



YEAR ENDED
30 APRIL 2025

Report & Financial Statements



PROTECT HUMAN CAPITAL

Newmark helps organisations to protect human capital in safe spaces, with secure cloud control of their people's access, time keeping and identity data at work.

With continued discipline in execution, we remain highly optimistic for our future, excited by the opportunities that are now opening up for us. I look forward to building on the solid platform of FY25 through FY26 and beyond.

Marie-Claire Dwek, CEO

CONTENTS

About Newmark Security.....	1
At a Glance	2
Highlights.....	3
Strategic Report	
Chairman’s Statement.....	5
Business Model.....	7
Chief Executive Officer’s Review	10
Our Divisions – People and Data Management	14
Our Divisions – Physical Security Solutions.....	19
Financial Review	22
Principal Risks and Uncertainties.....	24
S172 Statement.....	26
Corporate Governance	
Our Board	28
Governance Report	30
Directors’ Report	31
Directors’ Remuneration Report	34
Independent Auditor’s Report.....	37
Financial Report	
Financial Statements	43
Shareholder Information	
Directors, Secretary and Advisors.....	84

ABOUT NEWMARK SECURITY



Newmark helps organisations to protect human capital in safe spaces, with secure cloud control of their people's access, time keeping and identity data at work.

Safe. Seamless. Secure.

Newmark Security PLC (AIM:NWT) delivers long-term shareholder value through the provision of products and services in the security and enterprise data sectors. From its locations in the UK and North America, Newmark operates through subsidiary businesses that are well-positioned in specialist, high-growth markets with a reputation for innovation and quality leadership established through 25 years of engineering excellence.



Grosvenor Technology serves the Access Control and Human Capital Management markets globally, providing cloud-controlled solutions that combine hardware, software and services to collect and secure people's access, time keeping and identity data at work. These solutions help companies maintain privacy, ensure compliance and reduce operating costs, and are increasingly provisioned as-a-service through recurring subscriptions.



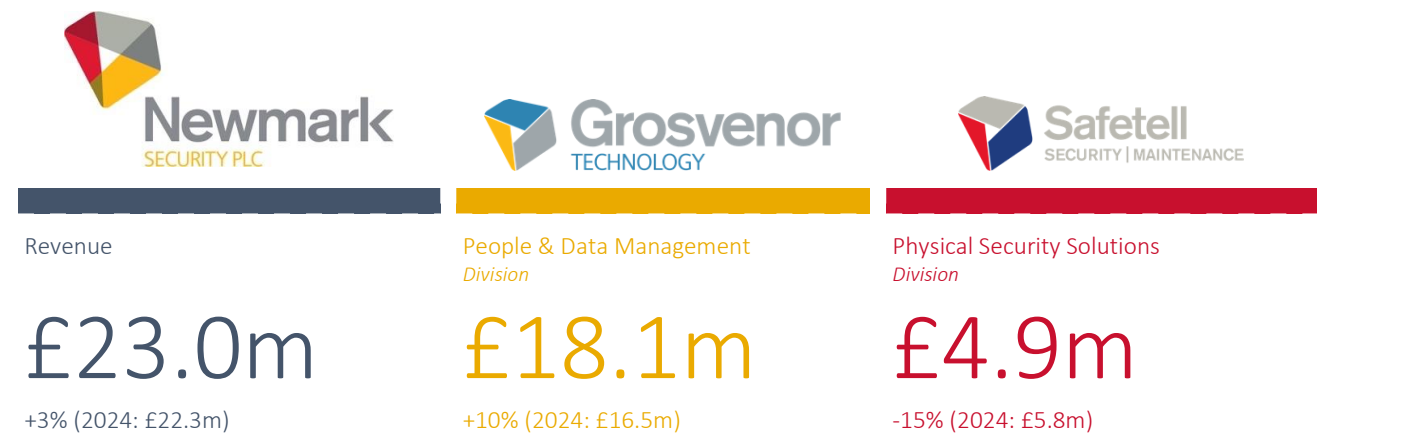
Safetell provides physical security installations and services to numerous end-users across the public and private sectors, with a broad product portfolio ranging from Entrance Control and Automatic Doors to a wide array of Building and Asset Protections solutions. Safetell works collaboratively with clients to design complete security solutions which builds long-standing service relationships, high degrees of customer retention and significant proportions of repeat business.

As a leading provider of electronic and physical security systems, Newmark's products and services have become the industry standard in people and data security in the workplace. Our solutions help organisations to ensure people feel *safe* in their environment, can *seamlessly* access workspaces to be productive, and have the essential reassurance that their identity data is kept *securely*, in compliance with the most stringent data protection measures.

Newmark benefits from long-term relationships with blue-chip customers and incremental partnerships with influential software vendors, particularly in North America. By continuously investing in innovative technology for high-growth security markets that focus on protecting human capital, the Newmark strategy is generating an increasing proportion of its revenues from recurring services, building a business that has long-term stability and sustainability at its core.

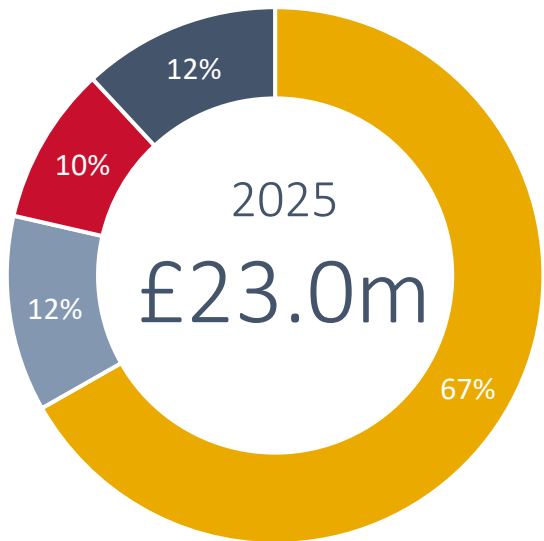
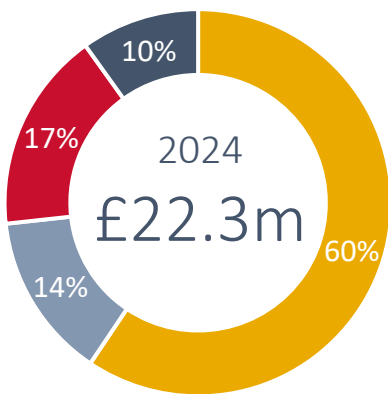
AT A GLANCE

Year ended 30 April 2025



Revenue split by division and line of business

- HCM
- Access Control
- Safetell Products
- Safetell Services



Employees	Locations
109	5
7% (2024: 102)	(2024: 5)

HIGHLIGHTS

Year ended 30 April 2025

Revenue

£23.0m

+3% (2024: £22.3m)

Gross profit margin

40.7%

+2.2% pts (2024: 38.5%)

EBITDA

£2.4m

+8% (2024: £2.2m)

Operating profit

£0.9m

(2024: £0.8m)

Profit after tax

£0.6m

(2024: £0.1m)

Earnings per share

7.1p

(2024: 1.4p)

Cash generated from operations

£1.8m

(2024: £2.8m)

Investment in development

£0.6m

(2024: £0.4m)

Debt (includes leases)

£4.0m

(2024: £4.9m)

People & Data Management
Division Revenue

£18.1m

+10% (2024: £16.5m)

HCM
Revenue

£15.4m

+14% (2024: £13.5m)

HCM
Subscriptions

40,635

32% (2024: 30,693)

Annual Recurring Revenue
from HCM SaaS and ClaaS

£3.6m

+24% (2024: £2.9m)

Access Control Revenue
Revenue

£2.7m

-10% (2024: £3.0m)

Physical Security Solutions
Division Revenue

£4.9m

-15% (2024: £5.8m)

Products
Revenue

£2.2m

-41% (2024: £3.7m)

Services
Revenue

£2.7m

+30% (2024: £2.1m)

Strategic Report



CHAIRMAN'S STATEMENT



Overview

The year to 30 April 2025 (FY25) marked another solid year of progress for Newmark in pursuit of its current five-year plan, once again achieving record revenues. Despite several external project and partner delays causing a bounce effect for both divisions, shifting orders into a stronger second half of the year and in some cases into the first half of FY26, every area is now in a greater position of confidence and opportunity than at any former time in our history. Sitting beneath the headlines, many separate factors are beginning to align for what will be a significant scaling opportunity ahead, in a year where the combination of sales progress and operational preparation was of equal importance.

Developing strong partnerships that drive recurring revenues continues to be the central focus across both divisions, as we look to improve visibility and reduce exposure to external project cycles. Once again, human capital management (HCM) provided the engine for growth across the Group, with positive developments in every territory from North America to Europe and the Rest of the World. The M&A environment for many of our strategic partners has accelerated, providing an

opportunity for our team to organise for greater scale to come, now that many of these organisations have themselves multiplied in size and geographic reach. Previous efforts to capture greater share-of-wallet have had a material impact and now position us perfectly for the enlarged partnerships that lie ahead. The instinct to lead the market with innovation has once again seen the team make exciting progress with the launch of GT Tablet, opening a new category of opportunity to serve organisations with mobile and dispersed teams where fixed terminals cannot operate. Both our sales and technical teams have been busy organising around the growing Direct-to-End-user (D2E) opportunity, making excellent progress in developing our partnerships with some of the world's leading HCM software providers. All of this, against a backdrop of global uncertainty that the team continues to ably navigate is strengthened by the resilience measures put in place as part of the previous five-year strategic plan.

As we continue to reap the benefits of our efforts through 2025, the team has emerged better prepared and already looking forward to the numerous scaling opportunities to come in FY26 and beyond. Being increasingly well-positioned to make the most of these opportunities, our focus will remain disciplined in keeping to the strategic pillars of our growth strategy that have proven so successful.

Board and governance

The Board and its Committees continue to maintain a robust governance framework, led by our Chief Financial Officer, Paul Campbell-White, who continues to be supported by a strong leadership team providing independent challenge and ensuring good governance is sustained across the Group.

We follow the Quoted Companies Alliance Corporate Governance Code (QCA Code) and have adopted the updates introduced in November 2023. The details on how the Company applies the principles of the QCA Code are set out in our Corporate Governance section on pages 28 to 30.

Going concern

The Board continues to have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. We continue to deliver year-on-year revenue growth and generate healthy operating cashflows. Growing levels of recurring revenues provide increasing stability in our outlook and, whilst we continue to closely monitor global macroeconomic events, supply chain issues have eased.

We are optimistic that our growth will continue in the next 12 months, supported by the investments in strategic initiatives. A full analysis of the Group's going concern assessment is included in the Directors' Report on pages 31 to 32. Accordingly, the directors consider it appropriate to prepare

the accounts on a going concern basis.

Dividend

The Board is not recommending the payment of a dividend for the year ended 30 April 2025 (2024: £Nil).

Outlook

The Group continues to be in good health and performing well in all of the areas identified as priorities for our strategic growth. Whilst strategic reviews are being conducted across Access Control and Safetell, two areas where we will seek to achieve greater value for shareholders, overall, I am delighted with the enormous discipline, effort and resilience displayed by the whole team as we continue expanding our opportunities and driving growth across the board.

As evidenced by group revenues rising consecutively for the past five years in a row, our strategies have proven highly effective, and I remain entirely convinced of the team's positive outlook for further growth ahead. The Executive Team and our many talented employees continue to work extremely hard to put both divisions in the strongest possible position in each of their markets. With significant gains to come, once again, we are forecasting revenue growth for the coming year, having already made a strong start to FY26.

On behalf of the Board, I would like to extend my thanks for all the hard work and dedication shown by our teams in what has been another highly productive year where we have continued to out-compete many larger suppliers and incumbents with our higher quality products and services. The expanding array of opportunities this presents us with enables us to drive forward with great confidence and address exciting market opportunities that we have carefully targeted. I look forward to building on our success and adding 2026 to a series of many successful years ahead.

Maurice Dwek

Chairman

3 September 2025

GT4
GT4 LITE



GT8



GT10



NEW

GT
TABLET



SOFTWARE ONLY

GT CONNECT

**Data & Device
Management
Made Simple**

Cloud Platform



**Remote Device
Management**



**Identity
Management**



**System
Management**



**Data
Management**



**Remote Device
Diagnostics**



**Technical
Support**

GT PROTECT

**Maximize &
Protect Your
Investment**

Lifetime Warranty



**Lifetime
Hardware Warranty
& Replacement**



**Priority Technical
Support to Partners**



**Setup Assistance
and Support to
End-Users**



Grosvenor

TECHNOLOGY

GT SERVICES

Creating recurring subscriptions

Lifetime Warranty

Every clock includes an enhanced warranty for the lifetime of the device, providing you with complete peace of mind. This guarantees a like-for-like replacement to your specified location, no quibble.

Simple, Unified Control

Harnesses the power and protection of the cloud to provide a simplified ecosystem that not only streamlines your data and device management but also ensures compliance with data and privacy regulations.

Seamless Access Control

A system that seamlessly integrates with your security devices so you can have ultimate control of your environment. JanusC4 has been developed to meet the growing demands of today's world, designed to enhance your existing systems and unite them in one, simple dashboard.

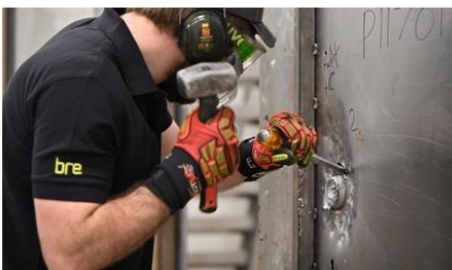
Auto-doors & Entrances

Screens & Counters

Building Security & Asset Protection

Complete Physical Security Solutions

Safetell is the UK's leading provider and installer of fully-integrated physical security solutions with accredited products, comprehensive services, certified maintenance engineers and responsive customer support – **all in one place.**



CHIEF EXECUTIVE OFFICER'S REVIEW



Overview

At the outset of our new five-year 2029 Strategic Growth Plan, it was clearly important that 2025 provided a solid first-year foundational platform for our scaling ambitions, as we strive to accelerate growth. Our aim is to deliver quality innovation to more customers at every level of the market. I am delighted that this year has indeed provided the positive start we had hoped for, and a base on which we can build, with notable gains in all key areas at the core of our plan. Once again, this is a result of the tireless efforts of our team, who continue to pursue our clearly defined strategy with enormous focus and dedication.

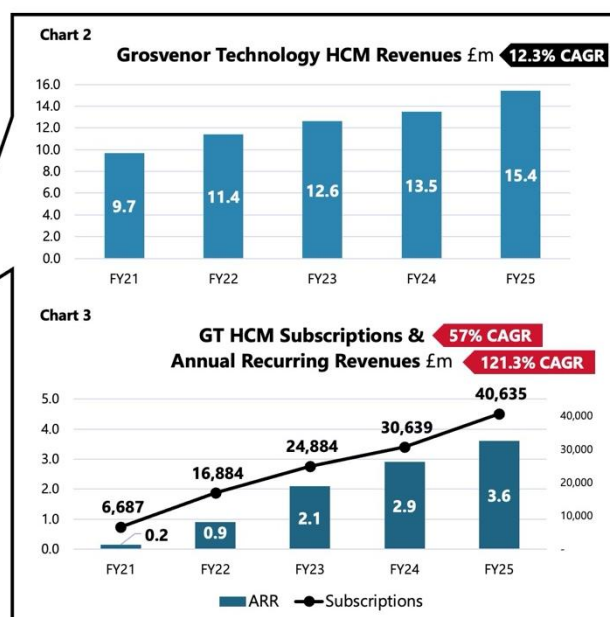
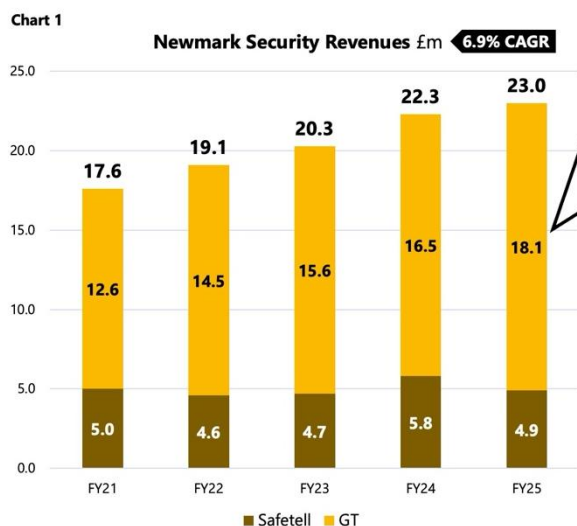
As anticipated, Group sales and profitability strengthened in the second half of the year. Our HCM business went from strength to strength, with revenue growing 14% and now accounting for nearly 67% of total Group revenue. It also grew recurring revenues by 24% and achieved a number of important new subscription milestones.

In line with our HCM plan, we have grown recurring revenues through services, displaced clock competitors, and are diversifying our sales channels through our D2E strategy as we integrate our clock and cloud-based software with world-leading HCM platforms. As a result, we are expecting HCM growth momentum to build through FY26, particularly in North America given the size of the market and the progress already being made with our D2E strategy. We are already working hard to develop our D2E sales pipeline with Oracle, Workday and SAP, and we expect to secure our first customers in FY26.

Meanwhile, delivering strong growth in recurring revenues across an even broader base of strategic partnerships raises our confidence for both the short and long-term. Our model of hardware-enabled software and services and clear quality leadership combine to drive highly 'sticky' customer relationships. Our consistent approach has been to broaden the trusted partnerships we have established and capture full share-of-wallet across the breadth of our product range.

Across the rest of the Group, both Access Control and Safetell also reported stronger revenues in H2, particularly after several contract start dates were deferred to later in the year and into FY26. Whilst these businesses are moving in the right direction, HCM has become our primary focus given its growth and the scale of commercial opportunities that lie ahead. As such, we are reviewing the growth strategies of both Access Control and Safetell to assess how we can best drive value for the Group and ultimately our shareholders.

In 2025, we delivered record revenues. In fact, we have delivered revenue growth for the last 4 years



Performance

The combination of strategic activities contributed to another year of steady growth across the Group. Group revenue grew by 3% year-on-year to £22.3 million (April 2024: £22.3 million) with gross profit also increasing, up 9% to £9.4 million (April 2024: £8.6 million). This marks four years of consecutive year-on-year growth, rising 31% from £17.6 million in 2021 to £23.0 million in FY25, representing a compound annual growth rate (CAGR) of 6.9% – see *Chart 1 above*.

Within this total, our HCM opportunity continues to expand and accelerate, with FY25 performance being driven by executing with strategic focus on this market. HCM sales grew by 14% year-on-year to £15.4 million (April 2024: £13.5 million), representing nearly double the Group compound growth rate, of 12.3% over the same period between FY21 (£9.7 million) and FY25 – see *Chart 2 above*.

HCM annualised recurring revenue (ARR) increased by 24% year-on-year (YOY) to £3.6 million (April 2024 ARR: £2.9 million), positively contributing to profit margin growth and reaching a record number of subscriptions which grew by 32% to 40,635 monthly device subscriptions. This included the first new subscriptions under the Per-Employee-Per-Month (PEPM) model, designed specifically for the D2E market.

12 million
monthly transactions

In 2025, GT clocks handled over 12 million monthly transactions, and in almost all cases now generate hardware, software and warranty revenues from each device. Our compound growth in subscriptions over the last 5 years has been running at 57% growth per annum, with annual recurring revenues rising from £0.15 million in 2021 to £3.6 million this year. This represents an even more impressive 121.3% compound growth, with more to come in FY26 and beyond – see *Chart 3 above*.

Access Control delivered a stronger second-half performance; however, this was not quite sufficient to offset an overall decline of 10%, achieving full-year revenues of £2.7 million. This was due to slower than expected migrations and further delays from our software partner in the development and launch of our new Janus C4 Ultra product. Whilst the regional focus did not produce the additional growth we had hoped for, to balance the upgrade delays, progress in this area was deprioritised in favour of increased focus and investment in our rapidly expanding D2E opportunity. For FY26, a number of mitigations are currently being undertaken to refocus the sales team and accelerate the development project, whilst completing a strategic review to ensure we identify the optimum growth strategy for the group.

This divisional combination delivered a net positive full-year result for Grosvenor, with an improved gross margin of 42.5% contributing a gross profit of £7.7 million (FY24: 39.7%, £6.5 million). Topline revenues increased by 10% to £18.1 million (April 2024: £16.5 million), which now accounts for nearly 80% of Group turnover.

Safetell wrestled with the dual macro-economic effects of 2025,

with delays in public sector project cycles and the impact of significant inflationary pressures in retail, both of which combined to cause a slowdown in projects that dampened another excellent year of progress in growing services. Whilst total revenues declined by 15% to £4.9 million (April 2024: £5.8 million), service revenues grew substantially, increasing by 30% to £2.7 million, representing 56% of annual income for the division. Passing this important service-oriented tipping point marks a critical milestone in a business that continues to prioritise the creation of long-term value, executing in line with the groupwide strategy to grow recurring revenues. Once again, the focused approach to broadening our service operations gained further traction in FY25, driven by new strategic accounts and a greater share-of-wallet from existing customers. This was evidenced by notable growth in Door Services which grew by 49% to £1.0 million.

With an improved second-half performance for both products and services, the prospects in FY26 are extremely positive, with delayed projects now resuming and feeding into a strong, well-balanced pipeline. A number of exciting and substantial new opportunities add to our confidence of a welcome return to growth, whilst we assess the strategic priorities and growth plan to ensure value for shareholders.

Financial

The Group's cash at 30 April 2025 was £0.3 million, a decrease of £0.8 million on the prior year (30 April 2024 cash: £1.1 million). This decrease was primarily due to Coronavirus Business Interruption Loan Scheme (CBILS) bank loan and invoice financing repayments.

Group debt (including leases) reduced by a further £0.9 million to £4.0 million (April 2024: £4.9 million). Bank net debt at 30 April 2025 was £2.1 million (30 April 2024: £2.0 million).

Amidst global concerns over changes to US tariffs, it is reassuring to note that the Group is seeing minimal impact, with HCM terminals currently exempt from tariffs because of their classification as data terminals. As in previous years, inventory and supply levels are being managed effectively, in line with revenues, to ensure we have sufficient stock to cover forecast demand. As we continue to monitor macroeconomic events closely, we are leveraging the expert systems and processes we use to monitor our supply chain and control inventory to maintain our competitive edge in customer delivery. This has been made much easier through the expanded footprint of our US location, always taking the opportunity to improve stock turnover and cashflow where possible. This is evidenced by the stock turn ratio steadily improving throughout the year and is now above the 3.5 target we set.

With the oversight of our CFO, Paul Campbell-White, we continue to ensure investment decisions are aligned with our strategic goals, exercising sound financial discipline with strong governance and appropriate commercial controls commonly embedded across the Group.

Strategy & Outlook

Newmark will continue into FY26 by executing the strategy that has proven highly effective throughout the previous five-year growth plan, with new emphasis on those areas where our scaling potential is demonstrably increasing. A detailed explanation of each

divisional strategy and its performance can be found in the respective sections of this report. At a Group level the direction remains consistent, engaging new partners, increasing share-of-wallet through existing partners, investing in channel development with new product and service innovation, and prioritising the growth of recurring revenues through service-based subscriptions at a range of price points.

The Group has already made a good start to FY26 with sales building across both divisions and a well-qualified pipeline of opportunities that are beginning to recover the handful of delays experienced in FY25.

For HCM, the D2E Oracle partnership is our immediate focus. During the second half of FY25 we gained Oracle Integrator status following the successful testing of HCM's Clock and Cloud-based software. The sales pipeline is building, and we expect to secure our first D2E customers during FY26.

We are also now integrated with SAP earlier than anticipated and are targeting our first sales during FY26. The recently announced exclusive partnership agreement with Synerion, a global provider of cloud workforce management software, underlined further rapid progress with our D2E strategy. The partnership will see HCM's GT Clock devices combined with Synerion's workforce management software and integrated into several of Synerion's HCM partner platforms in North America, enabling us to deliver comprehensive hardware and software solutions directly to end-users by the end of FY26.

Our Workday integration is also progressing well, and we plan to achieve certification by mid-FY26,

which will enable us to build additional pipeline over the remainder of the year.

In each of these areas, D2E remains an exciting space and a huge opportunity for Newmark. Activity and interest are building strongly at global trade show events with Oracle, Workday and SAP, with each marketplace containing an abundance of potential enterprise customers.

Innovation leadership has always been a key focus for Newmark as we seek to differentiate and win great customer relationships based on our reputation for delivering high quality, complete solutions, quickly and reliably. I am particularly excited to report that the division is now launching GT Tablet in FY26, extending HCM past hardware with our first software-only clock solution. With similar functionality to fixed clock devices, now in tablet-compatible form, GT Tablet can link existing customer tablets through our secure cloud platform, GT Connect, and to GT Services.

GT Tablet will be launching on Google Play Store and IOS App Store in FY26, although the division has already begun marketing and selling GT Tablet directly, with initial engagements receiving significant early interest from our existing HCM partners. We anticipate this will be an important incremental source of recurring revenue at the end of FY26, with one HCM partner already committed to onboarding GT Tablet, whilst discussions with others are progressing well.

Altogether, there is strong evidence of growing demand for our HCM products and services, giving us the confidence to think 5-years ahead. Increasing cyber focus and regulatory pressure raise data security and compliance as board-

level priorities that continue to drive enterprise opportunities globally. With AI being rapidly embedded and deployed across enterprise systems, we know we must keep innovating to remain at the forefront of our market. To bring greater focus and control to this endeavour, I am delighted to announce that we have promoted Simon Poole-Anderson to the role of Technical Director to create a new 5-year technology roadmap that puts both AI and development scalability at the heart of our R&D investment. Further growing subscriptions via GT Tablet is just part of that strategy, as we also look to update our full range of devices, advance our secure cloud control software GT Connect, and extend our array of HCM system integrations so that Newmark continues to define the leading standard for state-of-the-art quality and protection at the HCM Edge.

Safetell too, has already had a more confident start to the year with a good pipeline building and a proportion of the deferred orders being delivered in H1 FY26. It also expects to continue to grow its services revenues through its Door Services offering, noting the excellent growth in FY25 that extended our capability to include the servicing of security shutters, with plans to further expand the range of products and services we can offer to attract a similarly strong recurring profile.

As we press ahead with our 2029 Strategic Growth Plan, we are constantly challenging ourselves to set and meet stretching internal targets for revenue and EBITDA growth, to help meet our scaling ambitions. We are already benefitting from the many operational improvements of recent years and have an excellent team in place following clearly defined strategies that have proven successful.

“With continued discipline in execution, we remain highly optimistic for our future, excited by the opportunities that are now opening up for us. I look forward to building on the solid platform of FY25 through FY26 and beyond.”

Marie-Claire Dwek
Chief Executive Officer

3 September 2025

OUR DIVISIONS –

PEOPLE AND DATA MANAGEMENT

Revenue information

£'000	2025	2024	Increase/ (decrease)	Percentage change
HCM North America	9,902	9,443	459	5%
HCM Rest of World	5,478	4,009	1,469	37%
Total HCM	15,380	13,452	1,928	14%
Total Access Control	2,719	3,017	(298)	(10%)
Division Total	18,099	16,469	1,630	10%

Performance overview

2025 was another year where Grosvenor Technology (Grosvenor/GT) continued its innovation leadership in high quality timeclocks, access and identity data control for the Human Capital Management (HCM) and Access Control markets. A strategic priority guiding our dedicated and experienced team is our central focus on protecting human capital by controlling the people data that powers HCM – people's identity, time, access, and security. We focus on transacting and protecting this data to drive efficiency, productivity and security in the systems that manage people, keeping their data safe and ensuring companies are compliant.

In FY25, we continued to deliver on this focus, achieving top-line revenue growth of 10% to £18.1 million (FY24 GT Revenue: £16.5 million), a gain of £1.6 million on FY24 and now accounting for nearly 80% of group turnover. This growth was driven by the strong performance of the HCM business and another substantial increase in annualised recurring revenue (ARR). As we build our offering in the Direct-to-End-user (D2E) space through partnerships with some of the world's largest HCM software companies, the HCM business also recorded its first per-employee subscriptions, establishing the necessary foundations to position the business for even stronger growth in the months and years ahead.

HCM

Delivering strong growth through disciplined strategic execution

Executing our strategy to focus on HCM, this business continued to lead our growth with revenue increasing by 14% year-on-year (YOY) to £15.4 million (FY24 HCM Revenue: £13.5 million). ARR increased by 24% YOY to £3.6 million (April 2024 ARR: £2.9 million), further improving HCM's profitability and reaching a new subscription milestone. Achieving 40,635 monthly device subscriptions for GT Connect and other GT Services, up 32% YOY with an additional 9,942 subscriptions (April 2024 subscriptions: 30,693). For the first time, this included 3,027 subscriptions under the new PEPM model, designed specifically for the D2E market.

CONTINUE

Continue to seek and onboard new, high-quality HCM partners who align with our vision and product offerings

ATTACH

Attach services to all new business, proactively integrating GT Services into every new engagement from the outset

PUSH

Push services to all existing partners, promoting the full range of services and solutions so they can compete more effectively

DISPLACE

Increase share-of-wallet by targeting competitor products currently integrated within the ecosystems of our key partners, actively replacing these solutions with our own

DIVERSIFY

Seek strategic expansion into new areas, exploring new routes to market, such as Direct-to-End-user (D2E) & develop new products, such as GT Tablet

Once again, by consistently pursuing our five-pillar growth strategy, in FY25 we delivered important operational progress to create the environment for sustained and incremental performance, with highlights as follows:

1. Continue: Our team continued to build strategic partnerships across the industry to open new sales channels, working with a number of new partners due to be announced in FY26, and adding to an already healthy and growing pipeline expanding through our existing partnerships.

2. Attach: GT Services provides a compelling all-round proposition that adds significant value to our subscriptions that is hard for competitors to match. As previously announced, in FY25 we also began to offer customers “direct-to-customer” fulfilment from our logistics centres in the US and UK, effectively allowing our partners to fully outsource all aspects of fulfilment to us. This differentiated positioning, beyond device manufacturer to trusted solutions and biometric data service provider, is building incremental future performance by accelerating growth in recurring revenue-based subscriptions as well as increasing customer stickiness through long-term partnerships. As a key pillar of our growth strategy, we expect this to be directly reflected through our newly established framework of Customer Experience measures with services providing the key link to demonstrate ongoing added value.

3. Push: Continuing a campaign that started in FY24, we are successfully converting existing HCM customers who had previously only purchased hardware products, upgrading them to a recurring services model

with GT Protect and GT Connect. Now every customer in the North American region with one exception has attached recurring services, making a significant contribution to the forward outlook through higher value service-based contracts.

4. Displace: Demand for the GT4 and lower-cost GT4-Lite devices was particularly strong in North America, with orders for the latter helping to displace its main low-cost clock competitor in this market. This has been at the heart of our plan to target full share-of-wallet, enabling us to expand key partnerships by offering the full range of clocks, with services attached that drive recurring revenues.

5. Diversify: With further details below, our efforts to develop and launch GT Tablet in FY25 open a significant channel of opportunity, expanding our target market to dispersed mobile workforces on a global scale, and providing new routes to explore software-only revenue-sharing arrangements with our partners. This presents a tremendously exciting opportunity for FY26.

Meanwhile, benefitting from our efforts in FY24, we have begun marketing our new offering, GT Time, shaped to target the HCM Direct to End-user (D2E) market opportunity by combining the flexibility of choosing entry or premium products with services attached and per-employee-per-month pricing. Our D2E strategy involves selling to end-users through large HCM partner platforms, unlocking enterprise-sized customers and larger orders for GT Time products and services. Building on our Partnership Programme with the first one of these brand leaders, Oracle, during the second half of the year we gained Oracle Integrator

status following the successful testing of our clock and cloud-based software. The sales pipeline is building, and we expect to secure our first D2E customers during FY26.

We have also been busy establishing new sales channels for GT Time and now expect to be integrated with SAP earlier than anticipated, targeting the first sales during FY26. Our Workday integration is progressing according to plan, and we aim to achieve certification by mid-FY26, which will enable us to build our sales pipeline over the remainder of the year.

The recently announced partnership with Synerion, a global provider of cloud workforce management software, marks a significant step forward in our D2E strategy. Under this agreement, Synerion will exclusively partner with Grosvenor Technology on D2E opportunities involving integration of GT Clock devices into market-leading third-party HCM systems across North America. This collaboration positions Grosvenor to deliver comprehensive hardware and software solutions directly to end-users by the end of FY26.

Software market consolidation creates the opportunity to scale-up partnerships

With M&A-based consolidation a frequent feature of the highly active HCM software marketplace, this can present significant partner scaling opportunities to introduce the acquiror’s broader range of customers to our products and services. In 2025, this took place on both sides of the acquisition equation.

In North America, our partner Workforce Software was acquired by ADP, an employee management solutions company, whilst another

partner, Paycor, was acquired by Paychex, a payroll and HR solutions company. The disruption caused by these acquisitions impacted orders received during the second half of FY25. However, we believe that these acquisitions are an extremely positive development for us, with early discussions to introduce their large customer base to our products and services, and we are excited by the potential new sales opportunities that lie ahead.

In the Rest of the World region (ROW), revenue growth was achieved despite our largest European partner completing its own series of acquisitions in H1, which caused a temporary slow-down in orders. However, these acquisitions have led to our partner expanding into new European territories and this provides a much-enlarged scope of opportunity, having recently secured an exclusive position as their sole provider of timeclock software and hardware solutions. Sales activity through this partner bounced back to deliver a strong H2, with the pipeline building strongly for FY26.

We also delivered a series of upgrades for existing long-term UK retail clients, with two of the leading supermarket brands placing substantial orders. The breadth of our client portfolio and increasing scope of opportunities has given us greater capability to absorb the impact of these M&A-related delays, underlining the strength of our customer relationships and the broad appeal of our products and services.

Extending beyond hardware with GT Tablet

The most exciting product announcement of FY25 was the launch of GT Tablet, enabling us to extend HCM past hardware with



Newly launched GT Tablet software

our first software-only clock solution.

With similar functionality to fixed clock devices, now in tablet-compatible form, GT Tablet can link existing customer tablets through our secure cloud platform, GT Connect, and to GT Services. This opens an exciting new category of application that expands our market opportunity on a global scale.

Whilst tablets cannot replace our high-specification hardware devices that are always-on and optimised for the rapid, high-volume throughput that is essential in office and industrial environments, our new tablet-based development is ideal to target specific mobile use cases that fixed devices cannot support. This opens a substantial opportunity to broaden the applicability of our services, being particularly well-suited to the many non-office and locally distributed settings where dispersed workforces need to operate, such as in retail, medical or crew-working scenarios.

As part of this plan, GT Tablet will be launching on Google Play Store and IOS App Store in FY26, unlocking the product's global distribution potential for customers. This is already generating significant interest from our HCM partners, and we anticipate this will be an important incremental source of recurring revenue at the end of FY26, with one HCM partner already committed to onboarding GT Tablet alongside positive discussions with several others.

Investing in platform growth and innovation with a new five-year Technical Roadmap

With the technology landscape shifting ever faster, a vital attribute that has sustained Newmark's market leadership over three decades has been its continuous investment in innovation to remain at the forefront of delivering to customer needs.

At the end of FY25, we promoted Simon Poole-Anderson to the role of Technical Director who will now, in addition to Product Management, be responsible for R&D. Simon will focus on closely aligning Product and R&D, developing a five-year technology roadmap, putting both AI and development scalability at the heart of R&D. The move has dual benefits, and is designed to apply his dedicated skills, experience and product knowledge to the R&D function, whilst freeing-up additional capacity for Colin Leatherbarrow, Grosvenor's MD. This will enable him to accelerate our divisional scaling plans and support our evolving operations to meet the new opportunities our product and market innovations are rapidly creating.

Further growing subscriptions via GT Tablet is just part of the new roadmap. Our enhanced strategy includes providing resource scaling to support faster delivery of more Professional Services to accelerate order take-up, as well as removing the technical barriers to winning D2E business. Our innovation leadership now encompasses the addition of new and updated timeclocks at both ends of the portfolio, the combination of Neural Processing Units (NPUs) alongside updated Central Processors (CPUs) to ensure our devices remain future-proofed, highly performant and AI-ready. Our planned investment programme covers updates across our full range of devices, secure cloud control software, and array of HCM system integrations so that Newmark continues to define the leading standard for state-of-the-art quality and protection at the HCM edge.

Optimising operations and measuring customer experience

Together with some minor team realignment to provide adequate focus and support for the emerging D2E opportunities, we continued to upgrade inventory and manage stock smartly to keep pace with growing customer requirements, whilst at the same time carefully navigating a fast-changing tariff environment. The impact of new US tariffs was minimised by optimising the use of correct product classifications, qualifying exemptions and increasingly agile stock management. We have also taken additional steps to reinforce the credentials of our secure operating practices, having started System and Operating Controls (SOC) compliance, preparing for both SOC 1 financial reporting controls and SOC 2 data processing controls focused on security, availability, processing integrity, confidentiality, and privacy. We are anticipating gaining certification in FY26, in an initiative designed to further reassure clients of the quality of our approach.

During FY25 we completed a customer journey mapping exercise and used this to implement a new framework of Customer Experience measures. Aligning with best practice in recurring subscription-based businesses, this is an essential collection of KPIs delivered in real-time via an online management dashboard. In addition to systems performance, this will help us to monitor satisfaction, increase retention and prevent churn. As our tools and rich data sets mature, we anticipate driving new insights, enabling new services and identifying opportunities to extend Customer Lifetime Value (CLTV) through our subscriptions.

Access Control

As communicated at the half year, Access Control experienced a slower start to FY25, with sales impacted by delays from our software partner in the development of our new Janus C4 Ultra product, as well as to several upgrade projects. The division did see sales improve in the second half as anticipated, although full-year revenue of £2.7 million (April 2024, £3.0 million), was 10% down on last year.

Whilst not Grosvenor's primary strategic focus, the drop in performance has triggered important changes. In addition to mitigating tactical measures, reorganising and focusing sales on high-value opportunities where returns remain strong, alongside various initiatives to accelerate new product development and migrations. We are also reviewing the entire business strategy to assess the best options for how this unit can deliver better value for the Group. We anticipate delivering further updates in future reports.



Keep executing the growth strategy whilst evolving operations for greater scale

“FY25 has added to our record of continuous growth and, equally importantly, established and tested many of the foundations that will enable us to scale rapidly. We are at an exciting moment in the company’s development, full of opportunity. Our task will be to remain disciplined, keep to our proven growth strategy, and reap the benefits of the team’s tremendous efforts in developing trusted long-term partnerships, strong end-customer relationships and innovations that continue to lead. Not without significant hard work are we now in the fortunate position of having such high confidence in our performance and an extremely healthy pipeline of new opportunities to scale quickly and capture market share across North America and the Rest of the World. I’m particularly excited to see where GT Tablet and D2E take us. The sky is the limit!”

Colin Leatherbarrow, MD, Grosvenor Technology

PHYSICAL SECURITY SOLUTIONS

Revenue information

£'000	2025	2024	Increase/ (decrease)	Percentage change
Products	2,194	3,690	(1,496)	(41)%
Services	2,744	2,118	626	30%
Division Total	4,938	5,808	(870)	(15)%

Performance overview

Safetell continues to grow long-term value through services, prioritising the shift to an increasing proportion of recurring services according to its long-term strategy, and having crossed a tipping point with services now accounting for 56% of total revenues at £2.7 million. This valuable progress was achieved despite a disappointing year in projects, where a number of substantial public sector contracts were deferred into FY26 due to extended building schedules and procurement cycles. Whilst these delays have created a 'rebound effect' for the forthcoming year, with a robust FY26 forecast alongside a solid pipeline of opportunities, FY25 products were also suppressed in the retail sector, where clients responded to squeezed profit margins from high inflation and a broader slowdown in consumer spending, which also resulted in delays in planned roll-out programs. This combination led to a drop in overall revenues of 15% year-on-year to £4.9 million, however we remain confident that the completion of deferred projects, together with several exciting and substantial new pipeline opportunities, and the rising baseline of services, will

deliver a positive FY26 and a welcome return to growth.

Services Business Performance

The highlight of FY25 was the continued growth of service and maintenance revenue, up by 30% year-on-year, providing increased forward visibility that adds significant value and reflects the advantage of our high-quality operations in this space. With the completion of another year of solid execution, scaling our services business remains of crucial strategic importance, contributing visibility, revenue and enhanced profitability.

FY25 was, again, a year of notable growth in Door Services, which grew by 49% to £1.0 million, driven by new strategic accounts and a greater share-of-wallet from existing customers. Profitability of Door Services also increased as expected, with year-on-year margin expansion continuing to track in line with our five-year strategic plan. This was partly due to our previously reported capability enhancements, enabling us to service and repair roller shutters as well as doors, with one third of our engineers now fully trained and equipped. Acting as an immediate accelerator to growth, this enabled us to extend the scope of our service engagement,

and has yielded several new contract opportunities, in particular with large scale FM contractors who value multi-skilled third-party providers. Learning important lessons in optimising Door Services contracts has also led to a tighter focus on expanding our footprint with organisations that are a direct strategic match for our capabilities, such as universities, railway stations, blue light portfolios and other institutions where there are high instances of automatic doors and entrances in constant use. As we gain further critical mass in our service contracts, our field force planning and service delivery can increasingly be optimised to drive material gains in efficiency and profitability, and this has been a key factor in our strategic planning.

Legacy Services remained stable throughout FY25, despite prior concerns around revenue decline, enabling the services division to meet expectations, with a positive forward outlook that combines increasing demand for Entrance Control and Door Services with an already strong and active pipeline growing through FY26.

Products (Supply-only) Business Performance

In FY25, Supply-only product revenues exceeded expectations significantly, achieving £0.4 million in order intake – 146% of our budgeted target. This strong overperformance demonstrates a healthy demand for our standalone products and reflects effective sales and operational alignment in this high-margin segment. Although this represents a smaller proportion of total revenue, the improving performance reinforces its strategic importance and growth potential. As we reported last year, Safetell continues to benefit from new and competitive products as a result of broadening its range of suppliers in FY24, equipping it to deliver faster, at higher quality and lower cost. This also played a key role in overcoming a critical project delivery milestone for a major financial services customer in FY25, increasing the potential for extended orders and ongoing service contracts, and with further orders already being booked.

Products (Projects) Business Performance

During FY25, a number of high-value public sector installation contracts were subject to extended building and procurement cycles, often at short notice, causing project delays from FY25 to FY26. This created an unavoidable topline drag in revenues in FY25, with anticipated reversal planned in Q1 and Q3 of FY26. A toughening of the retail environment, which led to a softening in investment, further contributed to lower-than-expected project revenues in FY25, with the overall effect of this volatility factoring strongly in our resilience planning for FY26.

However, we used this period of slower activity in the Projects Team

to review and improve internal processes, project controls, and delivery execution. Both sales and delivery capability in the projects business have now been strengthened, placing a renewed emphasis on project quality and client satisfaction, with the clear goal of increasing repeat business and long-term customer relationships. Adding experienced industry sales leadership and new business development roles has enhanced our capability to focus, identify, pursue, and convert large-scale opportunities. In October, we also added experienced leadership to our customer delivery processes, leading to significantly improved project management and installation standards, as well as a streamlined Supply-Only process. This has secured Safetell as a trusted service partner with the confidence to deliver, leading to additional share-of-wallet gains and winning a number of new customers. As a result, the division saw significant margin improvements in the second half of the year, putting us in a much stronger position to deliver efficiently and profitably in FY26.

Against a backdrop of continuous transformation under MD, Nick Shannon, Safetell is also pursuing further strategic initiatives to enhance resilience and profitability, beginning the transition to a more responsive, variable cost projects business. Using trusted contractors as projects scale up or down, this will drive increased productivity, profitability and long-term business confidence through better cost control.

Each of these changes have been an important part of the strategic planning and review process in FY25, giving us a more robust and resilient platform which we

anticipate will start making an impact in FY26.

Outlook for 2026

Following key customer successes in FY25 across multiple sectors, including universities, blue light, retail, financial services, construction and pharmaceuticals, Safetell is ideally positioned to capitalise on its trusted partner status with a large number of major institutions in FY26 and beyond. The combination of strong results in Service and Supply-Only segments demonstrates the underlying health, strategic value and operational adaptability of the business, while the challenges in Projects offer a clear and actionable area of focus for the year ahead. We therefore approach FY26 with a positive outlook, supported by a stable and strategically rebalanced pipeline, with a significant increase in confidence and weighting toward public sector projects due to rescheduling from FY25 into FY26.

Looking ahead, the following three areas in particular provide the basis for our sustained confidence, management focus and performance ambitions.

Accelerating Door Services growth continues to offset a slower-than-anticipated decline in Legacy Services, supporting our long-term profitability goals. As in previous years, whilst we expect our Legacy Services business to contract in FY26 in line with published bank branch closures by major clients, our expanding Door Services offering provides a robust platform to absorb this anticipated decline. Following the successful introduction of roller shutter services at the end of FY25, we are now assessing a further capability and service expansion opportunity through the potential to add servicing of barriers and

automated gates and further accelerate our growing national footprint. As a result of the measures we have already taken, and with upside from service expansion, we remain on course to achieve sustainable profitability with a significantly reduced Legacy Services business exposure by the end of our five-year plan.

In addition, by recalibrating our Entrance Control offering to be more competitive, with enhancements in products, skills and training, this high-growth area is again showing very strong potential with significant increases in customer demand and orders from the start of FY26.

Finally, as part of our ongoing commitment to offer high quality, competitive products, we are reviewing and updating our entire portfolio plan to ensure we have a complete physical security product range – buying in where it makes sense to do so, and ensuring existing products meet emerging standards. With the introduction of the LPCB accreditation for screens, many public sector and security conscious commercial clients will require a newly accredited screen, giving us an opportunity to ensure our products satisfy this standard and remain the clear choice for our customers

Our demonstrably successful strategy of focused execution will continue to prioritise recurring revenues from services, which remains at the heart of our approach to growth. Balancing strong foundations and long-term visibility with more profitable short-term opportunities will help us to win tactical projects and install our latest new products.



“In an environment marked by uncertainty and volatility in 2025, our team has demonstrated tremendous resilience. We emerge into FY26 full of confidence, with a core of highly competitive offerings across all our services and product lines, and a healthy, active and well-balanced pipeline with enormous potential for success. With continued strong service performance and further targeted growth initiatives, we are extremely well-positioned to deliver against our strategic objectives in FY26 and beyond.”

Nick Shannon, MD

FINANCIAL REVIEW

Revenue

Key Performance Indicators	2025 £'000	2024 £'000	Increase/ (decrease) £'000	Percentage change %
People and Data Management Division				
HCM	15,380	13,452	1,928	14%
Access Control	2,719	3,017	(298)	(10%)
	18,099	16,469	1,630	10%
Physical Security Solutions Division				
Products	2,194	3,690	(1,496)	(41%)
Services	2,744	2,118	626	30%
	4,938	5,808	(870)	(15%)
Group Revenue	23,037	22,277	760	3%

Group revenue increased by 3% to £23.0 million (2024: £22.3 million) driven by growth in HCM. This revenue increase was due to both hardware sales and recurring revenues from Software-as-a-Service (SaaS) and Cloud-as-a-Service (CaaS). HCM recurring revenues increased by £0.8 million to £3.2 million (2024: £2.4 million). There has also been revenue increase from Services in the Physical Security Solutions Division. This growth is from traditional bank and building society clients as well as new auto-door servicing and repairs. Further commentary and discussion can be found in the relevant divisional sections.

Gross profit margins have increased to 40.7% (2024: 38.5%) due to improvements in the People and Data Management division from enhanced product margins and an increase in higher margin recurring revenues. Their gross margins increased to 42.5% (2024: 39.7%). The Physical Security Solutions division achieved a gross profit margin of 34.1% (2024: 35.3%) the decrease primarily caused by lower Products revenues resulting in reduced utilisation of staff who are charged to cost of sales.

Administrative expenses and average employees

Administrative expenses have increased by 8% to £8.5 million (2024: £7.8 million). This has been driven by both inflationary cost rises and investment in strategic initiatives following the approval of a new five-year strategic growth plan in June 2024. This investment included increases in headcount, marketing and professional fees. Overall average employees have increased to 109 (2024: 102) driven by growth in Grosvenor's UK and US operations. Staff costs (which are included in both cost of sales and administrative expenses) increased by £0.7 million or 8% to £9.0 million (2024: £8.3 million).

	2025 £'000	2024 £'000	Increase £'000	Percentage change %
Gross Profit	9,385	8,585	800	9%
Gross Profit Margin	40.7%	38.5%		

Finance costs

Finance costs have decreased by £0.1 million to £0.3 million (2024: £0.4 million) due to a combination of reduced invoice financing and overdraft borrowings and lower interest rates which started to fall in the UK from August 2024 and in the US from September 2024.

Profitability

The current year profit from operations was £0.9 million (2024: £0.8 million). The increase in profitability was caused by a combination of increase in gross profits from higher revenues and improved gross margins percentages, partially offset by a rise in administrative expenses.

Profit after tax for the year was £0.7 million (2024: £0.1 million). This is after the tax credit which is discussed in more detail below.

Taxation

A tax credit of £19,000 (2024: £254,000 charge) was recognised in the year. This resulted from a current tax charge of £12,000 (2024: £103,000 charge) due to minor prior period adjustments and a £31,000 deferred tax credit (2024: £151,000 charge) primarily due to a change capital allowance assumptions. The prior year deferred tax charge was primarily the result of adjustments to prior periods relating to a change in assumptions for the Grosvenor R&D tax claims. No corporation tax was paid in the year.

Earnings per share

Basic earnings per share for the year increased by 5.63p to 7.06p (2024: 1.43p). This was due to the increase in profitability in FY25.

Balance sheet

Net assets have increased by £0.6 million to £8.7 million (2024: £8.1 million). Intangible assets

decreased by £0.2 million to £5.0 million due to the amortisation of previously capitalised assets such as GT Connect being higher than development cost additions during 2025. Property, plant and equipment was unchanged year on year at £2.7 million. Inventory decreased by £0.3 million to £2.4 million due to a temporary decline in order to fulfil high levels of April 2025 HCM orders. Trade and other receivables increased by £0.9 million to £5.4 million primarily due to a rise in trade receivables from the high level of April 2025 HCM sales. Cash and cash equivalents decreased by £0.8 million to £0.3 million (2024: £1.1 million) due to bank loan and invoice financing repayments. Trade and other payables decreased by £0.2 million primarily due to reduced Q4 Products sales in the Physical Security Solutions Division. The £0.2 million decrease in short term borrowings to £2.8 million was due to reduced use of the US facilities. The £0.7 million decrease in long term borrowings was due to CBILs and lease repayments. Bank net debt at 30 April 2025 was £2.1 million (30 April 2024: £2.0 million).

Research & Development (R&D)

The Group has maintained its R&D investment in the People and Data Management division at broadly the same level as prior year of £0.4 million.

Cashflow

During the year cash decreased by £0.8 million to £0.3 million (2024: £1.1 million). Cash generated from operating activities decreased by £1.2 million to £1.8 million (2024: £3.0 million) mainly due to a one-off benefit in 2024 from a £1.4 million reduction in inventories built up during the pandemic. There was a £0.2 million tax receipt in FY24 from a FY22 Safetell R&D

tax credit, but there were no receipts in FY25 as none had been claimed since then by Safetell. Cashflow from investing activities increased by £0.2 million to £1.0 million (2024: £0.8 million) primarily due to a higher number of ClaaS clocks purchased year-on-year. In financing, the repayment of £0.7 million of invoice financing in 2025 (2024: £0.4m repayment) is from the termination of the \$2 million US invoice financing facility in February 2025. This was replaced by a \$2 million US revolving credit facility (RCF) with our relationship bank, HSBC. The £51,000 receipt in 2025 from bank loans (2024: £400,000 payment) is the net of a £451,000 draw down of the US RCF and £400,000 of repayments from the CBILs loan which started to be paid back from September 2021 over a 5-year term. Lease principal repayments were £0.6 million (2024: £0.6 million). There was also £0.2 million of interest paid on the debt facilities (2024: £0.3 million).

Cashflow forward currency contracts

During the year we executed our foreign exchange strategy by entering into forward contracts. The strategy effectively hedges 75% of excess US Dollars (USD) and reduces the level of volatility compared to using spot rates. The contracts manage our currency mismatch between an increasing USD position from revenues and the existing cost base in both GBP and Euros. The adopted process involved currency forecasting three quarters ahead and taking out tranches of forward contracts for 25% of each of the forecasted quarters relating to our excess USD position.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is integral to the way the Board and leadership team manage the Group and each divisional Managing Director monitors and reports on their most significant risks on a continuing basis. Risks are reviewed by the Board on a quarterly basis and actions are taken as appropriate to provide reasonable mitigation against those risks.

The principal risks facing the business, the potential impact and mitigating actions are detailed below:

Market conditions

The continued low economic growth rates, particularly in the UK could depress trading activity and result in delays in customer projects. The impact is somewhat reduced by the geographic spread and the nature of our customers. Commercially, we have been sensitive to the evolving demands of our customers but we also operationally monitor activity levels for support and new business. The Chief Financial Officer monitors cashflows and potential financing opportunities and discusses these regularly with the Board to support the reduced cash generation from lower levels of trading. The Group monitors supply chains regularly with detailed inventory modelling done by Grosvenor's Operations and Supply Chain Director. This includes disruption caused by the impact of US import tariffs introduced during the year. The impact is minimal as HCM clocks are currently exempt due to classification as data terminals. Customer prices are reviewed and increased where necessary to ensure margins are maintained.

Sales of new products

The Group has incurred substantial strategic expenditure on new developments within the People and Data Management division, based on market intelligence. Due to the dynamic nature of the market itself there is a risk of market needs moving during the development process. The Group mitigates this risk by carrying out customer trials and ascertaining features required by customers.

Service agreements

The majority of service revenues within the Physical Security Solutions division are from 1 to 3-year service agreements and there is the risk that these may not be renewed due to cost reduction programmes, by managing the contract externally or by utilising in-house resource. If the service agreements are not renewed it is likely that those customers would still require our services but would be charged on a call out basis without an overriding contract resulting in less certainty over future revenues. The Company has service level agreements with these customers which are closely monitored and holds regular meetings with those customers to check on their satisfaction levels.

Input prices and availability

Operating performance is impacted by the pricing and availability of its key inputs, which include electronic components, steel and security glass. The pricing and availability of such inputs can be quite volatile at times due to supply and demand dynamics and the input costs of the supply base. The Group manages the effect of such demands through a rigid

procurement process, long-term relationships with suppliers, economic purchasing, multiple suppliers and inventory management. It has also been able to adapt to the exceptional componentry availability issues experienced since 2021 by re-designing certain products to reduce the risk of not having enough inventory to meet demand.

Quality control

There is the potential for functional failure of products when in use, thereby leading to warranty costs and damage to our reputation. Quality control procedures are therefore an essential part of the process before the product is delivered to the customer. With the support of external quality auditors, the quality control systems are reviewed and improved on an on-going basis to ensure that the Group is addressing this risk through a certification process which is undertaken by a recognised and reputable authority before being brought to market.

Cyber security

Failure to protect the Group's systems from cyber security threats could result in financial loss, operational disruption and reputational damage. There is also the risk of exposure to third-party vulnerabilities that could compromise our systems. The Groups mitigates this risk by implementing a robust cyber security framework in line with ISO 27001 and the US standard, SOC2. This includes continuously monitoring external threats and promoting a strong security culture through staff training.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its obligations, and the Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before supplying goods or services with purchase limits established for each customer, which represents the maximum open amount they can order without requiring approval.

A weekly review of the trade receivables' ageing analysis is undertaken, and customers' credit is reviewed continuously. Customers that become "high risk" are placed on a restricted customer list, and future credit sales are made only with the approval of the local management otherwise pro forma invoices are raised requiring payment in advance.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Chief Financial Officer receives weekly reports of balances on all bank accounts and regular cash to assess the required level of short-term financing to draw down on.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). Foreign exchange risk arises when individual Group entities enter transactions denominated in a currency other than their functional currency.

Liabilities are settled with the cash generated from the individual group entities' operations in that currency wherever possible, otherwise the liabilities are settled in the functional currency of the group entities. During the year a forward contract currency strategy was implemented to reduce the volatility of exchange rate fluctuations to the Group.



"I am very pleased to see our main area of strategic focus, HCM, continuing to deliver year-on-year growth in both revenues and gross margins"

Paul Campbell-White, CFO

S172 STATEMENT

The Companies Regulations 2018 require Directors to explain how they considered the interests of key stakeholders and the broader matters when performing their duty to promote the success of the Company under s172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This s172 statement explains how the Directors act accordingly.



Approval

The Strategic Report was approved by order of the Board on 3 September 2025.

Marie-Claire Dwek
Director

Corporate Governance



OUR BOARD

Chairman's Introduction

The Board and its Committees have a fundamental role in the governance framework by using their wide experience in providing independent challenge and support and ensuring that good governance is promoted across the different businesses within the Group. The Board is responsible for the success of the Group and providing leadership within the framework of existing controls and ensures that its duties to shareholders and other stakeholders are understood.

The Board

A summary of the career history of each of the Directors is given below showing their vast experience in senior management positions across a wide variety of industries.

Maurice Dwek Chairman

Maurice Dwek was the founder of the Dwek Group in 1963 as a distributor of PVC products with factories involved in engineering and other consumer products. The company was listed on the London Stock Exchange in 1973, and he was Director of Subsidiary Companies and subsequently responsible for Group acquisitions and disposals. He disposed of this interest in 1988 through a management buyout. Subsequently he was Chairman of Arlen PLC (electronics) and Owen & Robinson PLC (sports footwear, retailing and jewellery) and floated Newmark Security on the Alternative Investment Market of the London Stock Exchange in 1997 acting as Executive Chairman until 2005.

Marie-Claire Dwek Chief Executive Officer

Marie-Claire Dwek was Marketing Director of Newmark Technology Limited (specialised electronic security systems) 1996-2000, responsible for the planning, leadership and strategic marketing. Between 2002–2013 Marie-Claire was responsible for the management and investment in various property portfolios for Motcomb Estates and joined Newmark Security as Chief Executive Officer in 2013. Marie-Claire regularly attends training courses and modules for executive development e.g., Cranfield University. Any changes in the business environment are monitored and researched closely within the leadership team and with the CEO. Strategic responses are formed accordingly and executed with Board approval. Trade journals and news articles are used to keep abreast of current market conditions.

Paul Campbell-White Chief Financial Officer

Paul Campbell-White is a Fellow Chartered Accountant qualifying in 2000 whilst working with KPMG. Subsequent to KPMG, Paul worked at ITV plc, a leading UK media group for ten years in a variety of Group and Divisional Roles. Paul was previously Chief Financial Officer of Brave Bison Group plc (AIM: BBSN), a digital media and technology company, and Chief Financial Officer of Warner Bros. TV Production UK. Prior to those appointments, he was Group Financial Controller of Shine Group, an international television production and distribution group and Interim Group Financial Controller at Channel 4. Most recently, he has been Interim Chief Commercial Officer of CognitionX, a technology company in the events space.

Michel Rapoport
Non-Executive Director

Michel Rapoport held various senior positions in Ripolin (paint) in Paris between 1974-79 including President 1976-79. He then worked at Alcatel (telephony and electronics) 1979-91 including President Mailing and Shipping products division 1990-91. He moved to Pitney Bowes between 1991-95 where he was Chairman Pitney Bowes France and Vice President Pitney Bowes International. Michel was president and CEO of Mosler (\$300m revenue physical and electronic security products and services) 1995-2001 and was President and CEO at Laroche Industries Inc., (chemical product manufacturer and distributor) between 2001 and 2005. He has been managing partner of SAR Industries (real estate holdings) since 2007. Michel thus brings to the Board his experience from holding senior positions in similar industries, and his knowledge of operating in North American markets which is particularly relevant given the growth in revenue from that source in the current year.

Terence Yap
Non-Executive Director

Terence Yap, a Singapore citizen resident in Hong Kong, is the former Chairman of Guardforce AI Co Ltd, a group focusing on delivering technologically innovative security solutions within the Asia Pacific region. Prior to this he was Chief Executive of Guardforce Cash Solutions (Thailand) a leading security solution provider with more than 12,000 international employees. From 2006 to 2014 he was Chief Financial officer of China Security and Surveillance Technology, Inc which was listed on both the NYSE and Dubai International Financial Exchange. Throughout his career Mr Yap has developed specific skill sets regarding change management, investor relations, capital market operations and corporate restructuring. Mr Yap has over 25 years' experience in the telecommunications and security sectors and is a member of the Hong Kong Security Services Training Board, a Fellow member of the Hong Kong Institute of Directors, a Fellow member of the Chartered Management Institute (UK) and a member of the Australian Institute of Company Directors.

GOVERNANCE REPORT

We have adopted the Quoted Companies Alliance Corporate Governance Code (“QCA Code”) to assist in putting into place an effective corporate governance framework which will deliver results. Your Board understands that good governance is one of the foundations of its sustainable growth strategy. The Chairman is responsible for Corporate Governance in the Group. In November 2023, the QCA published a revised code. Full details of how Newmark complies with the revised QCA Code are available on the Company’s website at <https://newmarksecurity.com>.

Board of Directors

As at 30 April 2025, the Board comprised three Non-Executive Directors and two Executive Directors. Of these Non-Executive Directors, one is deemed to be independent (T Yap). The Board is aware that it does not meet QCA’s recommendation on the proportion of independent Directors and has started the search for a new Independent Non-Executive Director.

Details of the Directors and their biographies is summarised on pages 28 and 29.

Board committees

The Company has established an Audit Committee and a Remuneration Committee. The full Board cover the activities normally performed by a Nomination Committee.

Audit Committee

The Audit Committee comprises M Dwek, M Rapoport and T Yap and a copy of its terms of reference are included on the Corporate Governance section of the Company’s website. The Audit Committee principal duties are as follows:

- Reviewing and approving the interim results for the six months ended 31 October 2024.
- Agreement of the independence of the auditor and their planning report for the year-end financial statements including the proposed audit fees and non-audit services.
- Reviewing and approving the audited annual report and accounts for the year ended 30 April 2025.
- Discussion with the external auditor of any accounting or financial issues arising in the course of their work.
- Discussion of the auditor’s assessment of the adequacy of internal controls.

The main areas of activity during the year included:

- Revenue recognition.
- Impairment reviews of the underlying businesses including goodwill and intangible assets.
- Review and discussion of going concern and forecasts.

The terms of reference of the Audit Committee are

Remuneration Committee

The Remuneration Committee comprises T Yap (Chair), M Rapoport and M Dwek and meets

at least once a year to review the terms and conditions of employment of Executive Directors including the provision of incentives and performance related benefits. The Directors’ Remuneration report is set out on pages 34 to 36. A copy of its terms of reference are included on the Corporate Governance section of the Company’s website.

Key Board decisions

In June 2024 the Board approved a new Strategic Business Plan. The Strategic Business Plan spans the 5 years to 30 April 2029. The details of this new plan are included in the relevant divisional sections. This includes a separate plan to diversify into the HCM end-user D2E market which was approved by the Board in May 2024.

In September 2024 the Board approved the grant of share options and a long-term cash incentive plan to incentivise management to deliver the new strategic business plan. The Remuneration Committee engaged independent remuneration advisory firm, MM&K, to advise the Board on the structure of this plan.

In February 2024 the Board approved a new \$2 million revolving credit facility with its relationship bank, HSBC. This replaced an existing \$2 million invoice financing facility with Seacoast National Bank.

Maurice Dwek

Chairman

3 September 2025

DIRECTORS' REPORT

The Directors submit their annual report and audited financial statements of the Group for the year ended 30 April 2025.

Financial results and dividends

The Board is proposing a dividend of Nil per share (2024: Nil per share).

Directors

The Directors who served during the year and to the date of signing were as follows:

M Dwek

M-C Dwek

P Campbell-White

M Rapoport

T Yap

Details of the Directors' service contracts are shown in the

Directors' remuneration report on page 34.

Re-election of Directors

The rules on appointment, re-appointment, and retirement by rotation of Directors are contained in the Articles. The current Articles require that all Directors are subject to election at the first annual general meeting (AGM) following their appointment and after that to re-election at least every three years. P Campbell-White and T Yap are retiring in accordance with the Articles and being eligible, offer themselves for re-election at the next annual general meeting.

Financial instruments

For full details of the Group's management of its financial instruments and its general objectives, policies and processes

in respect of financial instruments, please refer to note 18 to the financial statements.

Likely future developments in the business of the Company

Information on likely future developments, exposure to relevant risks and subsequent events in the business of the Group has been included in the Strategic Report and in note 26 - Subsequent events.

Directors' interests

The beneficial and other interests of the Directors in the shares of the Company as at 30 April 2025 and 30 April 2024 were as follows:

	Percentage holding at 30 April 2025	30 April 2025	30 April 2024
M Dwek	19.8%	1,855,989	1,855,989
M Rapoport	12.8%	1,201,100	1,201,100
M-C Dwek	0.5%	50,000	50,000
P Campbell-White	0.1%	12,000	12,000

The interests of Directors in Share Option Schemes operated by the Company at 30 April 2025 and 30 April 2024 were as follows:

	Number of Ordinary Shares 30 April 2025	Number of Ordinary Shares 30 April 2024
M-C Dwek	609,352	746,514
P Campbell-White	210,930	70,000

During FY25 M-C Dwek forfeited 454,570 existing options in order to increase headroom to grant options to other executives. She was then granted 317,408 options.

During FY26 P Campbell-White was granted 140,930 options.

The Directors had no other interests in the shares or share options of the Company or its subsidiaries.

Research & Development (R&D)

The Group is committed to on-going R&D. The strategy is based upon market demand to meet identified security needs in conjunction with a commercial

assessment of the short to medium term profitability of each project. The amount of development costs capitalised in the year was £452,000 (2024: £438,000). This is discussed further in the Financial Review.

Going concern

Based on the Group's latest trading, future expectations and associated cash flow forecasts, the Directors have considered the Group cash requirements and forecast covenant compliance and are confident that the Company and the Group will be able to continue trading for a period of at least twelve months following approval of these financial statements, being the going concern period.

In August 2020, the Group secured a £2 million financing facility from its bankers, HSBC, via the CBILS. This loan is for a term of 6 years, with the first year being interest, repayment and covenant free under the Business Interruption Payment scheme. The covenant requires the Group to deliver a pre-debt service cashflow of 1.2 times the level of debt service, based on audited accounts.

The FY25 calculation was 1.48 times so 123% of the target. No other financing facilities of the Group have any covenant requirements.

In January 2023, the Group increased its UK HSBC invoice financing facility to £2.3 million to provide additional working capital headroom. At 30 April 2025, £1.5 million was being utilised.

In February 2025, the Group secured a 1 year \$2 million revolving credit facility with HSBC. At 30 April 2025, \$0.6 million of the facility was being utilised.

At 30 April 2025, the Group had a £0.2 million overdraft facility with

its bankers, HSBC, although none was utilised as the Group had a positive bank balance of £0.3 million at year end.

The Group's going concern assessment is based on the Group continuing to generate positive operating cashflows for the period to 30 September 2026. The Group's trading so far in FY26 has delivered positive operating cashflows.

Management are confident that the Group would be able to meet loan repayments and working capital needs. The Group is expected to be able to operate within existing finance facilities, based on Management's detailed monthly cashflow forecasts to September 2026. Should profits or cashflow movements fall behind expectations in this period the Group expects to be able to utilise more of its current UK and US invoice financing facilities and also extend the overdraft facility. Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Stakeholder Engagement

The Company communicates with shareholders through regulatory announcements, the Interim and Annual Reports, investor presentations, the AGM, and meetings with existing or potential new shareholders.

A list of the Company's significant shareholders can be found in the Directors' Report and in the investor relations section of the Company's website, updated following formal notifications of movements to the Company.

During the year Thalassa Holdings Ltd increased its shareholding in the Company to 21.33% making it the largest shareholder. Following the purchase of shares, the

Chairman and CEO met in person with the Executive Chairman of Thalassa.

The Company maintains regular communication and dialogue with stakeholders, such as employees, customers, suppliers and regulators, to understand their needs and concerns and factor these requirements into its decisions and activities.

Directors' responsibilities

Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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 the Group financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any

relevant audit information of which the auditors are unaware.

Website publication

The Directors are responsible for ensuring the annual report and 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 Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approval

This Directors Report was approved by order of the Board on 3 September 2025.

Marie-Claire Dwek

Director

DIRECTORS' REMUNERATION REPORT

Authority

The Remuneration Committee is responsible for approving the remuneration of Executive Directors. The remuneration of Non-Executive Directors is approved by the full Board of the Company.

Membership

At 30 April 2025 the Remuneration Committee comprised three existing Non-Executive Directors, Terrance Yap (Chair), Maurice Dwek, and Michel Rapoport.

Remuneration policy

The Remuneration Committee intends that its policy and practice should align with and support the implementation of the Group's strategy and promote the long-term success of the Group. The Group's policy is to offer remuneration packages which are appropriate to the experience, qualifications and level of responsibility of each Executive Director and are in line with directors of comparable public companies. The remuneration package for the Executive Directors comprise a combination of annual salary, annual performance bonus and long-term incentives via share options and a cash incentive plan.

The Remuneration Committee retains certain discretion in respect of the operation and administration of these arrangements. In addition, the Remuneration Committee retains the ability to adjust the targets and/or set different measures if event occur (e.g. a material acquisition and/or disposal of a Group business) which causes it to determine that the conditions are no longer appropriate, and the

amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Service and consultancy agreements

The Company entered into a consultancy agreement with Arbury Inc. on 1 September 1997 for the services provided to the Company by Mr Dwek. The agreement may be terminated by either party subject to 12 months' notice being served. Arbury Inc. is paid a fee in line with the level of responsibilities of Mr Dwek who is also entitled to the provision of a car for which the Company will meet all running expenses. On 1 May 2025 the consultancy agreement was terminated and replaced with a service agreement directly with Mr Dwek.

The Company entered into a service agreement on 12 April 2013 with Ms M-C Dwek which may be terminated by either party serving twelve months' notice. A new service agreement was signed on 1 May 2025.

The Company entered into a service agreement on 6 September 2021 with Mr Campbell-White which may be terminated by either party serving six months' notice.

Loss of office

When determining any loss of office payment for a departing Director the Committee will always seek to minimise cost to the Company while complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Committee reserves the right to make additional payments where such payments are made in good faith in

discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

Annual performance bonuses

Performance bonuses are awarded based on annual company performance. Targets are set by the Remuneration Committee to deliver financial and strategic objectives. Targets for FY25 included group revenues, HCM annual recurring revenues and group profit from operations.

Director's emoluments

Emoluments of the directors (including pension contributions) of the Company during the year ended 30 April 2025 were as follows:

	Consultancy agreement £'000	Salary £'000	Fees £'000	Bonus £'000	Other* Benefits £'000	Total £'000	Pension £'000	Total including pension £'000
Executive Directors								
M-C Dwek	-	238	-	40	43	321	24	345
P Campbell-White	-	195	-	25	27	247	10	257
Non-Executive Directors								
M Dwek (a)	100	-	-	-	36	136	-	136
M Rapoport	-	-	31	-	-	31	-	31
T Yap	-	-	31	-	-	31	-	31
2025	100	433	62	65	106	766	34	800
2024	96	416	60	67	75	714	33	747

*Includes £31,000 for share options expense for M-C Dwek and £14,000 for Paul Campbell-White

Emoluments of the highest paid Director were £345,000 (2024: £306,000). Bonus payments are based on performance against set targets at an increasing percentage of salary for the extent of exceeding the agreed targets. The Directors' share interests are detailed in the Directors' Report on page 31. (a) The Company paid a consultancy fee of £100,000 (2024: £96,000) to Arbury Inc., a company 51 per cent. owned by M Dwek.

Share option schemes

The Newmark Security PLC EMI Share Option Plan enables the Board to grant qualifying share options under the HM Revenue & Customs' Enterprise Management

Incentive ("EMI") tax code and also unapproved share options to employees and directors.

The Remuneration Committee has administered and operated the scheme. Further details of the

share option schemes are set out in note 24 to the financial statements.

The number of approved share options issued to the Directors as at 30 April 2025 are as follows:

Name	No. of options	Date of grant	Exercise price payable
M-C Dwek	118,791	October 2019	50p
M-C Dwek	83,153	June 2022	50p
M-C Dwek	90,000	June 2023	53.5p
M-C Dwek	317,408	September 2024	5p
P Campbell-White	70,000	June 2022	5p
P Campbell-White	140,930	September 2024	5p

During the year the Remuneration Committee engaged independent remuneration advisory firm, MM&K, to advise on its updated management incentive structure which is linked to the delivery of Newmark's new five-year strategic business plan. This long-term incentive plan (LTIP) included both share options and cash incentives.

LTIP options

In September 2024 M-C Dwek agreed to cancel 454,570 options held with an exercise price of 90p

in order to increase headroom to grant LTIP options.

Following the cancellation of the 90p options, 663,323 LTIP options were granted to members of the Group's Senior Management. This included 317,408 options to M-C Dwek and 140,930 to P Campbell-White.

Following the grant of the LTIP options M-C Dwek currently holds options totalling 6.5% of the share capital of the Company. P Campbell-White holds 2.25%.

The LTIP options have an exercise price of 5p and half vest after 3 years and the remaining half vest after 5 years. The LTIP options have an additional performance based vesting criteria that are aligned with the Group revenue targets in the Strategic Growth Plan approved by the Board in June 2024. If "Stretch" Group revenue target for FY27 of £34,769,000 is achieved, then 100% of the options will vest; ii) if "Target" revenue of £33,031,000 is achieved 50% of the options will vest; and iii) if

"Threshold" revenue of £29,554,000 is achieved 25% of the options will vest.

If "Stretch" Group revenue target for FY29 of £44,231,000 is achieved, then 100% of the options will vest; ii) if "Target" revenue of £42,019,000 is achieved 50% of the options will vest; and iii) if "Threshold" revenue of £37,596,000 is achieved 25% of the options will vest.

Achievement of the FY29 "Stretch" revenue target would result in doubling of Group revenue compared to FY24.

If the "Threshold" is not achieved, none of the options will vest.

The number of options that vest between between the 25% to 50% and 50% to 100% performance gates increases on a straight-line basis according to the Group revenue figure achieved

Other option grants

The June 2022 options awarded to P Campbell-White vest after 3 years subject to an additional share price vesting criteria that the average closing mid-market share price on the 10 business days preceding the date of exercise must exceed 63.88p, being a 75% premium to the closing mid-market share price on the day before grant date.

The other options held by M-C Dwek are subject only to time-based vesting criteria and continued employment. 1/3 of these options vest 1 year after grant date, 1/3 vest 2 years after grant date and the remaining 1/3 vest 3 years after grant date.

Long-term cash incentive plan (LTCIP)

In order to limit dilution to shareholders, the LTCIP has been introduced to create cash incentive pools to supplement the granting of options. Marie-Claire Dwek is currently constrained from exercising any options as she is part of a concert party under the UK Takeover Code (details of which were announced on 1 June 2020) and so the LTCIP forms an important part of her incentive structure. The LTCIP is also important for individuals based outside of the UK, who are not able to benefit from tax efficient share options, in order to incentivise them as the Company pursues a global sales approach.

Cash incentive pools will be allocated to each of the (a) the PLC team; (b) Grosvenor; and (c) Safetell, subject to the achievement of cumulative EBITDA targets that are aligned with the 2029 Strategic Growth Plan in: i) the three consecutive financial years ending FY27 (FY27 Period); and ii) the two consecutive financial years ending FY29 (FY29 Period). Participants in the PLC team will be measured against cumulative Group EBITDA targets and participants in the Grosvenor and Safetell teams will be measured against cumulative EBITDA targets for their respective Group subsidiary companies.

Payouts will be achieved if the cumulative EBITDA targets are met for FY27 Period and FY29 Period. 100% of the awards will be achieved if the "Stretch" targets are met, 50% of the award will be made if "Target" targets are met

(being 95% of the Stretch target) and 25% of the award will be met if "Threshold" targets are met (being 85% of the Stretch target). No payouts will be made if Threshold targets aren't met. The "Stretch" targets for the FY27 Period are £16,150,00 for Grosvenor, £1,945,000 for Safetell and £13,348,000 for Group. The "Stretch" targets for the FY29 Period are £19,694,000 for Grosvenor, £2,351,000 for Safetell and £18,461,000 for Group.

Achievement of the Stretch targets would result in an increase of approximately 5 times Group EBITDA by the end of FY29 compared to FY24.

The maximum payout to the Group's Senior Management for hitting the Stretch targets in both the FY27 and FY29 periods is £3,874,000. This includes £1,211,000 to M-C Dwek and £428,000 to P Campbell-White.

If "Stretch" targets are exceeded, awards will increase by the same percentage of the actual cumulative EBITDA achieved above those Stretch targets. Payouts are subject to malus and clawback provisions.

The LTCIP and LTIP options were approved via an advisory vote at the 2024 AGM.

Approval

This remuneration report was approved by order of the Board on 3 September 2025.

Marie-Claire Dwek
Director

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Newmark Security PLC (the Company) and its subsidiaries (the Group) for the year ended 30 April 2025 which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 April 2025 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- The 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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.

Our approach to the audit

We adopted a risk-based audit approach. We gained a detailed understanding of the Group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the identified risks of the Group financial statements and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the

planned audit responses based on a measure of materiality.

The Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates through a number of legal entities, which form reporting components, consistent with those included in Note 12. Newmark Security PLC, Grosvenor Technology Limited and Safetell Limited were subject to full scope audits. These represent 73% of revenue, 89% of total assets and 100% of profit before tax. The financial information of the remaining components were subject to audit procedures performed by the Group audit team over specific balances, focusing our audit approach on the applicable risks within each entity and the consideration of the risk of material misstatement of these risks for the group consolidated financial statements. Component performance materiality was calculated for each of the components where audit procedures were performed on financial information that is disaggregated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most

significance in our audit of the financial statements of the current year 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.

Risk Description	Our response to the risk
Revenue recognition: (see notes 1 & 2) The group's revenue is generated from a number of streams, as follows: • Sale of hardware; • Software licenses; • Support and maintenance Given the material nature of revenue and the variety of methods through which it is generated (including performance obligations which are satisfied over a period of time or at a point of time), the appropriateness of revenue recognition and management's application of the Group's revenue recognition represents a key risk area in the financial statements. In particular, we consider that a significant risk arises on the judgement involved in identification of performance obligations and the occurrence of revenue in line with delivery of those obligations.	We assessed the Group's accounting policies for consistency and appropriateness with the financial reporting framework and in particular that revenue was recognised when performance obligations were fulfilled. In addition, we reviewed for the consistency of application as well as the basis of any recognition estimates. We have obtained an understanding of processes through which the businesses initiate, record, process and report revenue transactions. We performed walkthroughs of the processes as performed by management, to ensure controls appropriate to the size and nature of operations are designed and implemented correctly throughout the transaction cycle. We selected a sample of transactions from each revenue stream to confirm that revenue has been recognised in accordance with the accounting policies and performance obligations for the recognition have been met. These were vouched to invoices, delivery notes or other supporting evidence for the services provided. We performed cut-off procedures to test transactions around the year end and verified a sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct accounting period. We tested a sample of post year end credit notes to related invoices to verify that revenue has been recorded in the correct accounting year. We obtained a complete listing of journals posted to revenue accounts and reviewed the listing for any unexpected entries. These were then tested to supporting evidence. Our procedures did not identify any material misstatements in the revenue recognised during the year.
Impairment of goodwill and intangible assets (refer notes 10 & 11) The Group has significant goodwill held on the Consolidated statement of financial position.	We evaluated management's impairment assessments to determine whether there were any indicators of impairment. In doing so, we:

Management and the Directors are required to review these assets annually for evidence of potential impairment, which involves significant judgement, in particular regarding the forecasting of cash flows, growth rates, discount rates and sensitivity assumptions. Due to the materiality of these assets, we considered this to be a key audit matter.	- Assessed the integrity of the models by considering whether the methodology applied in the impairment testing was consistent with the requirements of accounting standards. - Assessed the appropriateness of key inputs into the models by agreeing to supporting documentation, focusing in particular on short and long-term growth rates and discount rate. - Evaluated management's sensitivity analyses by recomputing discount rates and performing our own sensitivity analysis. - Assessed the appropriateness of the disclosures included in the financial statements, in particular in respect of the sensitivities, with regards to the requirements of relevant accounting standards. We found management's conclusion that goodwill and other intangible assets are not impaired at 30 April 2025 to be acceptable and the impact of sensitivities appropriately disclosed
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Our application of materiality

We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

Overall materiality for the Group financial statements as a whole was set at £345,000. This has been determined with reference to the benchmark of Group revenue, which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 1.5% of Group revenue. Performance materiality (£276,000) has been set at 80% of Group materiality.

Overall materiality for the Company financial statements was set at £82,000 and performance materiality (£66,000) represents 80% of overall materiality. This has

been determined with reference to the Company's net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries. Materiality represents 1.5% of Company net assets.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £17,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going

concern basis of accounting included:

- Reviewing management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- Challenging management on key assumptions included in their forecast scenarios;
- Considering the potential impact of various scenarios on the forecasts;
- Reviewing results post year end to the date of approval of these financial statements and assessing them against original budgets;
- Reviewing the forecasting accuracy through reviewing the prior year budgets compared to actuals;
- Reviewing forecast covenant compliance; and

- Reviewing management's disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's 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.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information included in 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 audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude

that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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 Directors' responsibilities statement set out on page 32, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP) and relevant tax legislation.

We are not responsible for preventing irregularities and cannot be expected to detect non-compliance with all laws and regulations. Our approach to detecting irregularities included, but was not limited to, the following:

- Obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- Obtaining an understanding of the entity's policies and procedures and how the entity has

complied with these, through discussions and sample testing of controls;

- Obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- Designing our audit procedures to respond to our risk assessment;
- Performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business; and
- Reviewing accounting estimates for bias specifically in relation to goodwill and deferred tax assets.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as

fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

George Style (Senior Statutory Auditor)
For and on behalf of Cooper Parry Group Limited
Statutory Auditor

Davidson House
1st Floor
The Forbury
Reading
RG1 3EU

3 September 2025



Financial Report



FINANCIAL STATEMENTS

Consolidated income statement for the year ended 30 April 2025

	Notes	2025 £'000	2024 £'000
Revenue	2	23,037	22,277
Cost of sales		(13,652)	(13,692)
Gross profit		9,385	8,585
Administrative expenses		(8,455)	(7,811)
Profit from operations	3	930	774
Finance costs	6	(287)	(386)
Profit before tax		643	388
Tax credit/(charge)	7	19	(254)
Profit for the year		662	134
Attributable to:			
- Equity holders of the parent		662	134
Earnings per share			
- Basic (pence)	8	7.06	1.43
- Diluted (pence)	8	6.65	1.35

Consolidated statement of comprehensive income

	2025 £'000	2024 £'000
Profit for the year	662	134
Foreign exchange on the retranslation of overseas operation	(162)	18
Total comprehensive income for the year	500	152
Attributable to:		
- Equity holders of the parent	500	152

The notes on pages 47 to 74 form part of these financial statements.

Consolidated statement of financial position at 30 April 2025

Company number: 03339998

		2025	2024
	Note	£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	2,695	2,702
Intangible assets	10	4,986	5,226
Deferred tax	7	334	303
Total non-current assets		8,015	8,231
Current assets			
Inventories	13	2,392	2,738
Trade and other receivables	14	5,398	4,544
Cash and cash equivalents		344	1,137
Total current assets		8,134	8,419
Total assets		16,149	16,650
LIABILITIES			
Current liabilities			
Trade and other payables	15	3,349	3,545
Other short-term borrowings	16	2,823	2,978
Total current liabilities		6,172	6,523
Non-current liabilities			
Long term borrowings	17	1,192	1,893
Provisions	20	113	110
Total non-current liabilities		1,305	2,003
Total liabilities		7,477	8,526
TOTAL NET ASSETS		8,672	8,124
Capital and reserves attributable to equity holders			
Share capital	21	4,687	4,687
Share premium	22	553	553
Merger reserve	22	801	801
Foreign exchange reserve	22	(325)	(163)
Retained earnings	22	2,956	2,206
Total attributed to equity holders		8,672	8,084
Non-controlling interest	22	-	40
TOTAL EQUITY		8,672	8,124

The financial statements were approved by the Board of Directors and authorised for issue on 3 September 2025.

Paul Campbell-White

Director

The notes on pages 47 to 74 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 April 2025

	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Profit after tax		662	134
Adjustments for: Depreciation, amortisation and impairment	3	1,488	1,459
Finance cost	6	287	386
Gain on sale of property, plant and equipment	3	(2)	(19)
Share based payment		88	43
Corporation tax (credit)/charge	7	(19)	254
Operating profit before changes in working capital and provisions		<u>2,504</u>	<u>2,257</u>
(Increase)/decrease in trade and other receivables		(854)	156
Decrease in inventories		345	1,412
Increase in trade and other payables		(193)	(1,004)
Cash generated from operations		<u>1,802</u>	<u>2,821</u>
Corporation tax recovered		-	177
Cash flow from operating activities		<u>1,802</u>	<u>2,998</u>
Cash flow from investing activities			
Acquisition of property, plant and equipment	9	(556)	(415)
Sale of property, plant and equipment		2	19
Aquisition of intangible assets	10	(452)	(438)
		<u>(1,006)</u>	<u>(834)</u>
Cash flow from financing activities			
Bank loans received/(paid)	17	51	(400)
Principal paid on lease liabilities	23	(565)	(565)
Invoice financing repayments	16	(700)	(365)
Interest paid		(213)	(293)
		<u>(1,427)</u>	<u>(1,623)</u>
(Decrease)/increase in cash and cash equivalents		<u>(631)</u>	<u>541</u>
Cash and cash equivalents at beginning of year		1,137	581
Exchange differences on cash and cash equivalents		(162)	15
Cash and cash equivalents at end of year		<u>344</u>	<u>1,137</u>

The notes on pages 47 to 74 form part of these financial statements.

Consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Amounts attributable to owners of the parent £'000	Non- controlling interest £'000	Total equity £'000
At 1 May 2024	4,687	553	801	(163)	2,206	8,084	40	8,124
Profit for the year	-	-	-	-	662	662	-	662
Other comprehensive income	-	-	-	(162)	-	(162)	(40)	(202)
Total comprehensive income for the year	-	-	-	(162)	662	500	(40)	460
<i>Transactions with owners</i>								
Share based payment	-	-	-	-	88	88	-	88
As at 30 April 2025	4,687	553	801	(325)	2,956	8,672	-	8,672

	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Amounts attributable to owners of the parent £'000	Non- controlling interest £'000	Total equity £'000
At 1 May 2023	4,687	553	801	(181)	2,029	7,889	40	7,929
Profit for the year	-	-	-	-	134	134	-	134
Other comprehensive income	-	-	-	18	-	18	-	18
Total comprehensive income for the year	-	-	-	18	134	152	-	152
<i>Transactions with owners</i>								
Share based payment	-	-	-	-	43	43	-	43
As at 30 April 2024	4,687	553	801	(163)	2,206	8,084	40	8,124

The notes on pages 47 to 74 form part of these financial statements.

1. Accounting policies

Newmark Security plc (the “Company”) is a public limited company, limited by shares, registered number 03339998 in England & Wales. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the “Group”). The registered office of the Group is 91 Wimpole Street, London, W1G 0EF. The principal place of business of Grosvenor Technology Limited is Unit S, The Fulcrum Centre, Vantage Way, Poole, Dorset, UK, BH12 4NU and for Safetell Limited is Unit 46, Fawkes Avenue, Dartford, Kent, DA1 1JQ.

The financial statements are for the year ended 30 April 2025 (2024: year ended 30 April 2024).

Basis of preparation

The primary economic environment in which the Group operates is the UK and therefore the consolidated financial statements are presented in pounds sterling (£) to the nearest round thousand (£'000) unless otherwise stated.

The consolidated financial statements have been prepared on a historical cost basis.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These consolidated financial statements have been prepared in accordance with UK adopted international accounting standards (“IFRS”) in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of income and expenses, and

assets and liabilities. These judgements and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to the accounting estimates are recognised in the period in which the revision is made.

There were a number of amendments to standards which became effective during the period, but none of which had a significant impact on the accounting policies of the group in the year.

No new standards that are not yet effective have been early adopted or are expected to have a material impact on the Group’s profit or loss.

Going concern

Based on the Group’s latest trading, future expectations and associated cash flow forecasts, the Directors have considered the Group cash requirements and forecast covenant compliance and are confident that the Company and the Group will be able to continue trading for a period of at least twelve months following approval of these financial statements, being the going concern period.

In August 2020, the Group secured a £2 million financing facility from its bankers, HSBC, via the Coronavirus Business Interruption Loan Scheme (“CBILS”). This loan is for a term of 6 years, with the first year being interest, repayment and covenant free under the Business Interruption Payment scheme. The covenant requires the Group to deliver a pre-debt service cashflow of 1.2 times the level of debt service, based on audited accounts.

The FY25 calculation was 1.48 times so 123% of the target. No other financing facilities of the Group have any covenant requirements.

In January 2023, the Group increased its UK HSBC invoice financing facility to £2.3 million to provide additional working capital headroom. At 30 April 2025, £1.5 million was being utilised.

In February 2025, the Group secured a 1 year \$2 million revolving credit facility with HSBC. At 30 April 2025, \$0.6 million of the facility was being utilised.

At 30 April 2025 the Group had a £0.2 million overdraft facility with its bankers, HSBC, although none was utilised as the Group had a positive bank balance of £0.3 million at year end.

The Group’s going concern assessment is based on the Group continuing to generate positive operating cashflows for the period to 30 September 2026. The Group’s trading so far in FY26 has delivered positive operating cashflows.

Management are confident that the Group would be able to meet loan repayments and working capital needs. The Group is expected to be able to operate within existing finance facilities, based on Management’s detailed monthly cashflow forecasts to September 2026. Should profits or cashflow movements fall behind expectations in this period the Group expects to be able to utilise more of its current UK and US invoice financing facilities and also extend the overdraft facility. Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the management team

comprising the Chief Executive Officer and Chief Financial Officer.

Basis of consolidation

The Group financial statements consolidate the results of the company and all of its subsidiary undertakings drawn up to 30 April 2025.

Subsidiaries are entities controlled by the group. The company controls a subsidiary if all three of the following elements are present: power over the subsidiary; exposure to variable returns from the subsidiary; and the ability of the investor to use its power to affect those variable returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Revenue

Performance obligations and timing of revenue recognition

The majority of the group's revenue is derived from selling hardware, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Software sales are recognised when the license key is given to the customer, as the customer has a right to use the Group's intellectual property as it exists at a point in time when the licence is granted (a 'passive'

license). There is ongoing support provided but this is a distinct separate performance obligation, and provided under a separate contract. There are no significant upgrades provided that are fundamental to the ongoing use of the license by the customer.

The Group provides support and service contracts to customers, which are invoiced separately to the goods and software noted above and are considered to be distinct performance obligations. The revenue from support, Software-as-a-Service (SaaS) and Clouds-as-a-Service (ClaaS) contracts in the people and data management division is recognised over time as the customer simultaneously receives and consumes the benefits of the service over the life of the contract. The revenue is recognised straight line over the life of the contract.

In the Physical Security Solutions division, most service revenue is recognised at a point in time and is based on the company fulfilling its performance obligations with work completed in any given month. For some smaller contracts a regular fee is charged for a period of service rather than per visit and is therefore recognised over time.

The Group also provide maintenance and installation services. Revenue for maintenance contracts is recognised at a point in time, as and when maintenance work is performed for the customer and is based on the level of work required at that time. Revenue for installation services is also recognised at a point in time, when the work has been completed. Where there is an additional fee for project management relating to the installation, this is treated as one performance obligation and invoiced when the installation is complete.

Determining the transaction price

The Group's revenue is derived from fixed price contracts for each revenue stream and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product or service sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to allocate to each revenue stream sold to one customer. Where a customer orders more than one service (i.e. product, installation and ongoing service), the Group is able to determine the split of the total contract price between each revenue stream by reference to each standalone selling price (all revenue streams are capable of being, and are, sold separately).

Payment terms

Payment for all revenue streams noted above is due between 30 and 60 days after the invoice is raised. For all revenue recognised at a point in time, the invoice is raised when the product or service has been supplied. Deferred income arises where invoices relate to maintenance visits for several sites and not all have been visited at year end. Accrued income is recognised following a service visit that requires an application process to be adhered to under the main contract spanning 1-3 years. Once the application process is finalised an invoice is raised and the value is removed from accrued income.

For service revenue recognised over time, the invoice is raised on a monthly basis for most customers.

Business combinations

The consolidated financial statements incorporate the results of business

combinations using the purchase 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 subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal as appropriate.

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 values 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 income statement.

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 income statement.

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually on 30 April. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying value 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset.

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 in the cost of sales line item in the income statement for research and development and in the administration line for goodwill. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

In testing for impairment, management has to make judgements and estimates about future events which are uncertain. Adverse results compared to these judgements could alter the decision of whether an impairment is required.

Foreign currency

The consolidated financial statements are presented in sterling, which is the main functional currency of the Group's operating entities.

Transactions entered into by Group entities in a currency other than the functional currency of the primary economic environment in which it operates are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences

arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement.

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

- (i) assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- (ii) income and expenses are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the income statement as part of the profit or loss on disposal.

Financial assets

The Group's financial assets comprise trade and other receivables, accrued income, cash and cash equivalents. Trade and other receivables, excluding VAT receivables, are measured initially at fair value and subsequently at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate

provision account with the loss being recognised within overheads in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

Financial liabilities are obligations to pay cash and are recognised when the Group becomes a party to the contractual provisions of the instrument. The Group's financial liabilities comprise trade payables, other payables, overdraft, accruals, loan and invoice discount account. All financial liabilities are measured initially at fair value and subsequently at amortised cost using the effective interest method.

Cash flow hedges

Cash flow hedges are accounted for under fair value. Fair value is calculated by establishing the mark to market value. Movements on the fair value are reflected in the income statement with the fair value being reflected in current assets or liabilities on the consolidated statement of financial position

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Equity settled share options are recognised with a corresponding credit to equity.

The fair value of the share options is measured using either a Black–Scholes or Monte Carlo model, taking into account the terms and conditions of the individual scheme.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is

based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Leases

For any new contracts entered into the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right-of-use of an asset for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the

lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the

revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in the consolidated income statement.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Internally generated intangible assets (research and development costs)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised hardware and firmware development costs are amortised over seven years being the period the Group expected to benefit from selling the products developed. Amortisation is charged from when the asset is ready for use and the expense is

included within the cost of sales line in the income statement.

Each project is reviewed individually between Finance and the Technical Director regularly to ascertain appropriate accounting treatment.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the income statement as incurred.

Licences, patents, trademarks and copyright

Costs associated with licences, patents, trademarks, copyrights etc. are capitalised as incurred and are amortised over the expected life of the asset of seven years or to another period if specified in the contract.

Taxation

Income tax expense represents the sum of the tax currently payable or receivable and deferred tax.

Research & Development (R&D) claims are made each year on the basis that the Group overcomes technological uncertainties. This work is carried out for the internal development of hardware and software in the Groups own products and services that it sells and also carries out this work on behalf of other companies. Claims from the new Merged R&D Expenditure Credit from 1 April 2024 are shown as taxable income in profit before tax. Prior period claims are shown as a credit within current tax.

Current tax

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

by the statement of financial position date unless the tax is adjusted regarding a previous period whereby the appropriate rate is used accordingly.

Deferred taxation

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 nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

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

Property, plant and equipment

Items of property, plant and equipment are recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all items of property, plant and equipment to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

- Leasehold improvements
– evenly over the length of the lease
- Plant and machinery
– 20% per annum straight line
- Fixtures and fittings
– 10-15% per annum straight line
- Computer equipment
– 25-33.3% per annum straight line
- Motor vehicles
– 25-33% per annum reducing balance

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment is recognised immediately in the Consolidated Income Statement.

Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions, where it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Dilapidation provisions are provided on leasehold properties where the terms of the lease require the Group to make good any changes made to the property during the period of the lease. Where a dilapidation provision is required the Group recognises an asset and provision equal to the discounted cost of restating the property to its original state. The asset is included within the overall cost of the right of use asset and depreciated over the remaining term of the lease.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included in borrowings in current liabilities in the statement of financial position.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the consolidated income statement in the year in which they become payable.

Holiday pay provision

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the consolidated statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary costs of the future holiday entitlement and so accrued at the balance sheet date.

Non-controlling interests

Non-controlling interests are recognised at the non-controlling party's proportionate share in the recognised amounts of the acquiree's identifiable net assets. The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

Critical accounting estimates and judgements

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

(a) Estimate – cash forecasts used for value in use of cash-generating units and going concern review

The Group tests annually whether goodwill, intangible and tangible assets have suffered any impairment, in accordance with the accounting policy stated above. The recoverable

amounts of cash-generating units have been determined based on value-in-use calculations derived from cash forecasts. These calculations require the use of estimates as detailed in note 11 including forecasts from formally approved cash projections to April 2029. Management uses judgement to estimate the extent and timing of future cashflows. The forecasts used to assess the going concern within the review period to September 2026 are based on the same operating forecasts as the impairment review.

(b) Estimate – Useful economic life

The useful economic life used for intangible assets is an estimate based on a review of the historical, commercial and technical experience of senior members of the management team. The key estimate is that Capitalised hardware and firmware development costs are amortised over seven years being the period the Group expected to benefit from selling the products developed.

Judgements

(a) Judgement – Development costs

Development costs on internally developed products are capitalised if it can be demonstrated that the expenditure meets the criteria set out on page 51. These costs are amortised over the period that the Group expects to benefit from selling the products developed. The judgements concerning compliance with the above criteria and the expected useful life of these assets are made using the historical, commercial and technical experience of senior members of the management team.

(b) Judgement – value of recognised deferred tax relating to losses

The Group tests the recoverability of tax losses based on recent results combined with Management's projections. Management reviews profitability over a period of 5 years and assesses the utilisation of tax losses prior to being in a position of tax paying. Management uses judgement to estimate the quantum of taxable losses that will be utilised and recognises a deferred tax asset as appropriate. See note 7.

2. Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing of revenue are affected by economic data and the relationship with the revenue recognition policy above:

	People and Data Management division		Physical Security Solutions division		Total	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Product sales (includes hardware and software)	14,498	13,694	2,194	3,690	16,692	17,384
Installation and Professional Services	131	115	-	-	131	115
Support, Service, ClaaS and SaaS contracts						
Recurring revenue - point in time	-	-	2,744	2,118	2,744	2,118
Recurring revenue - over time	3,470	2,660	-	-	3,470	2,660
	<u>18,099</u>	<u>16,469</u>	<u>4,938</u>	<u>5,808</u>	<u>23,037</u>	<u>22,277</u>
Revenue recognised as follows						
Point in time	14,629	13,809	4,938	5,808	19,567	19,617
Over time	3,470	2,660	-	-	3,470	2,660
	<u>18,099</u>	<u>16,469</u>	<u>4,938</u>	<u>5,808</u>	<u>23,037</u>	<u>22,277</u>

Support, Service, SaaS and ClaaS contracts have a recurring nature to the contracts whereby the customer has purchased products along with a contract usually spanning 12 – 36 months for maintenance and call outs, warranty, technical support or for SaaS contracts – device, data and identity management services. The nature of certain contracts such as support, maintenance, SaaS and ClaaS are consumed over the course of the contract whereas the customer benefits from service and call out obligations at the time of delivery.

Primary Geographic Markets	2025 £'000	2024 £'000
UK	9,434	9,515
USA	7,886	8,147
Belgium	1,912	1,575
Canada	1,373	635
Netherlands	524	559
Mexico	581	617
Middle East	63	71
Sweden	180	102
Switzerland	10	50
Ireland	46	188
Rest of the world	1,028	818
	<u>23,037</u>	<u>22,277</u>

There were two customers that accounted for more than 10% of Group revenue at £2.8 million and £2.6 million respectively (2024: one customer accounted for more than 10% of revenue at £3.4 million).

3. Profit from operations

This has been arrived at after charging/(crediting):

		2025	2024
	Note	£'000	£'000
Staff costs	4	8,953	8,292
Depreciation of property, plant, and equipment	9	787	774
Amortisation of intangible assets	10	701	685
Foreign exchange differences		72	46
Profit on disposal of property, plant and equipment		(2)	(19)

		2025	2024
		£'000	£'000
Auditors remuneration:			
Audit fees payable to the Company's auditor for the audit of:			
- Company annual accounts		17	16
- Group annual accounts		44	41
Other fees payable to the Company's auditors:			
- Audit of subsidiary companies		52	54
		<u>113</u>	<u>111</u>

4. Staff costs

		2025	2024
		£'000	£'000
Staff costs (including the Executive Directors costs) comprise:			
Wages and salaries		7,657	7,117
Share options expense		88	43
Defined contribution pension costs		285	289
Employer's national insurance contributions and similar taxes		923	843
		<u>8,953</u>	<u>8,292</u>

		2025	2024
		No.	No.
The average numbers employed (including the Executive Directors) were:			
Management, sales and administration		56	48
Production		53	54
		<u>109</u>	<u>102</u>

		2025	2024
		£'000	£'000
Key management remuneration (comprising the Executive Directors and Directors of subsidiary companies):			
Wages and salaries		1,228	1,159
Employers national insurance contributions and similar taxes		143	150
Share options expense		72	30
		<u>1,443</u>	<u>1,339</u>

4. Staff costs *(continued)*

The emoluments of the Directors of the parent company are set out in the Directors' remuneration report on pages 34 to 36.

5. Segment information

Description of the types of products and services from which each reportable segment derives its revenues

The Group has two main reportable segments:

- **People and Data Management division** – This division is involved in the design, manufacture and distribution of access control systems (hardware and software) and the design, manufacture and distribution of HCM hardware only, for time-and-attendance, shop-floor data collection, and access control systems. This division contributed 79% (2024: 74%) of the Group's revenue.
- **Physical Security Solutions division (previously called the Asset Protection division)** – This division is involved in the design, manufacture, installation and maintenance of fixed and reactive security screens, reception counters, cash management systems and associated security equipment. This division contributed 21% (2024: 26%) of the Group's revenue.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. The two divisions are managed separately as each involves different technology, and sales and marketing strategies. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment assets and liabilities exclude group company balances.

	People and Data Management division 2025 £'000	Physical Security Solutions division 2025 £'000	Total 2025 £'000
Revenue from external customers	18,099	4,938	23,037
Finance cost	150	93	243
Depreciation	459	246	705
Amortisation	701	-	701
Segment profit/(loss) before income tax	3,001	(847)	2,154
Reportable segment assets	11,983	1,414	13,397
Reportable segments liabilities	4,733	1,711	6,444

5. Segment information (*continued*)

	People and Data Management division	Physical Security Solutions division	Total
	2024	2024	2024
	£'000	£'000	£'000
Revenue from external customers	16,469	5,808	22,277
Finance cost	182	86	268
Depreciation	435	263	698
Amortisation	685	-	685
Segment profit/(loss) before income tax	2,180	(339)	1,841
Reportable segment assets	12,544	2,280	14,823
Reportable segments liabilities	4,728	2,275	7,003

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities to the Group's corresponding amounts:

	2025	2024
	£'000	£'000
Revenue		
Total revenue for reportable segments	23,037	22,277
Profit or loss before income tax expense		
Total profit or loss for reportable segments	2,154	1,841
Parent company salaries and related costs	(719)	(694)
Other parent company costs	(792)	(759)
Profit/(loss) before income tax expense	643	388
Corporation taxes	19	(254)
Profit after income tax expense	662	134
Assets		
Total assets for reportable segments	13,397	14,823
Parent company assets	* 2,752	1,827
Group's assets	16,149	16,650
Liabilities		
Total liabilities for reportable segments	6,443	7,003
Parent company liabilities	** 1,034	1,523
Group's liabilities	7,477	8,526

*PLC bank overdraft is set off against other group cash balances and has therefore been included within the asset line owing to an offsetting arrangement that is in place with HSBC.

**Parent company liabilities include dormant companies' intercompany balances which eliminate fully on consolidation therefore do not feature in the consolidated financial statements.

5. Segment information (*continued*)

Geographical information:

Non-current assets by location of assets

	2025 £'000	2024 £'000
UK	6,355	6,752
USA	1,326	1,176
	<u>7,681</u>	<u>7,928</u>

6. Finance costs

	2025 £'000	2024 £'000
Lease interest cost	74	93
Bank loans and overdraft	72	117
Invoice financing	141	176
	<u>287</u>	<u>386</u>

7. Tax and deferred tax

	2025 £'000	2024 £'000
<i>Current tax</i>		
UK corporation tax on profit for the year	-	28
Overseas corporation tax	1	-
Adjustment to provision in prior periods	11	75
	<u>12</u>	<u>103</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	111	(4)
Effect of change in corporation tax rate	7	(5)
Adjustment to provision in prior periods	(149)	160
	<u>(31)</u>	<u>151</u>
Total tax (credit)/charge	<u>(19)</u>	<u>254</u>

7. Tax and deferred tax (*continued*)

The reasons for the differences between the actual tax credit for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2025 £'000	2024 £'000
Profit before tax	643	388
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	161	97
Research and development allowances	-	(79)
Effects on profits on items not taxable or deductible for tax purposes	(22)	24
Movement in deferred tax not recognised	63	(7)
Remeasurement of deferred tax for changes in tax rate	(2)	(23)
Fixed asset differences	3	16
Income not taxable for tax purposes	(11)	-
Adjustments in respect of prior period	(62)	75
Adjustment in respect of prior period (deferred tax)	(149)	160
Other movements	-	(9)
Total tax (credit)/charge	(19)	254

The Group has the following tax losses, subject to agreement by HMRC Inspector of Taxes, available for offset against future trading profits as appropriate:

	2025 £'000	2024 £'000
Management expenses and loan relationship deficits	207	424
Trading losses	4,426	5,121
	4,633	5,545
A deferred tax asset has not been recognised for the following:	2025 £'000	2024 £'000
Management expenses and loan relationship deficits	207	424
Trading losses	1,198	1,649
	1,405	2,073

7. Tax and deferred tax (*continued*)

Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2024: 25%).

Details of the deferred tax liability, and amounts (charged)/credited to the consolidated income statement are as follows:

	Total	Fixed Assets	Other temporary and deductible differences	Available losses
Asset/(liability)				
At 1 May 2024	303	(643)	78	868
Income statement (charge) / credit	31	38	54	(61)
At 30 April 2025	334	(605)	132	807
Asset/(liability)				
At 1 May 2023	454	(664)	69	1,049
Income statement credit/(charge)	(151)	21	9	(181)
At 30 April 2024	303	(643)	78	868

Deferred tax assets have been recognised in respect of available losses which are expected to be matched against future trading profits. Management reviews the estimate at year-end and assesses whether latest projections impact the level of recognised deferred tax. Management allow for a fluctuation in projections and apply a level of cautiousness to recognition so that it allows for profit fluctuations.

There are unrecognised deferred tax assets as listed above, which have not been recognised due to the uncertainty of the timing of future profits.

8. Earnings per share (EPS)

	2025	2024
Numerator		
Profit used in basic and diluted EPS (£'000)	662	134
Denominator		
Weighted average number of shares used in basic EPS	9,374,647	9,374,647
Weighted average number of dilutive share options	576,944	555,739
Weighted average number of shares used in diluted EPS	9,951,591	9,930,386
EPS		
Basic earnings per share (pence)	7.06	1.43
Diluted earnings per share (pence)	6.65	1.35

The total number of share options are disclosed in note 24. The weighted average number of dilutive share options relate to options issued with an exercise price being less than the year end average mid-market price and where any share price performance target has been met at year end, pro-rated based on their grant date during the period.

9. Property, plant and equipment

	Right-of-use land and buildings £'000	Right-of-use plant, machinery and motor vehicles £'000	Leasehold improvements £'000	Plant, machinery and motor vehicles £'000	Computer equipment, fixtures and fittings £'000	Total £'000
Cost						
Balance at 1 May 2024	2,137	652	404	477	2,088	5,758
Additions	85	223	22	7	527	864
Disposals	(100)	(88)	-	(174)	(23)	(385)
Net exchange differences	(19)	(4)	(2)	-	(80)	(105)
Balance at 30 April 2025	2,103	783	424	310	2,512	6,132
Depreciation						
Balance at 1 May 2024	(915)	(231)	(352)	(447)	(1,111)	(3,056)
Disposals	100	79	-	174	22	375
Net exchange differences	4	2	-	-	24	30
Depreciation	(312)	(178)	(24)	(21)	(251)	(786)
Balance at 30 April 2025	(1,123)	(328)	(376)	(294)	(1,316)	(3,437)
Net book value 30 April 2025	980	455	48	16	1,196	2,695
Cost						
Balance at 1 May 2023	2,164	650	403	371	1,858	5,446
Additions	-	196	1	-	414	611
Disposals	-	(62)	-	(73)	(105)	(240)
Alterations to cost	(27)	-	-	47	(25)	(5)
Reclassification to intangible assets	-	-	-	-	(56)	(56)
Transfers	-	(132)	-	132	-	-
Net exchange differences	-	-	-	-	2	2
Balance at 30 April 2024	2,137	652	404	477	2,088	5,758
Depreciation						
Balance at 1 May 2023	(608)	(240)	(320)	(316)	(1,048)	(2,532)
Disposals	-	61	-	73	105	239
Alterations to depreciation	-	-	-	(49)	27	(22)
Reclassification to intangible assets	-	-	-	-	33	33
Transfers	-	132	-	(132)	-	-
Depreciation	(307)	(184)	(32)	(23)	(228)	(774)
Balance at 30 April 2024	(915)	(231)	(352)	(447)	(1,111)	(3,056)
Net book value 30 April 2024	1,222	421	52	30	977	2,702

10. Intangible assets

	Goodwill £'000	Development costs £'000	Licenses, patents and copyrights £'000	Other £'000	Total £'000
Gross carrying amount					
Balance at 1 May 2024	6,872	11,071	67	65	18,075
Reclassification from property, plant and equipment	-	-	-	-	-
Additions - internally developed	-	451	-	-	451
Additions - external costs	-	-	1	-	1
Balance at 30 April 2025	6,872	11,522	68	65	18,527
Amortisation and impairment					
Balance at 1 May 2024	* (4,137)	(8,620)	(45)	(47)	(12,849)
Reclassification from property, plant and equipment	-	9	-	-	9
Amortisation	-	(690)	(6)	(5)	(701)
Balance at 30 April 2025	* (4,137)	(9,301)	(51)	(52)	(13,541)
Carrying amount 30 April 2025	2,735	2,221	17	13	4,986
Gross carrying amount					
Balance at 1 May 2023	6,872	10,636	64	9	17,581
Reclassification from property, plant and equipment	-	-	-	56	56
Additions - internally developed	-	435	-	-	435
Additions - external costs	-	-	3	-	3
Balance at 30 April 2024	6,872	11,071	67	65	18,075
Amortisation and impairment					
Balance at 1 May 2023	* (4,137)	(7,947)	(38)	(9)	(12,131)
Reclassification from property, plant and equipment	-	-	-	(33)	(33)
Amortisation	-	(673)	(7)	(5)	(685)
Balance at 30 April 2024	* (4,137)	(8,620)	(45)	(47)	(12,849)
Carrying amount 30 April 2024	2,735	2,451	22	18	5,226

*balance includes impairment provisions for Goodwill of £4,137,000 and Development costs of £3,578,000 totalling £7,715,000

The Group has no contractual commitments for development costs (2024: £Nil).

11. Goodwill and impairment

The carrying amount of goodwill is allocated to the cash generating units (CGU's) as follows:

	2025 £'000	2024 £'000
People and Data Management division	2,735	2,735

11. Goodwill and impairment *(continued)*

The recoverable amounts have been determined from value in use calculations based on cash flow projections from formally approved projections from the Strategic Business Plan updated with the results from the annual budget process covering a four year period to 30 April 2029. The discount rate that was applied was 15% for the People and Data Management division (2024: 15%), representing the pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset. The compound revenue growth rate for the People and Data Management division is 14% (2024: 14%). The growth rate reflects the impact of customer expansion supported by existing products and products being delivered in the short term. The gross margin assumed in the forecasts is 40% to 45% (2024: 42% to 51%) with the decrease due to a lower growth assumption from higher margin recurring revenues. The impairment review applied sensitivities reducing the long term growth rate from 2% to 1% which indicated no impairment. If the discount rate is increased to 20%, there is no impairment. In order for the carrying value to equate to the value in use the discount rate would need to increase to 59%.

12. Subsidiaries

The subsidiaries of Newmark Security plc, all of which have been included in these consolidated financial statements, are as follows in the current and prior year:

Name		Country of incorporation	Proportion of ownership interest (*)	Activity
Custom Micro Products Limited		UK	100%	Dissolved May 2025
Newmark Technology Limited	(2a)	UK	100%	Dissolved May 2025
Newmark Technology (C-Cure Division) Limited		UK	100%	Dissolved May 2025
Safetell International Limited		UK	100%	Dissolved May 2025
Safetell Limited		UK	100%	Trading
Safetell Security Screens Limited		UK	100%	Dissolved May 2025
Vema B.V.		The Netherlands	100%	Dissolved Feb 2025
Vema N.V.	(2b)	The Netherlands	98%	Dissolved May 2025
Vema UK Limited	(2c)	UK	100%	Dissolved May 2025
Grosvenor Technology Limited		UK	100%	Trading
Newmark Group Limited		UK	100%	Dissolved May 2025
Sateon Limited		UK	100%	Dissolved May 2025
ATM Protection (UK) Limited	(2d)	UK	86.70%	Dissolved May 2025
ATM Protection Limited	(2e)	UK	86.70%	Dissolved May 2025
Grosvenor Technology LLC	(2a)	USA	100%	Trading

(1) The shares held in all companies are ordinary shares

(2) The investments in subsidiary companies are held directly by the Company apart from the following:

- (a) Owned by Grosvenor Technology Limited
- (b) Owned by Vema BV 51%, Newmark Security plc 47%.
- (c) Owned by Vema NV
- (d) Owned by Safetell Limited
- (e) 100 per cent. Owned by ATM Protection (UK) Limited

(3) The registered offices for Group companies are as follows:

For all the companies incorporated in UK and the Netherlands the registered office is 91 Wimpole Street, London W1G 0EF apart from Safetell Limited, Safetell International Limited and Safetell Security Screens Limited registered office is Unit 46, Fawkes Avenue, Dartford, Kent DA1 1JQ.

Grosvenor Technology LLC registered office is 3009 Green Street Florida USA.

(4) All the companies have a 30 April year end.

13. Inventories

	2025 £'000	2024 £'000
Raw materials and consumables	1,448	1,549
Work in progress	63	156
Finished goods and goods for resale	1,210	1,362
Less provision for slow moving and obsolete stock	(329)	(329)
	2,392	2,738
	2025 £'000	2024 £'000
Opening provision	(329)	(333)
Stock written off	82	56
Provided for in year	(82)	(52)
Closing provision	(329)	(329)

The amount of inventories consumed in the year was £7,121,000 (2024: £7,967,000).

There is no material difference between the replacement cost of stocks and the amounts stated above.

14. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	4,537	3,827
Less provision for impairment	(91)	(51)
Trade receivables (net)	4,446	3,776
Other receivables	92	106
Accrued income	326	197
Prepayments	488	441
Corporation tax recoverable	46	24
	5,398	4,544

At 30 April 2025 £1,486,000 (2024: £2,186,000) of trade receivables had been transferred to a provider of invoice financing services. The Group is committed to secure any of the debts transferred and therefore continues to recognise the debts sold within trade receivables until the debtors repay or default. Since the trade receivables continue to be recognised, the business model of the Group is not affected. The proceeds from transferring the debts are included in other financial liabilities until the debts are collected or the Group makes good any losses incurred by the service provider.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates for both the Physical Security Solutions division and the People and Data Management division are also based on the historical credit losses experienced over the three year period prior to the period end, the ageing of debtors, the credit control procedures which are in place and the type of business customer which is not expected to change significantly. Where necessary for

14. Trade and other receivables (*continued*)

customers with a different risk profile and for new customers, the customer's most recent financial and any forward looking information is reviewed on an individual basis.

The historical loss rates are then reviewed for current and forward-looking information on macroeconomic factors affecting the Group's customers which are normally not expected to change significantly in the geographic areas in which those customers are based. Any balances past due which are over credit insurance limits will also be considered for provision.

The credit risk associated with trade receivables is managed through the Company's standard credit processes. The directors consider that the carrying amount of trade receivables approximates to their fair value.

At 30 April 2025 trade receivables of £988,000 (2024: £723,000) were past due but not impaired. The ageing analysis of these receivables is as follows:

	Current £'000	30 days past due £'000	60 days past due £'000	120 days past due £'000	Total £'000
As at 30 April 2025					
Gross carrying amount	3,549	503	238	247	4,537
Loss provision	(13)	(1)	(3)	(74)	(91)
Expected Loss ratio	(0.4%)	(0.2%)	(1.3%)	(30.0%)	(2.0%)
As at 30 April 2024					
Gross carrying amount	3,104	552	131	40	3,827
Loss provision	(5)	(5)	(18)	(23)	(51)
Expected Loss ratio	(0.2%)	(0.9%)	(13.7%)	(57.5%)	(1.3%)

Movements on Group provisions for impairment of trade receivables are as follows:

	2025 £'000	2024 £'000
Opening balance	51	77
Increase/(decrease) in provisions	40	(26)
Closing balance	91	51

The movement on the provision for impaired receivables has been included in the administrative expense line in the income statement.

15. Trade and other payables

	2025 £'000	2024 £'000
Trade payables	1,492	1,920
Other taxes and social security	522	472
Other payables	93	4
Deferred income	163	170
Accruals	955	870
Holiday pay provision	124	109
	3,349	3,545

All deferred income brought forward in 2025 and 2024 has been fully recognised in the current year.

16. Short-term borrowings

	2025 £'000	2024 £'000
Lease creditor (note 23)	486	392
Invoice financing accounts	1,486	2,186
Bank loans	851	400
	<u>2,823</u>	<u>2,978</u>

The UK invoice financing facility is secured by a debenture on all assets of Grosvenor Technology Limited, and a corporate guarantee and indemnity from the parent company and Safetell Limited. The US invoice financing facility is secured by a debenture on all assets of Grosvenor Technology LLC. The US invoice financing facility was replaced in February 2025 by a \$2 million revolving credit facility from the Group's bankers, HSBC. \$0.6 million of this facility was drawn-down as at 30 April 2025 and is classified in bank loans in short-term borrowings.

In August 2020, the Group secured a £2 million financing facility from its bankers, HSBC, via the Coronavirus Business Interruption Loan Scheme ("CBILS"). This loan is for a term of 6 years, with the first year being interest, repayment and covenant free under the Business Interruption Payment scheme. The interest is at a fixed annual interest rate of 4.69%. The covenant requires the Group to deliver a pre-debt service cashflow of 1.2 times the level of debt service.

Information about fair values on the financial liabilities is given in note 19.

17. Long-term borrowings

	2025 £'000	2024 £'000
Lease creditor (note 23)	1,059	1,360
Bank loan	133	533
	<u>1,192</u>	<u>1,893</u>

Maturity profile of bank loan:

	2025 £'000	2024 £'000
Up to 12 months	133	400
1 to 2 years	-	133
Total	<u>133</u>	<u>533</u>

Information about fair values on the financial liabilities is given in note 19.

18. Financial instruments

The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

The Group's financial instruments comprise cash, borrowings and liquid resources, and various items such as trade receivables and payables that arise directly from its operations. The Group is exposed through its operations to one or more financial risks the details of which are disclosed in the Strategic report on page 24.

18. Financial instruments (continued)

Financial instruments

Categories of financial assets and liabilities are detailed below:

	Amortised cost	
	2025 £'000	2024 £'000
Current financial assets		
Trade and other receivables*	4,864	4,079
Cash and cash equivalents	344	1,137
Total current financial assets	5,208	5,216
*includes accrued income and excludes VAT receivable		
	Financial liabilities measured at amortised cost	
	2025 £'000	2024 £'000
Current financial liabilities		
Trade and other payables	1,585	1,924
Accruals and holiday pay provision	1,079	979
Loans and borrowings	2,823	2,978
Total current financial liabilities	5,487	5,881
Non-current financial liabilities		
Loans and borrowings	1,192	1,893
Total non-current financial liabilities	1,192	1,893
Total financial liabilities	6,679	7,774

Financial instrument risk exposure management

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, apart from as mentioned within the expected credit loss review in note 14, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises are:

- Trade receivables, other receivables excluding VAT and accrued income
- Cash and cash equivalents including overdrafts
- Trade and other payables including holiday pay and accruals
- Invoice financing
- Lease liabilities.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

18. Financial instruments (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that the Group has sufficient funds to meet its liabilities when they become due. The Group has one major central bank facility under which any overdrafts can be offset against cash balances held by other UK subsidiaries. Both Grosvenor Technology Limited and Safetell Limited have invoice financing facilities. The Group Finance Director receives daily reports of all bank and invoice discount accounts, and the balance of the available invoice discount facility.

Overdraft and banking facilities are renewed annually.

Budgets are prepared by each subsidiary and approved by the Group Board so that the cash requirements of the Group facility are anticipated and revised forecasts will be produced for any major variances from budget.

The maturity analysis of the undiscounted financial liabilities measured at amortised cost is as follows:

	2025 £'000	2024 £'000
up to 3 months	3,356	3,129
3 to 6 months	240	225
6 to 12 months	477	446
Later than 1 year and not later than 5 years	1,275	2,031
	5,348	5,831

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its obligations, and the Group is mainly exposed to credit risk from credit sales.

In line with Group policy potential new customers are subject to a financial review, including where possible, external credit ratings, before goods or services are supplied. This is used to set credit terms and purchase limits (representing the maximum open amount they can order without requiring approval) for each customer. A monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reviewed continuously. Customers that become "high risk" are placed on a restricted customer list, and future credit sales are made only with the approval of the local management otherwise pro forma invoices are raised requiring payment in advance. Credit insurance is obtained by the Group when considered appropriate. A review of the existing credit loss exposure can be found in note 14.

Foreign currency risk

The Group's main foreign currency risk is the short-term risk associated with financial assets denominated in US dollars and Euros relating to the UK operations whose functional currency is sterling. The risk arises on the difference between exchange rates at the time the invoice is raised to when the invoice is settled by the customer. The Group is exposed to currency risk on financial liabilities which are denominated in currencies other than sterling and this risk is measured against costs of purchasing in foreign currencies. The Group is also exposed to currency risk on the translation of profits generated in the US.

The group's foreign exchange strategy effectively hedges 75% of excess USD and reduces the level of volatility compared to using spot rates. The contracts manage our currency mismatch between an increasing USD position generated from revenues and the existing cost base in both GBP and euros. The adopted process involved currency forecasting three quarters ahead and taking out tranches of forward contracts for 25% of each of the forecasted quarters relating to our excess USD position. At 30 April 2025 there were six contracts in place for \$4,000,000 which would translate to £3,185,420 in the next financial year (FY26).

18. Financial instruments (continued)

Functional currency of individual entity

As of 30 April the net exposure to foreign exchange risk in currencies other than the functional currency of that operating company was as follows:

	US Dollar		Euro	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Net foreign currency financial assets/(liabilities)	1,752	922	317	(220)
Pound sterling	1,752	922	317	(220)

The effect of a 10% strengthening of the Euro and Dollar against Sterling at the statement of financial position date on the Euro/Dollar denominated trade and other receivables and payables carried at that date would, all other variables held constant, have resulted in a net increase in pre-tax profit for the year and decrease of net assets of £230,000 (2024: £78,000). A 10% weakening in the exchange rates would, on the same basis, have decreased pre-tax profit and increased net assets by £188,000 (2024: £64,000).

Capital

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

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth and distributions. The Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Loan covenants are disclosed in note 16.

The cash-to-adjusted-capital ratios were as follows:

	2025 £'000	2024 £'000
Loans and borrowings	4,015	4,871
Less cash and cash equivalents	(344)	(1,137)
Net borrowings	3,671	3,734
Total equity	8,672	8,124
Net borrowings to adjusted capital ratio	42.3%	46.0%

19. Financial assets and liabilities

Bank loans at 30 April 2025 comprises the \$600,000 (£451,000) variable rate revolving credit facility and the £533,000 fixed rate CBILS loan being repaid on monthly instalments ending August 2026. Fixed rate liabilities at 30 April 2025 also include £1,545,000 of lease liabilities with a remaining life of between 1 to 8 years.

The weighted average interest rate of fixed rate liabilities at 30 April 2025 is 3.91% (2024: 3.95%).

19. Financial assets and liabilities (*continued*)

Fair values

The book value and fair values of fixed rate financial liabilities are as follows:

	Book value 2025 £'000	Fair value 2025 £'000	Book value 2024 £'000	Fair value 2024 £'000
Bank Loan	533	551	933	1,046
Lease liabilities	1,545	1,683	1,752	1,943
	<u>2,078</u>	<u>2,234</u>	<u>2,685</u>	<u>2,989</u>

Fair values of financial liabilities have been determined by discounting cash payments at prevailing market rates of interest having regard to the specific risks attaching to them.

The fair values of all other financial assets and liabilities at 30 April 2025 and 2024 are equal to their book value.

20. Provisions

	Leasehold dilapidations £'000
As at 30 April 2024	<u>110</u>
Increase in provision	3
As at 30 April 2025	<u>113</u>

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. On recognition of the initial provision, an equal amount was recognised as part of the cost of the leasehold improvements. This cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

21. Share capital

	2025		2024	
	Number	£'000	Number	£'000
Allotted, called up and fully paid				
Ordinary shares of 5p each	9,374,647	469	9,374,647	469
Deferred shares of 0.9p each	468,732,350	<u>4,218</u>	468,732,350	<u>4,218</u>
		4,687		4,687

At the Annual General Meeting held on 10 November 2021, the Company sought shareholder approval for a sub-division and consolidation of the Company's share capital ("Capital Reorganisation"). The shareholders passed the resolution, and as of 11 November 2021, the new ordinary shares were admitted to trading on AIM. As a result of the Capital Reorganisation, each existing ordinary share was subdivided into one new ordinary share of 0.1 pence and one new deferred share of 0.9 pence. Immediately following the sub-division, shareholders received one consolidated ordinary share of 5 pence for every 50 ordinary shares of 0.1 pence.

21. Share capital (*continued*)

Prior to the Capital Reorganisation, the Company's ordinary share capital consisted of 468,732,350 ordinary shares of 1 pence, and subsequent to the Capital Reorganisation, the Company's ordinary share capital consists of 9,374,647 ordinary shares of 5 pence with voting rights listed on AIM and 468,732,350 deferred shares of 0.9 pence with no voting rights.

The new ordinary shares have the same rights and benefits as the ordinary shares which existed before the consolidation, including voting, dividend and other rights.

The new deferred shares do not have any commercial value, are not tradable, and do not have any entitlement to voting or dividend rights. Shareholder certificates were not issued for the new deferred shares.

22. Reserves

Called up share capital reserve represents the nominal value of the shares issued.

The share premium account represents the excess of the subscription price of shares issued over the nominal value of those shares, less expenses of issue.

The merger reserve arose in the year ended 30 April 2003 when the Company made an offer to the Global Depository Receipt ("GDR") holders of Vema N.V. for the 49 per cent. of the issued share capital of that company not already owned by the Group. The offer represented 1.5 Newmark shares for each GDR and the merger reserve represented the excess of market value over nominal value of the shares issued.

Retained earnings represents the cumulative amount of retained profits/losses each year as reported in the income statement.

Foreign exchange reserve represents the cumulative exchange differences on the retranslation of foreign operations.

Non-controlling interest represents the share of a non-wholly owned subsidiary's net assets that are not directly attributable to the shareholders of the Company. The subsidiary is the dormant company Vema N.V.

23. Leases

The group's liabilities relating to leased assets are as follows:

	2025 £'000
Lease Liability at 30 April 2024	(1,752)
Additions	(308)
Interest payments	74
Interest expense	(74)
Lease surrendered	10
Lease modification	14
Lease payments	491
Lease Liability at 30 April 2025	(1,545)
	2024 £'000
Lease Liability at 30 April 2023	(2,055)
Additions	(196)
Interest payments	93
Interest expense	(93)
Lease modification	27
Lease payments	472
Lease Liability at 30 April 2024	(1,752)

23. Leases (continued)

The group mainly enters into leases for properties, vehicles and office equipment such as photocopiers. In the assessment of the right of use asset valuation management consider available extension and termination options and apply the most likely contract end date that will be utilised.

The lease liability repayment profile is shown below:

		Within	1-2	2-3	3-4	Greater than 4
	Total	1 yr	years	years	years	years
	£'000	£'000	£'000	£'000	£'000	£'000
Lease payments	1,683	542	307	264	175	395
Finance charges	(138)	(56)	(33)	(21)	(12)	(16)
Net present values at 30 April 2025	1,545	486	274	243	163	379

		Within	1-2	2-3	3-4	Greater than 4
	Total	1 yr	years	years	years	years
	£'000	£'000	£'000	£'000	£'000	£'000
Lease payments	1,943	463	464	257	216	543
Finance charges	(191)	(71)	(48)	(27)	(18)	(27)
Net present values at 30 April 2024	1,752	392	416	230	198	516

The nature of the right of use assets contracts are described below:

	Number of right of use assets leased	Range of remaining term (years)	Number of leases with option to purchase	Number of leases with termination option
Office building	4	1-8	-	2
Vehicles	24	0-5	12	-
Other Equipment	3	2-4	-	1

See note 9 for further disclosures of the Group's right-of-use Assets. There are no leases with extension options or leases with variable payment terms linked to an index.

24. Share-based payments

In September 2019 the Group adopted the Newmark Security plc EMI Share Option Plan which enabled the Board to grant qualifying share options under the HM Revenue and Customs Enterprise Management Incentive ("EMI") tax code and also unapproved share options to employees and directors. Options had previously been granted under the 2007 EMI plan.

The EMI share options usually vest and become exercisable 3 years or 5 years from the date of grant (subject to leaver and takeover provisions), or such other period of time specified by the Remuneration Committee. All options have a 10 year life.

The table below summarises the movements in the number of share options outstanding:

24. Share-based payments *(continued)*

	2025 No. of options	2024 No. of options
Outstanding at beginning of year	1,126,514	951,514
Granted during the year	663,323	195,000
Forefeited during the year	(454,570)	(20,000)
Outstanding at end of year	1,335,267	1,126,514
Exercisable at end of year	204,227	561,482

The options granted in the current and prior years are valued using the assumptions below:

Date of grant	Share price at date of grant (pence)	Exercise price (pence)	Vesting period and conditions	Expected volatility %	Risk-free rate %	Dividend yield %	Fair value (pence)	Valuation method
Oct 2019	34.8	90	b	43%	3%	-	2.7	Black Scholes
Oct 2019	34.8	50	c	43%	3%	-	5.9	Black Scholes
Oct 2019	45.0	85	a	43%	3%	-	5.5	Black Scholes
June 2022	36.5	50	c	51%	3%	-	12.6	Black Scholes
June 2022	36.5	5	d	51%	3%	-	26.3	Monte Carlo
July 2023	53.5	53.5	c	51%	4.7%	-	23.3	Black Scholes
July 2023	53.5	5	e	51%	4.7%	-	38.5	Monte Carlo
Sept 2024	97.5	5	f	39%	3.5%	-	93.2	Black Scholes
Sept 2024	97.5	5	g	46%	3.5%	-	93.5	Black Scholes

Notes

- Options vest 3 years after date of grant
- Options vest in accordance with the dates from their original vesting schedule which was 1/3 one year after date of grant, 1/3 two years after date of grant, 1/3 years after date of grant. See below for further details regarding the modification
- Options vest 1/3 one year after date of grant, 1/3 two years after date of grant, 1/3 years after date of grant
- Options vest 3 years after date of grant subject to an additional share price vesting criteria that the average closing mid-market share price on the 10 business days preceding the date of exercise must exceed 63.88p, being a 75% premium to the closing mid-market share price on the day before grant date
- Options vest 3 years after date of grant subject to an additional share price vesting criteria that the average closing mid-market share price on the 10 business days preceding the date of exercise must exceed 85.6p, being a 60% premium to the closing mid-market share price on the day before grant date
- Options vest 3 years after date of grant subject to an additional Group revenue performance condition. 100% of options vest if Group revenues reach £34,769,000 in FY27, 50% they reach £33,031,000, 25% if they reach £29,554,000 and none vest below £29,554,000. The number of options that vest between between the 25% to 50% and 50% to 100% performance gates increases on a straight-line basis according to the Group revenue figure achieved.
- Options vest 5 years after date of grant subject to an additional Group revenue performance condition. 100% of options vest if Group revenues reach £44,231,000 in FY29, 50% they reach £42,019,000, 25% if they reach £37,596,000 and none vest below £37,596,000. The number of options that vest between between the 25% to 50% and 50% to 100% performance gates increases on a straight-line basis according to the Group revenue figure achieved.

24. Share-based payments *(continued)*

All issued share options were adjusted on 10 November 2021 following the 50:1 share re-organisation in line with share plan rules. This resulted in the number of options reduced by 50 times and the exercise price increased by 50 times.

The remaining weighted average contractual lives at year end was 8.2 years (2024: 6.9 years). The share based remuneration expense for equity settled schemes in FY25 was £88,000 (FY24: £43,000).

25. Related party transactions

Details of Directors' remuneration are given in the Directors' Remuneration report on pages 34 to 36.

26. Subsequent events

The Directors are not aware of any material events which occurred after the reporting date of these financial statements which will significantly affect the financial position of the Group or the results of its operations.

Company statement of financial position

At 30 April 2025

Company number: 03339998

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Fixed assets					
Investment in subsidiaries	3		5,846		14,236
Tangible assets	4		50		46
Intangible assets	4		-		-
			<u>5,896</u>		<u>14,282</u>
Current assets					
Debtors	5	668		2,552	
Cash at bank		<u>26</u>		<u>35</u>	
		694		2,587	
Creditors: amounts falling due within one year	6	<u>(900)</u>		<u>(12,731)</u>	
Net current liabilities			(206)		(10,144)
Total assets less current liabilities			<u>5,690</u>		<u>4,138</u>
Amounts falling due after one year					
Long term borrowings	7		(133)		(582)
Net assets			<u>5,557</u>		<u>3,556</u>
Capital and reserves					
Called up share capital	8		4,687		4,687
Share premium account	8		553		553
Merger reserve	8		801		801
Profit and loss account	8		(484)		(2,485)
Shareholder's funds			<u>5,557</u>		<u>3,556</u>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Company income statement. The Company's profit for the current year was £1,956,000 (2024: loss £92,000).

The notes on pages 77 to 82 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 3 September 2025.

Paul Campbell-White

Director

Company statement of changes in equity

	Share capital	Share premium	Merger reserve	Retained earnings	Total equity
01 May 2024	4,687	553	801	(2,485)	3,556
Comprehensive Income/(loss) for the year					
Income and total comprehensive income for the year	-	-	-	1,956	1,956
Transaction with owners					
Share based payments	-	-	-	45	45
30 April 2025	4,687	553	801	(484)	5,557
01 May 2023	4,687	553	801	(2,409)	3,632
Comprehensive Income/(loss) for the year					
Income and total comprehensive loss for the year	-	-	-	(92)	(92)
Transaction with owners					
Share based payments	-	-	-	16	16
30 April 2024	4,687	553	801	(2,485)	3,556

The notes on pages 77 to 82 form part of these financial statements.

1. Accounting policies

Basis of preparation

The Company financial statements for Newmark Security plc have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). All policies are the same for the Group and company except as noted.

The financial statements are for the year ended 30 April 2025 (2024: year ended 30 April 2024). The registered office of the Group is 91 Wimpole Street, London, W1G 0EF.

The primary economic environment in which the Company operates is the UK and therefore the financial statements are presented in pounds sterling ('£s') to the nearest round thousand (£'000) unless otherwise stated.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- Certain comparative information as otherwise required by the UK endorsed IFRS;
- Certain disclosures regarding the company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- Disclosure of related party transactions with other wholly owned members of the Company headed by Newmark Security plc;
- The disclosure of the remuneration of key management personnel; and
- Separate disclosure of lease maturity analysis.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because

equivalent disclosures are included in the company's consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- Share based payments; and
- Financial instruments.

Profit and Loss Account

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The profit for the year ended 30 April 2025 is £1,956,000 (2024: loss of £92,000).

Tangible and Intangible fixed assets

Items of property, plant and equipment and intangible website costs are recognized at cost. Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment
– 33% per annum straight line

Fixtures and fittings
– 10% per annum straight line

Motor vehicles
– over the term of the lease, usually 3 years on a straight line basis.

Land and buildings
– over the term of the lease on a straight line basis.

Website costs are amortised
– 33% per annum straight line

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment, if any. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intercompany balances

Balances between Group companies which reflect trading and funding activity are short term. Balances

between group companies are interest free and due on demand. Impairment provisions for intercompany balances are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually on 30 April. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying value 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset.

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 Company's cash-generating units that are expected to benefit from

the synergies of the combination giving rise to the goodwill.

Impairment charges are included in the cost of sales line item in the income statement for research and development and in the administration line for goodwill. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

In testing for impairment, management has to make judgements and estimates about future events which are uncertain. Adverse results compared to these judgements could alter the decision of whether an impairment is required.

Leases

For any new contracts entered into the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right-of-use an asset for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The

Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of

interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in the consolidated income statement.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Taxation

Income tax expense represents the sum of the tax currently payable or receivable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items

that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date unless the tax is adjusted regarding a previous period whereby the appropriate rate is used accordingly.

Deferred taxation

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 nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the deferred tax liabilities/(assets) are

settled/(recovered). Deferred tax balances are not discounted.

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

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the consolidated income statement in the year in which they become payable.

Holiday pay provision

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the consolidated statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary costs of the future holiday entitlement and so accrued at the balance sheet date.

Critical accounting estimates and judgements

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.

- (a) Estimated impairment of investment in subsidiaries

Where indicators of an impairment exist the carrying value is compared to the recoverable amount to identify the extent of the impairment.

The recoverable amounts are determined based on value-in-use calculations. These calculations require the use of estimates as detailed in note 3 of the company accounts.

- b) Recoverability of amounts owed by group undertakings.

The recoverability of the amounts owed by group undertakings is assessed on an annual basis or more frequently when an indication of impairment exists. Determining whether there is an indication of impairment requires judgement as the assessment is based on either net assets of the undertaking or forecast future performance.

2. Staff costs

	2025 £'000	2024 £'000
Staff costs (including the Executive Directors) comprise:		
Wages and salaries	615	507
Defined contribution pension costs	34	35
Employer's national insurance contributions and similar taxes	70	78
	<u>719</u>	<u>620</u>
The average numbers employed (including the Executive Directors) were:	2025 No.	2024 No.
Office and management	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

The pension creditor at 30 April 2025 was £1,687 (2024: £1,562) included in the accruals balance at year end.

3. Investments in subsidiaries

	£'000
Cost	
At 30 April 2025 and 30 April 2024	<u>21,869</u>
Impairment provision	
At 30 April 2024	(7,633)
Impairment	<u>(8,390)</u>
At 30 April 2025	<u>(16,023)</u>
Net book value	
At 30 April 2025	<u>5,846</u>
At 30 April 2024	<u>14,236</u>

The subsidiaries of Newmark Security plc are listed in note 12 of the Group financial statements.

During the year the Group implemented a restructuring programme to simplify the corporate structure. As a result of this restructure an impairment provision was made against the cost of investment of the dormant subsidiaries which were subsequently dissolved in May 2025. The profit and loss account impact of this impairment was offset by the waiver of the Company's intercompany payable balances with these dormant entities as part of the restructure.

Impairment reviews were also carried out for the two operating subsidiaries being the cash generating units of People and Data Management division and the Physical Security Solutions division. The recoverable amounts have been determined from value in use calculations based on cash flow projections from formally approved projections covering a four-year period to 30 April 2029 (2024: five-year period). The discount rate that was applied was 15% for the People and Data Management division (2024: 15%) and 15% for the Physical Security Solutions division (2024: 15%), representing the pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset.

The compound revenue growth rate for the People and Data Management division is 14% (2024: 15%). The growth rate reflects the impact of customer expansion supported by existing products and products being delivered in the short term. The gross margin assumed in the forecasts is 40% to 45% (2024: 42% to 51%). If the discount rate is increased to 20%, there is no impairment. In order for the carrying value to equate to the value in use the discount rate would need to increase to 59%.

For the Physical Security Solutions division, the compound annual revenue growth rate for the year ended April 2025 to the year ended April 2029 is 25% (2024: 12%). The gross margin assumed in the forecasts is 34% to 37% (2024: 36% to 39%). In order for the carrying value to equate to the value in use the discount rate would need to increase to 20%.

4. Tangible and intangible fixed assets

	Right-of-use Motor vehicles and Land & Buildings £'000	Computer equipment, Fixtures and Fittings £'000	Total Tangible assets £'000	Intangible Website costs £'000
Cost				
Balance at 1 May 2024	169	11	180	9
Additions	85	2	87	-
Disposals	(100)	(2)	(102)	-
Balance at 30 April 2025	154	11	165	9
Depreciation				
Balance at 1 May 2024	(127)	(7)	(134)	(9)
Disposals	100	1	101	-
Depreciation	(80)	(2)	(82)	-
Balance at 30 April 2025	(107)	(8)	(115)	(9)
Net book value 30 April 2025	47	3	50	-
Cost				
Balance at 1 May 2023	169	21	190	9
Additions	-	2	2	-
Disposals	-	(12)	(12)	-
Balance at 30 April 2024	169	11	180	9
Depreciation				
Balance at 1 May 2023	(54)	(16)	(70)	(9)
Disposals	-	12	12	-
Depreciation	(73)	(3)	(76)	-
Balance at 30 April 2024	(127)	(7)	(134)	(9)
Net book value 30 April 2024	42	4	46	-

5. Debtors

	2025 £'000	2024 £'000
Amount due from Group undertakings	647	2,524
Prepayments	21	28
	668	2,552

All amounts shown under debtors fall due for payment within one year.

The amounts due from Group undertakings has no associated interest and is repayable on demand.

6. Creditors: amounts falling due within one year

	2025	2024
	£'000	£'000
Bank loan	400	400
Trade payables	125	171
Amount due to group undertakings	-	11,815
Other taxation and social security	69	87
Lease creditor	78	4
Accruals	228	254
	<u>900</u>	<u>12,731</u>

In August 2020, the Group secured a £2 million financing facility from its bankers, HSBC, via the Coronavirus Business Interruption Loan Scheme (“CBILS”). This loan is for a term of 6 years, with the first year being interest, repayment and covenant free under the Business Interruption Payment scheme. The covenant requires the Group to deliver a pre-debt service cashflow of 1.2 times the level of debt service.

7. Long-term borrowings

	2025	2024
	£'000	£'000
Lease creditor	-	49
Bank loan	133	533
	<u>133</u>	<u>582</u>

The lease arises on a motor vehicle which is denominated sterling and is for a period of 36 months.

Maturity profile of bank loan:

	2025	2024
	£'000	£'000
Up to 12 months	133	400
1 to 2 years	-	133
2 to 5 years	-	-
Total	<u>133</u>	<u>533</u>

8. Capital and reserves

Details of the Company’s called-up share capital are disclosed in note 21 of the Group financial statements.

A description of reserves is disclosed in note 22 of the Group financial statements.

9. Contingent liabilities

The Group has entered into overdraft and invoice financing facilities with HSBC which are guaranteed by Newmark Security plc.



Shareholder Information



DIRECTORS, SECRETARY AND ADVISORS

Country of incorporation of

parent company: England and Wales

Legal form:

Public company limited by shares

Directors:

M Dwek

M-C Dwek

P Campbell-White

M Rapoport

T Yap

Registered office:

91 Wimpole Street, London W1G 0EF

Company number:

03339998

Auditor:

Cooper Parry Group Limited, Davidson House, 1st Floor, Abbey Square, The Forbury, Reading, RG1 3EU

Nominated Adviser and Brokers:

Allenby Capital Limited, 5 St. Helens Place, London EC3A 6AB

Registrars:

MUFG Corporate Markets (UK) Limited, Central Square, 29 Wellington Street, Leeds LS1 4DL

Solicitors:

Bracher Rawlins LLP, 16 High Holborn, London, WC1V 6BX