

Company Registration No. 03184978

CROMA SECURITY SOLUTIONS GROUP PLC
REPORT AND FINANCIAL STATEMENTS
AS AT 30 JUNE 2024

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COMPANY INFORMATION

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

CROMA SECURITY SOLUTIONS GROUP PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Chairman's Statement

The 12 months to the 30 June 2024 marks the end of my first financial year as non-executive Chairman of Croma, as well as the completion of the first year of operating the business under our new strategy: to refocus on our core businesses – Croma Locksmiths and Croma Fire & Security – and to expand our security centres into a national network through new store acquisitions.

I am delighted to say that it has been a successful trading year for the business as we have delivered on management expectations, repositioned the Company following the successful disposal of the lower margin man guarding Vigilant division for a total consideration of £6.5 million plus intercompany balances of just over £1 million, and expanded our network of security centres.

Our priority is to continue our good progress and create significant further value for our shareholders, through:

- Pursuing a strategy of reinvesting the proceeds from the sale of Vigilant into generating a higher return by growing Croma into a national security brand;
- This will be achieved primarily through an acquisition-led roll-out of the Group's security centre network;
- The Board aim to acquire modestly valued, independent locksmith stores, and add value by converting them to security centres with a broader product range, securing cost savings and thus delivering significantly greater earnings potential;
- The acquisition and conversion model is well-established with a good pipeline of opportunities ahead and an annual ROI target of at least 15%.

The civil unrest which has dominated news headlines over the summer, while extremely undesirable, served as a reminder to all of the importance of good security for individuals, their homes and their businesses. Criminality is constantly evolving and so, therefore, must security. Technology is critical to keeping pace with change and it is a key driver to our ambition to establish a nationwide security brand. Currently, there is no such national security brand in the UK.

In the 12-month period under review, we acquired two locksmith businesses in Peterborough and Worthing, with a combined revenue of £0.21 million since 2 January 2024, taking our total number of Croma security centres to 16. Both acquisitions have bedded down well and are performing according to plan. We have a strong pipeline to support our aim of acquiring 3-5 additional locksmith businesses to our network per annum. We are confident of achieving this target and as the Group currently has a strong cash position and no borrowings, we are well-placed to fund the Group's expansion.

I am pleased to report that the Group will maintain the same level of ESG disclosure reporting as begun in the past year. This is despite our requirements significantly reducing following the sale of Vigilant. We continue to monitor our greenhouse gas emissions, energy consumption and energy efficiency actions closely.

Trading in FY25 has begun well and I am hopeful we can complete further acquisitions in the coming months. Demand from consumer and commercial customers is steady and perhaps underpinned by a sense of the need for good security given the summer unrest. Overall, Croma is in a very strong financial position, backed by a solid asset base with no bank borrowings, and a clear and proven strategy to expand our UK security network.

The Board is pleased to recommend a final dividend to shareholders of 2.3p per share and subject to approval at the Annual General Meeting to be held on 4 December 2024, the final dividend will be paid on 18 December 2024 to all shareholders on the register at the close of business on 6 December 2024. The shares will be marked ex-dividend on 5 December 2024.

J Haigh – Chairman
1 November 2024

CROMA SECURITY SOLUTIONS GROUP PLC
CEO'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

CEO'S Statement and Operational Review

I am pleased to present the Group's FY24 results. This was a good trading period and represents the successful completion of our first year following the sale of Vigilant and the transition of the Group to being focused on the higher margin Croma Locksmiths and Croma Fire and Security divisions.

Revenue in FY24 increased by 8.9% to £8.74 million (FY23: £8.03 million) with consistently solid growth across both of our business divisions. The underlying business performance was strong, with EBITDA for the Group 11% up to £1.06 million (FY23: £0.95 million). We have maintained the EBITDA margin at 12%. The Group have ended FY24 with a strong cash position of £2.14 million (FY23: £2.14 million). Our financial strength has since been enhanced by further payments from Vigilant of £1.76 million at the beginning of July 2024 and a further payment of £0.45 million on 30 September 2024.

From an operational perspective, the business has developed well during the course of FY24 through key new business wins with the likes of NHS Trust security contracts, the addition of new security technology such as AJAX systems and the expansion of our security centre network.

Acquisition led growth strategy

Our strategy to expand our Locksmiths business is founded on our ability to acquire modestly valued locksmiths retail stores and transform them into modern security centres. We are able to deliver material sales synergies between our two businesses as outlined above, as well as within our network of locksmiths, where an expanded product range across a wider network can provide innovation and an enhanced range of client solutions. These cross-selling opportunities, coupled with central cost synergies and shared expertise mean that returns are typically improved, and we aim for a minimum ROI on acquisitions of 15% per annum.

There is no shortage of potential acquisitions. Whilst there are 6,500 Locksmiths in the UK, many of them are sole traders from home and we are focused on the independent retail locksmith stores in the UK. The market is highly fragmented, and made up largely of small, family-run operations. Using a strict criteria and our decades of industry experience, we have collected an attractive pipeline of opportunities. This pipeline is researched on a frequent basis and is larger than at the beginning of FY24, therefore our focus is now on converting these opportunities.

Our target is to complete 3-5 acquisitions per annum. We are seeking to acquire independent stores operating on low single digit EBITDA margins. Through transforming them into modern security centres with a significantly broadened product range and Croma's inbuilt advantages in terms of software, central purchasing and cost duplication elimination, the Group is aiming to lift these EBITDA margins to those currently achieved by the Group.

In our opinion, Croma is now more than ever ideally positioned to develop its profile and brand as a leading nationwide UK security business.

Roberto Fiorentino

Roberto Fiorentino – CEO
1 November 2024

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

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 2024.

Group sales were up 8.9% to £8.74 million, (FY23 £8.03 million), reflecting acquisitions made during the year as well as strong organic growth within the core businesses of 6.3%.

Gross margins on continuing businesses marginally reduced by 0.9% to 45.8% (FY23: 46.7%). EBITDA on the trading businesses before central costs for the Period was £1.73 million (FY23: £1.60 million), an increase of 8%. Adjusting for central Group overheads, EBITDA was up 11.6% at £1.06 million (FY23: £0.95 million).

Group net profit from continuing operations for the year was £0.54 million (FY23: £0.17 million) and EPS from continuing operations was 3.95p (FY23: 1.11p).

Over the year, we invested £0.07 million on acquisitions of two locksmith centres and one freehold property in Peterborough for £0.36 million. These investments reflect our long-term belief in the prospects of our security centre network.

The solid underlying cash generation enabled us to end the year with no borrowings cash and cash equivalents of £2.14 million (FY23: £2.14 million). A further £1.76 million due from Vigilant was received at the beginning of July 2024, bringing our cash balances to over £4 million as per the publication date of these accounts, despite the further investments in acquisitions and capital expenditure. Our cash position and no bank debt allows 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

The Croma Locksmiths business delivers one-stop-shop security solutions to both commercial and residential customers and now comprises 16 security centres across the UK.

The division recorded a good trading period with sales up 8.5% to £5.10 million (FY23: £4.70 million), while EBITDA of £1 million was up 3.2% from £0.97 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 spread of industries including Travel, Utilities, Housing Associations and Student Housing, Healthcare and Defence.

The individual security centres generally have very loyal customer bases and good recurring revenues. This is partly due to locks being a very reliable product with very low fail rates which tends to build customer trust. Alongside this, providing master key services, a significant source of revenue, requires long-term support as changing a master key set-up is costly and time consuming. This enables the centres to build long-term relationships with commercial customers and enjoy repeat custom.

In the student housing market, sales of the innovative mobile phone powered door lock called ILOQ, continue to grow and the pipeline for the current year looks promising. Croma is the preferred supplier of ILOQ in the UK and it is an excellent example of a modern technology solution improving security.

Building on the strong relationships and customer confidence in the security centres, the Group seeks to introduce to these customers additional services provided by the Fire and Security business. Importantly, spend on locksmithing services usually forms a small part of any overall corporate security budget, typically 10% - 20%, so there is a much bigger potential share of the locksmith customer wallet to tap into for our Fire and Security business.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

Croma Fire and Security

Croma Fire and Security provides 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 £3.80 million (FY23: £3.48 million) up 9.2%. EBITDA for the period was up 16% to £0.73 million (FY23: £0.63 million).

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

This business also boasts a loyal base of clients. In the Entertainment sector, Croma has long-standing relationships and a constant flow of work across a national network of entertainment venues. The healthcare sector is also key for the business, with both existing and new customers. A key win during the year was securing an access control upgrade order worth £0.4 million. Alongside this, we successfully retained an additional three-year NHS Trust contract. The healthcare sector is a key area of future opportunity which we hope to develop alongside the Group's geographical expansion.

Technology is at the forefront for innovators in this market. Today, the majority of alarm systems continue to focus on internal activation, whereas Croma's solutions focus on a combination of externally and internally activated alarms, thereby seeking to prevent threats from even entering a property. In September 2023, Croma became an approved agent of the market-leading AJAX systems. Fast to install, providing accurate external sensors able to differentiate between a human and another objects, and operating from a single app – this system represents a strong driver of future revenues.

In May 2024, the Company entered into new a partnership with bSafe Group to bring to the UK market the Croma bSafe personal security App. Already a success in its domestic market, Norway, as well as in the US, the personal protection App offers round-the-clock protection and voice activated technology, a market-first security solution available to the UK public.

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. By 30 June 2024 the Company had received £1.5 million as part of the consideration for the sale. The 30 June 2024 payment for £1.7 million arrived in the first week of July 2024, and then at the end of September 2024 a further £0.43 million was received.

As of the date of these accounts, from the total £6.5 million consideration, £3.6 million has been received with a further £2.9 million to be received over the next 7 quarters.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

Group financials	FY2024	FY2023
	Continuing operations	Continuing operations (as restated)
Revenue	£8,737k	£8,025k
Gross profit	£3,999k	£3,749k
Gross margin %	45.8%	46.7%
Administrative expenses	£3,395k	£3,325k
EBITDA	£1,061k	£954k
Operating profit	£607k	£427k
Profit for the year from continuing operations	£543k	£166k
Earnings per share from continuing operations	3.95p	1.11p
Net assets	£15,224k	£15,151k
Cash generated from operations	£723k	£1,274k
Cash and cash equivalents	£2,142k	£2,144k
Dividends per share in relation to the year	2.3p	2.2p

	Croma Locksmiths	Croma Fire & Security	Group	Total
	£000s	£000s	£000s	£000s
EBITDA	999	728	(666)	1,061

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024
Risk management

The Board has put in place a framework of identified risk and risk management processes.

Principal risks and uncertainties

Regulatory environment

The Group operates in a highly regulated sector and is audited and accredited by a number of regulatory bodies including the NSI, CHAS and the SafeContractor. During the Period, the Group achieved ISO 27001. An inability to respond and adapt to changes in the sector and comply with the regulatory requirements would adversely affect our business.

Controls and mitigating strategies

Our regulatory compliance is monitored by key members of staff who work with external consultants to maintain our processes and procedures at the required standards.

Health and safety environment

Instances of non-compliance with Health & Safety and Environmental regulations could expose our people, the environment, and our reputation.

Controls and mitigating strategies

Responsibility for health and safety compliance is delegated to experienced members of staff who work with external consultants. Training is provided to all employees.

Fraud and uninsured losses

A significant fraud in relation to our retail shops where staff operate in small numbers on a local bases (misappropriation of assets, cash and stock) or uninsured loss, could damage the financial performance of our business such as financial phishing attacks.

Controls and mitigating strategies

Systems, policies, and procedures are in place to segregate duties and minimise any opportunity for fraud along with our own software systems for stock and till cash handling. Timely management reporting exists which can help identify anomalies. Where possible, our insurance strategy minimises other risks.

Cyber security

A cyber security incident can result in unauthorised access to, or misuse of our information systems, technology or data. This could lead to leakage of sensitive information, loss of our critical assets, impact on trading and reputational damage.

Responsibility

Sits with internal IT Cyber team and the Executive team.

Controls and mitigating strategies

Our cyber strategy focuses on early detection and the prevention of cyber-attacks. This is achieved through a number of implemented systems which are regularly reviewed. We also provide regular training sessions and communications to our staff to help prevent incidents. We achieved ISO 27001 in the period.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

Data privacy

Failure to comply with any legal or regulatory requirements relating to data privacy may result in fines, reputational damage or legal matters against us which would have an adverse impact on our ability to do business.

Responsibility

Sits with the internal compliance team and the Executive team.

Controls and mitigating strategies

Our data privacy strategy focuses on implementing the correct policies and controls to ensure personal data is protected and used appropriately. These policies and controls are regularly reviewed by the internal compliance team alongside third party experts. We also provide regular training sessions and communications to our staff to teach them the correct practices related to data handling.

IT systems

The failure of the Group's IT systems may result in loss of business operations, financial impact and reputation damage.

Responsibility

Responsibility sits with the internal IT team and the Executive team.

Controls and mitigating strategies

We continue to invest in our IT infrastructure to improve system resilience, capacity as the business grows and the capabilities of our systems to enable the business to operate more efficiently. To control this, we have policies in place for change management, life cycle management and skilled IT personnel to oversee.

Other risks and uncertainties

Customer service

The failure of our customer services could undermine our business performance.

Controls and mitigating strategies

We undertake regular customer satisfaction surveys with unsatisfactory comments being addressed. Any complaints received at Board level are dealt with on a timely basis by the affected operating division.

Credit risk

If our customers do not pay within our terms, our cashflow and liquidity may be compromised.

Controls and mitigating strategies

Responsibility for credit control is delegated to experienced staff in our finance department. While there continue to be instances where customers have settled beyond credit terms, this has not caused any significant difficulty.

Liquidity and funding

The Directors regularly review new investment opportunities and capital projects, which could compromise working capital if not adequately appraised and costed.

Controls and mitigating strategies

The Group CFO is responsible for reviewing our capital structures. Robust budgets and cashflow forecasts are prepared and presented to the Board which are reviewed and updated to ensure new projects and opportunities can be pursued either within existing working capital, or where necessary, external sources such as our banks with whom we enjoy a good working relationship.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

Executive Directors:

R Fiorentino – Chief Executive Officer

Responsible for the delivery and implementation of the Group’s strategy. Ensuring alignment with short-term and long-term objectives. Mr Fiorentino maintains awareness in matters of crime and security product developments to drive the strategy of the business. His vast experience over many years within the industry actively supports the Group in identifying the most suitable expansion opportunities through organic growth and acquisitions.

T Andreeva – Chief Financial Officer

Responsible for overall financial strategy of the Group and for ensuing timely production of management and statutory information. With a deep understanding of the business, Mrs Andreeva is involved in strategic thinking and leadership. Beyond finance and accounting Mrs Andreeva is involved in risk management, regulatory compliance, and business planning. She works closely with the CEO on delivering the Group’s corporate strategy.

Non-Executive Directors J Haigh

As Chairman, Mrs Haigh oversees the Board and is also Chairman of the Remuneration Committee and a member of the Risk and Audit Committee. Jo is LLB qualified and a member of the Institute of Chartered Accountants. As founder of a corporate finance boutique, she has been involved in over 400 corporate finance transactions. She provides independent oversight and a constructive challenge to the executive directors.

S Naylor

Chairman of the Risk and Audit Committee and a member of the Remuneration Committee. As a qualified accountant and a member of the Institute of Chartered Accountants, Mr Naylor supports J Haigh with independent advice and challenge to the executive directors.

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.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

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 and risk assessment

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 risk assessment as well as the 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.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

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 16 to 23.

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 25-28.

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; and
- 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

Since its inception, Croma has always sought to operate under a high quality Environmental, Social and Governance guidelines.

Our activities have a minimal effect on the environment, but where they do, we always endeavour to act responsibly. The Group reports under the Energy Savings Opportunity Scheme (ESOS) and receives reports from its advisors giving further recommendations that 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.

Though the Group now counts less than 250 employees, we remain committed to full transparency and diversity across the Company. The Group recruits and screens employees based on integrity, as well as competence. The Group has in place an anti-bribery policy and an anti-slavery policy which are both reviewed at appropriate intervals. We welcome applications for employment from disabled persons, and 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. Our Croma Fire and Security business has introduced a trainee programme as well as an overseas sponsorship scheme to diversify our employment strategies. We strive for diversity across all levels of the business and are proud to have two female Board members: J Haigh as Chair and T Andreeva as CFO.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

We believe good Governance is key to the Company building a recognised brand that is synonymous with the provision of the highest level of security products and services. Our Board is composed so as to maximise transparency, deliver on governance guidelines, and hold accountability. We also have Audit, Remuneration and Risk Committees in place to support these commitments.

Climate-related Financial Disclosure Report

In FY2023 for the first time, we reported under the Climate-related Financial Disclosure Regulations 2022. This was due to our Group previously having over 500 employees, prior to the divestment of its subsidiary Vigilant. The requirement to report under the Climate-related Financial Disclosure Regulations was no longer applicable in FY24, though we continue to review our monitoring and reporting on environmental issues.

Governance

The Board is responsible for setting the strategic direction of the Group and ensuring the long-term success of the business. As part of that success, it ensures that risks are identified, considered, and appropriate actions are taken to limit any negative impact to Croma. The Board has overall responsibility for all matters, including monitoring and responding to risks and opportunities arising from climate change. 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.

Strategy

The Board's strategy is to support long-term business growth whilst minimising its impact on the environment and operating in an ethical and responsible way. The Board is continuously conscious of the risk and responsibilities associated with climate change and has taken a number of actions to reduce the Group's impact on the environment.

- Our Greenhouse gas emissions, energy consumption and energy efficiency actions are reported in the Directors report. This considers 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.
- Measures to reduce the carbon footprint of Company vehicles so that our fleet meets the most up to date emission standards include:
 - Regular replacement of Company vehicles
 - Occupation of modern, energy efficient premises
 - Route planning
 - Vehicle tracking to minimise company mileage

Where we are aware of significant risk or opportunity, the Board is responsible for coordinating the response from the wider business to ensure that we are building the appropriate actions into our operational and financial planning. This includes identifying projects such as energy efficiency as well as working with suppliers to ensure that we have a secure and ethical supply chain.

In assessing how these risks might impact us, we have applied the guidance from the London Stock Exchange which prompts the business to define whether it would still be profitable if:

- All countries were successful in achieving goals of the Paris Agreement and there is an orderly transition to a low carbon economy
- There is an abrupt and disorderly transition as countries belatedly catch up on climate crisis management
- There is a failure to transition

While it is difficult to predict the answers to those questions with certainty, Croma believes that we will be able to develop plans that enable us to respond effectively to these scenarios.

CROMA SECURITY SOLUTIONS GROUP PLC
STRATEGIC REPORT
FOR THE YEAR END 30 JUNE 2024

Key performance indicators

Indicator	Performance
Croma Locksmiths	
Sales and retail performance	<p>Our in-house developed EPOS and Business Intelligence software continues to provide powerful insights to our business performance. Recording sales and footfall daily to help management better understand the business performance and the purchasing trends of customers.</p> <p>Croma managers continue to evaluate the individual performance of the outlets with regular visits, consultations and meetings to support branch managers with continued business development.</p> <p>Through regular meetings held with the branch managers, a better level of understanding has been achieved with cooperation between retail shops thus ensuring that new services and products are brought to the forefront. This has led to continuous growth of sales by 8.5% to £5.10m (FY23: £4.70m) with £0.19m of this organic and £0.21m of this growth driven by the acquisition of our new branches in Worthing and Peterborough.</p> <p>Our strategy continues to be to develop our existing geographic coverage by expanding our branch network of security centres thus taking advantage of improved economies of scale, and to gain more profitable commercial contracts on the back of this.</p>
Cash	<p>At the year-end cash balances were £0.39m (FY23: £0.06m).</p> <p>We invested £0.07m on two acquisitions and £0.36m to acquire a freehold in Peterborough.</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	
Sales	<p>Sales saw a 9.2% improvement to £3.80m (FY23: £3.48m).</p> <p>We have changed our sales model to one that utilises highly experienced technical staff to better ensure that our clients receive the very best of security solution designs and not those from commission-based sales staff. We see this as a major change and benefit for our clients and execution of our core values.</p>
Customer retention	<p>Customer retention remains high based on the level of renewing maintenance contracts (91%) from existing customers each year. It has been maintained by the implementation of a customer retention policy.</p>
Engineers	<p>The engineer market remains very active and engineer retention and remuneration is monitored. The business continues to be impacted by a shortage of high-quality engineers however our trainee programme that commenced last year is raising standards within our trainee engineers and they are more able to support the business needs within the engineering team.</p>
Cash	<p>At the year-end cash balances are £0.27m (FY23: £0.02m).</p> <p>We continue to hold excess cash over and above working capital requirements in the parent company within interest bearing accounts.</p>

Roberto Fiorentino – Chief Executive Officer

Roberto Fiorentino

1 November 2024

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 J Haigh, 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 24. 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).

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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 J Haigh 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 J Haigh. 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 J Haigh, 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

Where possible, the Board meets 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.

CROMA SECURITY SOLUTIONS GROUP PLC
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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 sets out below how it has adopted and complied with the QCA code.

1. Establish a strategy and business model which promotes long-term value for shareholders

The strategy and business model of the Group is expressed more clearly in the Chairman'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 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 iLOQ, Hitachi, Assa Abloy 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, 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. 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 J Haigh and S Naylor are independent of the

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. Ensure that between them 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 24.

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.

CROMA SECURITY SOLUTIONS GROUP PLC
CORPORATE GOVERNANCE
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Senior management are encouraged to take personal responsibility for achieving the Group's objectives and to act 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 Chief Executive Officer 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.

The Group has an Audit, Risk and Remuneration committee. The Audit Committee comprises J Haigh and is chaired by S Naylor. The Remuneration Committee comprises S Naylor and is chaired by J Haigh. The Risk Committee comprises J Haigh, 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.

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.

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.

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.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant 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.

Directors Biographies

BJ Haigh - Rosser - Non-Executive Chairman

J Haigh 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.

Roberto Fiorentino - Chief Executive Officer

Roberto Fiorentino is Chief Executive Officer of the Group. Roberto has over four decades of experience across all areas of the security industry. One of the true pioneers in the sector, he has been instrumental in driving a shift in the business to prevention solutions. Under his leadership, the Group has successfully grown the core business thanks to a focus on innovative technological solutions, as well as to a number of strategic acquisitions which have enabled the Group to expand its network to where it stands today.

Teo Andreeva - Chief Financial Officer

Teo Andreeva was appointed Chief Financial Officer of the Group in April 2023. Mrs Andreeva has over 15 years' experience at Croma and has extensive and detailed knowledge of all areas of the business. Appointed Group Financial Controller in 2015, Teo was instrumental in supporting the Group in its transition from family owned to listed company, implementing rigorous financial management practices as well as being at the forefront of change management.

Alongside Roberto, Teo is focused on driving Group acquisition strategy. Teo is CIMA certified.

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 Financial Director 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 2024

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 24.

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 and Automatic Doors.

Directors

The Directors who have held office at any time during the reported period are as follows:

Executive Directors

R M Fiorentino
 T Andreeva

Non-Executive Directors

B J Haigh - Rosser
 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:

	FY24	FY23
R M Fiorentino	4,037,587	4,037,587
T Andreeva	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 24:

Liontrust asset management	9.9%
Russell Long	6.4%
Securities Services Nominees	6.1%
Mr Francis Maurice Erard	4.2%

There are 66,500 (FY23: 40,500) options in issue over the Company's shares of which 12,000 (FY23: 2,000) are held by the Directors.

At 30 June 24, 2,168,936 (FY23: 1,794,936) shares were held in treasury, being 13.6% (FY23: 11.3%) of the issued share capital. The increase in treasury shares is from the share buyback of 400,000 shares on 3 August 2023, although there is a difference as one of the sellers (Vigilant Disposal) confirmed 26,000 more ordinary shares than the number received. The Seller has therefore returned to the Company the sum of £12,350, being the amount overpaid for the 26,000 Ordinary Shares incorrectly stated at a price of 47.5 pence per share in the Buy-Back.

CROMA SECURITY SOLUTIONS GROUP PLC
 DIRECTORS REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

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 22.

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.

Risk management

The principal risks are regularly reviewed by the Board such that our business longevity, reputation and environmental footprint are managed in a way which protects the interests of our business and its stakeholders.

Critical risks are identified as those which would prevent the business operating or have a significant impact on profitability or reputation. These form part of our risk register reviewed by the Board. Key risks are those which the business needs to consider and mitigate in the normal course of the business. The Board has responsibility for monitoring and formulating appropriate action plans to respond to both critical and key risks.

The Group operates in a highly regulated sector and is audited and accredited by a number of regulatory bodies including the NSI, CHAS and SafeContractor. During the Period the Group achieved ISO 27001.

The table below represents the critical risks that Croma is exposed to as a result of climate change. These have been classified as “physical” – i.e., risks due to longer term shifts in climate patterns – or “transitional” – risks in transitioning to a lower carbon economy, in line with the TCFD framework.

Risk identified	Impact	Type	Timeframe
Increased rainfall over UK winters increases flood risk	A minimal number of our sites are in coastal or riverside locations at risk of flooding. The risk of flooding is considered as part of the SAR process when selecting new sites and monitored through the annual insurance process.	Physical	Short
Drier/ hotter summers lead to droughts / water shortages	Water stress in sites, increased energy costs for refrigeration and cooling at sites.	Physical	Short
Extreme weather events cause disruption in supply chains	Global droughts may impact our suppliers.	Physical	Medium
Compliance and cost risk from new government regulation	Increased cost to comply with new government regulation to meet climate targets, such as packaging tax, carbon taxes, EPC standards etc. Potential financial penalties and reputational damage for noncompliance.	Transitional	Medium
Cultural shift to prioritising sustainability	Increased focus from both customers and teams on sustainability. Impact on car fleet. Recruitment / retention/ reputational impacts if we’re not seen to be driving change.	Transitional	Medium

CROMA SECURITY SOLUTIONS GROUP PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Carbon Metrics

In FY24 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 165 tonnes of CO₂ (FY23: 253 tonnes)
- Direct emissions the combustion of natural gas were 23 tonnes of CO₂ (FY23: 22 tonnes)
- Indirect emissions from the use of electricity were 31 tonnes of CO₂ (FY23:34 tonnes)

Total emissions were the equivalent to 2.51 tonnes per employee (FY23: 0.25 tonnes)

The Group began reporting under the Climate-related Financial Disclosure Regulations 2022 in FY23 as at that time the Group had over 500 employees. Since then, the Group divested the Vigilant division and now has less than 250 employees making year on year comparisons on energy use and emissions not relevant. Our FY25 report will provide comparisons with FY24.

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.

Employee involvement

The Group continues to be committed to maintaining full transparency through regular contact and dialogue with our employees. 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 £200 (FY23: £8,986). There were no political donations in the current year and prior year.

CROMA SECURITY SOLUTIONS GROUP PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Dividends

A final dividend of 2.2p per share was declared for the year ended 30 June 2023 on 6 November 2023 and paid on 15 December 2023 at a cost of £0.3m. Subject to approval at the AGM, the Board recommends a final dividend of 2.3p per share for the year ended 30 June 2024.

Post balance sheet events

As part of the deferred consideration owed to the Group from the £6.5 million sale of Vigilant, the following payments were received in 2024:

- £0.46 million on 1 July, related to the repayment of loan notes and interest.
- £1.3 million on 4 July, related to the purchase of the outstanding redeemable shares by Vigilant.
- £0.45 million on 30 September, as the next instalment of loan notes and interest.

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

T Andreeva

T Andreeva – Chief Financial Officer

1 November 2024

CROMA SECURITY SOLUTIONS GROUP PLC
STATEMENT OF DIRECTORS RESPONSIBILITIES
FOR THE YEAR ENDED 30 JUNE 2024

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
1 November 2024

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 2024 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 2024 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
<p>Management have prepared detailed consolidated cash flow forecasts incorporating all entities within the Group covering the period to 31 December 2025. These are based on their expectation of future costs, including budgeted operating and capital expenditure. We evaluated the directors' going concern assessment and performed the following procedures:</p> <ul style="list-style-type: none"> 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 2025 and challenging the underlying assumptions. We obtained post year-end trading results and compared these to the forecasts to ensure forecasting is reasonable and to evaluate where post year-end results are in line with expectations. Evaluated 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. 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. 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. 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. 	<p>The Group incurred a net profit from continuing operations of £706k for the year ended 30 June 2024 (2023: £166k). They generated net cash from operating activities of £1.26m for the year ended 30 June 2024 (2023: £1.27m) and had a cash balance of £2.14m as at 30 June 2024 (2023: £2.14m). Net assets of the group were £15.4m at the year-end (2023: £15.2m).</p> <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 2024. 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 October 2024 which showed these are in line with expectations.</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 worth £1.6m, thus 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>

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>Locksmith, Fire and Security revenue recognition <i>(applicable to the Group financial statements)</i></p> <p>Under ISA 240 (UK) there is a presumed risk of fraud in relation to revenue recognition.</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>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>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • We updated our documentation of the revenue process and controls in place, this included assessing the design and implementation of those controls; • Tested a sample of transactions to agreements and supporting evidence. We have audited both Locksmith, 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; • 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; • 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; • Assessed whether revenue was accounted in accordance with the accounting policy on revenue recognition; • Analytically reviewed revenues and verified significant movements; and • Reviewed the assessment made by management in relation to the application of the correct cut-off processes. <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>Key observations 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</p>



	<p>basis and no significant or reportable adjustments were noted based on the work performed.</p>
<p>Impairment of Investments in Subsidiaries <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. 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"> 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; 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; We completed our own impairment review on the investment in subsidiary balances by comparing their carrying value to their level of profitability in the year and prior year, and by reviewing their net assets after exclusion of intercompany balances; and Assessed the adequacy of the disclosures included within the Parent Company financial statements for compliance with FRS 102 as appropriate. <p>Key observations 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>Impairment of Goodwill <i>(applicable to the Group financial statements)</i></p> <p>The Group has material goodwill at the year-end totalling £5,042k, which relate to two cash generating units (CGU).</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>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> Evaluated the appropriateness of the goodwill balance in the accounting records and ensuring that the measurement of goodwill is in accordance with the applicable financial framework and considered whether there is an indication of impairment. Reviewed management's impairment assessment of goodwill;



<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>	<ul style="list-style-type: none"> • Compared the latest management accounts to previous forecasts to assess the accuracy; • We reviewed the discount factor (WACC) used by management in their value to perpetuity calculations, and recalculated this to ensure the WACC used is appropriate; • 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 • Considered whether the assumptions used the forecasts are appropriate and in line with actuals and industry norms. <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>Key observations 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 £222,000 (2023: £642,000).	We determined Parent Company materiality to be £155,000 (2023: £417,300).
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 65% of materiality, and was set at £144,000 (2023: £417,300).	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 70% of group performance materiality, and was set at £100,000 (2023: £333,840).
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	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. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.	We agreed with the Audit Committee that we would report to them all misstatements over £7,500 (70% of Group reporting threshold) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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 set out on page 29, 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 un-detected 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:

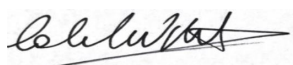
- Making enquiries of the management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Substantively testing of revenue and testing of journals to identify unusual transactions 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. 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

01/11/2024
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CROMA SECURITY SOLUTIONS GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024		2023 (as restated)	
		£000s	£000s	£000s	£000s
Revenue	3		8,737		8,025
Cost of sales			<u>(4,738)</u>		<u>(4,276)</u>
Gross profit			3,999		3,749
Administrative expenses			(3,395)		(3,325)
Other operating income			<u>3</u>		<u>3</u>
Operating profit			607		427
Analysed as:					
Earnings before interest, tax, depreciation and amortisation (EBITDA)			1,061		954
Amortisation of intangible assets			(62)		(60)
Depreciation			<u>(392)</u>		<u>(467)</u>
			607		427
Financial expenses	5		(27)		(24)
Interest receivable	6		217		-
Profit before tax			797		403
Tax	9		<u>(254)</u>		<u>(237)</u>
Profit for the year from continuing operations			543		166
Discontinued operations					
Profit after tax for the year from discontinued operations	33		<u>-</u>		<u>3,534</u>
Profit after tax and total other comprehensive income			<u>543</u>		<u>3,700</u>
Earnings per share					
Basic and diluted earnings per share (pence) from continuing operations	10		3.95		1.11
Basic and diluted earnings per share (pence) from discontinued operations	10		-		23.71

CROMA SECURITY SOLUTIONS GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 £000s	2023 £000s
Assets			
Non-current assets			
Goodwill	13	5,042	5,042
Other intangible assets	14	85	147
Property, plant and equipment	15	2,576	1,950
Right-of-use assets	16	552	656
Other receivables	18	1,651	3,122
		<u>9,906</u>	<u>10,917</u>
Current assets			
Inventories	17	1,203	1,106
Trade and other receivables	18	4,818	3,551
Cash and cash equivalents	29	2,142	2,144
		<u>8,163</u>	<u>6,801</u>
Total assets		<u>18,069</u>	<u>17,718</u>
Liabilities			
Current liabilities			
Trade and other payables	20	(1,876)	(1,564)
Lease liabilities	22	(114)	(114)
		<u>(1,990)</u>	<u>(1,678)</u>
Non-current liabilities			
Provisions	21	(161)	(190)
Deferred tax	24	(217)	(154)
Lease liabilities	22	(477)	(545)
		<u>(855)</u>	<u>(889)</u>
Total liabilities		<u>(2,845)</u>	<u>(2,567)</u>
Net assets		<u>15,224</u>	<u>15,151</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	25	794	794
Treasury shares		(946)	(778)
Share premium		6,133	6,133
Merger reserves		2,139	2,139
Capital redemption reserve		51	51
Retained earnings		7,053	6,812
Total equity		<u>15,224</u>	<u>15,151</u>

These financial statements were approved and authorised for issue by the Board of Directors on 1 November 2024.

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 JUNE 2024

	Notes	2024 £000s	2023 £000s
Cash flows from operating activities			
Profit before taxation		797	3,937
Depreciation, amortisation and impairment losses		454	527
(Profit) on sale of discontinued operations	33	-	(3,069)
Loss on sale of property, plant and equipment		-	1
Net changes in working capital	28	(136)	(78)
Interest payable	5	27	24
Interest receivable	6	(217)	-
Corporation tax paid		(202)	(68)
Net cash generated from operations		723	1,274
Cash flows from investing activities			
Purchase of businesses net of cash acquired	12	(73)	(1,226)
Purchase of property, plant and equipment	15	(793)	(411)
Proceeds on disposal of discontinued operations		538	669
Proceeds on disposal of property, plant and equipment		-	-
Net cash used in investing activities		(328)	(968)
Cash flows from financing activities			
Payments to reduce lease liabilities	30	(117)	(374)
Treasury shares acquired		(168)	-
Financial income (net)		190	-
Increase/(decrease) in borrowings	30	-	(31)
Dividends paid		(302)	(313)
Net cash used in financing activities		(397)	(718)
Net (decrease) in cash and cash equivalents		(2)	(412)
Cash and cash equivalents at beginning of period		2,144	2,556
Cash and cash equivalents at end of period	29	2,142	2,144

CROMA SECURITY SOLUTIONS GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 2024

Attributable to owners of parent	Share capital	Capital redemption reserve	Treasury shares	Share premium	Merger reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
At 1 July 2022	794	51	(399)	6,133	2,139	3,425	12,143
Treasury shares acquired	-	-	(379)	-	-	-	(379)
Profit for the year	-	-	-	-	-	3,700	3,700
Dividends paid	-	-	-	-	-	(313)	(313)
At 30th June 2023	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)
At 30th June 2024	794	51	(946)	6,133	2,139	7,053	15,224

CROMA SECURITY SOLUTIONS GROUP PLC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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 AIM listed.

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 £3.6 million received to date and a further £2.9 million due over the next 7 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 2025. 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 IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2024. 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.

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Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Non-current liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IAS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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 and City Locks 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.

CROMA SECURITY SOLUTIONS GROUP PLC
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- 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.

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.

CROMA SECURITY SOLUTIONS GROUP PLC
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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.

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	-	4% on cost
Leasehold property	-	Over the term of the lease
Plant, computer 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.

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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.

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.

CROMA SECURITY SOLUTIONS GROUP PLC
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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.

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.

CROMA SECURITY SOLUTIONS GROUP PLC
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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.

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% (FY23:16%).

The carrying amount of goodwill at the consolidated statement of financial position was £5,042k. Details relating to the allocation of goodwill to cash generating units are given in note 12. Based on the review performed by the directors at the year-end, the goodwill required no impairment (FY23: £0k).

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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 FY24 is £206k (FY23: 344k) as per note 17.

Property dilapidations

Provisions for leasehold property dilapidation repairs are recognised when the Group has a present obligation to carry out dilapidation work on the leasehold premises before the property is vacated. The amount recognised as a provision is the best estimate of the costs required to carry out the dilapidations work. Factors that are considered:

- Historical Condition Reports: Reviewing past condition assessments to understand the typical wear and tear associated with similar properties.
- Pro-Rata Basis: Allocating costs proportionally based on the duration of the lease to ensure a fair and accurate estimate.

The provision for FY24 is £161k (FY23: £190k) as per note 21.

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

CROMA SECURITY SOLUTIONS GROUP PLC
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3. Segmental reporting	Croma Vigilant (Guarding) £000s	Croma Fire and Security £000s	Croma Locksmiths (Locks) £000s	Central £000s	Total £000s
2024 Business Segments					
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) before impairment	-	554	721	(668)	607
Profit/(loss) on disposal	-	-	-	-	-
Operating profit/(loss) before impairment	-	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

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	Croma Vigilant (Guarding) (as restated) £000s	Croma Fire and Security (as restated) £000s	Croma Locksmiths (Locks) (as restated) £000s	Central (as restated) £000s	Total (as restated) £000s
2023 Business Segments					
Segment revenues	-	3,480	4,696	-	8,176
Inter-segment revenue	-	(118)	(33)	-	(151)
Revenue from external customers	-	3,362	4,663	-	8,025
Gross profit	-	1,683	2,007	-	3,690
Administrative expenses	-	(1,057)	(1,043)	(639)	(2,739)
Amortisation	-	-	(60)	-	(60)
Depreciation	-	(179)	(288)	-	(467)
Other operating income	-	-	3	-	3
Operating profit/(loss) before impairment	-	447	619	(639)	427
Profit from discontinued operations	465	-	-	3,069	3,534
Operating profit/(loss) before impairment	465	447	619	2,430	3,961
EBITDA from continuing operations	-	630	970	(646)	954
Segment assets	-	2,805	4,201	10,712	17,718
Segment (liabilities)	-	(1,010)	(1,141)	(416)	(2,567)
Segment net assets	-	1,795	3,060	10,296	15,151
Additions to non-current assets	-	202	403	-	605

Vigilant is a discontinued operation that was disposed of during the year 30 June 2023.

CROMA SECURITY SOLUTIONS GROUP PLC
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3. Segmental reporting (continued)

An analysis of revenue by type is shown below:

Revenues from UK sources	2024	2023
	£000s	£000s
Sales of goods and installation services	7,691	7,334
Monitoring maintenance and service fees	860	592
Web shop	186	99
	8,737	8,025

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 and projected monthly billing:

	2024	2023
	£000s	£000s
To be satisfied in the next financial year	359	299
	359	299

There were no customers where revenue was greater than 10% of the total (FY23: 0).

4. Expenses	2024	2023
	£000s	£000s
Amount of inventory expensed as cost of sales	3,387	3,359
Depreciation - owned assets	239	331
Depreciation - right of use assets	153	136
Amortisation	62	60

Auditors' remuneration:

Audit of parent company and consolidated financial information	60	76
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5. Financial expenses	2024	2023
	£000s	£000s
Interest on lease liabilities	27	24

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6. Financial income	2024	2023
	£000s	£000s
Interest receivable	217	-
7. Staff and staff costs		
Continuing operations		
The average monthly number of persons (including Directors) employed by the Group during the period was:	2024	2023
	No.	No.
Management and administration	32	28
Service and product provision	55	44
	87	72
Staff cost (for the above persons):	£000s	£000s
Wages and salaries	2,821	2,514
Pension	68	50
Social security costs	272	250
	3,161	2,814
Discontinued operations		
The average monthly number of persons (including Directors) for Vigilant for the period was:	2024	2023
	No.	No.
Management and administration	-	41
Service and product provision	-	957
	-	998
Staff cost (for the above persons):	£000s	£000s
Wages and salaries	-	27,828
Pension	-	536
Social security costs	-	2,767
	-	31,131

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8. Directors' and key management personnel remuneration

2024	Salary and bonus £000s	Estimated value of benefits £000s	Pension £000s	Total £000s
R M Fiorentino	246	4	-	250
T Andreeva	150	3	8	161
J Haigh	50	-	8	58
S Naylor	28	-	-	28
	474	7	16	497

10,000 share options were granted to directors during the year (FY23: nil) and no share options were exercised in the period (FY23: nil). The total outstanding share options held by the directors at the year-end is 12,000 (FY23: 2,000). The number of exercisable share options held by directors at the year-end is nil (FY23: nil).

2023	Salary and bonus £000s	Estimated value of benefits £000s	Pension £000s	Total £000s
S J F Morley	77	4	2	83
R M Fiorentino	250	4	-	254
P Williamson	75	1	1	77
R A Juett	55	2	11	68
A N Hewson	25	3	-	28
C McMicking	25	-	-	25
T Andreeva	47	1	1	49
J Haigh	13	-	-	13
S Naylor	4	-	-	4
	571	15	15	601

Key management personnel compensation payable to the Directors including employers National Insurance, comprises short-term employee benefits which total £535k (FY23: £649k) and long-term employee benefits which total £16k (FY23: £15k).

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9. Taxation	2024	2023
	£000s	£000s
Analysis of the tax charge in the year		
Current year tax charge		
UK corporation tax charge on profit for the year	191	200
Adjustments for prior periods	-	-
	<hr/>	<hr/>
Total current tax	191	200
Deferred tax		
Current year	63	37
Adjustments for prior periods	-	-
	<hr/>	<hr/>
Total deferred tax	63	37
	<hr/>	<hr/>
Tax on profit on ordinary activities	254	237

The standard rate of corporation tax in the UK of 25% (2023: 25%).

	2024	2023
	£000s	(as restated)
	£000s	£000s
Profit before taxation	797	403
Profit multiplied by the standard rate of corporation tax of 25% (2023: 25%)	199	101
Effects of:		
Expenses not deductible for tax purposes	55	136
	<hr/>	<hr/>
Total tax charge for the year	254	237

10. Earnings per share

The calculation of basic earnings per share 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 earnings per share is based on the basic earnings per share 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.

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Continued and discontinued operations	2024	2023
	£000s	£000s
Numerator		
Earnings for the year used in basic and diluted EPS	543	3,700
Denominator		
Weighted average number of shares used in basic and diluted EPS (000s)	13,766	14,902
	Pence	Pence
Basic and diluted earnings per share	3.95	24.83
Continued operations	2024	2023
	£000s	(as restated) £000s
Numerator		
Earnings for the year on continuing operations and used in basic and diluted EPS	543	166
Denominator		
Weighted average number of shares used in basic and diluted EPS (000s)	13,766	14,902
	Pence	Pence
Basic and diluted earnings / (loss) per share	3.95	1.11
Discontinued operations	2024	2023
	£000s	(as restated) £000s
Numerator		
Earnings for the year on discontinuing operations and used in basic and diluted EPS	-	3,534
Denominator		
Weighted average number of shares used in basic and diluted EPS (000s)	13,766	14,902
	Pence	Pence
Basic and diluted earnings / (loss) per share	-	23.71

11. Dividends

A final dividend of 2.2p was declared for the year ended 30 June 2023 on 6 November 2023 and paid on 15 December 2023 at a cost of £0.3m. Subject to approval at the AGM, the Board recommends a final dividend of 2.3p per share for the year ended 30 June 2024.

CROMA SECURITY SOLUTIONS GROUP PLC
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12. Business combinations (acquisitions)

As part of the Group’s continuing strategy to expand the network of security centres, on 2 January 2024 Croma Locksmiths and Security Solutions Limited acquired a business comprising 100% of the share capital of City Locks Limited, a business trading out of Peterborough.

The fair value of net assets acquired is set out below:	£000s
Purchase consideration (satisfied entirely by cash)	30
Less: The fair value of assets acquired	
Property, plant and equipment	43
Inventories	20
Trade and other receivables	16
Cash and cash equivalents	-
Add: the fair value of liabilities	
Trade and other payables	(49)
Goodwill	-
	<hr style="width: 100%; border: 0.5px solid black; margin-top: 5px; margin-bottom: 5px;"/> -

Transaction costs of £15k relating to the acquisition of City Locks Limited have been recognised as an expense and included within administrative expenses in the statement of profit or loss.

City Locks Limited contributed £139k to the Group’s revenue and £35k to the Group’s profit before tax for the period from the date of acquisition to the year-end date. If the acquisition of City Locks Limited had been completed on the first day of the financial year, this would have added £281k to the Group’s revenue and £56k 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 to the above acquisition, on 2 January 2024, the Group acquired the assets and customer relationships of Attle Locksmiths, a partnership operating out of Worthing for the value of £43k.

CROMA SECURITY SOLUTIONS GROUP PLC
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† The fair value of net assets acquired is set out below:	£000s
Purchase consideration (satisfied entirely by cash)	43
Less: The fair value of assets acquired	
Property, plant and equipment	28
Vehicles	1
Inventories	14
Goodwill	-
	<hr style="width: 100%; border: 0.5px solid black;"/>
	-

Transaction costs of £1k relating to the business purchase of Attle Locksmiths have been recognised as an expense and included within administrative expenses in the statement of profit or loss.

This addition contributed £71k to the Group’s revenue and £6k to the Group’s profit before tax for the period from the date of acquisition to the year-end date. If the acquisition of Attle Locksmiths had been completed on the first day of the financial year, this would have added £142k to the Group’s revenue and £12k 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.

13. Goodwill

Cost	£000s	
At 1 July 2023		<hr style="width: 100%; border: 0.5px solid black;"/> 6,526
At 30 June 2024		6,526
Accumulated impairment losses		
At 1 July 2023		<hr style="width: 100%; border: 0.5px solid black;"/> (1,484)
at 30 June 2024		(1,484)
Net book value		
At 1 July 2023		5,042
At 30 June 2024		5,042
Impairment testing	2024	2023
	£000s	£000s
The carrying value of goodwill by each CGU is as follows:		
Croma Fire and Security	2,620	2,620
Croma Locksmith	2,422	2,422
	<hr style="width: 100%; border: 0.5px solid black;"/> 5,042	<hr style="width: 100%; border: 0.5px solid black;"/> 5,042

CROMA SECURITY SOLUTIONS GROUP PLC
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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 2029, 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% (FY23: 16%) 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 2024), 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 2024 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 2024 and have forecast 5% increase in turnover for the year ending 30 June 2025.

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

- Revenue growth of 4.25% (FY23: 4.25%) per annum
- Direct cost growth of 3.69% (FY23: 3.69%) per annum
- Overheads growth of 3.30% (FY23: 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 £6,454k which when compared to the carrying value of goodwill has resulted in an impairment loss of £0k (FY23: £0k).

Croma Locksmiths

During the year to 30 June 2024 sales increased by 8.5% 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% (FY23: 4.25%) per annum
- Direct cost growth of 3.69 % (FY23: 3.69%) per annum
- Indirect costs growth of 3.02% (FY23: 2.99%) 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 £8,178k which when compared to the carrying value of goodwill has resulted in an impairment loss of £0k (FY23: £0k).

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Sensitivities

The discount rate used decreased by 1% from 16% in 2023 to 15% in 2024, this is determined by a reduction in business risks.

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 £284k and for each 0.1% decrease in the long-term revenue growth rate the value of future cashflows reduces by approximately £375k.

In Croma Fire and Security for example, for each 0.1% increase in the discount rate, the value of future cashflows reduces by approximately £224k and for each 0.1% decrease in the long-term revenue growth rate the value of future cashflows reduces by approximately £296k.

14. Other intangible assets

	R&D	Customer relationships	Brands	Software licences	Brand royalties	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Cost						
At 30 June 2022	86	1,727	295	224	31	2,363
Additions	-	-	-	-	-	-
At 30 June 2023	86	1,727	295	224	31	2,363
Additions	-	-	-	-	-	-
At 30 June 2024	<u>86</u>	<u>1,727</u>	<u>295</u>	<u>224</u>	<u>31</u>	<u>2,363</u>
Accumulated amortisation						
At 30 June 2022	86	1,522	295	222	31	2,156
Charge for the year	-	60	-	-	-	60
At 30 June 2023	86	1,582	295	222	31	2,216
Charge for the year	-	60	-	2	-	62
At 30 June 2024	<u>86</u>	<u>1,642</u>	<u>295</u>	<u>224</u>	<u>31</u>	<u>2,278</u>
Net book value						
At 1 July 2023	<u>-</u>	<u>145</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>147</u>
At 30 June 2024	<u>-</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85</u>

The amortisation expense of £62k (FY23: £60k) has been categorised as an administrative expense in the Consolidated Statement of Comprehensive Income. At the year end the Directors reviewed intangible assets for impairments.

Customer relationships

Customer relationships extant the date of acquisition were considered. A forecast was prepared for future gross revenues from the relationships after giving due consideration to historic attrition rates. A discount rate of 15% (2023:16%) was then applied to give the present value of these future cashflows. Customer relationships relate to Croma Locksmith.

No impairment adjustment has been found to be necessary against the carrying value of customer relationships acquired with the business of Croma Locksmiths & Security Solutions Limited. The useful lives as noted in the accounting policies were considered appropriate. Customer relationships with a net book value of £85k (FY23: £145k) have a remaining life of less than 2 years.

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15. Property, plant and equipment

	Property	Plant and office equipment	Motor vehicles	Total
	£000s	£000s	£000s	£000s
Cost				
At 30 June 2022	1,125	1,169	567	2,861
Additions	153	155	103	411
Additions from acquisitions	420	44	51	515
Disposals	(80)	(556)	(216)	(852)
At 30 June 2023	1,618	812	505	2,935
Additions	440	72	281	793
Additions from acquisitions	-	71	1	72
Disposals	-	-	-	-
At 30 June 2024	<u>2,058</u>	<u>955</u>	<u>787</u>	<u>3,800</u>
Depreciation				
At 30 June 2022	159	913	312	1,384
Charge for the year	99	131	101	331
On disposal	(47)	(499)	(184)	(730)
At 30 June 2023	211	545	229	985
Charge for the year	37	89	113	239
On disposal	-	-	-	-
At 30 June 2024	<u>248</u>	<u>634</u>	<u>342</u>	<u>1,224</u>
Net book value				
At 1 July 2023	<u>1,407</u>	<u>267</u>	<u>276</u>	<u>1,950</u>
At 30 June 2024	1,810	321	445	2,576

16. Right of use assets

	Property	Motor vehicles	Total
	£000s	£000s	£000s
Cost			
At 30 June 2022	1,606	352	1,958
Additions	-	-	-
Disposals	(586)	(255)	(841)
At 30 June 2023	1,020	97	1,117
Additions	49	-	49
Disposals	-	-	-
At 30 June 2024	<u>1,069</u>	<u>97</u>	<u>1,166</u>
Depreciation			
At 30 June 2022	658	180	838
Charge for the year	127	9	136
On disposal	(397)	(116)	(513)
At 30 June 2023	388	73	461
Charge for the year	139	14	153
On disposal	-	-	-
At 30 June 2024	<u>527</u>	<u>87</u>	<u>614</u>
Net book value			
At 1 July 2023	<u>632</u>	<u>24</u>	<u>656</u>
At 30 June 2024	542	10	552

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17. Inventories	2024	2023
	£000s	£000s
Finished goods, raw materials and consumables	1,119	947
Work in progress	84	159
	1,203	1,106

Included in the finished goods, raw material and consumables amount above is a stock provision at the year-end of £206k (FY23: £344k). The stock figure in June 2023 was made up of a large stock provision amount from acquisitions.

18. Trade and other receivables	2024	2023
	£000s	£000s
Trade receivables	1,247	1,139
Allowance for bad debts	-	-
Net trade receivables	1,247	1,139
Other receivables	3,365	2,307
Prepayments	206	105
Total trade and other receivables due within 1 year	4,818	3,551
Total trade and other receivables due after 1 year	1,651	3,122

The balance of 'Other receivables' due within 1 year relates entirely from the disposal of Vigilant, of which we have received £2.1 million post year end.

The balance of 'Total trade and other receivables' due after 1 year relates entirely to the balance due 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 2024 (FY23: £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.

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Age profile	2024	2023
	£000s	£000s
Debts not past due date	657	640
30-60 days	285	295
60-90 days	184	117
Over 90 days	121	87
	1,247	1,139

Debtor days	43	43
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19. Categories of financial assets	2024	2023
	£000s	£000s

Loans and receivables

Trade and other receivables	4,612	3,446
Cash at bank and in hand	2,142	2,144
	6,754	5,590

20. Trade and other payables	2024	2023
	£000s	£000s

Trade payables	921	621
Other payables	-	-
	921	621

Other taxes and social security	270	222
Corporation tax liability	217	228
Accruals and deferred income	468	493

Total trade and other payables, excluding lease liabilities due within 1 year	1,876	1,564
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21. Provisions	2024	2023
	£000s	£000s

Provisions for leasehold property dilapidations	161	190
	161	190

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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; these leases have been expensed 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 2024. 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 3.5% (FY23: 3.5%).

Leases	2024	2023
	£000s	£000s
Minimum lease payments fall due as follows:		
Gross obligation repayable		
Within 1 year	136	134
Between 1 and 5 years	474	533
Over 5 years	20	61
Net obligations repayable:		
Within 1 year	114	114
Between 1 and 5 years	418	486
Over 5 years	59	59
	<u>477</u>	<u>545</u>
Amounts recognised in the consolidated statement of comprehensive income:		
Interest on lease liabilities	27	24
Amounts recognised in the consolidated statement of cash flows:		
Payments to reduce lease liabilities	117	374

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23. Interest rate and liquidity risk

2024	Weighted average effective interest rate %	Less than 1 month or on demand £000s	1-12 months £000s	After 1 year £000s	Total £000s
Fixed rate					
Trade and other payables		921	-	-	921
Lease obligations	3.5%	-	136	494	630
Accruals		-	270	-	270
Total		921	406	494	1,821
2023	Weighted average effective interest rate %	Less than 1 month or on demand £000s	1-12 months £000s	After 1 year £000s	Total £000s
Fixed rate					
Trade and other payables		103	60	-	163
Lease obligations	3.5%	-	134	594	728
Accruals		-	384	-	384
Total		103	578	594	1,275

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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24. Deferred tax	2024	2023
	£000s	£000s
The movement on the deferred tax account is shown below:		
At 1 July	154	117
Charged to the statement of comprehensive income	63	37
At 30 June	217	154

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

Capital allowance in advance of depreciation	217	125
Arising on fair value adjustments recognised on business combinations	-	47
Other short term temporary differences	-	(18)
	217	154

At 30 June 2024 deferred tax has been provided at a rate of 25% (2023: 25%)

The Group has tax losses of approximately £1.8m (FY23: £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 (FY23: £450k) has not been recognised as it is doubtful that it will be utilised in the foreseeable future as historically, the Croma Group has accumulated tax losses. These historic tax losses can only be utilised if the parent company itself generates trading profits in the current period.

25. Share capital	2024	2023
	£000s	£000s
Authorised, allotted, called up and fully paid:		
Other ordinary shares of 5 pence each	794	794
	Number	Number
	000s	000s
Issued and fully paid		
Ordinary shares of 5 pence each at the start and end of the year	15,899	15,899

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 51,000 new options were issued and there were 66,500 options outstanding at 30 June 2024.

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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 30 June 2023	40,500	0.94
Granted during the year	51,000	0.49
Lapsed during the year	(25,000)	0.70
Exercised during the year	-	-
Options outstanding at 30 June 2024	66,500	0.68

Share options exercisable at the end of the year were:

	Number of share options	Weighted average exercise price (£)
Options exercisable at 1 July 2022	-	-
Options exercisable at 30 June 2023	-	-
Options exercisable at 30 June 2024	-	-

The share options outstanding at 30 June 2024 had a weighted average remaining contractual life of 1.4 years (FY23: 1.4 years). There were no share options exercised during the year (FY23: 0).

During the year, 51,000 share options were issued. The details of these options and their fair value at the grant dates are detailed below. The fair value of the options at the grant dates were calculated using the Black-Scholes model.

	14-Jul-23	10-Nov-23
Share price at grant date (£)	0.48	0.54
Exercise price (£)	0.48	0.54
Expected volatility	30%	30%
Expected option life	3 years	3 years
Risk-free interest rate	5.30%	5.30%
Fair value at grant date (£)	£0.10	£0.12

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 £0.725.

In FY24, 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 2023, 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 2024, the amount would have been £5k (FY23: £3k).

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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% of the voting shares.

Rental of Premises

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 £86k (FY23: £86k) and in respect of these leases, £212k (FY23: £248k) is included in lease liabilities on 30 June 2024.

Salaries paid to close family members

During the year, salaries totalling £60k (FY23: £74k) were paid to close family members of key management personnel.

Services provided by close family members

During the year services totalling £5k (FY23: £0) were provided 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 £14k (FY23: £0) to Fresh Start Waste Services Limited, with whom the Group share a common board member. The year end balance was £1k (FY23: £0). 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	2024	2023
	£000s	£000s
Net changes in working capital		
(Increase)/decrease in inventories	(63)	98
Decrease/ (increase) in trade and other receivables	(317)	(2,260)
Increase in trade and other payables	244	2,084
	<u>(136)</u>	<u>(78)</u>

29. Cash and cash equivalents	2024	2023
	£000s	£000s
Cash at bank and in hand	2,142	2,144

30. Reconciliation of liabilities arising from financing activities

	Lease liabilities	Credit card liabilities	Total
At 30 June 2022	1,141	31	1,172
New lease liabilities	-	-	-
Lease liability disposals	(132)	-	(132)
Cash flows	(350)	(31)	(381)
	<u>659</u>	<u>-</u>	<u>659</u>
At 1 July 2023	49	-	49
New lease liabilities	-	-	-
Lease liability disposals	-	-	-
Cash flows	(117)	-	(117)
	<u>591</u>	<u>-</u>	<u>591</u>
At 30 June 2024	591	-	591

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 are exempt from the requirements of Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

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33. Discontinued operations

Vigilant Security (Scotland) Limited, a wholly owned subsidiary, was discontinued with effect from 30 June 2023. The results of these discontinued activities were as follows:

	2024	2023
	£000s	£000s
Profit/(loss) on disposal of discontinued operations	-	3,069
Profit/(loss) after taxation	-	3,069

The results from the discontinued operation of the group for the year ended 30th June 2023 have been re-presented, as required by IFRS 5, so that the disclosures relate to all operations that been discontinued by 30th June 2023 for all periods presented.

During the year the discontinued operation paid £0k (FY23: £188k) to the group's net operating cash flows, received £nil (FY23: £nil) in respect of investing activities and paid £nil (FY23: £1,183k) in respect of financing activities.

Goodwill of £1,396k in relation to discontinued operations was written off in the year to 30th June 2023.

	2024	2023
	£000s	(as restated) £000s
Revenue	-	34,802
Cost of sales	-	(30,432)
Gross profit	-	4,370
Administrative expenses	-	(3,915)
Other operating income	-	10
Operating profit	-	465
Taxation	-	-
Profit after tax	-	465
Profit on disposal	-	3,069
Profit after tax for the year from discontinued operations	-	3,534
Earnings per share		
Basic and diluted earnings per share (pence) from discontinued operations	-	23.71

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34. Post balance sheet events

As part of the deferred consideration owed to the Group from the £6.5 million sale of Vigilant, the following payments were received subsequent to June 2024:

- £0.46 million on 1 July, related to the repayment of loan notes and interest.
- £1.3 million on 4 July, related to the purchase of the outstanding redeemable shares by Vigilant.
- £0.45 million on 30 September, as the next instalment of loan notes and interest.

35. Restatement of consolidated statement of comprehensive income

In the financial statements for FY23 EPS for basic and diluted earnings per share (pence) from continuing operations was stated as 21.70p and was calculated based on the continuing operations generating £3,235k (continuing operations profit amounting to £166k plus disposal profit amounting to £3,069k). The restatement has reclassified the profit on disposal of £3,069k as discontinued operations and therefore, the restated EPS amounts to 1.11p based on the restated profit from continuing operations amounting to £166k. The profit before tax has reduced from £3,472k to £403k as a result of the profit on disposal of £3,069k being reclassified as discontinued operations.

CROMA SECURITY SOLUTIONS GROUP PLC
COMPANY FINANCIAL STATEMENTS
AS AT 30 JUNE 2024

CROMA SECURITY SOLUTIONS GROUP PLC
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 £000s	2023 £000s
Assets			
Non-current assets			
Investment	E	6,940	6,940
Trade and other receivables	F	1,651	3,122
		<u>8,591</u>	<u>10,062</u>
Current assets			
Trade and other receivables	F	5,224	3,204
Cash and cash equivalents		1,490	2,068
		<u>6,714</u>	<u>5,272</u>
Total assets		<u>15,305</u>	<u>15,334</u>
Liabilities			
Current liabilities			
Trade and other payables	G	(754)	(649)
		<u>(754)</u>	<u>(649)</u>
Net assets		<u>14,551</u>	<u>14,685</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	H	794	794
Treasury shares		(946)	(778)
Share premium		6,133	6,133
Merger reserves		2,139	2,139
Capital redemption reserve		51	51
Retained earnings		6,380	6,346
Total equity		<u>14,551</u>	<u>14,685</u>

Company profit for the year totalled £336k (2023: £6,276k). 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 1 November 2024 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 2024

	Notes	2024 £000s	2023 £000s
Cash flows from operating activities			
Profit before taxation		336	6,275
Net changed in working capital	J	(982)	536
(Profit) on sale of subsidiaries		-	(5,102)
Impairment losses		-	-
Net cash (used in) / generated from operations		(646)	1,709
Cash flows from investing activities			
Proceeds on disposal of subsidiaries		538	670
Net cash used in investing activities		538	670
Cash flows from financing activities			
Treasury shares acquired		(168)	-
Dividends paid		(302)	(314)
Net cash used in financing activities		(470)	(314)
Net (decrease)/increase in cash		(578)	2,065
Cash and cash equivalents at beginning of period		2,068	3
Cash and cash equivalents at end of period		1,490	2,068

CROMA SECURITY SOLUTIONS GROUP PLC
 COMPANY STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR END 30 JUNE 2024

Attributable to owners of parent

	Share capital	Capital redemption reserve	Treasury shares	Share premium	Merger reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
At 1 July 2022	794	51	(399)	6,133	2,139	385	9,103
Treasury shares acquired	-	-	(379)	-	-	-	(379)
Profit for the year	-	-	-	-	-	6,275	6,275
Dividends paid	-	-	-	-	-	(314)	(314)
At 30th June 2023	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)
At 30th June 2024	794	51	(946)	6,133	2,139	6,380	14,551

CROMA SECURITY SOLUTIONS GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 30 JUNE 2024

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 Reporting 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 an operating profit for the year of £336k (FY23: £6,276k) Dividends of £800k were received from its subsidiary undertakings (FY23: £1,800k)

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 2025 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.

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
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 30 JUNE 2024

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 (FY23: £0k) against fixed assets investments has been recorded. At the year end the carrying value of investments totalled £6,940k (FY23: £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 £336k (FY23: £6,275k).

CROMA SECURITY SOLUTIONS GROUP PLC
 COMPANY STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR END 30 JUNE 2024

D. Staff and staff costs

The average monthly number of persons (including Directors) employed by the company during the period was:	2024	2023
	No.	No.
Management and administration	4	5
Staff cost (for the above persons):	£000s	£000s
Wages and salaries	357	449
Pension	9	12
Social security costs	45	59
Estimated value of benefits	4	14
	415	534

E. Fixed asset investments

Cost	£000s
At 1 July 2023	7,662
Additions	-
Disposal	-
At 30 June 2024	<u>7,662</u>
Accumulated impairment losses	
At 1 July 2023	(722)
Arising in the year	-
Disposal	-
at 30 June 2024	<u>(722)</u>
Net book value	
At 1 July 2023	<u>6,940</u>
At 30 June 2024	6,940

CROMA SECURITY SOLUTIONS GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 30 JUNE 2024

The principal fixed asset investments are as follows:

Company	% Ordinary shareholding	Nature of business
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
Basingstoke Locksmiths Limited	100% indirectly	Locksmithing, Keys and Safes
CSS Locksmiths Limited	55% directly 45% indirectly	Dormant
Centre Security Limited	100% indirectly	Dormant
Access Key and Lock Limited	100% indirectly	Dormant
The Safecell Security Group Ltd	100% indirectly	Holding company
Southern Stronghold Ltd	100% indirectly	Locksmithing, Keys and Safes
Safecell Security Ltd	100% indirectly	CCTV and security systems
Authorized Access Systems Ltd	100% indirectly	Locksmithing, Keys and Safes
City Locks Ltd	100% indirectly	Locksmithing, Keys and Safes

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

F. Debtors	2024	2023
	£000s	£000s
Amounts due from subsidiary undertakings	1,826	887
Other debtors	3,342	2,304
Prepayments	56	13
Trade and other receivables falling due within 1 year	5,224	3,204
Other debtors due after 1 year	1,651	3,122

The balance of 'Other debtors' due within 1 year relates entirely from the Vigilant consideration of which we have received £2.1 million post year end.

The balance of 'Total trade and other receivables' due after 1 year relates entirely to balance due from the disposal of Vigilant.

G. Creditors	2024	2023
	£000s	£000s
Amounts due to subsidiary undertakings	642	512
Trade creditors	16	30
Other creditors	90	107
Other taxes and social security	6	-
	754	649

CROMA SECURITY SOLUTIONS GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 30 JUNE 2024

H. Share capital	2024	2023
	£000s	£000s
Authorised, allotted, called up and fully paid:		
Other ordinary shares of 5 pence each	794	794
	Number	Number
	000s	000s
Issued and fully paid		
Ordinary shares of 5 pence each 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 23 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.

Full details of the Group's share option scheme are in Note 23 of the consolidated financial statements.

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% of the voting shares.

Full details of compensation Key Management Personnel of the parent company are included in note 7 to the financial statements of the Group.

J. Notes supporting the cash flow statement	2024	2023
	£000s	£000s
Net changes in working capital		
Decrease/(increase) in trade and other receivables	(1,087)	304
Increase/(decrease) in trade and other payables	105	232
	<u>(982)</u>	<u>536</u>

CROMA SECURITY SOLUTIONS GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR END 30 JUNE 2024

K. Post balance sheet events

As part of the deferred consideration owed to the Group from the £6.5 million sale of Vigilant, the following payments were received subsequent to June 2024:

- £0.46 million on 1 July, related to the repayment of loan notes and interest.
- £1.3 million on 4 July, related to the purchase of the outstanding redeemable shares by Vigilant.
- £0.45 million on 30 September, as the next instalment of loan notes and interest.