</b>
Other debtors due after 1 year	-	<b>1,651</b>

The balance of 'other debtors' due within 1 year relates entirely from the Vigilant consideration.

<b>G. Creditors: Amounts falling due within 1 year</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Amounts due to subsidiary undertakings, repayable on demand	642	642
Trade creditors	15	16
Other creditors	61	90
Other taxes and social security	27	6
	<b>745</b>	<b>754</b>

CROMA SECURITY SOLUTIONS GROUP PLC  
NOTES TO THE FINANCIAL STATEMENTS  
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<b>H. Share capital</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
<b>Authorised, allotted, called up and fully paid:</b>		
Ordinary shares of 5 pence each	794	794
	<b>Number</b>	<b>Number</b>
	<b>000s</b>	<b>000s</b>
<b>Issued and fully paid</b>		
Ordinary shares of 5 pence at the start and end of the year	15,899	15,899

**Rights attaching to shares**

The holders of the ordinary shares of 5 pence each are entitled to receive dividends and a return of capital on liquidation as well as attend and vote at a general meeting of the Company.

**Share option scheme**

In 2014 the Group instigated an Approved Company Share Option Scheme. Details are in Note 25 of the consolidated accounts.

Parent company has taken advantage of the disclosure exemptions under FRS102.1.12 relating to share-based payments. No additional disclosure required in these financial statements on grounds of materiality.

**I. Related party transactions Identity of related parties**

The Parent Company has a controlling related party relationship with its subsidiary companies. The Group has a related party relationship with its directors, executive officers, pension funds and trusts, who their immediate relatives' control 29.5% of the voting shares.

*Share options issued to close family members*

Close family of the directors hold 8,000 (FY24: 4,000) of share options in the group outstanding at the year-end, of which 2,000 are exercisable (FY24: nil). 4,000 (FY24: 2,000), share options were granted to them during the year which had a fair value each at the grant date of £0.9k (FY24:£0.2k).

Full details of compensation Key Management Personnel of the parent company are included in note 8 to the financial statements of the Group.

<b>J. Notes supporting the cash flow statement</b>	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Net changes in working capital:		
Decrease/(increase) in trade and other receivables	619	(1,087)
Increase in trade and other payables	24	105
	<b>643</b>	<b>(982)</b>

CROMA SECURITY SOLUTIONS GROUP PLC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR END 30 JUNE 2025

**K. Post balance sheet events**

Subsequent to the reporting date, the Company experienced notable changes in its Board composition:

On 2 September 2025, B J Haigh-Rosser, the Chairman of the Board, resigned with immediate effect. This change occurred after the reporting date and does not relate to conditions existing at year-end. The Group remains committed to maintaining strong governance and continues to evaluate Board composition in line with strategic priorities. Following B J Haigh-Rosser's departure, new non-executive appointments have been made to ensure continuity of leadership. The Group has also maintained its non-executive composition on the Board, preserving a balanced and independent governance structure.

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