Fresh thinking, the Titon way

Titon Holdings Plc
Annual Report and
Financial Statements
2024

Welcome to Titon Holdings Plc

Titon Holdings Plc, is a UK-based manufacturer specialising in ventilation systems and window and door hardware.

Passionate Indoor Air Quality Experts

Titon places a strong emphasis on quality, testing and customer service to bring outstanding products to market, across the globe.

Visit our website
www.titon.com

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The Strategic Report has been prepared in accordance with Section 414C of the Companies Act 2006 (the "Act"). Its purpose is to inform shareholders of Titon Holdings Plc ("Titon" or "the Company" or "the Group") and help them to assess how the Directors have performed their legal duty under Section 172 of the Act to promote the success of the Group.

Titon at a glance

Titon Holdings Plc generates its revenue through the design, manufacture, and supply of Mechanical Ventilation Systems and Window and Door Hardware products. The business has two core business units:

Ventilation Systems

This business unit designs, manufactures and sells a range of mechanical ventilation solutions, primarily into the residential new build market.

Key Figures

Revenue lower by 27%

Sales in the UK down 16.6%

Sales in Export down 53.0%

Window and Door Hardware WDH

The window and door hardware business unit provides a broad range of hardware products for the fenestration market, offering both Titon-manufactured items and third-party solutions to its customers.

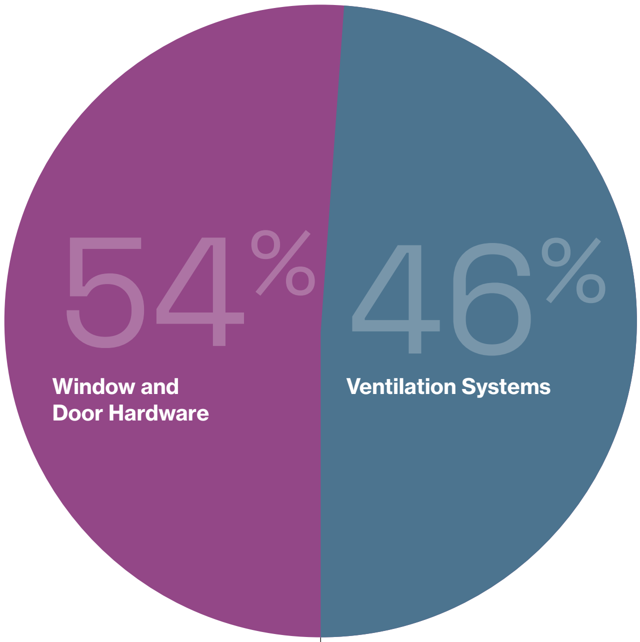
Key Figures

Revenue decrease by 17%

Sales in the UK down 19.9%

Sales in Export up 0.9%

Percentage (%) split of revenue FY2024



Window and Door Hardware revenue split via location (%)

UK	Export
80.4%	19.6%

Ventilation Systems revenue split via location (%)

UK	Export
80.8%	19.2%


Our Haverhill manufacturing facility

71% of our group sales are produced at our Haverhill, Suffolk facility, reflecting our commitment to maintaining our own manufacturing capability. In-house production gives us full control over the supply chain and drives rapid innovation, enabling us to swiftly develop new solutions and maintain consistent quality. This commitment underpins Titon's reputation for rigorous testing, robust quality assurance, and exceptional customer service.

Our Purpose and Vision

At Titon, we aim to be the best partner for solutions improving in-building air quality and security. By offering competitive solutions and exceptional service, we will outpace competitors and achieve recognition in our chosen markets. We will focus primarily on Residential New Builds but also expand into the Refurbishment, Maintenance and Improvement, Non-Residential and Social Housing markets.

Our goal is to consistently achieve over 10% growth and a 15% net margin by focusing on high value, differentiated solutions. We will excel through innovation, strong customer relationships, deep market understanding, and operational excellence, while maintaining continuous improvement and delivering superior service.

Following “The Titon Way”, we will focus on systems and products where differentiation can make a difference and is able to generate maximum profits for us and maximum value for our customers. Our core offerings will be:

→ Mechanical Ventilation Systems

→ Window and Door Hardware Products

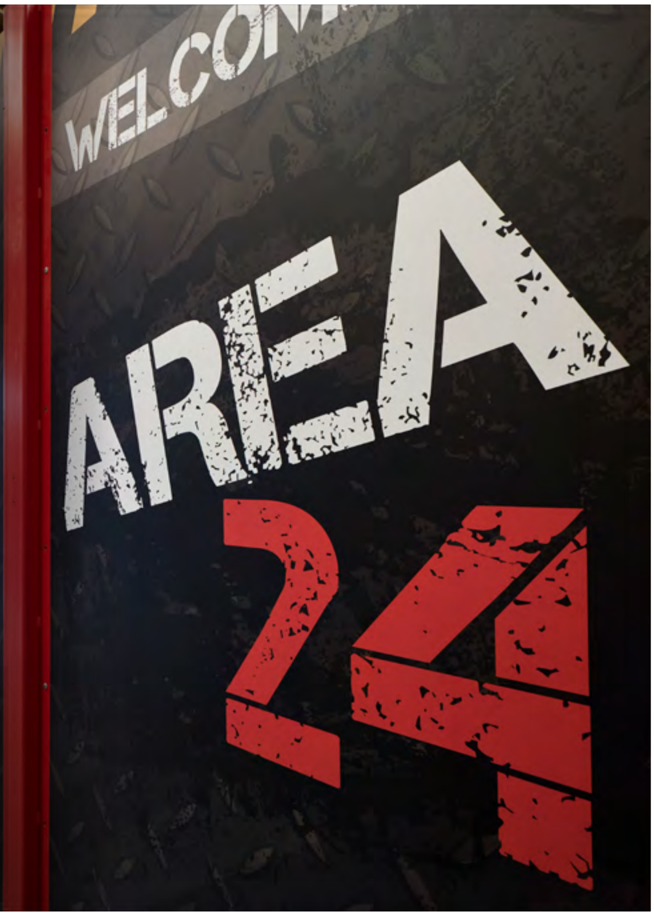
The mechanical ventilation systems organisation will align behind winning business at the building contractor specification level by demonstrating our expertise in regulations and ventilation design, developing superior performing systems and providing exceptional customer service.

Our window and door hardware business will supply high quality products at a small premium in the market. This premium will be offset with demonstrated quality, design and customer service.

What Sets Us Apart

What sets us apart is our commitment to delivering high-quality, differentiated designs supported by years of specialist expertise in both mechanical ventilation systems and window and door hardware. We understand the importance of clean, healthy indoor air and use our knowledge to provide comprehensive ventilation system design services, ensuring our customers receive complete and effective solutions.

All of our window and door hardware products undergo rigorous testing at AREA24, our high-tech product development facility in Haverhill, Suffolk. At AREA24, we perform indicative testing to certified standards, allowing systems and fabricators to verify that a hardware specification meets regulatory requirements before proceeding with costly third-party testing. This thorough process ensures the reliability and competitive value of our products, helping maintain Titon’s reputation for delivering quality offerings that enhance comfort and safety.



2024 in Review

In 2024, Titon navigated a challenging year marked by market headwinds and internal inefficiencies. Despite these obstacles, the company took decisive steps to reshape its future.

We introduced new leadership, implemented a focused turnaround strategy, and streamlined operations to reduce costs and improve efficiency. Throughout the year, we maintained a strong balance sheet, managing cash levels effectively and remaining debt-free. This disciplined approach to financial management will continue to guide us going forward, ensuring we have the stability and flexibility to support growth initiatives. While our core markets faced contraction, we reprioritised business activities based on financial performance and strengthened the foundations of our business. With a competitive product offering and a committed workforce, Titon is now positioned to capitalise on growth opportunities and return to profitability.

New CEO

Since joining Titon in April 2024, Tom has focused on driving clarity, efficiency, and strategic direction across the business.

A comprehensive strategic review was undertaken in collaboration with the management team and the Board of Directors, leading to the creation of a clear and actionable turnaround plan. This strategy prioritises simplification of operations, improving cost management, and refocusing on core strengths and profitable activities. The Chief Executive has streamlined processes and fostered a culture of accountability and performance. Leadership has been strengthened, communication enhanced, and decision-making made more agile and purposeful.

Management views 2025 as a transitional year for Titon, as the company continues to implement its strategic turnaround plan. Early signs of market recovery and a strengthening order book provide a solid foundation for progress. While the full benefits of our changes will take time to materialise, our streamlined operations, improved focus, and disciplined approach position us to navigate this transition successfully. With continued commitment and execution, Titon is on the path toward renewed growth and long-term profitability.

Read more on page 12

Tom Carpenter
Chief Executive

New strategy

We are implementing a turnaround strategy focused on increasing profitability, improving operational efficiency, and expanding our market reach. By simplifying our product range, engaging earlier in the decision-making process, enhancing customer service, refining our marketing efforts, and optimising manufacturing, we aim to achieve 10% organic growth and a 15% net margin. This evolutionary approach will enable us to become a trusted, best-in-class provider of in-building air quality, comfort, and security solutions.

We aim to achieve 10% organic growth and a 15% net margin.

New products

In 2024, Titon continued to innovate with the launch of new products that demonstrate our commitment to quality and performance. The Hexalok™ multi-point locking system for inline sliding doors enhances security with its six-point mechanism and durable stainless-steel construction.

Additionally, the HRV 4.25 Q Plus MVHR unit offers exceptional airflow and energy efficiency for medium to large dwellings, achieving up to 91% heat recovery efficiency. These launches reflect Titon's focus on delivering robust, reliable, and energy-efficient solutions to meet evolving market needs.

Read more on page 8

Hexalok™

HRV4.25 Q Plus

Chair's Statement

This year has been a period of significant transition for Titon Holdings Plc. Approaching the conclusion of my first year as Chair, I reflect on the progress made in establishing a clear direction for the Company's future.

With Tom Carpenter joining as Chief Executive in April, working alongside Carolyn Isom, our Chief Financial Officer, we have started implementing meaningful changes to streamline operations and enhance our team's capabilities. I am confident that these foundations, coupled with the opportunities ahead, position Titon well to realise its full potential.

Financial performance

In the year ended 30 September 2024, the Group's net revenue from continuing operations declined to £15.5m (2023: £19.8m[2]), reflecting ongoing pressures in the housebuilding sector, particularly within the new build market. This led to an underlying operating loss[1] before exceptionals and income tax for continuing operations of £0.9m (2023: underlying operating loss of £0.2m). Despite these challenges, there were clear signs of progress during the second half of the year, with improvements in underlying operating performance, moving us closer to breakeven.

The Group carefully managed cost and volume pressures to deliver a relatively stable gross margin of 28.0% (2023: 28.4%). Underlying EBITDA[1] for the year remained positive at £0.005m (2023: £0.7m) and with strong working capital management, we ended the year with a marginally increased cash position on last year of £2.3m (2023: £2.2m). Given the receipt of a further £0.7m net cash proceeds from the disposal of our interests in the Group's South Korean operations post year end; our cash position will provide the financial stability required to support future strategic investments.

We recognise the need to deliver enhanced profitability and cash generation in future years and are encouraged by the strategic progress seen in the latter part of the year and the continuation of this into the new financial year.

Strategy

Under the leadership of our recently appointed Chief Executive, we launched a comprehensive five-year strategic plan with our core goal and purpose being the ambition to drive value for our shareholders and stakeholders. A significant milestone within this strategy was the decision to exit the loss-making South Korean business, enabling us to focus on core markets closer to home where we see the greatest potential for growth and profitability. By simplifying our operations, driving a more focused product range and prioritising high-margin opportunities, we are laying the foundations to create a more agile organisation, capable of responding effectively to evolving market demands. We continue to explore ways to expand the market opportunity and business, reviewing new adjacent market sectors, widening customer networks and reviewing and improving the product range. The early results of this strategy are promising, and we are committed to its successful execution.

Dividends

Consistent with the decision taken at the time of the Group's interim results, the Board has taken the difficult decision not to recommend a final dividend for this financial year. This approach reflects our priority to rebuild profitability and invest in opportunities that drive long-term shareholder value. We understand the importance of dividends to our shareholders and are committed to reinstating a progressive dividend policy as soon as our performance supports it.

Our people and culture

Our progress would not have been possible without the resilience and commitment of our people. Over the past year, they have adapted to significant changes in leadership and key initiatives while navigating difficult market conditions. I am grateful for their efforts and the culture of ambition and collaboration they have fostered, which is central to Titon's strategy and ambitions.

Board

We have seen significant board changes during the year; I expect more stability going forward. I joined in January 2024, and we welcomed Chief Executive Tom Carpenter in April 2024. Tyson Anderson and Nick Howlett left the Board during the latter part of the year, and I want to thank them for their contributions during their many years with Titon. I am confident that we now have a strong and effective Board capable of guiding Titon through the next stage of its evolution.

Investors

Open communication with our investors is a cornerstone of our approach. Throughout the year, we have ensured regular engagement and provided updates on our progress, an area we have focused on enhancing this year. We remain committed to transparency and welcome dialogue with our shareholders as we continue to execute our strategy.

Outlook

The recent cash completion of our exit from the South Korean operations has reinforced our focus and strengthened our financial position. As we look ahead, we see 2025 as a pivotal year for Titon. While challenges persist, the progress made in realigning our business and focusing on key markets gives us confidence in our future. The performance in the first quarter of 2025 has been slightly ahead of our expectations and the increased order book and book to bill ratio is encouraging. Early signs of market recovery, alongside our strategic initiatives, provide a solid foundation for growth. On behalf of the Board, I thank all our stakeholders for their ongoing support as we work to deliver long term sustainable value.

On behalf of the Board.

J Brooke
Chair

22 January 2025

Introducing the new HRV Cool Plus™

Overheating in homes can also pose various risks, including heat stress, dehydration, an increase of health conditions.

Effective ventilation systems, such as mechanical fans or natural ventilation are essential in alleviating overheating by promoting air circulation and cooling indoor space. They also remove indoor air pollutants, excess moisture and unpleasant odours.

The new Titon HRV Cool Plus™ offers a solution designed to deliver cooling, filtered, and tempered air for user comfort in warmer weather conditions via a compact efficient MVHR and cooling module.

The Titon HRV Cool Plus™ conforms to requirements of UK statutory Building Regulations and Technical Standards for Ventilation and BRE 398. The Titon HRV Cool Plus™ meets requirements of Building Regulations Approved Document O (England & Wales).

Find out more at titon.com/uk/hrv-cool

Notes

Non IFRS GAAP measures

1 The Group uses some alternative performance measures (APMs) to track and assess the underlying performance of the business. These measures include underlying operating loss, underlying loss before tax and underlying EBITDA. The reconciliation of the Group's reported profit before tax to adjusted profit measures of performance is summarised in the table on page 17.

2 The Group's FY23 results have been restated to classify the Group's South Korean operations as a discontinued operation, consistent with the FY24 reporting approach. Revenue and performance metrics, including the changes reported in FY24 against FY23, stated in this report therefore represent the continuing operations of the Group, excluding the results of the Group's former South Korean subsidiary and associated company.

Our Products

Prioritising innovation

Driving Innovation and Growth

Research and Development (R&D) remains at the heart of our Group's success, serving as the engine of innovation that propels our products, processes, and business model forward. Our commitment to R&D reflects a clear vision: to lead our industry by delivering exceptional value to customers while adapting to an ever-evolving market landscape.

Building a Culture of Innovation and Excellence

R&D's role extends beyond technical delivery; it fosters a dynamic culture of creativity, continuous learning, and innovation. This culture strengthens teamwork, attracts top talent, and positions Titon as a leading innovator in our industry. Strategic investment in R&D remains a top priority, enabling us to enhance product quality, accelerate time to market, manage product cost, and consistently exceed customer expectations. These efforts align directly with our goal of driving Titon's growth and securing our leadership in the marketplace.

Focused on Delivering New Products for Growth

The design, development, and launch of new products are critical to the Group's future success. Over the past five years, our R&D team has delivered numerous innovations, many of which have made a tangible impact on revenue growth and business acquisition. This success reflects our customer-driven approach, which is guided by market demands and regulatory requirements. As we look ahead, we remain focused on enhancing new product development success rates through strategic alignment and disciplined execution.

Optimising and Rationalising Product Portfolios

While our product ranges are extensive, over time they've expanded into numerous overlapping variations, negatively impacting our economies of scale. To address this, we are actively rationalising our portfolio to develop a core set of flexible platforms that will allow us to deliver flexible and competitive solutions, while enhancing Titon efficiencies. The new, standardised Titon-branded product ranges emerging from this process are more capable, better engineered, and easier for customers to understand.

Delivering Value in 2025 and Beyond

We remain committed to investing in innovation across our ventilation systems and window and door hardware business units. By developing targeted solutions that anticipate and meet evolving market challenges, we aim to deliver meaningful value to our customers and generate sustainable returns for our shareholders.

Research and development spending 2024

£613k

2023: £658k

HRV4.25 Q Plus

Introducing the new HRV4.25 Q Plus: a powerful yet compact, continuously running whole-house ventilation unit with heat recovery.

It is suitable for larger dwellings and has been independently tested by the BRE. The HRV4.25 Q Plus delivers cutting-edge performance usually only associated with much larger and more expensive products.

The combination of very low power consumption and a highly efficient heat exchanger is specifically designed to enhance SAP performance via Appendix Q, yet small enough to be easily incorporated into medium-sized dwellings.

Recognised and listed in the UK Product Characteristics Database and includes intelligent humidity options through controller options.

Find out more at titon.com/uk/products/ventilation-systems

THE ENERGY SAVING AWARDS 2023 PROUD WINNER 2023

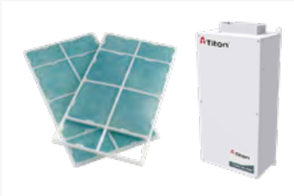
HVR AWARDS PROUD FINALIST 2024

LCA LONDON CONSTRUCTION AWARDS FINALIST PRODUCT INNOVATION OF THE YEAR

Featured Mechanical Ventilation products

HRV1.6 Q Plus

Medium to large sized dwellings
Mechanical Ventilation with Heat Recovery unit (MVHR)



HRV Filters

For use only with Titon HRV units
Genuine Titon Manufactured HRV (MVHR) Filter Replacements or Upgrades

Titon FireSafe® Air Brick

Fire resistance compact inlet/outlet grille
Air Brick

CME2.1 Q Plus (MEV)

Primarily for use in dwellings with six wet rooms or fewer
Central Mechanical Ventilation Unit (cMEV)

Titon Ultimate® dMEV

For use in residential dwellings and light commercial applications
Decentralised Mechanical Ventilation Unit (dMEV)

HRV4.25 Q AR Plus

For use in medium to large sized dwellings
Ultra energy efficient Heat Recovery Ventilation unit

Purge Ventilation Unit

Assists the rapid removal of indoor pollutants within the home
Purge extraction fan

Full Ducting Range

For mechanical ventilation with heat recovery (MVHR)
Ducting

Featured Window and Door Hardware products

Roto AL Designo Tilt Turn System

For use on aluminium windows and balcony doors
Concealed hardware for aesthetic aluminium windows and balcony doors

Terminus

For use on aluminium windows
High Quality, Robust Security espagnolette

Blusafe Origin Smart

For use on PVCU, timber or aluminium doors
External Door Handle

Trimvent® Select Xtra S13

For use on PVCU, timber or aluminium windows
Surface mounted slot ventilator

Hexalok™

For use on aluminium doors
High security multi point lock for sliding doors

Roller for Horizontal Sliding Doors

For use on aluminium doors
Sliding door accessories

Asterion II 3-Star Cylinder

For use on PVCU, timber, aluminium or composite doors
High Security Profile Cylinder

Trimvent® SM Vent

For use over 10mm or 12mm slot, ideal for slim sections
Surface mounted aluminium slot ventilator

Business Model and Strategy

Titon® 2028 Visualised

Ambitions and Targets for 2028

Company Goals
Be the **supplier of choice** of Mechanical Ventilation Systems **AND** Window and Door Hardware

Financial Goals
10% Annual Growth
15% Net Profit

Where we play

Current Markets
- **New Build**
- **Fenestration**
- **Geographic Focus (main focus is UK)**

Adjacent Markets
- **Non Residential**
- **Social Housing**
- **RMI (Renovation/ Maintenance/Improvement)**

How we win

→ Excellent and reliable Customer Service
→ Efficient Manufacturing and Organisation
→ Superior products – following a vision, rationalisation and simplification
→ Consultative selling and superior customer relationship management
→ Effective Marketing and demonstrated expertise within our markets

Programs

1. Margin Improvement
2. Product Roadmap
3. Inbound Marketing
4. Commercial Excellence
5. Adjacent market Business development
6. Operational Excellence
7. Organisation Development
8. Employee Engagement and Culture
9. Total Quality

All underpinned by our commitment to sustainability and SDGs
Read more on page 20

What We Do

Product Manufacturing
→ Vertically integrated manufacturing system

Product Development and R&D
→ Award winning Ventilation Solutions
→ High-Quality Window and Door Hardware
→ Innovative, value-added designs – such as the HRV4.25 Heat Recovery System and the Hexalok high-security multipoint lock for aluminum sliding doors
→ In-house laboratory and testing facilities for rapid prototyping and performance validation

Consultative Selling
→ Expert guidance on in-building ventilation requirements
→ Customised ventilation system design services
→ Specialist knowledge in aluminium window and door hardware solutions

Regulatory Compliance & Quality Assurance
→ Certified under ISO9001 and ISO14001 standards
→ Compliance with all UK and European regulatory requirements
→ Products designed to meet stringent UK Building Regulations (Part F, Part L, Part O)

How We Do It

Skilled Workforce
- → Experienced sales team providing consultative customer support
- → Dedicated product development engineers driving innovation
- → Highly trained production staff ensuring reliable, consistent output

Production Facilities
- → A wholly-owned, vertically integrated manufacturing plant in Haverhill, UK
- → Enhanced flexibility, quality control, and supply chain reliability to meet customer demands quickly and efficiently

Intellectual Property and Patents
- → Proprietary product designs and patented technologies deliver a competitive edge
- → Ongoing innovation to provide customers with cutting-edge, market-leading solutions

134
Number of Titon employees (2024)

Our Outlays

Manufacturing and Material Costs
- → Raw materials for production and manufacturing overheads represent a significant expense

Sales and Marketing Expenses
- → Costs associated with a direct sales team
- → Promotional activities including tradeshows

Research and Development
- → Investments in developing new, market-leading products
- → Regulatory testing to ensure compliance and product reliability

Employee Salaries and Training
- → Competitive compensation to attract and retain talented people
- → Ongoing professional development and training programs to maintain a skilled, knowledgeable workforce

IT Systems
- → Digital systems enabling efficient manufacturing, inventory management, and financial control
- → Platforms that support data-driven decision-making and improved customer engagement

How We Make Money

Product sale
- → Our primary revenue is from selling ventilation systems and hardware for windows and doors

£15.5m
Revenue for year ending 30 September 2024

Where & Who We Sell To

Direct Sales
- → Direct sales to construction companies or developers
- → Direct sales to window & door fabricators

OEM and Distribution Partners
- → Own label Ventilation Products to select industry partners
- → Titon-branded ventilation solutions offered through strategic distribution channels

Geography
- → 81% of revenues generated in the UK
- → 17% of revenues generated across Europe and the United States

Why We Excel

Product Innovation
- → Renowned for high-quality, high-performance solutions
- → New offerings (e.g., HRV4.25 Heat Recovery System) address growing demands for sustainability and indoor air quality

Expertise in UK regulations
- → Deep understanding of UK building regulations and standards
- → Designing cost-effective, compliant solutions that help customers meet evolving regulatory requirements

Market Knowledge
- → Insight into customer challenges and industry trends
- → Delivering solutions that create tangible value for both ventilation systems and window and door hardware customers

Diversified Product Portfolio
- → Broad range of products across both ventilation and window & door hardware businesses
- → Positioned to meet the varied needs of our customer base

Chief Executive's Review

Tom Carpenter
Chief Executive

Overview of 2024

Titon endured a challenging year during 2024, as headwinds in our core residential new-build construction market resulted in a significant drop in both sales and profitability. However, despite this we made significant strategic progress.

We introduced new leadership to the business and adopted a more focused and disciplined approach to our decision making. During this period, we restructured the company reducing our operating costs and reached an agreement to divest our stake in the loss-making South Korean business.

Despite recent years of underperformance, Titon's core strengths remain firmly in place. We are free of borrowings, we have maintained our year-end cash position at essentially the same level as at the start of the period, our product offerings remain competitive, and our workforce is committed and engaged.

Considering our performance over the financial year, it is important to provide context regarding the factors that have shaped Titon's current position and to outline the actions being undertaken to restore the company to growth and profitability. Historically, until 2019, our South Korean business was the primary driver of the Group's profitability. This strong performance obscured inefficiencies and weak performance within our core UK business. The subsequent decline in the South Korean market, compounded by the disruptions of the Covid-19 pandemic, a significant downturn in the residential new-build construction sector, and a period of inconsistent leadership, culminated in the underperformance recorded in FY24.

I joined Titon in April 2024, midway through the financial year. My initial assessment was that, while the Company had made efforts to strengthen its management team and reduce operational costs, it remained overly inward-looking and lacked strategic clarity and direction. Over time, organic expansion had introduced complexity, resulting in a reactive approach, diminished operational effectiveness and an urgent need for simplification and streamlining. Since joining, my focus has been on developing a comprehensive transformation strategy and initiating key actions to drive alignment, improve efficiency, and position the business for sustainable growth.

Our South Korean business had become loss making and was no longer a strategic fit and was a clear contributor to the unnecessary complexity in the Group. Consequently, in collaboration with the Board, the decision was made to negotiate an exit from the business. On 24 October 2024, we announced that an agreement had been reached to sell our South Korean interests to our partners for a net cash sum of £0.7m. The completion of this transaction was announced on 16 December 2024.

Summary Results

Continuing operations

- → Revenue decrease of 22.0% to £15.5m (2023: £19.8m)
- → Group underlying operating loss before tax and exceptional items of £0.9m (2023: £0.2m)
- → Group operating loss before tax including exceptional items of £2.4m (2023: £0.2m)
- → Loss per share of 17.41 pence (2023: 1.51 pence)
- → Year-end net cash of £2.3m (2023: £2.2m)
- → Loss for the year from discontinued operations of £1.8m (2023: loss of £0.8m)

Business model

In assessing the performance of the business, the Directors evaluate the two primary operating business units:

- → Window and Door Hardware: This business unit designs, manufactures and sells natural ventilation products (trickle vents) and hardware solutions for the window and door fabricator markets across the UK, Europe and the United States. Sales from this business unit accounted for 54% of the Groups revenue from continuing operations in this period (2023: 50%).
- → Mechanical Ventilation Systems: This business unit designs, manufactures and sells mechanical ventilation systems tailored for residential applications across UK and Europe. Sales from this business unit accounted for 46% of the Group's revenue from continuing operations in this period (2023: 50%).

The principal activities within these business units include design, manufacturing, marketing, and sales.

Titon's strategy is to grow both business units through market expansion, market penetration, and the development of new innovative products.

The Group generally organises its sales and marketing activities into these business units, with manufacturing and all other services supporting them both on a shared basis. The executive leadership team manages both business units.

In the UK, the Group has a direct sales force for each business unit and aims to win specifications for its products through its dealings with developers/ housebuilders, architects, building services engineers, window and door profile manufacturers and local authorities. Where a project isn't specified, Titon aims to sell directly to its wide customer base of electrical contractors, installers and window fabricators.

Titon operates in a wide range of export markets and has made sales to a significant number of countries from the UK during this year. Our policy for exporting, in respect of both window and door hardware and mechanical ventilation systems, is to appoint local distributors. Within the Mechanical ventilation systems business unit, the Group also supplies OEM (Original Equipment Manufacturer) products for its customers.

The Group also has a wholly-owned subsidiary, Titon Inc., based in Indiana in the USA. Sales into this market accounted for 5% of Group revenue from continuing operations during the year (2023: 4%).

The Group manufactures products in the UK, which are sold domestically and exported. Products manufactured in our UK factory account for 73% (2023: 80%) of overall Group turnover The remaining 27% (2023: 20%) of revenue is obtained by the sale of products bought-in from third party manufacturers. These bought-in products tend to be complementary to and are generally sold alongside our own manufactured lines.

Our markets

Both business units primarily serve the residential new build market. The United Kingdom remains our largest market, accounting for 81% of Group revenue. This sector is heavily influenced by regulations governing indoor air quality, occupant comfort, security and energy efficiency.

In 2024, the UK residential new-build market experienced a substantial contraction. The Office for National Statistics reported a 56% decline in new build starts, while Savills highlighted an 11% reduction in completions during the first half of the year compared to 2023. However, market forecasts anticipate a return to modest growth in 2025 and 2026. These projections, combined with the objectives of the new UK government and recent growth in our order book, provide a cautious optimism as we enter 2025.

Window and door hardware

Our window and door hardware business unit supplies trickle vents and a wide range of fenestration hardware directly to window, door, and profile manufacturers. Titon holds a leading position in the UK market for trickle vents, offering the most extensive product range available. Additionally, we supply an array of complementary products, including locks, handles, and hinges.

The market can be broadly segmented into PVCu and aluminium products. PVCu dominates the high-volume market, while aluminium is primarily used in premium residential and non-residential applications. For PVCu customers, competitive pricing and exceptional customer service are critical, with most transactions being short cycle, typically fulfilled within the same month. In the aluminium market, product specification, technical expertise, and performance are paramount areas where Titon is well-positioned to excel.

Despite significant contraction in the window and door hardware market linked to new-build projects, evidenced by the exit of several PVCu fabricators, we see opportunities for growth. These include cross-selling a broader product range to existing customers and expanding our focus on the aluminium segment. We anticipate that these initiatives, alongside a broader market recovery, will support modest growth in this business unit in 2025.

In 2024, the window and door hardware business unit reported a 16.8% decline in revenue, decreasing from £10.0m in 2023 to £8.3m. This contraction was primarily driven by the UK market, where revenues fell 19.9% year-on-year. In contrast, exports, which represent a smaller portion of total revenue, increased by only 0.9% and remained profitable throughout the year.

A review identified key differences between the UK and export markets. The UK business has been predominantly focused on PVCu window and door manufacturers, while the export business serves higher-end aluminium and wood window manufacturers. The UK window and door hardware business contracted in line with the broader UK PVCu market, leading to intensified price competition amidst declining market volumes.

While we remain committed to serving PVCu customers, we shifted our focus towards aluminium product offerings in the UK during the second half of the year. This strategic pivot began delivering measurable results, improving margins and contributing to an underlying profit for the business unit in the final quarter of 2024 and this has continued into FY25.

Overall, the Group strategy review has enabled us to realign our focus toward markets and opportunities with stronger margins and enhanced returns on investment. Key decisions, including an increased emphasis on the UK aluminium window and door segment, have collectively positioned us more favourably for the year ahead.

Chief Executive's Review Continued

Mechanical ventilation systems

Our mechanical ventilation systems business unit delivers a comprehensive range of solutions to the residential new-build market, with mechanical ventilation with Heat Recovery (MVHR) systems representing our largest product category. As modern homes become increasingly airtight and well-insulated, effective ventilation has transitioned from an optional feature to an essential requirement. This business unit has therefore expanded significantly over the last 15 years and is expected to enjoy further growth over the medium term. This evolution presents growth opportunities for Titon by providing innovative systems meeting both current standards and emerging regulations, such as Part O requirements aimed at mitigating overheating risks.

Operating in a project-driven environment, this business unit typically secures medium to long-term contracts for building developments, with orders fulfilled over months or years. In 2024, market growth for ventilation systems was primarily driven by social housing refurbishment projects, while the residential new-build segment contracted. Simpler refurbishment-oriented solutions, such as Positive Input Ventilation (PIV) systems, performed well, whereas more complex Whole House MVHR systems remained flat. Looking ahead, we expect demand for MVHR solutions to increase in 2025.

The mechanical ventilation systems business unit experienced a 27% decline in revenue during 2024, falling from £9.8m in 2023 to £7.2m. This decline was predominantly driven by ongoing challenges in the European segment, where we supply customised mechanical ventilation products to OEM partners and distributors under their branding. The existing business model has proven ineffective, yielding unsatisfactory margins and returns relative to the resources deployed.

Following a strategic review, we have decided to deprioritise new OEM activities in the European region, concentrating on standard products and engaging only in business opportunities that meet minimum margin thresholds.

In contrast, the UK ventilation systems business demonstrated more promising trends despite a 16.6% year-on-year decline in revenue.

Notably, the second half of 2024 saw a substantial increase in ordering activity, with sales growing 9% compared to the first half of the year. Additionally, our market share in MVHR systems improved after four consecutive quarters of decline. Between the start and end of the reporting period, the UK Ventilation Systems order book had more than doubled, positioning the business for a positive start in 2025.

Strategy

While the company has faced significant challenges due to market conditions, our results make it evident that the strategies employed in recent years have not delivered the desired outcomes. Comparative benchmarking against our peers reveals that Titon operates with lower margins, slower growth, and reduced productivity. To address these shortcomings, the management team and the Board have undertaken a comprehensive review of the Group's strategy and developed a clear five-year strategy and turnaround plan to reposition the company for sustainable success.

Our benchmarking indicates that competitors are achieving profitable growth which when combined with Titon's established product range, production assets, distribution network and relationships, demonstrates that Titon has the potential to do the same. Accordingly, we have set an ambitious target of achieving a blended organic revenue growth rate of 10% and a net margin of 15% by the end of 2028.

Our purpose is to be the premier partner for solutions that enhance in-building air quality, occupant comfort, and security. By delivering competitive solutions and exceptional service, we aim to outpace our competitors and solidify our position as a leading player in our target markets.

Our revenues are currently heavily reliant on the UK New Build market, leaving both business units particularly vulnerable to downturns in this sector. Additionally, our window and door hardware business unit has been overly concentrated on lower-margin PVCu fabricators, limiting profitability.

While the UK New Build market remains a key focus, we recognise the need for both business units to diversify into adjacent markets to support sustainable future growth. For example, the Ventilation Systems business can expand into the Social Housing sector, while the window and door hardware business unit can target the RMI and Non-Residential Commercial markets, particularly for aluminium windows and doors.

Geographically, while we will continue to engage with mainland Europe and the United States on a tactical basis, prioritising opportunities where margins are attractive, and our approved and new products align, we believe our core strategic focus must remain on the United Kingdom. This approach will enable us to build a stronger foundation for sustainable growth and resilience. We believe our local design, testing and sales competency here makes us unique.

The mechanical ventilation systems business unit will concentrate on influencing project specifications early in the process through expert design and technical support. Meanwhile, the window and door hardware business unit will prioritise delivering high-quality products, supported by exceptional customer service. To achieve our strategic objectives, we are focused on excelling in the following five key areas:

1. **Superior Products:** A streamlined product portfolio to prioritise differentiation and market relevance.
2. **Consultative Selling:** Proactive engagement with customers early in the project lifecycle to influence and shape specifications.
3. **Customer Service:** Added value delivered through reliability, responsiveness, and comprehensive support.
4. **Marketing:** Effective communication of our value proposition, brand, and the generation of leads.
5. **Efficient Manufacturing and Organisation:** Optimised costs, improved processes, and enhanced productivity.

To support these priorities, we have launched a series of internal programmes aimed at:

- → Improving margins and optimising our product offerings.
- → Enhancing our marketing and improving commercial operations.
- → Entering new adjacent markets.
- → Driving operational excellence and increasing organisational efficiency.
- → Engaging employees and developing a high-performance culture.

The new financial year has begun positively, with operating profits in the first three months of the year exceeding those of the same period over each of the prior two years. Our cash flow generation remains robust, and our cash reserves have also grown with the receipt of funds realised from the sale of our South Korean operations.

These initiatives are designed as long-term efforts focused on sustainable, incremental improvements rather than quick fixes. By simplifying our business, strengthening our operations, and optimising our organisational structure, we aim to build a resilient and profitable business that delivers value to all stakeholders.

Organisational structure

We have continued to strengthen our senior leadership team, successfully recruiting a Sales Director for our mechanical ventilation systems business unit at the end of the financial year. This was a strategic appointment that reflects our commitment to driving growth and supporting new sector expansion in this key market.

Additionally, we look forward to onboarding our new Operations Director in February 2025, who we believe will bring added expertise and change management into our leadership team.

Outlook

While the financial results for the year reflect a challenging period, Titon has made significant progress during this period. I am immensely proud of our team's resilience and adaptability, which have enabled us to navigate challenging circumstances and emerge in a stronger position. There is a growing sense that we have turned a corner.

Our order book saw growth in the second half of FY24; we entered into the current financial year with orders at the same levels we exited FY23 and with an improved book-to-bill ratio of 1.13 (FY23 exit book to bill ratio of 0.92).

The new financial year has begun positively, with operating profits in the first three months of the year exceeding those of the same period over each of the prior two years. Our cash flow generation remains robust, and our cash reserves have also grown with the receipt of funds realised from the sale of our South Korean operations. These developments underscore the early success of our turnaround strategy.

As of January 2025, the UK economy is projected to grow modestly, with forecasts ranging between 1.5% and 2.0% for the year, alongside government targets to boost residential construction, which provides a level of cautious optimism regarding improving market conditions. Whilst we acknowledge the ongoing uncertainties in our relevant sectors and the broader UK economy, we anticipate 2025 to be a transitional year for Titon as we continue to make progress against our turnaround plan. The Board remains confident that both of our business units will achieve meaningful progress in 2025, and further establish a solid foundation for sustained growth and long-term success.

Financial and Operational Review

The Consolidated Income Statement is set out on page 53. A summary of the results for continuing operations along with other selected Key Performance Indicators ("KPIs") is as follows:

	2024 £'000	2023 £'000
Revenue	**15,476**	19,846
Gross Profit	**4,333**	5,628
Gross profit margin	**28.0%**	28.4%
Underlying loss before exceptionals and tax[1]	**(916)**	(155)
Exceptional items	**(1,515)**	(39)
Operating loss before income tax	**(2,431)**	(194)
Income tax credit	**473**	25
Loss after income tax	**(1,958)**	(169)
Revenue per employee	**109**	111
Loss after tax per employee	**(13.8)**	(0.9)
Underlying EBITDA[1]	**5**	813
Loss for the year from discontinued operations	**(1,813)**	(756)
Year-end net cash and cash equivalents	**2,281**	2,238

Titon faced a challenging financial year in 2024, reflecting ongoing pressures in its core markets and the impact of strategic decisions taken to reposition the business for long-term growth. Revenue decreased by 22%, falling from £19.8m in 2023 to £15.5m in 2024. This decline was largely driven by weaker performance in both business units, primarily influenced by headwinds in the UK New Build market.

Gross profit reduced from £5.6m in 2023 to £4.3m in 2024, with the gross profit margin remaining relatively stable at 28.0% compared to 28.4% in the previous year. This stability underscores the company's ability to manage cost pressures effectively despite the lower revenue base.

The underlying loss before exceptionals and tax widened to £0.9m in 2024, compared to a loss of £0.2m in 2023, reflecting the effect of lower revenue on the Group's overhead cost base.

Exceptional items for the year amounted to £1.5m, a significant increase compared to £0.04m in 2023. These exceptional costs were primarily comprised of £0.2m restructuring costs and £1.3m in a one-off, non-cash inventory write down. The inventory write-down was the result of a comprehensive Board review of the slow-moving inventory and obsolescence allowance. During the Covid-19 pandemic, the company made substantial purchases of excess inventory in anticipation of extended supply lead times. While this decision was deemed necessary to mitigate supply chain disruptions during the global crisis, the Group now recognises the need to reassess and recalibrate its purchasing strategy. Given the decline in trading conditions and the performance challenges faced over the past year, the decision was made to increase the allowance for slow-moving and obsolete inventory. This adjustment reflects a more cautious approach to inventory management moving forward, ensuring that future purchasing aligns more closely with market conditions and performance expectations. The impact of this one-off write-down, while non-cash, underscores the Company's commitment to maintaining a more efficient and aligned inventory strategy as it moves forward with its turnaround efforts.

As a result, the operating loss before tax significantly increased to £2.4m in 2024, compared to £0.2m in the prior year.

The loss on discontinued operations reflects the overall impact on the sale of our Korean business. More details on this can be read in note 26.

On a per-employee basis, revenue fell slightly from £111,000 in 2023 to £109,000 in 2024, while the loss after tax per employee rose sharply from £900 to £13,800, reflecting the overall downturn in profitability.

Despite the challenging year, the company maintained a robust cash position, ending the year with net cash and cash equivalents of £2.3m, a slight increase from £2.2m in 2023. This stability highlights the Company's strong cash management practices and provides a solid foundation for executing its turnaround strategy. The Group received a cash consideration payment of £0.7m after the FY24 year end in respect of its disposal of the South Korean operations announced in October 2024.

Alternative performance measures

The Group uses a range of non-IFRS performance measures to monitor the performance of the business. The Group believes these provide information on the ongoing trading of the business to help investors and other stakeholders evaluate the performance of the business and are measures commonly used by certain investors for evaluating the performance of the Group. In particular, the Group uses measures that reflect the underlying performance, on the basis that this aids the user in understanding the core business performance of the Group. The Group reports underlying performance in addition to the financial information prepared under IFRS. The Board believes that underlying performance provides additional and consistent measures of underlying performance by removing items that are not closely related to the Group's day-to-day trading activities, and which would typically be excluded in assessing the value of the business. Underlying performance is used by the Board for internal performance analysis, planning and employee compensation arrangements.

This term is not defined under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are therefore not intended to be a substitute for, or superior to, IFRS measures of performance. A reconciliation of underlying to IFRS performance is shown below. The Board uses its judgement to consider the classification of items as non-underlying at the beginning of each financial year and prior to commencement of any significant restructuring or similar event, subject to the relevant criteria. Underlying performance may be adjusted for significant one-off items such as restructuring costs, gains and losses on disposal of assets, impairment charges and their reversal, the costs of litigation and its outcome, and one-off non-trading income and costs. Restructuring costs, which may include redundancy costs and associated professional fees, are only included as non-underlying when they will not be incurred in the ongoing business, and they are incremental to normal operations undertaken to add value to the business.

The following table shows how these APMs are calculated:

Continuing operations	2024 £'000	2023 £'000
Loss before income tax	**(2,431)**	(194)
Exceptional items (note 27)	**1,515**	39
Underlying operating loss before income tax	**(916)**	(155)
Net interest cost	19	14
Depreciation and amortisation	902	869
Underlying EBITDA	**5**	728


Titon FireSafe® Air Brick has recently been installed at the new Hayes Village development in West London

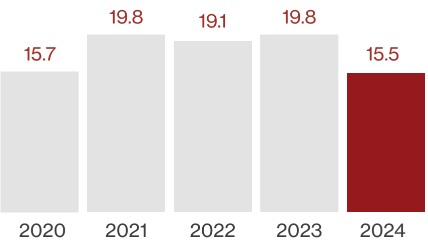
Key Performance Indicators

The Board looks at a range of KPIs to monitor the performance of the Group throughout the financial year. These include KPIs to track delivery of the business strategy. At individual team and departmental level relevant KPIs are also monitored and tracked regularly. The financial KPIs monitored by the Board regularly include:

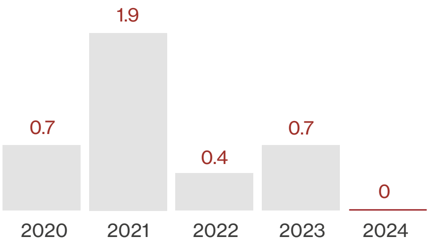
KPI	Timing
Group Revenue	Measured against budget and prior year on monthly basis
Group Profit Before Tax	Measured against budget and prior year on monthly basis
EBITDA	Measured against budget and prior year on monthly basis
Individual legal entities' performance	Measured against budget and prior year on monthly basis
Individual business unit performance	Measured against budget and prior year on weekly basis
Sales, margins and prices of core products	Top 20 products reviewed monthly (at business unital management levels and operating segments)
Sales to customers	Top 20 customers (at business unital management levels and operating segments). Sales by individual area sales managers reviewed weekly
Purchases	Top 25 suppliers and delivery performance reviewed monthly
Net cash	Reviewed monthly by Board and by senior management
Working capital	Inventory, average debtor days and average creditor days reviewed monthly by Board and senior management

Graphical representations of some of these KPIs and other financial performance measures for continuing operations only for the years ended 30 September are as follows:

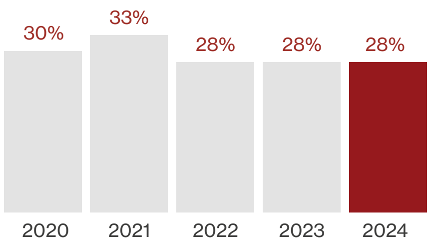
Revenue



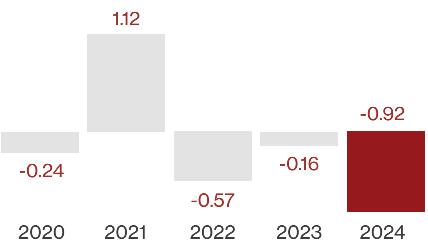
EBITDA



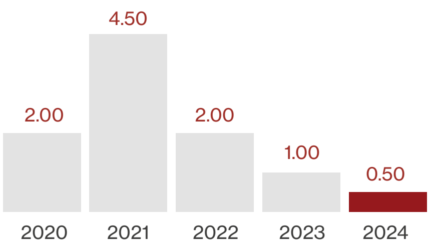
Gross profit margin



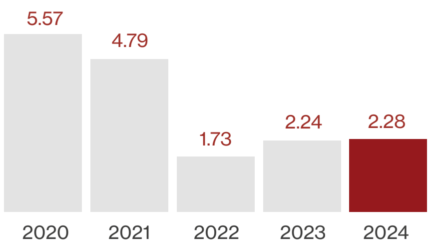
Underlying loss before tax



Dividend paid

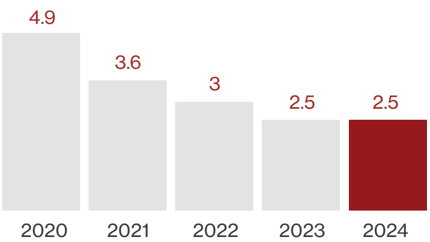


Net cash

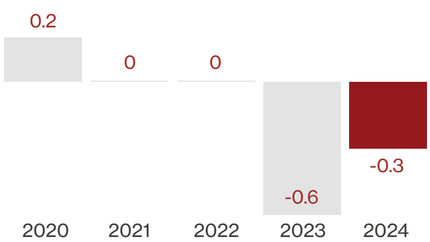


The following graphs show the performance for discontinued operations:

Revenue £m



Loss before tax



2023/24 performance

The financial results for the year are shown above and are discussed throughout the Annual Report. The significant outcomes for the year are as follows:

- → New Chief Executive, Tom Carpenter welcomed to the Group.
- → New Chair, Jamie Brooke welcomed to the Group.
- → A comprehensive review was conducted during the year, culminating in the establishment and implementation of a clear five-year strategy and turnaround plan for the business. Significant improvement in working capital including stock levels and cash generation, reflecting the investment in people and processes.
- → Achieved sales of £0.6m of our HRV4 range which was launched in the summer of FY23.
- → Launch of several new key products including the Hexalok door lock product and the Titon HRV Cool Plus.
- → Continued development of the ERP system to deliver further improvements to business processes.
- → Implementation of a new CRM system and improvement to lead management.
- → Continued delivery of all business imperatives as detailed in last year's report.
- → As part of our drive to improve operating costs and simplify the business, we restructured the business in July and reduced the size of our Board.
- → Recruitment was completed for key new strategic hire of Sales Director – Ventilation Systems.
- → As part of our strategy review and turnaround efforts, we have undertaken a comprehensive review of roles and responsibilities within the Group. This process has led to several key changes designed to ensure that we are operating to our strengths while maintaining a lean and efficient organisational structure. By aligning roles more closely with core competencies and business priorities, we aim to enhance productivity and streamline decision-making processes.
- → We have continued to enhance leaner, more efficient processes for some of our manufacturing activities to increase output to support future growth. We have made further improvements in our Sales Inventory and Operations Planning (SIOP) process to create a longer-term, forward-looking plan that will enable us to achieve our business goals.
- → We reviewed the gross margins mix of our business units and refocused our attention on meaningful improvements on margin.
- → Since May 2024, we have seen a significant increase in orders, with our orders now at similar levels to the start of the previous financial year. Where we ended FY23 with a book-to-bill ratio of 0.92, we end FY24 with a book-to-bill of 1.13.

Since May 2024, we have seen a significant increase in orders, with our orders now at similar levels to the start of the previous financial year.

2024/25 activities

The focus for 2024/2025 is to return to profit through delivery of the strategic initiatives outlined in the goals and strategy section on pages 14 to 15. We have set budgets for both business units of our Group which reflect our view of market conditions: the continued positive impact from the revisions of building regulations and associated standards and our internal growth ambitions. Specific initiatives for the current fiscal year include:

- → Gross Margin Improvement: Enhancing margins through manufacturing efficiencies, value engineering, and better product mix.
- → Product Roadmap: Streamlining our product portfolio, focusing on market-driven innovation and patentable technologies.
- → Digital and Inbound Marketing: Improving our online presence, refining our value proposition, and generating high-quality leads.
- → Commercial Excellence: Aligning the entire organisation behind exceptional customer service, including after sales support.
- → Entry Into Adjacent Markets: Diversifying beyond the residential sector to create a more balanced business.
- → Operational Excellence: Implementing LEAN principles, reducing waste, and optimising processes.
- → Organisation Development: Aligning structure, roles, and responsibilities with business unit performance and individual strengths.
- → Employee Engagement and Culture: Cultivating the "Titon Way" to foster accountability, pride, and continuous professional development.
- → Total Quality: Enhancing quality metrics, eliminating waste, and pursuing Six Sigma methodologies to become a world-class manufacturer.

Environmental Social and Governance Report

Environmental, Social and Governance (ESG) reporting remains increasingly important for investors, and we also want to continue demonstrating that we recognise our own responsibilities to the environment. In 2019 we publicly committed to becoming a net zero company by 2050.

The UK Government introduced regulations in April 2023 that require climate-related financial disclosures to be made for publicly quoted companies, large private companies and LLPs. For companies quoted on AIM this applies if the business has more than 500 employees, so Titon is not currently required to make these disclosures but again, the direction of travel is clear and supports our intentions. We intend to disclose as much as is practical of our climate related activities.

We believe Titon contributes to making the world a better place with its purpose being the provision of fresh, clean air. Nothing has changed this belief in 2024, indeed the incidences of poorly ventilated housing, especially in the social housing and private rental markets means that good ventilation is even more necessary than before.

In the drive for energy efficiency and ensuring that buildings are adequately ventilated, we work with a network of stakeholders, including our customers in the window and door market and the house building market in the UK and Europe. We also work with trade association Beama Ltd to promote ventilation in the UK.

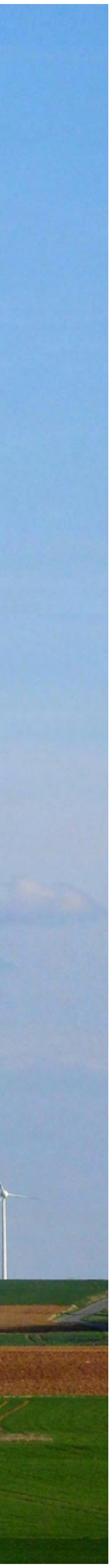
Environmental Pillar

The Board recognises its responsibility to minimise the impact of the Group's activities on the environment.

The Group seeks to reduce its environmental impact in a way that benefits a broad group of stakeholders, including customers, shareholders, employees and the local community. The Group follows and is certified and audited to ISO 14001:2015 for Environmental Management Systems within its UK manufacturing operation and places great emphasis on ensuring that it conducts its operations such that:

- Emissions to air, releases to water and land filling of waste do not cause unacceptable environmental impacts and do not offend the community.
- Significant plant and process changes are assessed and positively pursued to prevent adverse environmental impacts.
- Energy is used efficiently, and consumption is monitored.
- Natural resources are used efficiently.
- Raw material waste is minimised.
- Waste is reduced, reused or recycled where practicable.
- The amount of packaging used for our products is minimised.

During the previous financial year Titon joined forces with a Carbon Partner, Auditel, to deliver our objective of becoming Carbon Neutral, while on our longer-term journey to reaching Net Zero. This is initially a three-year programme to calculate our Scope 1, 2 and 3 emissions, which will be increasingly necessary to meet customer requests, and will also focus on additional actions we can take to reduce those emissions. Our goal is to align our carbon footprint reduction targets with broader cost-saving initiatives. We have recently completed the work for 2023 and will be completing 2024 in due course. Once we have completed the data gathering, our carbon footprint will be calculated and audited, and we will have a roadmap of how we achieve our ambitions, with clear milestones in place. We aim to report more on this in next year's annual report. We look forward to working with our supply chain to reduce the Scope 3 emissions as they will form the largest part of our overall emissions.



We remain focused on reducing our energy usage and maintain detailed records of each area's gas and electricity consumption with the aim of taking prompt action if any unexplained increase is observed. The consumption was recorded as follows:

	2024 kWh	2023 kWh	Reduction
Natural gas	**361**	442	18%
Electricity	**167**	216	22%
Transport	**250**	381	35%
Total kWh	**778**	1,039	25%

In accordance with Statutory Instrument 2008/410 the Group presents the following information in respect of its CO_2 emissions during the period.

Global Greenhouse Gas (GHG) emissions data for the period are:	2024 tCO_2e	2023 tCO_2e
Source		
Scope 1 emissions		
Combustion of fuel and operation of facilities	**420**	532
Scope 2 emissions		
Electricity, heat, steam and cooling purchased for own use	**167**	216
Total tonnes of CO_2 equivalent	**588**	748
CO_2 emissions normalised per £ million of sales of manufactured products	**42.4**	40.9

Our goal is to align our carbon footprint reduction targets with broader cost-saving initiatives. We have recently completed the work for 2023 and will be completing 2024 in due course.

These sources fall within our consolidated financial reporting. We do not have responsibility for any emission sources outside of our consolidated financial reporting, including those of our Associate Company.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered to fulfil our requirements under the CRC Energy Efficiency scheme, and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2023.

We have taken action over recent years to reduce our environmental footprint and will continue to do so. Actions we have already taken include:

- An investment of over £150,000 in solar panels, which are installed on the roof of our Haverhill factory. These panels continue to generated over 125 MWh of electricity per year, which we use in the factory or sell back to the National Grid;
- Installation of LED lighting throughout the Colchester office and the Haverhill factory;
- Replacing all diesel cars in the company car fleet with electric vehicles, wherever possible, when they come up for renewal. We have EV charging points installed at both the Colchester office and Haverhill site;
- Replacement of older fixed asset plant and machinery with new, more efficient units, for example our Amada Press which we purchased in April 2021;
- Installation of a reverse osmosis plant in our paint facility, which has reduced the usage of caustic soda and hydrochloric acid by 50%, with an added health and safety benefit;
- We have an ongoing initiative to reduce single use packaging for raw material supplies and have replaced our own plastic packaging with either cardboard or recycled plastic, wherever possible;
- We targeted to reduce waste to landfill from the Haverhill production site by 50% by end 2024 which we achieved, and we have set the same target for 2024, with a further goal of zero waste to landfill in subsequent years.

We apply the waste hierarchy, as laid down in law, and which forms part of our ISO 14001:2015 certification. The basic principles are "Reduce, Reuse and Recycle" and are incorporated in the Titon Recycling Policy under which we aim to reduce waste in all our packaging, products and processes.

We will continue to take all actions that reduce our energy, water and waste usage. We will also look to report our environmental footprint using a third-party reporting mechanism.

Environmental Social and Governance Report Continued

Social Pillar

The Group has various published policies relating to the Social pillar. These are communicated through our Intranet, noticeboards and the Employee Handbook. Our comprehensive Employee Handbook published in 2021 includes all of our employment policies, a summary of the Health and Safety policy, our Diversity Policy, our Safeguarding and IT Security and our Environmental policies. The chapter entitled "Valuing Diversity and Respect at Work" covers the following matters:

→ **Equal Opportunities Policy:** Titon is committed to encouraging equality and diversity among our workforce. Our objective is to create a working environment in which there is no unlawful discrimination and where all decisions are based on merit. The policy applies to all employees, workers, agency workers, contractors and job applicants and covers all of the nine protected characteristics set out in the Equality Act 2010.

→ **Bullying and Harassment Policy:** we are committed to providing a working environment free from bullying and harassment and this policy covers both at work and out of the workplace, including work trips, work-related events and social functions. It also includes all employees, agency, casual workers and independent contractors.

→ **Grievance Policy:** every employee has the right to raise a grievance if they have a genuine complaint about their job, work or terms and conditions of employment and the policy principles are written down in the Handbook.

→ **Disciplinary Policy:** the policy sets out the process for dealing with disciplinary and performance issues and to ensure that any matters are dealt with fairly and consistently.

→ **Whistleblowing Policy:** Titon is committed to the highest possible standards of ethical, moral and legal business conduct. The policy aims to provide a route for employees to raise any concerns they may have on matters that could have a serious impact on Titon such as incorrect financial reporting, unlawful actions or serious improper conduct.

Employee Gender breakdown

As at the end of the financial year the analysis by gender of employees, was as follows:

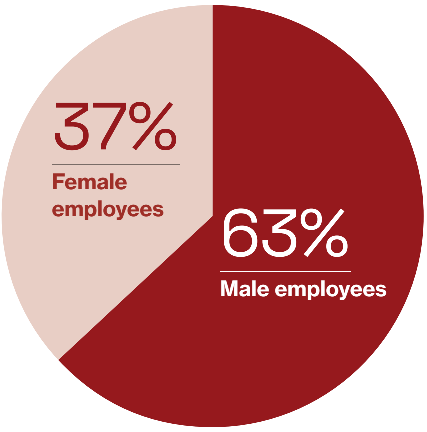
	2024 Male	2024 Female	2024 Total	2023 Male	2023 Female	2023 Total
Directors	**4**	**1**	**5**	5	1	6
Senior Managers	**7**	**3**	**10**	6	2	8
Other	**73**	**46**	**119**	111	58	169
Total	**84**	**50**	**134**	122	61	183

The Safeguarding and IT Security Policy includes the policies on Anti-Corruption and Modern Slavery and Human Trafficking. Under the Anti-Corruption Policy the Titon Group lists a number of fundamental principles and values which it believes are the foundation of sound and fair business practice and which are important to uphold. It is the Titon policy to comply with all laws, rules and regulations governing anti-bribery and corruption in all countries in which Titon operates. As a UK company Titon is also bound by English law which covers our conduct both in the UK and abroad. The penalties for breaching this law are significant both for the individuals involved and the Company and we take our legal obligations very seriously.

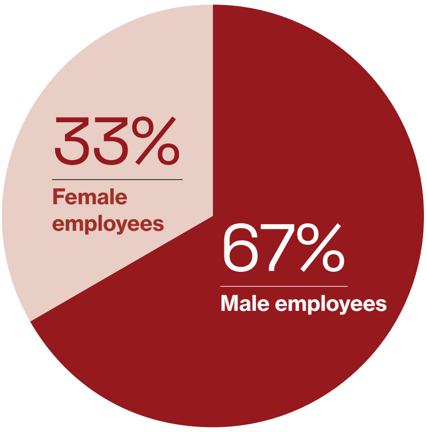
Titon is committed to the principles of the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking. We do not enter into business with any organisation which knowingly supports or is found to be involved in slavery, servitude and forced or compulsory labour. Due to the nature of our business, we have assessed that we have a low risk of modern slavery in our business and supply chains. Our supply chains are limited, and we procure goods and services from a restricted range of UK and overseas suppliers. We will continue to embed these principles through our procurement and employment policies and practices.

We are committed to respecting human rights across our business operations and aim to comply with all local and international legislation and standards.

2024
Gender split by total employees



2023
Gender split by total employees



Corporate Governance Pillar

We have presented our Corporate Governance position for many years, firstly under the UK Corporate Governance Code when we were quoted on the Main Market of the London Stock Exchange and since 2020 under the Quoted Companies Alliance (QCA) code after we moved to AIM. Please see page 41 of this Report for the detailed Corporate Governance Report. Our website also contains more details of the governance disclosure including how we apply the 10 principles identified by the QCA Code.

In summary, we are confident that we have applied the 10 principles identified by the QCA Code throughout the accounting period in question. There is a new QCA code for 2024 applicable to Titon from 1 October 2024 and we will transition to report on this in the next financial year as it takes effect, but we are confident that we already meet most of the new principles.

Health and Safety

Health and safety is a top priority for the Group and we expect all employees to take responsibility for keeping themselves and each other safe. It is critical as a manufacturing business that our employees operate in a safe environment and that our Health and Safety culture, policies and practices are as good as they can be. We are always looking to improve them and importantly adhere to them. We continually review and update our Health and Safety policies and have a dedicated Health and Safety Manager role in the business. During 2024, we continued to put increased focus on hazard spotting, reporting and resolution by all employees in order to further improve the safety of our work environment. We are pleased to witness significant improvements in this area. The Group has also developed a Health and Safety roadmap that allows us to track and manage our health and safety compliance, training and priority projects.

The approach to health and safety management for the Group is as follows:

Title	Responsibility
Board of Directors	Overall responsibility for setting policy and performance, promoting excellence in EHS as a personal and organisational core value and role modelling the expected behaviours.
Senior leadership team	Meets weekly to review statistics, every reported incident and the status of the EHS roadmap. The Chief Executive, Chief Financial Officer and all Executive Directors attend. Also promotes excellence in EHS and shows the expected behaviours.
Local management	Meets daily to review health and safety incidents and issues. Responsible for setting expectations, following the rules set, managing EHS risks and promptly addressing EHS incidents and issues, including non-compliance.
All employees	Have the responsibility to look after the health and safety of themselves and others by proactive hazard reporting and resolution, prompt reporting of all incidents and cooperating with instruction and training.
Health and Safety Manager	Responsible for driving a positive health and safety culture, supporting resolution of day-to-day issues, leading on incident investigation and implementing lessons learned, and implementation of changes to policy.
Health and Safety Committee	Is represented by operational team members across all departments and is chaired by the Operations Director with support from the Health and Safety Manager. The committee meets monthly to discuss and address operational health and safety issues. Minutes are produced and distributed along with an action plan.

The accident statistics for our UK operations are as follows:	2024	2023
Reported accidents	**19**	54
RIDDOR reported	**2**	0

Compared to 2023, we have seen a reduction in the number of accidents reported in 2024, and the vast majority of these have been minor. We see this reduction as a result of our continued promotion of a positive health and safety culture. Our continued focus on a 'safety first' culture means we actively encourage the reporting of all incidents, no matter how minor, so that we can track trends and root causes, which are reviewed monthly by our internal health and safety committee and representatives. We also have a robust hazard reporting process in place where anyone can identify a hazard and, where possible resolve it. During 2024 over 470 individual hazards (risks) were reported with 93% of those hazards resolved in year. The Group is very pleased to see that our safety culture continues to improve, that all incidents are properly reported and investigated, and that hazard reporting and resolution will help prevent the occurrence of more serious incidents.

RIDDOR is the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. These Regulations require employers, the self-employed and those in control of premises to report specified workplace incidents. As at 31 December 2024, we had reached 230 days without a RIDDOR report being required, which is a reflection of the minor severity rating of our incidents.

Statement by the Directors in relation to their statutory duty in accordance with section 172(1) of the Companies Act 2006

In compliance with the Companies Act 2006, the Board of Directors are required to act in accordance with a set of general duties. During the year to 30 September 2024, the Board of Directors consider that they have, individually and collectively, acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole, having regard to a number of broader matters including the likely consequence of decisions for the long term and the Company's wider relationships. In doing so, the Board holds regard to the matters contained in section 172(1) (a)–(f) of the Companies Act 2006.

The Directors fulfil their duties by ensuring that there is a strong governance structure in place across the Group's operations, backed up by robust processes.

The strategy for the Group is regularly monitored by the Board during the year. In respect of major matters discussed at board level, the likely impact on all stakeholders are carefully considered and where possible, decisions are carefully explained and discussed with affected stakeholders before actions are implemented to engender the necessary support.

The Group's key stakeholders and why and how we engage with them are set out below:

Stakeholder Group	Why do we engage with them?	How does the Board engage with them?
Shareholders	The Board needs to know investors' views so they can be considered when making strategic and governance decisions. We aim to provide fair, balanced and understandable information about the business to enable informed investment decisions to be made.	We have regular dialogue with institutional investors and significant individual shareholders in order to develop an understanding of their views. We also consider the views of our Nominated Adviser and Broker in this respect and the feedback they receive from shareholders. Our AGM is an important forum for private shareholders to meet the board and ask any questions they may have. Our website has an investors section which gives investors direct access to reports, press releases and other information. There is also a contact mailbox facility. We use Investor Meet Company to present our interim and final results presentations each year.
Employees	Employee engagement is critical to our success. We aim to create a diverse and inclusive workplace where employees can reach their full potential. This ensures we can retain and develop talented people. We have the highest regard for the health, safety and wellbeing of our employees.	We engage with our employees through site communications, consultation with employees, briefings, question boxes, performance reviews, surveys and notice boards. Employees are also written to individually on matters which are deemed important. Every employee is issued with a comprehensive employee handbook with all of the employment conditions and policies set out clearly so that everyone can see what is expected of them. We perform an annual staff survey and also have recently introduced monthly pulse surveys. We continue to make every effort to protect our employees.

Stakeholder Group	Why do we engage with them?	How does the Board engage with them?
Customers	Our strategy of attaining sustainable growth in profit and building goodwill in our brands will only be achieved through an understanding of the needs of our customers and the markets we serve.	We engage with our customers through: → Regular visits and meetings including virtual meetings → Industry exhibitions → Customer site tours and presentations → Our website → Supplying samples and supporting literature → Delivering a high standard of technical support → Providing design services and support → Providing accredited Continuing Professional Development (CPD) courses
Suppliers	Our suppliers make an important contribution to our business success. Engaging with our supply chain means that we can ensure security of supply and speed to market. Carefully selected high-quality suppliers ensure we deliver market leading innovative products to meet our customers' expectations.	Our supplier relationship management is led by our procurement team and supported by R&D and Sales. We engage with our suppliers by holding regular meetings with them and via a feedback process through monitoring their performance.
Community/Environment	The Board has a full understanding of the importance of good community relations. We aim to contribute positively to the communities and environment in which we operate.	We provide ventilation products that are beneficial to health and that are better for the environment. Many of our capital expenditure projects focus on improving energy efficiency and reducing environmental emissions from our factories. We have ISO 14001 Accreditation in the UK. We work with our stakeholders to promote good indoor air quality.
Government and Regulatory Bodies	Government set the regulatory framework within which we operate. We engage to ensure we can help in shaping new policies, regulations and standards, which assist in improving indoor air quality, and ensure compliance with existing legislation.	We participate in industry bodies and working groups and selective All-Party Parliamentary Groups and plenary sessions. We participate in and respond to industry and government consultations.

Application of s.172 during the year

We have continued to comply with the requirements under s.172.
Key decisions made included:

- → Restructured the Board to ensure its effectiveness.
- → Onboarded our new Chief Executive and Chair.
- → Produced our 5-year strategic plan.
- → Recruited our Sales Director – Ventilation Systems, a strategic hire.
- → Agreed and negotiated a divestment from our South Korean operations.
- → Agreed a new share option plan to be presented to shareholders for approval at the AGM.

Risk Management

Principal risks and uncertainties

The Group has established procedures for monitoring and controlling principal operational risks and these are detailed below. The Board is responsible for ensuring that the Group maintains an effective risk management system. It determines the Group's approach to risk, its policies and the procedures that are implemented to mitigate exposure to risk.

Process for managing risk

The Board continually assesses and monitors the key risks in the business and has developed a risk management matrix to identify, report and manage its principal risks and uncertainties. This includes the recording of all principal risks and uncertainties, which are reviewed annually. Risks are fully analysed, their potential impact on the business assessed and relevant mitigations established. The risk matrix is reviewed regularly at Board Meetings along with the appropriateness and effectiveness of the key mitigating controls.

The table below highlights the principal risks and uncertainties which could have a material impact on the Group's performance and prospects and the mitigating activities which are aimed at reducing the impact or likelihood of a major risk materialising. The Board does recognise, however, that it will not always be possible to eliminate these risks entirely.

Risk Matrix

Risk	Potential Impact	Mitigations
Business disruption		
The Group's manufacturing and distribution operations could be subjected to disruption due to factors including incidents such as a major fire, a failure of essential IT equipment or a major cyber-attack on the Group. There is also a risk of business disruption if key sub-contractors experience an incident on their site or were to cease trading.	Incidents such as a fire at the Group's or sub-contractor premises or the failure of IT systems could result in the temporary cessation in activity or disruption of the Group's production facilities impeding the Group's ability to deliver its products to its customers. A cyber-attack could leave the Group open to a ransom demand or compromise data security both for the Group and customers.	The Group has developed business continuity and disaster recovery plans. The Group maintains a significant amount of insurance to cover business interruption and damage to property from such events. Additional measures have been taken to ensure the security of the Group and customer data. The Group has an annual building insurance review where actions are raised and subsequently cleared internally, providing evidence to the insurer. The Group gets a fire risk assessment carried out by an external party every two years (last completed 29 October 2024) and annually internally and actions/suggestions raised are reviewed and actioned accordingly. A fire suppression system is installed in relevant manufacturing areas. Visits take place by the local fire service to review and provide feedback on fire safety systems and practices. The Group implemented multifactor authentication for relevant employees. The Group has implemented a Cyber Security training and awareness programme for all employees. The Group's strategy is to maintain essential systems in the Cloud. The Group has an email security gateway system in place. The Group has a register of Titon owned tooling held at sub-contractors. The Group looks to review sub-contractor insurance and business continuity policies.

Risk	Potential Impact	Mitigations
Supply chain risks		
The risk of extended lead times beyond forecast windows due to restricted component availability. The risk of continued material price inflation and hence margin erosion. The risk of international trade sanctions or interruption of supply due to geopolitical uncertainty, such as the Russian invasion of Ukraine and supply interruptions in China.	Decrease in cash due to increased stock holding. Loss of customers due to an inability to meet demand or uncompetitive pricing. Increased risk of obsolescence. Delays in supplying customers and additional administrative costs. Prices may increase which could impact our sales and profitability.	The Group operates strategic purchasing of key long lead time items. The Group holds weekly Sales Inventory and Operations Planning reviews. The Group has a policy of dual sourcing key components where possible. The Group ensures robust supplier relationship management. The Group can implement customer agreements to incorporate specification changes if required. The Group will obtain supplier declarations and compliance information when required.
Recruitment and retention of key staff		
The Group is dependent on the continued employment and performance of its senior management and other skilled personnel.	Loss of any key staff without adequate and timely replacement could disrupt business operations and the Group's ability to implement and deliver its growth strategies and financial targets.	The Group aims to provide competitive remuneration packages and bonus schemes to retain and motivate key staff.
Recruitment and retention of staff		
The Group is dependent on the continued employment and performance of all staff	Failure to maintain adequate staffing levels could impact on all business activities and the Group's ability to meet its defined targets.	The Group reviews market conditions, cost of living and the National Living Wage and aims to provide competitive remuneration packages and bonus schemes to retain and motivate staff. The Group has a robust recruitment and onboarding process. The Group has several employee engagement initiatives in place including training and personal development opportunities and performance review and objective setting processes. The Group has a two-way employee feedback process in place.
Economic conditions		
The Group is dependent on the level of activity in the construction industry in the countries in which it markets its products and is therefore susceptible to any changes in economic conditions.	Lower levels of construction industry activity within any of the key markets in which the Group operates could reduce sales and production volumes adversely, thus affecting the Group's financial results. This is considered to be a high risk to the Group given the current inflationary pressures and a predicted low growth economy.	The Group closely monitors trends in the industry using a wide range of external data including the Construction Products Association's reports and forecasts for the UK and other reports in the rest of the world. Current forecasts for residential new-build and refurbishment markets in the UK suggest moderate growth in 2025. The Group spreads its risk by having multiple product lines and customer bases across multiple markets and channels. We continually monitor our reliance on single key customers and actively seek to expand our customer base. The Group monitors product demand on a weekly basis and is able to respond accordingly in reallocating or varying resources.

Risk Management Continued

Risk	Potential Impact	Mitigations
Government action and policy		
The Group's business is significantly affected by Building Regulations in its core markets as well as by Government action and policies relating to public and private investment.	Many of the Group's products are provided to customers in order to help them to comply with Building Regulations in respect of ventilation. Changes to Regulations could adversely impact on sales volumes affecting the Group's financial results. Additionally, significant downward trends in Government spending could have an adverse impact on the construction industry which could impact on sales and production volumes affecting the Group's financial results.	The Group monitors and attempts to influence Building Regulations through its work with industry working groups. Changes in regulations and Government policy also provide the Group with new commercial opportunities.
Product liability		
The Group manufactures electrical products that could cause injury to people or property. The Group's products are also often incorporated into the fabric of a building or dwelling, which could be difficult to access, repair, recall or replace in the event of product failure.	A product safety issue or a failure or recall could result in a liability claim for personal injury or other damage leading to substantial money settlements, damage to the Group's brand reputation, costs and expenses and diversion of key management's attention from the operation of the Group.	The Group operates comprehensive quality assurance systems and procedures within its UK manufacturing processes and is subject to regular external audit as part of its ISO 9001 accreditation. Comprehensive end of line testing is carried out on all in-house manufactured electrical products. Sample testing is carried out on bought-in hardware products. Wherever required, the Group obtains certifications over its products to the relevant standards of the countries in which it markets its products. These certifications incorporate electrical safety testing. The Group endeavors to ensure that its products are in compliance with relevant fire safety regulations. The Group maintains product liability insurance to cover personal injury and property damage claims from product failures as well as professional indemnity cover for areas of the business where advice about products is provided as part of the sales process.

Risk	Potential Impact	Mitigations
Financial risk management		
The Group is dependent on the level of activity in the construction industry in the countries in which it markets its products and is therefore susceptible to any changes in economic conditions.	Losses from any of these financial risks could impact the Group's financial results.	The Group has financial risk management procedures and controls in place that seek to limit the adverse effects of the financial risks. The Group took out credit insurance during the year to mitigate the risk of losses from bad debts.
Reliance on key customers and suppliers		
Parts of the Group's business are dependent on key customers and key suppliers.	Failure to manage relationships with key customers and suppliers could lead to a loss of business affecting the financial results of the Group.	The Group's strategic objective is to broaden its customer base wherever possible. The Group focuses on delivering high levels of customer service and maintains strong relationships with major customers through direct engagement at all levels. We also maintain close links with suppliers to ensure products are up to date and service levels are maintained. The Group maintains ISO 9001 standard and a robust complaints process. The Group closely manages its pricing, rebates and commercial terms with its customers and suppliers to ensure that they remain competitive. The Group has a policy of dual sourcing key components where possible.

This Strategic Report was approved by the Board on 22 January 2025 and signed on its behalf by:

Tom Carpenter
Chief Executive

Board of Directors

Jeff Ward
Non-executive Officer

B R N

Appointed
April 2022

Skills and Experience
Jeff Ward is currently CEO of Guardian Fall, one of the largest independent height safety companies in the world. He was previously CEO of Centurion Safety Products from December 2015 until July 2020 and before then held a number of leadership roles in hardware and safety businesses where he was responsible for a range of activities, including sales, marketing, supply chain and strategy.

Jeff holds an MBA from Warwick Business School and also serves as a Director of the British Safety Industry Federation.

Jamie Brooke
Chair

B R N A

Appointed
January 2024

Skills and Experience
Jamie was appointed to the Board on 2 January 2024 and is Non-executive Chair. Jamie has worked in quoted fund management and private equity, originally starting out with 3i Plc. Most recently he worked with Hanover Investors and, prior to this, with the Volantis team under the umbrellas of Lombard Odier, Henderson and Gartmore.

Jamie is currently a Non-Executive Director at Flowtech Fluidpower Plc, Chapel Down Group Plc, Oryx International Growth Fund Plc, Triple Point Venture VCT Plc and Kelso Group Holdings Plc. He is also a member of the Investment Advisory Group to Rockwood Strategic Plc. He trained as an ACA with Deloitte.

Carolyn Isom
Chief Financial Officer

B

Appointed
December 2021

Skills and Experience
Carolyn joined Titon in December 2019 as Finance Director of Titon Hardware and was appointed to the Titon Holdings Board as CFO in December 2021.

She is ACCA qualified and has worked for a number of companies in the construction sector.

Tom Carpenter
Chief Executive

B

Appointed
April 2024

Skills and Experience
Tom has a track record of growing businesses both organically and inorganically, and has experience of working in publicly listed companies having joined Belden Inc. in 2016.

Tom has held leadership positions within Belden including Vice President of Strategy and Business Development, and as Managing Director of PPC Broadband Inc., a subsidiary of Belden. Prior to this, Tom held various leadership positions including as Chief Executive Officer at M2FX Limited.

Tom holds a Master's in Business Administration from Loughborough University and a Degree in Manufacturing Systems Engineering from Nottingham Trent University.

G P Hooper
Non-executive Director (Senior Independent Director)

B R N A

Appointed
April 2022

Skills and Experience
Paul Hooper is currently Chief Executive of The Alumasc Group Plc, a position he has held since April 2003. Alumasc is a UK-based supplier of sustainable building products and solutions. He joined Alumasc in April 2001 as Group Managing Director.

His earlier career included a first Managing Director role with BTR Plc in 1992. He subsequently joined Williams Holdings Plc in Special Operations, implementing acquisitions in Europe and North America, prior to joining Rexam Plc as a Divisional Managing Director with responsibility for operations in Europe and South East Asia.

Paul holds an MBA from Cranfield School of Management.

Committee Membership Key
- B Main Board
- R Remuneration committee
- N Nominations committee
- A Audit committee

Directors' Report

The Directors present their report and the Group and Company financial statements for the year ended 30 September 2024.

The Directors of Titon Holdings Plc throughout the financial year or subsequent to the year-end are listed on pages 30 and 31.

A detailed commentary on the results for the year and discussion of future developments is given in the Financial and Operational Review on pages 16 to 19 and an explanation of the Group's business strategy is included within the Strategic Report on pages 10 and 11.

The Group's compliance with the QCA Code is set out in the report on page 41.

Substantial shareholders

As at 30 September 2024, the Company was aware of the following voting interests in its ordinary share capital, other than Directors' holdings, of 3 per cent or more in the ordinary share capital of the Company:

Name	Shares	%
Harwood Capital LLP	3,150,000	28.00
J N Anderson	868,902	7.74
P E Anderson	718,900	6.39
C Ritchie	709,280	6.31
R Anderson	593,750	5.28
D J Barry	561,500	4.99

Share capital

The total issued ordinary share capital at 30 September 2024 consisted of 11,248,750 Titon Holdings Plc shares of 10 pence each.

Details of the authorised and issued share capital of the Company as at 30 September 2024 are set out in note 19 of the Notes to the Financial Statements.

All of the Company's shares are ranked equally and the rights and obligations attaching to the Company's shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in England and Wales and on the Company's website at www.titon.com/uk/investors/.

There are no restrictions on the voting rights of shares and there are no restrictions on their transfer other than:

- certain restrictions as may from time to time be imposed by laws and regulations (for example insider trading laws); and
- pursuant to Article 19(11) of 'UK MAR' (the EU Market Abuse Regulation as amended by the Market Abuse Exit Regulations 2020) whereby Directors of the Company require approval to deal in the Company's shares (see https://www.fca.org.uk/markets/market-abuse/regulation).

Additionally, the Company is not aware of any agreements between shareholders of the Company that may result in restrictions on the transfer of ordinary shares or voting rights.

Proposed dividends

The Directors do not recommend the payment of a final ordinary dividend (2023: 0.5 pence final dividend paid). No interim dividend was paid during the year (2023: 0.5 pence), so the total dividend for the year ended 30 September 2024 is nil pence per share (2023: 1.0 pence).

Research and development

The Directors consider that research and development continues to play an important role in the Group's success as the need to provide increasingly energy efficient ventilation products remains a feature of our market over the coming years. Further details on our research and development activities can be found in the Strategic Report.

Investment in research and development during the year amounted to £613,000 (2023: £658,000), of which £465,000 (2023: £467,000) was expensed to the income statement and £148,000 (2023: £191,000) was capitalised as shown in note 11.

Financial risk management

The Directors assess the financial risks facing the business and spend appropriate time considering them. The Group has a system of risk management, which identifies these items and seeks ways of mitigating such risks as far as is possible. The Report on Risk Management set out on pages 26 to 29 includes information on financial risk and also see note 21 to the Financial Statements.

Employees

The Group recognises the importance of its employees in achieving its objectives and has contractual arrangements in place to encourage and reward loyalty and to safeguard the interests of the Group.

Employees are provided with information about the Group's activities via consultation with employees, other staff meetings and staff notice boards. The Group aims to foster an environment in which employees and management can enjoy a free flow of information and ideas.

The Group is an equal opportunities employer and its policies for recruitment, training, career development and promotion are based on the aptitude and abilities of the individual. All these policies are included in the Employee Handbook which is issued to every employee. See the Strategic Report for more details.

Disabled employees

The Group gives full consideration to the career development and promotion of disabled persons, and to applications for employment from disabled persons, where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

The Group considers the training requirements of each disabled person on an individual basis. Where an employee becomes disabled during the course of their employment, the Group will consider providing the employee with such means, including appropriate training, as will enable the employee to continue to carry out their job, where it reasonably can, or will attempt to provide an alternative suitable position.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for its other stakeholders.

The Group considers its capital to comprise ordinary share capital, share premium, the capital redemption reserve and accumulated retained earnings (see 'Consolidated Statement of Changes in Equity' on page 57). The translation reserve is not considered as capital. In order to maintain or adjust its working capital at an acceptable level and to meet strategic investment needs, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets.

The Group does not seek to maintain any particular debt to capital ratio but will consider investment opportunities on their merits and fund them in the most effective manner.

Environmental issues

An explanation of how the Group deals with its environmental responsibilities is included within the Strategic Report, under the heading Environmental Social and Governance.

Directors' responsibilities

The 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. The Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards and International Financial Reporting Standards adopted in the United Kingdom ("UK adopted IFRS"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business;
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006;
- prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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

Website publication

The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website, which can be found at www.titon.com/uk/investors/ in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors are also responsible for disclosing additional information under Rule 26 of the AIM Rules, which is available at www.titon.com/uk/investors/. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors confirm to the best of their knowledge:

- the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB and adopted by the UK and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group;
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that they face.

Directors' Report Continued

Directors' statement as to disclosure of information to auditors

The Directors at the time of approving the Directors' Report are listed on pages 30 and 31. Having made enquiries of fellow Directors and of the Officers of the Company, each of the Directors confirms that:

- to the best of each Director's knowledge and belief, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all steps a Director ought to have taken to make themselves aware of any information needed by the Company's auditors for the purpose of their audit and to establish that the Company's auditors are aware of that information.

Directors' liability insurance and indemnity

The Company has purchased liability insurance cover, which remained in force at the date of the report, for the benefit of the Directors of the Company which gives appropriate cover for legal action brought against them. The Company also provides an indemnity for its Directors (to the extent permitted by law) in respect of liabilities which could occur as a result of their office. This indemnity does not provide cover should a Director be proved to have acted fraudulently or dishonestly.

Purchase of own shares

The Company has authority from shareholders to purchase up to 10% of its own ordinary shares in the market. This authority was not used during the year nor in the period to 22 January 2025 and the Board intends to seek shareholder approval to renew the authority at the forthcoming Annual General Meeting.

In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, companies are permitted to hold purchased shares rather than cancelling them. At 30 September 2024 and 22 January 2025 the Company held no shares in treasury. The Company may use this power in the future depending on market conditions and the financial position of the Company.

Events after the reporting date

Since the reporting date, the disposal of both the subsidiary Titon Korea and associate Browntech Sales Co. Ltd was completed. £0.7m was received 13 December 2024, marking the cessation of Korean operations from that date.

Auditors

MHA have expressed their willingness to continue in office and a resolution to reappoint them will be proposed the Annual General Meeting.

Going concern

The Group's business activities, its financial position, together with the factors likely to affect the Group's performance, are set out in the Strategic Report. In addition, note 21 to the financial statements includes the Group's risk management objectives and policies, managing its financial risk and its exposures to credit risk, foreign exchange risk and liquidity risk.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered all of the above factors, including the principal risks set out on pages 26 to 29. Under the worst-case scenario considered, which is severe and considered highly unlikely, the Group remains liquid for a period of 12 months from the date of reporting and the Directors therefore believe, at the time of approving the financial statements that the Group is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are summarised below.

The financial position remains robust with cash of £2.3m available to the Group and no debt and therefore no bank covenants in place. Our base case scenario has been prepared using forecasts from each of our operating companies, with each considering both the challenges and opportunities they are facing because of various market forecasts. Due to the strength of the Group's balance sheet and market outlook, the Directors believe there is no material uncertainty around going concern. To this end a reverse stress test scenario has also been modelled, with the most extreme conditions being considered. 50% of budgeted revenue was removed for all continuing operations within the Group from 1 April 2025 to 31 January 2026 with all direct costs being reduced accordingly but with all other costs and outflows remaining the same. The result of this scenario is that we remain cash positive within 12 months of the signing date. This extreme scenario excludes all other resources we would have at our disposal as means of raising further cash, such as:

- the Group owns the freehold interest in our Haverhill site which had a fair value of £5.4m in September 2022. This could be used as collateral to borrow funds from our bank in the form of a mortgage;
- the Group has significant fixed assets that would have a second-hand market value that could be realised;
- a rights issue could be made;
- the Group has a large stock balance that could be sold on if there was reduced production;
- salary costs could be reduced by virtue of either restructuring or through pay reductions.

Annual General Meeting

The Annual General Meeting of Titon Holdings Plc ("the Company") will be held at the Company's premises at Falconer Road, Haverhill, CB9 7XU on 25 March 2025 commencing at 10.00 a.m. A notice convening the Annual General Meeting of the Company for the year ended 30 September 2024 may be found on page 94 of this document.

Shareholders are being asked to vote on various items set below (the "Resolutions"). Resolutions 1 to 12 as listed below, are required to be passed as ordinary resolutions.

Resolution 1 – to receive and adopt the audited accounts

The Directors recommend that shareholders adopt the reports of the Directors and the Auditors and the audited accounts of the Company for the financial year ended 30 September 2024.

The Directors' Report was approved by the Board on 22 January 2025 and signed by order of the Board.

Resolution 2 – to declare a final dividend

The Directors recommend a final dividend of nil pence per ordinary share.

Resolution 3 – to re-elect Mr Jamie Brooke as a Director

The Deputy Chair confirms that since his appointment 2 January 2024, Mr Brooke has shown to be effective and demonstrates commitment in his role.

Resolution 4 – to re-elect Mr Thomas Carpenter as a Director

The Chair confirms that following performance evaluation Mr Carpenter continues to be effective and demonstrates commitment in his role.

Resolution 5 – to re-elect Ms Carolyn Isom as a Director

The Chair confirms that following performance evaluation Ms Isom continues to be effective and demonstrates commitment in her role.

Resolution 6 – to re-elect Mr Paul Hooper as a Director

The Chair confirms that following performance evaluation Mr Hooper continues to be effective and demonstrates commitment in his role.

Resolution 7 – to re-elect Mr Jeff Ward as a Director

The Chair confirms that following performance evaluation Mr Ward continues to be effective and demonstrates commitment in his role.

Resolution 8 – to re-appoint MHA as auditors

This resolution proposes that MHA should be re-appointed as the Company's Auditors and authorises the Audit Committee to determine their remuneration.

Resolution 9 – to approve the Directors' Remuneration Report

Resolution 9 in the Notice of Annual General Meeting, which will be proposed as an Ordinary Resolution, is to receive and approve the Directors' Remuneration Report as set out on pages 37 to 40.

Resolution 10 – authority to allot shares

The Companies Act 2006 prevents directors of a public company from allotting unissued shares, other than pursuant to an employee share scheme, without the authority of shareholders in general meeting. In certain circumstances this could be unduly restrictive. The Directors' existing authority to allot shares, which was granted at the Annual General Meeting held on 26 March 2024, will expire at the forthcoming Annual General Meeting.

Resolution 10 in the notice of Annual General Meeting will be proposed, as an Ordinary Resolution, to authorise the Directors to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £270,000, representing approximately 24% of the nominal value of the ordinary shares in issue on 22 January 2025.

The authority conferred by the resolution will expire on 24 June 2026 or, if sooner, at the 2026 Annual General Meeting.

The Directors have no present plans to allot unissued shares other than on the exercise of share options under the Company's employee share option schemes. However, the Directors believe it to be in the best interests of the Company that they should continue to have this authority so that such allotments can take place to finance appropriate business opportunities that may arise.

Resolution 11 – Approval of the EMI Share Option Plan 2025 and the Standalone Non-Tax Advantaged Option Agreement

Resolution 11 will approve the replacement of the Titon EMI Share Option Plan 2021 with the Titon EMI Share Option Plan 2025 (the principal terms of which are summarised in the Appendix below and the Rules of which are produced in draft form to this meeting and, for the purposes of identification, initialled by the Chair) which shall be and it is hereby adopted and the Rules be and are hereby approved in such draft form, subject to such amendments thereto approved by, or by a committee of, the Directors as are necessary to carry the same into effect and/or are necessary or desirable to obtain HMRC or other regulatory approval thereto and the Directors be authorised to do all acts and things which they may consider necessary or expedient for implementing and giving effect to the said plan.

That, going forward, any options subject to the Rules of the Titon EMI Share Option Plan 2025 shall be granted with an exercise price being equal to the Company's volume weighted average share price in Bloomberg for the preceding 6 month period ending on the date immediately before an option is granted, being the valuation methodology approved by HMRC by way of letter dated 10 December 2024 and subsequent email dated 7 January 2025.

Directors' Report Continued

To incentivise non-employees of the Company, the standalone non-tax advantaged option agreement (the principal terms of which largely replicate the Titon EMI Share Option Plan 2025) which is produced in draft form to this meeting, and for the purposes of identification, initialled by the Chair) be and are hereby adopted and approved in such draft form, subject to such amendments thereto approved by, or by a committee of, the Directors as are necessary to carry the same into effect and/or are necessary or desirable to obtain HMRC or other regulatory approval thereto and the Directors be authorised to do all acts and things which they may consider necessary or expedient for implementing and giving effect to the standalone non-tax advantaged option agreement.

Resolution 12 – Approval for the Directors to vote in any meeting regarding the Titon EMI Share Option Plan 2025 and the Standalone Non-Tax Advantaged Option Agreement

Resolution 12 in the Notice of Annual General Meeting will give the Directors power to vote and be counted in a quorum at any meeting of the Directors at which any matter connected with the EMI Share Option Plan 2025 or the Standalone Non-Tax Advantaged Option Agreement is considered, regardless of any interest they may have in the plan or any non-tax advantaged options under consideration. This is subject to the provision that no Director may vote when the Directors are considering his own individual rights of participation in the proposed share plan or non-tax advantaged option agreement.

In addition, there are two resolutions, being Resolutions 13 and 14, as listed below, which will be required to be passed as special resolutions.

Resolution 13 – to disapply pre-emption rights

Unless they are given an appropriate authority by shareholders, if the Directors wish to allot any of the unissued shares for cash or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must first offer them to existing shareholders in proportion to their existing holdings. These are known as pre-emption rights.

The existing disapplication of these statutory pre-emption rights, which was granted at the Annual General Meeting held on 26 March 2024 will expire at the forthcoming Annual General Meeting. Accordingly, Resolution 13 in the Notice of Annual General Meeting will be proposed, as a Special Resolution, to give the Directors power to allot shares or sell treasury shares without the application of these statutory pre-emption rights: first, in relation to offers of equity securities by way of rights issue, open offer or similar arrangements; and second, in relation to the allotment of equity securities for cash up to a maximum aggregate nominal amount of £112,488 (representing approximately 10.0% of the nominal value of the ordinary shares in issue on 22 January 2025). The power conferred by this Resolution will expire on 24 June 2026 or, if sooner, at the 2026 Annual General Meeting.

Resolution 14 – Company's authority to purchase its own shares

Resolution 14 in the Notice of Annual General Meeting, which will be proposed as a Special Resolution, will authorise the Company to make market purchases of up to 1,124,875 ordinary shares. This represents approximately 10% of the Company's ordinary shares in issue on 22 January 2025. The maximum price per share that may be paid shall be the higher of: (i) 5% above the average of the middle market quotations for an ordinary share for the five business days immediately before the day on which the purchase is made (exclusive of expenses); and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (exclusive of expenses). The minimum price shall not be less than 10p per share. The authority conferred by this resolution will expire on 24 June 2026 or, if sooner, at the 2026 Annual General Meeting.

Your Directors are committed to managing the Company's capital effectively and although they have no plans to make such purchases, buying back the Company's ordinary shares is one of the options they keep under review. Purchases would only be made after considering the effect on earnings per share and the benefits for shareholders generally.

The Company may hold in treasury any of its own shares that it purchases in accordance with the Companies Act 2006 and the authority conferred by this resolution. This would give the Company the ability to reissue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base. The Company does not currently hold any shares in treasury.

As at 22 January 2025 there were options outstanding over 285,000 ordinary shares which, if exercised at that date, would have represented 2.5% of the Company's issued ordinary share capital. If the authority given by Resolution 12 was to be fully used, these would then represent 2.5% of the Company's issued ordinary share capital.

Recommendation

The Directors believe that the resolutions which are to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and recommend that all shareholders vote in favour of them, as each of the Directors intends to do, in respect of his or her beneficial holding.

The Directors' Report was approved by the Board on 22 January 2025 and signed on its behalf by:

C V Isom
Company Secretary

Directors' Remuneration Report

Statement from the Chair of the Committee

I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2024.

There has been no change to the Directors' Remuneration Policy during the period and there have been no significant changes in individual Directors' levels of base remuneration during the year. There is however a resolution to introduce a new EMI share option scheme to replace the existing scheme. Details of this are disclosed in the Directors' Report and the notice of AGM. There were no performance-related bonuses paid in the year as the Group did not meet its targets set out at the beginning of the year.

However, the Remuneration Committee did agree discretionary amounts payable both to C Isom in respect of her covering the role of Chief Executive while the position was vacant, and to G P Hooper while he temporarily covered the Chair position, while that was also vacant. On behalf of the Board, I would like to express my thanks to them both for agreeing to the extra responsibility for those periods.

An Ordinary Resolution will be put to shareholders at the forthcoming Annual General Meeting to be held on 25 March 2025, to receive and adopt the Directors' Remuneration Report.

The Directors' interests in the ordinary share capital of the Company at the year-end are reported below on page 39.

Remuneration Committee

The Committee presently consists of the Chair, Mr J Ward, Mr G P Hooper and Mr J Brooke, all Non-executive Directors. The Committee has been established by the Board to set Remuneration Policy and to deal with all matters relating to Directors' Remuneration and reporting thereon. It has clear Terms of Reference established by the Board.

Directors' remuneration compared to certain other distributions are as follows:

	2024 £'000	2023 £'000	Percentage change
Directors' remuneration	**632**	576	10%
Other employee remuneration	**5,567**	6,450	(14%)
Dividend payments to shareholders	**56**	112	(50%)

Directors' Remuneration Report Continued

Audited Directors' Remuneration

The remuneration paid to the Directors during the year, together with a comparison of the previous year, is as follows:

Executive Directors:	Year ended 30 September £'000	Salary and fees[(a) (b)] £'000	Benefits in kind £'000	Short-term performance-related remuneration[(c)] £'000	Pension benefits £'000	Total
C V Isom	**2024**	**106**	**2**	**30**	**23**	**161**
	2023	105	1	–	18	124
T Carpenter	**2024**	**68**	**–**	**–**	**10**	**78**
	2023	–	–	–	–	–
A C French (d)	**2024**	**–**	**–**	**–**	**–**	**–**
	2023	139	–	–	2	141
Non-executive Directors:						
T N Anderson (e)	**2024**	**140**	**2**	**–**	**8**	**150**
	2023	89	1	–	9	99
N C Howlett (f)	**2024**	**74**	**–**	**–**	**19**	**93**
	2023	56	–	–	5	61
G P Hooper (c)	**2024**	**40**	**–**	**4**	**–**	**44**
	2023	40	–	–	–	40
J Ward	**2024**	**40**	**–**	**–**	**–**	**40**
	2023	40	–	–	–	40
K A Ritchie (g)	**2024**	**21**	**–**	**–**	**–**	**21**
	2023	70	1	–	–	71
J Brooke	**2024**	**45**	**–**	**–**	**–**	**45**
	2023	–	–	–	–	–
Totals	**2024**	**534**	**4**	**34**	**60**	**632**
	2023	539	3	–	34	576

(a) A 'salary sacrifice' system is in operation, where the Company makes a pension contribution on behalf of each Director, where applicable, and their salary is reduced by a corresponding amount.
(b) The remuneration package of each Executive Director includes non-cash benefits, which for C V Isom and T Carpenter also included the provision of a company car. The aggregate gains made by Directors on the exercise of share options during 2024 were £nil (2023: £nil).
(c) In accordance with the proposals adopted by shareholders, performance related remuneration is not due for this period to Executive Directors. However, the Remuneration Committee approved a one-off payment of £30,000 to C V Isom in recognition of 'acting up' for a period of a year while the Chief Executive position was vacant. Also, a one-off payment of £4,000 was also made to G P Hooper in recognition of him 'acting up' as Chair for the interim period between K Ritchie's resignation and J Brooke's appointment.
(d) A C French joined the Board on 3 May 2022 and left the Board on 6 April 2023.
(e) T N Anderson was a beneficiary of an agreement with the Company relating to his departure from the Company on 11 July 2024 entitling him to a payment of £19,250 which is included in salary above as well as payment in lieu of notice amounting to £46,890.
(f) N C Howlett was a beneficiary of an agreement with the Company relating to his departure from the Company on 3 September 2024 entitling him to a payment of £21,000 which is included in salary above as well as payment in lieu of notice amounting to £14,500.
(g) K A Ritchie moved from Executive Chair to Non-executive Chair from 1 October 2023 and retired from the Group on 28 February 2024.

Directors and their interests in shares

The Directors of the Company during the year and at the year-end and their beneficial interests in the ordinary share capital were as follows:

		30 September 2024 Ordinary shares of 10p each	30 September 2023 Ordinary shares of 10p each
J Brooke	Non-executive Director	**–**	–
C V Isom	Chief Financial Officer	**–**	–
T Carpenter	Chief Executive	**–**	–
G P Hooper	Non-executive Director	**35,498**	35,498
J Ward	Non-executive Director	**–**	–

On 28 October 2024 the Company announced that the following purchases of ordinary shares of 10p each had been made by Directors:

		28 October 2024
J Brooke	Non-executive Director	**106,310**
T Carpenter	Chief Executive	**66,500**
J Ward	Non-executive Director	**20,000**

Share options

Details of the interests of Directors, who served during the year, in options over ordinary shares are as follows:

		Exercise price per share Number	At 1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	At 30 September 2024
T N Anderson	(a)	58.0p	25,000	–	–	25,000	**–**
T Carpenter	(c)	70.0p	–	150,000	–	–	**150,000**
C V Isom	(b)	138.5p	50,000	–	–	–	**50,000**

Share options

Share options are exercisable between the following dates:

(a) 15 January 2017 and 15 January 2024
(b) 15 July 2024 and 15 July 2031
(c) 16 July 2027 and 15 June 2034

The Directors may only exercise share options if the growth in the earnings per share of the Company over any period of three consecutive financial years of the Company following the date of grant, exceeds the growth in the retail price index over the same period by at least 9%.

At 30 September 2024 the market price of the Company’s shares was 65 pence. The range during the year was 63 pence to 90 pence.

Directors' Remuneration Report Continued

Directors' Remuneration Policy

Introduction

Our policy is to provide remuneration packages that are competitive, fair, and designed to retain, motivate, and reward Directors. We consider the size and complexity of the Group, and we benchmark against similar companies in our sector. Under UK law, this policy must be approved by shareholders at least every three years and is subject to a binding vote.

Remuneration Components

Basic salary – Executive Directors' basic salaries are set by the Remuneration Committee, considering each individual's role, responsibilities, performance, and market comparisons. Annual salary reviews take into account inflation and the salary adjustments made to other employees. Reviews take effect from 1 October each year.

Benefits – Executive Directors receive certain taxable non-cash benefits, including company cars. They also participate in the Group Life Insurance Scheme, which provides a lump sum payment of four times their basic salary in the event of death. Private medical insurance is also provided for both the Executive and their families.

Pension contributions – Executive Directors are members of the Company's defined contribution pension scheme in which the Company's contribution is a fixed percentage at 5% of basic salary. Benefits are not pensionable.

Annual Bonus – Each year, the Committee sets financial and/or strategic performance targets. Typically, the bonus is based on achieving EBITDA targets, but the Committee may adjust the measures when appropriate.

→ Minimum performance: No bonus.

→ Target performance: A bonus of 50% of base salary.

→ Maximum performance: A bonus of up to 100% of base salary.

The performance criteria and any discretion exercised by the Committee will be clearly disclosed.

Share option schemes

The Company operates a government approved share option scheme for Directors and staff, granted at the Remuneration Committee's discretion.

An additional government EMI scheme has been proposed to the AGM, to be held in March 2025, where the vesting of options is dependent on the achievement of certain share price targets. (More information is included in the Directors' Report and the Notice of AGM.)

Directors' service contracts

Non-Executive Directors have service contracts that terminate at the conclusion of the Company's AGM unless they are re-elected as a Director, and they receive fees determined by the Remuneration Committee. Non-Executive Directors do not receive pension contributions or participate in share option schemes, with the exception of the Chair, who will be included under the new option scheme should this be approved at the Annual General Meeting.

The Company's policy on the duration of, and notice periods and termination payments under, Directors' contracts is designed to attract and retain persons of the calibre required by the Company, with due regard being given to the interests of shareholders.

There are no special predetermined termination payments. Any compensation for loss of office will be determined on a case-by-case basis.

Directors must not hold other directorships or business interests without Board approval to prevent conflicts of interest.

Other policy matters

Any views expressed by shareholders on the remuneration being paid to Directors would be taken into consideration by the Remuneration Committee when reviewing the Directors' Remuneration Policy and in the annual review of Directors' salaries.

It is the Company's policy that Directors' notice periods and termination payments will be based on prevailing best practice guidelines.

Approval

This Remuneration Report and Remuneration Policy was approved by the Remuneration Committee on 22 January 2025 and signed on its behalf by:

J Ward
Remuneration Committee Chair

Corporate Governance Report

Chair's Introductory Statement

As noted in our ESG Report we present the Corporate Governance Report for the last financial year. We continue to apply the Quoted Companies Alliance Corporate Governance Code ("QCA Code") as this fits more naturally with our listing on the AIM Market. The QCA Code is available from the QCA and it involves us following ten general principles and ensuring that a number of minimum disclosure requirements are made in the Annual Report or on the Company's website, www.titon.com/uk/investors/. The website also contains more details of the governance disclosures. It is then up to us to determine how the ten principles will be applied. We note that the QCA code has been updated and will be applying the new Code in future reports.

J Brooke
Chair

Compliance with QCA Code

The Board is accountable to the Company's shareholders for good corporate governance and the Company's website sets out how the ten principles identified in the QCA Code are applied by the Company. Titon's business approach is based on openness and high levels of accountability and there is a commitment to high standards of corporate governance throughout the Group. With an international presence, the Group acts in accordance with the national laws of the various countries in which it operates and encourages the highest standards of business practice and procedure.

The Board is confident that the goals and strategy that we have set for our business have been followed during the year under review. We have continued to treat our employees fairly, to invest in research and development and to communicate openly and honestly with our shareholders, to highlight three of our specific goals.

The Board seeks to instil a healthy corporate culture in all of its dealings with its stakeholders and believes that Titon is regarded by those stakeholders in a positive light and will meet its obligations in a fair and transparent way.

Please see the Audit and Risk Committee Report for a description of the main features of the internal control process and the risk management system in relation to the financial reporting process adopted by the Group. The disclosure of information on significant shareholdings in the Company is shown in the Directors' Report.

The Directors consider that the Annual Report and Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Group consolidated accounts are prepared by the Group Financial Controller and are reviewed by the Chief Financial Officer. The review includes a detailed inspection of the accounts of all the constituent companies that comprise the Group along with the relevant consolidation adjustments and journals.

Composition and operation of the Board of Directors

As at 30 September 2024 the Board consisted of the Non-executive Chair, the Chief Executive, the Chief Financial Officer, and two Non-executive Directors.

The Board as a whole comprises a wealth of skills and experience from the wide range of activities undertaken by its individual members, as follows:

Jamie Brooke was appointed to the Board on 2 January 2024 and is Non-executive Chair. Jamie has worked in quoted fund management and private equity, originally starting out with 3i Plc. Most recently he worked with Hanover Investors and, prior to this, with the Volantis team under the umbrellas of Lombard Odier, Henderson and Gartmore. Jamie is currently a Non-executive Director at Flowtech Fluidpower Plc, Chapel Down Group Plc, Oryx International Growth Fund Plc, Triple Point Venture VCT Plc and Kelso Group Holdings Plc. He is also a member of the Investment Advisory Group to Rockwood Strategic Plc. He trained as an ACA with Deloitte. Jamie has a service contract which terminates at the 2025 Annual General Meeting unless he is re-elected.

Tom Carpenter joined Titon in April 2024 as Chief Executive. He has a track record of growing businesses both organically and inorganically and has experience of working in publicly listed companies having joined Belden Inc. in 2016. Tom has held leadership positions within Belden including Vice President of Strategy and Business Development, and as Managing Director of PPC Broadband Inc., a subsidiary of Belden. Prior to this, Tom held various leadership positions including as Chief Executive Officer at M2FX Limited. Tom holds a Master's in Business Administration from Loughborough University and a Degree in Manufacturing Systems Engineering from Nottingham Trent University.

Carolyn Isom joined Titon in December 2019 as Finance Director of Titon Hardware and was appointed to the Titon Holdings Board as Chief Financial Officer in December 2021. She is ACCA qualified and has worked for a number of companies in the construction sector.

Corporate Governance Report Continued

Jeff Ward joined the Board of Titon on 1 April 2022. Jeff is currently CEO of Guardian Fall, one of the largest independent height safety companies in the world. He was previously CEO of Centurion Safety Products from December 2015 until July 2020 and before then held a number of leadership roles in hardware and safety businesses where he was responsible for a range of activities, including sales, marketing, supply chain and strategy. Jeff holds an MBA from Warwick Business School and also serves as a Director of the British Safety Industry Federation. Jeff has a service contract which terminates at the 2025 Annual General Meeting unless he is re-elected.

Paul Hooper joined the Board of Titon on 1 April 2022. Paul is currently Chief Executive of The Alumasc Group plc, a position he has held since April 2003. Alumasc is a UK-based supplier of sustainable building products and solutions. He joined Alumasc in April 2001 as Group Managing Director. His earlier career included a first Managing Director role with BTR plc in 1992. He subsequently joined Williams Holdings plc in Special Operations, implementing acquisitions in Europe and North America, prior to joining Rexam PLC as a Business unital Managing Director with responsibility for operations in Europe and South East Asia. Paul holds an MBA from Cranfield School of Management. Paul has a service contract which terminates at the 2025 Annual General Meeting unless he is re-elected.

All Executive Directors are subject to annual appraisals of their performance and membership of relevant board committees, as appropriate, during the financial year. This takes the form of a review of the targets and objectives for the period, a meeting with the appraiser and the setting of targets and objectives for the current year. It also includes a process whereby a failure to meet the targets is discussed and changes are agreed to improve performance. A continuing failure to meet targets or performance could lead ultimately to dismissal. The Non-executive Directors also provide feedback and appraisal of the Executive Directors on an ad hoc basis, and this is included in the appraisals of the relevant individuals.

The Non-executive Chair has a range of responsibilities to perform including, inter alia, the proper functioning of the Board of Directors and over-seeing the strategic development of the Company and Group. The Chief Executive has a specific range of responsibilities including setting the strategic development of the Group, the day-to-day management of the Group and implementing the strategy agreed by the Board. The two current Non-executive Directors provide a range of skills and wide experience to the Group alongside the necessary independence, as required under principle 5, as follows:

1. Mr G P Hooper is deemed to be independent for the purposes of the Code as he has no previous links with the Group. Mr G P Hooper was nominated as the Senior Independent Director of the Board in December 2024.
2. Mr J Ward is deemed to be independent for the purposes of the Code as he has no previous links with the Group.
3. Mr J Brooke is deemed to be independent for the purposes of the Code as he has no previous links with the Group.

The Board has a schedule of matters specifically reserved to it for decision including major capital expenditure decisions, business acquisitions and disposals and the setting of treasury policy. This also includes matters such as material financial commitments, commencing or settling major litigation and appointments to main and subsidiary company boards. The Executive Directors are involved with day-to-day matters arising and the size of the Group allows the Board to have rapid access to any issues which arise in dealings with stakeholders.

Scheduled Board meetings in 2024 took place monthly with further ad hoc meetings arranged as necessary. To enable the Board to function effectively and Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of comprehensive management reporting information and discussion documents regarding specific matters. All directors commit sufficient time to the Group to discharge their responsibilities: the executive directors on a full-time basis, the Non-executive Directors, as required by the needs of the business.

The individual attendance by Executive Directors and Non-executive Directors at the Board and principal Board Committee Meetings held during the financial year is shown in the table below.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the Company Secretary. The Company Secretary is charged by the Board with ensuring that Board procedures are followed.

When new members are appointed to the Board, they are provided with advice from the Company Secretary in respect of their role and duties as a public company director. Furthermore, all Directors have ongoing access to the Company Secretary for advice during the course of their appointment.

	Main Board	Remuneration Committee	Audit Committee	Nominations Committee
Total meetings held	**11**	**1**	**3**	**1**
J Brooke	8	1	2	–
T N Anderson	8	–	–	–
C V Isom	11	1	3	–
T Carpenter	4	1	1	–
N C Howlett	10	–	–	1
G P Hooper	11	1	3	1
J Ward	10	1	–	1
K A Ritchie	6	–	2	1

Appointments to the Board of both Executive and Non-executive Directors are considered by the Nominations Committee for endorsement by the Board as a whole.

Any Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by the shareholders at the next Annual General Meeting. The Articles of Association also require that one third of the Directors retire by rotation each year and seek re-election at the Annual General Meeting. The Directors required to retire are those in office longest since their previous re-election and in practice this means that each Director retires at least every three years, in accordance with the requirements of the Code. It is the Company's practice that all of the Non-executive Directors will seek re-election at each Annual General Meeting.

All of the Non-executive Directors retire at the next Annual General Meeting and being eligible, offer themselves for re-election.

A statement of Directors' interests and copies of their service contracts are available for inspection during usual business hours at the registered office of the Company, on any weekday (excluding public holidays), and will be available at the place of the Annual General Meeting for at least fifteen minutes prior to and during the meeting.

The Remuneration Committee

The Remuneration Committee Report is set out on pages 37 to 40. The Remuneration Committee's terms of reference, established by the Board, are to:

- → determine and to keep under review the Group's policy on remuneration;
- → determine the basic salaries and non-cash emoluments payable to all Executive Directors, including Executive Directors of subsidiary Group companies, giving due consideration to individual responsibility and performance and to salaries paid to Executive Directors of similar companies in comparable business sectors;
- → select the performance targets for the Executive Directors' bonus arrangements;
- → select the performance conditions relating to the Group's Share Option Schemes. Such performance conditions to be aimed to align Directors' interests to shareholder value;
- → make recommendations to the Board of Directors on other matters relating to remuneration in the Group; and
- → prepare an annual report on remuneration to the Company's shareholders for approval by the Board for submission to a vote of shareholders at the Company's Annual General Meeting and to advise the Board if it believes that, in any year, there are particular matters relating to remuneration which should be put to the Company's shareholders.

Nominations Committee

The Nominations Committee is responsible for proposing candidates as Directors of Titon Holdings Plc for endorsement by the Board. The selection of suitable candidates will be based on the suitability of the person for the position regardless of age, ethnicity or gender. Candidates may be either internal or external and executive search consultants may be used in the process. The Nominations Committee was active during the year while recruiting the new Chief Executive. The Nominations Committee at 30 September 2024 comprised the Chair, Mr J Brooke, Mr J Ward and Mr G P Hooper.

Communications with shareholders

The Board recognises the importance of communications with shareholders. The Strategic Report on pages 2 to 29 gives a detailed review of the business, and there is regular dialogue with institutional shareholders at the time of the Group's preliminary announcement of the year end results and at the half year. The main contact with shareholders is through the Chair or Chief Executive.

The Group's results and other announcements are published on the London Stock Exchange RNS service and on the Company's website.

The Board uses the Annual General Meeting to communicate with private and institutional investors and welcomes their participation.

The Corporate Governance Report was approved by the Board on 22 January 2025 and signed on its behalf by:

J Brooke
Chair

Audit Committee Report

The Audit and Risk Committee reports to the Board on matters concerning the Group's internal financial controls, financial reporting and risk management systems, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

Composition of the Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board for a period of three years and comprised the Chair, Mr G P Hooper who has extensive financial experience from his career and position as Chief Executive of The Alumasc Group Plc and Mr J Brooke who qualified as an ACA with Deloitte and has chaired and sat on multiple Plc audit committees. I confirm that the Titon Audit and Risk Committee continues to have competence relevant to the sector in which the Group operates.

Role of the Audit and Risk Committee

The Audit and Risk Committee operates within defined terms of reference and its main functions are:

- to monitor the internal financial control and risk management systems on which the Group is reliant;
- to consider whether there is a need for the Group to have its own internal audit function;
- to monitor the integrity of the Group's financial statements and formal announcements relating to the Group's financial performance, reviewing significant financial reporting judgements contained in them;
- to review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matter;
- to meet the independent Auditor of the Group to review their proposed audit programme of work and the subsequent Audit Report and to assess the effectiveness of the audit process and the levels of fees paid in respect of both audit and non-audit work;
- to make recommendations to the Board in relation to the appointment, reappointment or removal of the Auditor, and to negotiate their remuneration and terms of engagement on audit and non-audit work; and
- to monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualification.

Review of financial statements and risks identified

Financial statements issued by the Group need to be fair, balanced, and understandable. The Committee reviews the Annual Report as a whole and makes recommendations to the Board. The Committee has advised the Board that, in its opinion, the Annual Report and Financial Statements are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Company's unaudited interim results are also reviewed by the Committee prior to their publication.

The Committee assesses annually whether it is appropriate to prepare the Group's financial statements on a going concern basis and makes its recommendation to the Board. The Board's conclusions are set out in the Directors' Report. The Committee has been fully involved in all of the financial forecasting that has been performed and the cash management steps which have been taken and has made a recommendation to the Board that the Group should continue to prepare the financial statements on a going concern basis.

In planning its own work, and reviewing the audit plan of the Auditors, the Committee takes account of the most significant issues and risks, both operational and financial, likely to impact on the Group's financial statements.

The Committee considers that the timing of revenue recognition is a significant area of risk to accurate financial reporting and ensures that necessary credit note provisions and warranty provisions are made. In relation to activities in South Korea, revenues are only recognised once the third-party customer has accepted the successful installation of either the first fix or the second fix products into buildings rather than the delivery of such product from our factory.

The carrying value of the Group's assets is an area where the Committee places great emphasis. In particular, calculating the carrying value for the Group's inventory is a vital factor as the Group has a wide range of product lines that may fluctuate regularly in terms of their sales volumes. Consequently, every product line is assessed at the year-end to ensure that accurate provisions for obsolescence are made.

A significant risk considered by the Committee throughout the year was the Group's investment in its South Korean business and in particular the accuracy of accounting information. This risk has been removed due to sale of the South Korean operations post year end.

Internal audit

The Board believes that due to the size of the business there is currently no requirement for an internal audit function. This matter is reviewed annually.

Internal control

The respective responsibilities of the Directors in connection with the financial statements are set out on page 33, and those of the Auditors are detailed in the Independent Auditor's Report on page 51.

The Committee is responsible for ensuring that suitable internal controls systems to prevent and detect fraud and error are designed and is also responsible for reviewing the effectiveness of such controls. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in line with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, published in September 2014 and the FRC's Guidance on Audit Committees published in April 2016. This process has been in place for the year under review and up to the date of approval of this report and accords with the guidance. In particular, the Committee has reviewed and updated the process for identifying and evaluating the significant risks affecting the Group and policies by which these risks are managed. The risks of any failure of such controls are identified in a Risk Matrix (set out in the Risk Management Report on pages 26 to 29) which is regularly reviewed by the Board and which identifies the likelihood and severity of the impact of such risks and the controls in place to mitigate the probability of such risks occurring.

Internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed. They do not eliminate the risk of failure to achieve business objectives. The following are the key components which the Group has in place to provide effective internal control:

- an appropriate control environment through the definition of the organisation structure and authority levels;
- the identification of the major business risks facing the Group and the development of appropriate procedures and controls to manage these risks;
- a comprehensive budgeting and reporting system with monthly results compared with budgets and with previous years; and
- the principal aspects of the Group's internal control processes used in preparing the Group's consolidated accounts include second reviews of consolidation workings and Board review of the composition of the Group's financial information.

The Directors acknowledge that they are responsible for establishing and maintaining the Group's system of internal control and risk management and reviewing their effectiveness, which they have done during the year. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. Appropriate risk monitoring systems have been in place throughout the year and up to the date of approval of the Annual Report and have been regularly reviewed by the Board. The Report on Risk Management sets out the principal risks identified by the Directors, the potential impact and the mitigation measures which apply. No significant weaknesses have been identified in this report by the Directors during the year.

The Company has a shareholding in an associate company. Controls within this entity are not reviewed as part of the Company's formal review processes due to the local delegation of managerial responsibilities, but instead are reviewed as part of regular management process.

External audit process

The Audit Committee meets at least twice a year with the Auditor, who provides a planning report in advance of the annual audit and a report on the annual audit. The Committee has an opportunity to question and challenge the Auditor in respect of each of these reports. No significant deficiencies were noted by the Auditor in respect of the period ended 30 September 2024. The Committee also discussed the basis of preparation of the going concern opinion and the key audit matters with the Auditor.

After each audit, the Committee reviews the audit process and considers its effectiveness.

Auditor assessment and independence

The Group's external auditor is MHA.

The Committee reviewed MHA's independence policies and procedures including quality assurance procedures and it was confirmed that those policies and procedures were fit for purpose. Accordingly, the Committee recommends that MHA should be reappointed as the Group's auditor for the next financial year and a resolution to that effect will be proposed at the 2024 Annual General Meeting.

The fees for audit services provided by MHA for 2024 were £143,000 (2023: £143,000). The Committee discussed the non-audit services provided by MHA during the year. The cost of non-audit services provided by the Auditor for the financial year ended 30 September 2024 was £1,000 (2023: £1,000).

G P Hooper
Audit and Risk Committee Chair

22 January 2025

Independent Auditor's Report

To the Members of Titon Holdings Plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Titon Holdings plc. For the purposes of the table on pages 47 to 52 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Titon Holdings plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Titon Holdings plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Titon Holdings plc for the year ended 30 September 2024.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Company Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Company Statement of Changes in Equity
- the Consolidated Statement of Cash Flows
- the Company Statement of Cash Flows
- Notes 1 to 28 to the consolidated financial statements, including significant accounting policies
- Notes 1 to 28 to the company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company's financial statements is applicable law and International Financial Reporting Standards and Interpretations (collectively "IFRSs'") as adopted in the United Kingdom ("UK-adopted IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards and Interpretations (collectively "IFRSs'") as adopted in the United Kingdom ("UK-adopted IFRS"); and
- 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 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 ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business model.
- The evaluation of how those risks might impact on the available financial resources.
- Review of the mathematical accuracy of the cashflow forecast model prepared by management and corroboration of key data inputs to supporting documentation for consistency of assumptions used with our knowledge obtained during the audit.
- Liquidity considerations including examination of cash flow projections at Group and Parent Company level.
- The evaluation of the base case scenarios and stress scenarios, in respect of the Group and the Parent Company, and the respective sensitivities and rationale.
- Assessments of the forecasts Group and Parent Company levels, including consideration of reserve levels and future business plans.
- Review of the assets available for security.

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 and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, 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. We undertook full scope audits on the complete financial information of the Parent Company and main trading subsidiary. Specified audit procedures were performed by the component auditors on other entities over specific material balances.		
Materiality	2024	2023	
Group	£176k	£224k	1% (2023: 1%) of Group revenue
Parent Company	£97k	£131k	2% (2023: 2% net assets) of net assets less Group restriction

Key audit matters

Recurring	→ Revenue Recognition → Inventory Valuation

Independent Auditor's Report Continued

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 period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters 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.

Revenue Recognition	
Key audit matter description	The group recognised revenue from continuing operations of £15,476m in the financial year (see note 4). The operating segments for continued operations are split across United Kingdom, North America and Europe. Revenue is primarily generated from the sale of goods and is measured at the fair value of the consideration received. Revenue is one of the most prominent key performance indicators for the business. There is a risk that revenue is not recognised in line with IFRS15 in the appropriate period with regards to the cut-off of transactions around the year-end. Additionally, there is risk over the revenue occurrence and that transactions are not genuine. Therefore, revenue may be overstated.
How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: → we have completed a walkthrough of each of the key revenue streams from start to finish, reviewing the documentation of details of the current internal processes, systems and controls to better understand them; → we have completed controls testing over the revenue controls in place to ensure there are appropriate controls in place over the occurrence of revenue; → we have completed cut-off testing by selecting a sample of sales transactions across the various streams either side of the year end to ensure the revenue has been accounted for in the correct period; → substantive testing has been carried out across the different income streams by picking samples from finance system and tracing to the appropriate supporting documentation; → we have evaluated the Group's revenue recognition in the context of the 5-step approach as set out within IFRS15; → we have directed and assessed the work completed by the component auditors regarding the method of revenue recognition, its compliance with the principles of IFRS15 and consideration of the adequacy of the work performed.
Key observations communicated to the Group's Audit Committee	Nothing has come to our attention, based on the results of the testing performed that indicates that the recognition criteria employed by management is materially inconsistent with the requirements of IFRS15.

Inventory Valuation	
Key audit matter description	At 30 September 2024, the group had total inventories of £3,496m (see note 14). During the year, an additional inventory write down of £1.3m that has been included as an exceptional item. The inventory held by the Group is a key material area to the financial statements and accounts for a large amount of the Group's current assets. Due to the nature of the Group's operations, the inventory balance is inherently linked to both the purchases and the sales cycles. The Group uses a standard costing model to determine the value of inventory. This carries a risk of material misstatement due to the use of key management judgements in respect of overhead and labour recovery rates. We consider inventory to be a key audit matter due to its significant importance to the Group's operations and its linkage to multiple areas of the financial statements.

How the scope of our audit responded to the key audit matter	Our audit work included, but was not restricted to the following: → we have reviewed the inventory listing and stock physically present in the warehouses for any slow-moving or obsolete inventory items which require write down or providing for and then also reviewed and considered the appropriateness of the provision made by management, as well as reperforming the calculations made by management; → we have obtained management's calculations for inventory write downs and completed additional observations and testing to review whether there is a need for additional inventory write down; → we have performed substantive testing for a sample of inventory items held at the year end to the original purchase invoice and also to post year-end sales to ensure inventory is held at the lower of cost and net realisable value in the financial statements; → we have obtained and reviewed management's calculations and key judgements regarding the standard costing model used and assessed the appropriateness of the costs included. We have also tested on a sample basis payroll and overhead costs back to source invoices and documentation to confirm the accuracy of the figures used; we have directed and assessed the work completed by the component auditor to ensure that the work performed on overseas subsidiaries sufficiently addresses the risk at Group level.
Key observations communicated to the Group's Audit Committee	Nothing has come to our attention from the outcome of our procedures which indicates any material issues with the valuation of inventory or the provisions for slow moving, damaged or obsolete goods.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £175,500 (2023: £224,000) which was determined on the basis of 1% (2023: 1%) of the Group's total revenue. Materiality in respect of the Parent Company was set at £97,000 (2023: £131,000), determined on the basis of 2% (2023: 2%) of the Parent Company's net assets less group restriction. For the Parent Company's materiality, a group restriction was then applied using a mathematical distribution method to allocate materiality to components, which resulted in a lower materiality for the Parent Company. Group revenue and net assets were deemed to be the appropriate benchmark for the calculation of materiality as these are key areas of the financial statements and also metrics by which the performance and risk exposure of the Group and Parent Company are principally assessed and with which the users of the financial statements are principally concerned.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £122,500 (2023: £156,800) and at £67,900 (2023: £91,700) for the Parent Company which represents 70% (2023: 70%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £8,750 and £4,850 in respect of the Group and Parent Company respectively to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Independent Auditor's Report Continued

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation/distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 5 reporting components of the group, we identified 2 components in the UK and audited by the Group audit team, being Titon Holdings Plc and Titon Hardware Ltd, a further 2 which are based in South Korea being Titon Korea Co. Ltd and Browntech Sales Co. and the other being Titon Inc. based in the USA.

Full scope audits – Of the 5 components selected, audits of the complete financial information of 2 components were undertaken, these entities were selected based upon their size or risk characteristics.

Specified procedures

	Number of Components	Revenue	Total Assets	Loss before tax
Full scope audit	**2**	**97.8%**	**100%**	**55%**
Specific Procedures	**3**	**2.2%**	**0%**	**45%**
Total	**5**	**100%**	**100%**	**100%**

The Group Engagement Team ('GET') maintained oversight of the Group audit specifically through communication with the component auditors in South Korea. This was achieved through the issuance of detailed Group audit instructions and regular communications in South Korea which allowed for detailed review and discussion of key audit risks and the work performed to address these.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness and placed reliance on certain controls over stock cycle, revenue, purchase, and payroll controls.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We have agreed with managements' assessment that climate-related risks are not material to these financial statements.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors' report

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.

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors

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

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

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Independent Auditor's Report Continued

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

→ We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006 and UK tax legislation.

→ We enquired of the directors and management including the audit committee concerning the Group's and the Parent Company's policies and procedures relating to:

- identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

→ We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates.

Audit response to risks identified

In respect of the above procedures:

→ we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's Board and audit committee meetings.

→ audit procedures performed by the engagement team in connection with the risks identified included:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
- testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
- evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
- enquiry of management around actual and potential litigation and claims.
- challenging the assumptions and judgements made by management in its significant accounting estimates; and
- obtaining confirmations from third parties to confirm existence of a sample of balances.

→ we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Moyser FCA FCCA
(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor
London, United Kingdom

22 January 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated Income Statement
for the year ended 30 September 2024

	Note	2024 £'000	Restated 2023 £'000
Continuing operations			
Revenue	3	**15,476**	19,846
Cost of sales		**(11,143)**	(14,218)
Gross profit		**4,333**	5,628
Distribution costs		**(1,106)**	(1,486)
Administrative expenses		**(3,695)**	(3,842)
Research and development expenses		**(465)**	(467)
Other income		**36**	26
Underlying operating loss		**(897)**	(141)
Finance income	5	**1**	5
Finance expense	5	**(20)**	(19)
Underlying loss before income tax excluding exceptionals	6	**(916)**	(155)
Exceptional items	27	**(1,515)**	(39)
Operating loss before income tax		**(2,431)**	(194)
Income tax credit	7	**473**	25
Loss for the year from continuing operations excluding exceptional items		**(443)**	(130)
Loss for the year from continuing operations including exceptional items		**(1,958)**	(169)
Loss for the year from discontinued operations	26	**(1,813)**	(756)
Loss for the year		**(3,771)**	(925)
Attributable to:			
Equity holders of the parent		**(3,702)**	(686)
Non-controlling interest		**(69)**	(239)
Loss for the year		**(3,771)**	(925)
Loss per share for continuing operations attributed to equity holders of the parent:			
Basic	9	**(17.41p)**	(1.51p)
Diluted	9	**(17.41p)**	(1.51p)
Loss per share attributed to equity holders of the parent:			
Basic	9	**(32.92p)**	(6.12p)
Diluted	9	**(32.92p)**	(6.12p)

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2024

	2024 £'000	2023 £'000
Loss for the year	**(3,771)**	(925)
Other comprehensive income – items which may be reclassified to profit or loss in subsequent periods:		
Exchange difference on retranslation of net assets of overseas operations	**(2)**	(83)
Total comprehensive loss for the year	**(3,773)**	(1,008)
Total comprehensive loss for the year is attributable to:		
Equity holders of the parent	**(3,703)**	(775)
Non-controlling interest	**(70)**	(233)
	(3,773)	(1,008)
Total comprehensive loss for the year attributable to equity holders of the parent arises from:		
Continuing operations	**(1,888)**	
Discontinued operations	**(1,815)**	
	(3,703)	

The notes on pages 60 to 92 form an integral part of these financial statements.

Consolidated Statement of Financial Position

at 30 September 2024

	Note	2024 £'000	2023 £'000
Assets			
Property, plant and equipment	10	**2,765**	3,183
Right-of-use assets	10	**402**	565
Intangible assets	11	**825**	926
Investments in associates	13	**–**	2,295
Deferred tax assets	16	**741**	264
Total non-current assets		**4,733**	7,233
Inventories	14	**3,496**	6,139
Trade and other receivables	15	**2,986**	3,754
Cash and cash equivalents	20	**2,281**	2,238
Total current assets		**8,763**	12,131
Current assets classified as held for sale	26	**788**	–
Total Assets		**14,284**	19,364
Liabilities			
Lease liabilities	18	**329**	426
Total non-current liabilities		**329**	426
Trade and other payables	17	**2,759**	3,968
Lease liabilities	18	**150**	206
Total current liabilities		**2,909**	4,174
Current liabilities directly associated with the assets held for sale	26	**138**	–
Total Liabilities		**3,376**	4,600
Equity			
Share capital	19	**1,125**	1,123
Share premium	19	**1,106**	1,096
Capital redemption reserve		**56**	56
Foreign exchange reserve		**108**	109
Retained earnings		**8,540**	12,320
Total Equity attributable to equity holders of the parent		**10,935**	14,704
Non-controlling Interest		**(27)**	60
Total Equity		**10,908**	14,764
Total Liabilities and Equity		**14,284**	19,364

The notes on pages 60 to 92 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 22 January 2025 and signed on its behalf by:

J Brooke
Chair

Company Statement of Financial Position

at 30 September 2024

	Note	2024 £'000	2023 £'000
Assets			
Property, plant and equipment	10	**1,645**	1,709
Investments in subsidiaries	12	**194**	554
Investments in associates	13	**–**	225
Trade and other receivables	15	**4,962**	4,811
Deferred tax assets	16	**4**	7
Total non-current assets		**6,805**	7,306
Trade and other receivables	15	**6**	4
Cash and cash equivalents	20	**13**	94
Total current assets		**19**	98
Assets classified as held for sale	26	**705**	–
Total Assets		**7,529**	7,404
Trade and other payables	17	**182**	107
Total current liabilities		**182**	107
Total Liabilities		**182**	107
Equity			
Share capital	19	**1,125**	1,123
Share premium account	19	**1,106**	1,096
Capital redemption reserve		**56**	56
Retained earnings		**5,060**	5,022
Total Equity		**7,347**	7,297
Total Liabilities and Equity		**7,529**	7,404

As permitted by section 408(3) of the Companies Act 2006 the Company has elected not to present its own Statement of Profit and Loss for the year. Titon Holdings Plc reported a profit before tax for the financial year ended 30 September 2024 of £116,000 (2023: £281,000). The notes on pages 60 to 92 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 22 January 2025 and signed on its behalf by:

J Brooke
Chair

Consolidated Statement of Changes in Equity

at 30 September 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 30 September 2022	**1,122**	**1,091**	**56**	**198**	**13,179**	**15,646**	**305**	**15,951**
Translation differences on overseas operations	–	–	–	(89)	–	**(89)**	6	**(83)**
Loss for the year	–	–	–	–	(673)	**(673)**	(252)	**(925)**
Total Comprehensive Income for the year	–	–	–	(89)	(673)	**(673)**	(245)	**(1,008)**
Dividends paid	–	–	–	–	(112)	**(112)**	–	**(112)**
Share-based payment expense	–	–	–	–	(72)	**(72)**	–	**(72)**
Exercise of share options	1	5	–	–	–	**6**	–	**6**
Transfer of treasury shares	–	–	–	–	(2)	**(2)**	1	**(1)**
At 30 September 2023	**1,123**	**1,096**	**56**	**109**	**12,320**	**14,704**	**60**	**14,764**
Translation differences on overseas operations	–	–	–	(1)	–	**(1)**	(1)	**(2)**
Loss for the year	–	–	–	–	(3,702)	**(3,702)**	(69)	**(3,771)**
Total Comprehensive Income for the year	–	–	–	–	(3,702)	**(3,703)**	(70)	**(3,773)**
Dividends paid	–	–	–	–	(56)	**(56)**	–	**56**
Share-based payment expense	–	–	–	–	(22)	**(22)**	–	**(22)**
Exercise of share options	2	10	–	–	–	**12**	–	**12**
Other	–	–	–	–	–	**–**	(17)	**(17)**
At 30 September 2024	**1,125**	**1,106**	**56**	**108**	**8,540**	**10,935**	**(27)**	**10,908**

The notes on pages 60 to 92 form an integral part of these financial statements.

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of the issued share capital of the Company
Share premium	Premium on shares issued in excess of nominal value
Capital redemption	Amounts transferred from share capital on redemption of issued shares
Foreign exchange reserve	Cumulative gains/losses arising on retranslating the net assets of overseas operations into Sterling
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere
Non-controlling interest	Interest in subsidiaries not owned by Titon Holdings Plc shareholders

Company Statement of Changes in Equity
at 30 September 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 30 September 2022	**1,122**	**1,091**	**56**	**4,925**	**7,194**
Profit for the year	–	–	–	281	**281**
Total Comprehensive Income for the year	–	–	–	281	**281**
Share-based payment expense	–	–	–	(72)	**(72)**
Dividends paid	–	–	–	(112)	**(112)**
Exercise of Share options	1	5	–	–	**6**
At 30 September 2023	**1,123**	**1,096**	**56**	**5,022**	**7,297**
Profit for the year	–	–	–	116	**116**
Total Comprehensive Income for the year	–	–	–	116	**116**
Share-based payment credit	–	–	–	(22)	**(22)**
Dividends paid	–	–	–	(56)	**(56)**
Exercise of Share options	2	10	–	–	**12**
At 30 September 2024	**1,125**	**1,106**	**56**	**5,060**	**7,347**

The notes on pages 60 to 92 form an integral part of these financial statements.

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of the issued share capital of the Company
Share premium	Premium on shares issued in excess of nominal value
Capital redemption	Amounts transferred from share capital on redemption and cancellation of issued shares
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere

Group and Company Statement of Cash Flows
for the year ended 30 September 2024

		Group		Company	
Cash generated from operating activities	Note	**2024 £'000**	Restated 2023 £'000	**2024 £'000**	2023 £'000
(Loss)/profit before tax from continuing operations		**(2,431)**	(194)	**–**	278
(Loss)/profit before income tax from discontinued operations		**(1,813)**	(645)	**119**	–
Depreciation of property, plant and equipment	10	**531**	533	**64**	64
Depreciation of right-of-use assets	10	**195**	240	**–**	–
Amortisation of intangible assets	11	**240**	195	**–**	–
Profit on sale of plant and equipment		**(12)**	(25)	**–**	(11)
Loss on disposal of investment	26	**1,558**	–	**(119)**	
Share-based payment credit – equity settled	23	**(22)**	(72)	**(22)**	(72)
Dividend received from Associate		**–**	–	**–**	(291)
Finance income	5	**(1)**	(5)	**–**	(1)
Finance costs	5	**20**	27	**–**	–
Share of associate's post-tax loss	26	**114**	241	**–**	–
		(1,621)	295	**42**	(33)
Decrease in inventories		**2,643**	431	**–**	–
Decrease/(increase) in receivables		**698**	1,288	**(150)**	(45)
(Decrease)/increase in payables and other current liabilities		**(1,118)**	(1,082)	**71**	(27)
Cash generated by/(used in) operations		**602**	932	**(37)**	(105)
Income taxes received		**–**	220	**–**	–
Net cash generated by/(used in) operating activities		**602**	1,152	**(37)**	(105)
Cash flows from investing activities					
Purchase of plant and equipment	10	**(92)**	(433)	**–**	–
Purchase of intangible assets	11	**(221)**	(205)	**–**	–
Proceeds from sale of plant and equipment		**34**	58	**–**	11
Finance income	5	**1**	5	**–**	1
Dividends received from associate company		**–**	290	**–**	290
Net cash (used in)/generated by investing activities		**(278)**	(285)	**–**	302
Cash flows from financing activities					
Dividends paid to equity shareholders of the parent	8	**(56)**	(112)	**(56)**	(112)
Payment of lease liability	18	**(177)**	(243)	**–**	–
Finance costs	5	**(20)**	(27)	**–**	–
Exercise of share options	23	**12**	5	**12**	5
Net cash used in financing activities		**(241)**	(377)	**(44)**	(107)
Net increase in cash		**83**	490	**(81)**	90
Effect of exchange rate changes		**(25)**	22	**–**	–
Cash at beginning of the year		**2,238**	1,726	**94**	4
Cash reclassified to assets held for resale		**(15)**	–	**–**	–
Cash and Cash Equivalents at end of the year		**2,281**	2,238	**13**	94

The notes on pages 60 to 92 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements
at 30 September 2024

General information
The consolidated financial statements of the Group for the year ended 30 September 2024 incorporates Titon Holdings Plc ("the Company") and its subsidiaries (together referred to as "the Group").

Titon Holdings Plc is a Company incorporated in England and Wales and domiciled in the United Kingdom. The Company's shares are publicly traded on the AIM market of the London Stock Exchange. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 10 and 11. The consolidated financial statements were authorised for release on 22 January 2025.

1. Material accounting policies

(a) Basis of preparation
Statement of compliance
The Group and Parent Company financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively "IFRSs"') as adopted in the United Kingdom ("UK-adopted IFRS").

The principal material 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.

The consolidated financial statements are presented in GBP, which is the functional currency of the Parent and all values are rounded to the nearest thousand (£000), except as otherwise indicated.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's material accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

There were no new or amended standards that were required to be adopted by the Group in these financial statements. The Group does not expect any standards issued by the IASB, but not yet effective, to have a material impact on the group.

Going concern
The financial statements have been prepared on a going concern basis. In adopting the going concern basis the Directors have considered potential worst-case scenarios that could have a material impact on the business and from its other principal risks set out on pages 26 to 29. Under the worst-case scenario considered, which is severe and considered highly unlikely, the Group remains liquid for a period of more than 12 months from the date of reporting and the Directors therefore believe, at the time of approving the financial statements that the Group is well placed to manage its business risks successfully and remains a going concern. The key facts and assumptions in reaching this determination are detailed on page 34.

Use of judgement and estimates
In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are described under the relevant notes.

New and amended standards adopted by the Group
A number of new standards or amendments to existing standards and interpretations became applicable for the current reporting period:

→ Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

→ Definition of Accounting Estimates – Amendments to IAS 8

→ Deferred Tax relating to Assets and Liabilities arising from a Single Transaction – Amendment to IAS 12

The above standards and amendments did not have a material impact on the Group or Parent Company financial statements.

1. Material accounting policies (continued)

(a) Basis of preparation (continued)

Adopted IFRS not yet applied

At the date of approval of these financial statements the following standards and interpretations have been published, but have not yet been applied by the Group in these financial statements:

The following amendment became effective as at 1 January 2024:

→ Amendments to IAS 1 'Classification of liabilities as current or non-current'

The Directors do not expect that the adoption of the Standard listed above will have a material impact on the consolidated financial statements of the Group in future periods.

IFRS 18 and 19 are applicable for financial years beginning on or after 1 January 2027 and is not yet endorsed for use in the United Kingdom. The Company is considering the impact of IFRS 18 on its future reporting.

(b) Basis of consolidation

Subsidiaries

The Group's consolidated financial statements incorporate the financial statements of the Company (Titon Holdings Plc) and the entities controlled by the Company (its subsidiaries) made up to 30 September 2024. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the financial statements.

Non-controlling interests

A non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. Non-controlling interests at the end of reporting period represent the non-controlling shareholders' portion of the fair values of the identifiable assets and liabilities of the subsidiary at the acquisition date and the non-controlling interests' portion of movements in equity since the date of the combination. Non-controlling interest is presented within equity, separately from the parent's shareholders' equity.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in deficit balance.

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the Consolidated Statement of Financial position at cost.

The Group's share of post-acquisition profits and losses is recognised in the consolidated profit or loss, except that losses in excess of the Group's investment in the associate are not recognised unless there is an obligation to make good those losses. Profits or losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate.

The investors' share in the associate's profits or losses resulting from these transactions is eliminated against the carrying value of the associate. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. The carrying amount of the investment in associates is subject to impairment in the same way as goodwill arising on a business combination (see accounting policy (h)).

Business combinations

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

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

1. Material accounting policies (continued)

(c) Foreign currency
Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the consolidated profit or loss.

On consolidation, the results of overseas operations are translated into Sterling, which is the presentational currency of the Parent and Group, at rates approximating those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in other comprehensive income.

Upon disposal of all overseas operations, exchange differences arising from the translation of the financial statements of foreign operations are recycled and taken to the consolidated profit or loss as part of the profit or loss on disposal. The Company has elected, in accordance with IFRS 1, that in respect of all foreign operations, any differences that have arisen before 1 October 2004 have been set to zero. Any gain or loss on the subsequent disposal of those foreign operations would exclude translation differences that arose before the date of transition to IFRS and include only subsequent translation differences.

More than 94% (2023: 89%) of sales from the Group's UK business are invoiced in Sterling.

(d) Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. All other repairs and maintenance costs are recognised in the income statement as incurred.

Freehold land is not depreciated. Depreciation is provided on all other items of property, plant and equipment to write down the cost to their residual values over the estimated useful lives. It is applied at the following rates:

Freehold buildings	–	2% per annum straight line
Improvements to leasehold property	–	0% to 20% per annum straight line (or the lease term, is shorter)
Plant and equipment	–	10% to 33.3% per annum straight line
Motor vehicles	–	25% per annum straight line

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The carrying values of tangible property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable (see accounting policy (h)).

The Group also recognises right-of-use assets and lease liabilities under IFRS 16 (see note 18), for most leases with the exception of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less. Right-of-use assets, which include Property (factory units and office accommodation), plant and equipment and motor vehicles are initially measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, and are depreciated on a straight-line basis to write off the carrying value of the assets over the contractual term of each lease.

The carrying values of right-of-use assets are reviewed for impairment when events, such as a change in the term of the lease, or in other circumstances indicate the carrying value may not be recoverable (see accounting policy (h)).

1. Material accounting policies (continued)

(e) Intangible assets

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (see accounting policy (h)). Amortisation is charged to Administrative Expenses within the Consolidated Income Statement. The gain or loss arising on the disposal of an intangible asset, other than goodwill, is determined as the difference between the sales proceeds (where appropriate) and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition and subject to annual impairment testing. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill associated with the acquisition of associates is included within the investment in associates.

Goodwill is not subject to amortisation but is tested for impairment annually. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

(ii) Internally generated intangible assets (development costs)

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed.

Expenditure on internally developed products is capitalised if all of the following can be demonstrated:

→ it is technically feasible to complete the intangible asset so that it will be available for use or sale;

→ there is an intention to complete the intangible asset and use or sell it;

→ an ability to use or sell the intangible asset;

→ how the intangible asset will generate probable future economic benefits;

→ the availability of adequate technical, financial and other resources to complete the development; and

→ the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are amortised using the straight-line method over their remaining estimated useful lives from the date that the products are available for sale to customers, which is normally between three and five years. The remaining useful lives of such development assets are assessed by the Directors annually.

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

(iii) Computer software

Costs incurred on the acquisition of computer software are capitalised if they meet the recognition criteria of IAS 38 as described above. Computer software costs recognised as assets are written off over their estimated useful lives, which is normally between three and ten years.

(iv) Other intangible assets

Other intangible assets arising on business combinations, including patents, are recorded at fair value at the date of acquisition. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives, which is normally five years. The remaining useful lives of such assets are assessed by the Directors annually.

(v) Assets under development

Assets under development are not amortised until they are complete and are available for use by the Group.

(vi) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

1. Material accounting policies (continued)

(f) Inventories
Inventories are stated at the lower of cost and net realisable value, using the FIFO method. Cost is calculated as follows:

Raw materials and Bought In finished goods	–	cost of purchase
Work in progress and manufactured finished goods	–	cost of raw materials and labour, together with attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs to completion and disposal. Slow moving and obsolete inventory is written off to profit or loss. The charge is reviewed at each reporting date.

(g) Cash and cash equivalents
Cash and cash equivalents comprise cash balances, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less from inception. The Group has no long-term borrowings and any available cash surpluses are placed on deposit.

(h) Impairment
The carrying amount of the Group's assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment losses are recognised in the income statement.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate, with the individual cash generating units cash flow forecast risks adjusted. The cash generating units are determined as being the individual trading entities.

Reversals of impairment
Other than in respect of goodwill, 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 loss had been recognised.

(i) Employee benefits
Share-based payment transactions
The Company provides share option schemes for Directors and for other members of staff.

In accordance with IFRS 2 – Share-based Payments, the fair value of the employee services received in exchange for the grant of options is recognised as an expense to the income statement over the vesting period of the option and the corresponding credit recognised to the Retained Earnings within equity. The Black-Scholes option pricing model has been used for calculating the fair value of the Group's share options. The Directors believe that this model is the most suitable for calculating the fair value of the equity-based share options.

The fair value of the options is determined excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of option awards that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity. No adjustment is made for failure to achieve market vesting conditions providing all other vesting conditions are met.

Pension costs
The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. Contributions to the pension scheme are charged to the income statement in the year in which they become payable.

Accrued holiday pay
Provision is made at each balance sheet date for holidays accrued but not taken at the salary of the relevant employee at that date.

(j) Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. They are discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Provisions are not disclosed separately but are included in note 17.

1. Material accounting policies (continued)

(k) Revenue

Sales of Products

Revenue is primarily generated from the sale of goods and is measured at the fair value of the consideration received, which represents the transaction price at the date of the sale, net of any trade discounts, settlement discounts, rebates, and value-added tax. The Group has concluded that it acts as the principal in its revenue arrangements, as it has control over the goods before transferring them to the customer.

The Group evaluates whether there are other promises within the contract that constitute separate performance obligations to which a portion of the transaction price should be allocated, such as warranties and volume rebates. In determining the transaction price for the sale of ventilation products, the Group considers the impact of any variable consideration.

Revenue from the sale of goods arises from transactions with both third parties and related parties. It is recognised when control of the goods is transferred to the customer, which typically occurs upon delivery, in accordance with the terms of the trade contract. Prior to entering into a contract, the Group assesses the customer's creditworthiness using a credit reference agency. If sufficient credit cannot be granted, payment is required in advance of delivery. These advance payments are recorded under other creditors and recognised as revenue once the goods have been delivered.

Due to the nature of business practices at its South Korean subsidiary, the Group recognises revenue there over time. This is done in two stages: at the first fix and second fix stages. Invoicing for both stages typically occurs at the first fix stage; however, revenue for the second fix stage is deferred in the financial statements until the second fix products are accepted by the customer.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchases during the period exceeds a threshold as specified in the agreement. The sales rebate is deducted from sales, and any liability at the period end is included in other payables.

Warranty obligations

Some goods sold by the Group include warranties that require the Group to repair or replace defective products during the warranty period if the products fail to meet agreed specifications. In accordance with IFRS 15, these warranties are not treated as separate performance obligations, and no revenue is allocated to them. Instead, a provision is made for the associated costs in accordance with IAS 37 (Provisions, Contingent Liabilities, and Contingent Assets). The warranty provision is included in other payables in note 17 and is calculated as a percentage of applicable sales over a three-year period. The Group does not offer extended warranties to customers.

(l) Finance income

Finance income comprises interest receivable on funds invested.

(m) Corporation and deferred taxes

Tax on the profit or loss for the periods presented comprises current and deferred tax.

Current tax

Current tax is the expected corporation tax payable on the taxable income for the year, using rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided using the balance sheet liability method, using rates and laws enacted or substantively enacted at the balance sheet date, providing for temporary differences between the carrying amounts of assets and liabilities for financial and reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided on goodwill that is not deductible for tax purposes or on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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.

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

1. Material accounting policies (continued)

(n) Leased assets
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 twelve months or less.

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;

→ 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 – see note 18).

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 depreciated on a straight-line basis over the remaining term of the lease or over the remaining estimated useful 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 at the same discount rate that applied on lease commencement. 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. 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.

(o) Dividends
Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

(p) Financial assets
The Group's financial assets include cash and cash equivalents and trade receivables. All financial assets are recognised when the Group becomes party of the contractual provisions if the instrument.

Trade receivables are recognised and carried at amortised cost less expected credit loss. IFRS 9 requires the Group to recognise expected credit losses ('ECL') whereby expected losses as well as incurred losses are provided for. The Group applies the simplified approach, using a provision matrix, when determining ECL provisions for trade receivables. In making the assessment of credit risk and estimating ECL provisions, the Group uses reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed, and if the revised present value of cash flows is not significantly different from the carrying amount, no impairment is recorded.

Cash and cash equivalents comprise cash balances, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less from inception.

1. Material accounting policies (continued)

(q) Financial liabilities

The Group holds only one class of financial liabilities, namely trade payables. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost.

(r) Exceptional items

Material items of income or expense that are deemed exceptional due to their size or incidence, such a restructuring costs, are disclosed separately in the Consolidated Income Statement.

2. Critical accounting estimates and judgements

The Group makes estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The judgements and estimates 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

Valuation of inventory

The Group reviews its inventory on a regular basis and, where appropriate, makes provision for slow moving and obsolete stock based on estimates of future sales activity. The estimate of the future sales activity will be based on both historical experience and expected outcomes based on knowledge of the markets in which the Group operates (see note 14 of the Consolidated Financial Statements). The Group also calculates an amount representing wages and overheads for direct labour and includes an estimate of this amount in the valuation of inventory.

Revenue recognition

The timing of revenue recognition is a significant area of risk to accurate financial reporting and the Group also ensures that accurate estimates of credit note provisions and warranty provisions are made.

Depreciation of property, plant and equipment and right-of-use assets

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in note 1 (d). The selection of these estimated lives requires the exercise of management judgement.

Useful lives of intangible assets

Intangible assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated income statement in specific periods (see notes 1 (e) and 11 of the Consolidated Financial Statements).

Expected credit losses and financial asset impairment

Expected credit losses are assessed under IFRS 9 using reasonable information about past events and current conditions and forecasts of future events. Asset impairment considers the likely returns from financial assets owned by the Group and their recoverability, based on market values and management's judgement of any other relevant factors.

Judgements

Recognition of deferred tax asset

The extent to which deferred taxation assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and taxation loss carry – forward amounts can be utilised. The deferred tax asset of £741,000 (2023: £264,000) has been recognised on the basis that the Group is forecasting sufficient levels of profits in future periods.

Impairment

The Group reviews all other non-financial assets for impairment, which requires management judgements and estimates on the assets' recoverable amounts. These judgements and estimates are reviewed on an annual basis. The Directors conclude that there are no major sources of estimation uncertainty in relation to these assets that have a material adjustment to the carrying values.

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

3. Revenue and segmental information
In identifying its operating segments, management generally follows the Group's reporting lines, which represent the main geographic markets in which the Group operates. The segment reporting below is shown in a manner consistent with the internal reporting provided to the Board, which is the Chief Operating Decision Maker (CODM). These operating segments are monitored, and strategic decisions are made on the basis of segment operating results.

The Group operates in four main business segments which are:

Segment	Activities undertaken include
United Kingdom	Sales of passive and powered ventilation products to housebuilders, electrical contractors and window and door manufacturers. In addition to this, it is a leading supplier of window and door hardware
South Korea	Sales of passive ventilation products to construction companies
North America	Sales of passive ventilation products to window and door manufacturers
All other countries	Sales of passive and powered ventilation products to distributors, window manufacturers and construction companies

Inter-segment revenue is transacted on an arm's length basis and charged at prevailing market prices for a specific product and market or cost plus where no direct comparative market price is available. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Research and development entity-wide financial expenses are allocated to the business activities for which R&D is specifically performed. Administration Expenses are currently allocated to operating segments in the Group's reporting to the CODM and include central and parent company overheads relating to Group management, the finance function and regulatory requirements.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

The Group recognises revenue at a single point in time in its UK and US subsidiary. The nature of business practice at its South Korean subsidiary means that the Group recognises revenue there over time, this being at first fix and second fix stages. As invoicing for both first fix and second fix components usually takes place at the first fix stage, the revenue on the second fix products is deferred in the Financial Statements until the point that those second fix products are accepted by the customer.

Details of the deferred revenue movements during the year is as follows:

	2024 £'000	2023 £'000
Deferred Revenue at beginning of year	**270**	396
Released in the year	**(270)**	(396)
Provided for in the year	**–**	270
Deferred Revenue at end of year	**–**	270

The deferred revenue noted above is the Group's only contract liability and is shown within Other Payables.

The Group has no material contract assets.

The total assets for the segments represent the consolidated total assets attributable to these reporting segments. Parent company results and consolidation adjustments reconciling the segmental results and total assets to the consolidated financial statements, are included within the United Kingdom segment figures stated in the remainder of this note 3.

3. Revenue and segmental information (continued)

Operating segment

For the year ended 30 September 2024	United Kingdom £'000	North America £'000	Europe and all other countries £'000	Consolidated £'000
Segment revenue	12,909	777	2,228	15,914
Inter-segment revenue	(438)	–	–	(438)
Total Revenue from continuing operations	**12,471**	**777**	**2,228**	**15,476**
Segment profit/(loss)	(737)	106	(285)	(916)
Tax credit/(expense)	582	(14)	–	568
Loss for the year from continuing operations	**(155)**	**92**	**(285)**	**(348)**
Depreciation and amortisation	902	–	–	902
Total assets	**14,215**	**164**	**–**	**14,379**
Total assets include:				
Assets held for sale	788	–	–	788
Additions to non-current assets (other than financial instruments and deferred tax assets)	313	–	–	313

The South Korea Segment has been reclassified as discontinued operations.

IFRS 8 requires entity wide disclosures to be made about the regions in which it earns its revenues and holds its non-current assets which are shown below.

For the year ended 30 September 2024	United Kingdom £'000	Europe £'000	USA and Canada £'000	Total £'000
Revenues from continuing operations				
By entities' country of domicile	14,699	–	777	**15,476**
By country from which derived	12,471	2,228	777	**15,476**
Non-current assets				
By entities' country of domicile	4,720	–	13	**4,733**

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

3. Revenue and segmental information (continued)

Operating segment

For the year ended 30 September 2023	United Kingdom £'000	North America £'000	Europe and all other countries £'000	Continuing operations £'000	South Korea £'000	Total £'000
Segment revenue	15,781	842	3,623	20,246	2,488	22,734
Inter-segment revenue	(400)	–	–	(400)	–	(400)
Total Revenue	**15,381**	**842**	**3,623**	**19,846**	**2,488**	**22,334**
Segment profit/(loss)	(247)	164	(111)	(194)	(645)	(839)
Tax credit				25	(111)	(86)
Loss for the year	**–**	**–**	**–**	**(169)**	**(756)**	**(925)**
Depreciation and amortisation		–	–	869	99	968
Total assets	**15,521**	**243**	**–**	**15,764**	**3,599**	**19,363**
Total assets include:						
Investments in associates	2,295	–	–	2,295	–	2,295
Additions to non-current assets (other than financial instruments and deferred tax assets)	701	1	–	702	(30)	672

The South Korea Segment loss includes the Group's share of the losses from Browntech Sales Co. Ltd., (BTS), the Group's associate undertaking in South Korea, of £241,000.

Sales to BTS of £4.038m represented 18% of Group Revenue (2022: £4.71m – 21%). There are no other concentrations of revenue of 10% or more during the year (see note 24 – Related party transactions).

IFRS 8 requires entity wide disclosures to be made about the regions in which it earns its revenues and holds its non-current assets which are shown below.

For the year ended 30 September 2023	United Kingdom £'000	Europe £'000	USA and Canada £'000	South Korea £'000	All other regions £'000	Total £'000
Revenues						
By entities' country of domicile	19,004	–	842	2,488	–	22,334
By country from which derived	15,381	3,623	842	2,488	–	22,334
Non-current assets						
By entities' country of domicile	4,683	–	24	2,526	–	7,233

Information about the Group's products

Within geographical segments the Directors also monitor the revenue performance of the Group within its two identified business streams. The Group's operations are separated between background ventilators and window and door hardware products and mechanical ventilation products. The following table provides an analysis of the Group's external revenue, irrespective of the geographical region of sale.

	2024 £'000	2023 £'000
Background ventilators and window and door hardware products	**8,333**	10,013
Mechanical ventilation products	**7,143**	9,833
Revenue	**15,476**	19,846

4. Directors and employees

Staff costs, including Directors, were as follows:	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Wages and salaries	**5,669**	6,534	**249**	293
Employer's social security costs and similar taxes	**576**	718	**19**	37
Defined contribution pension cost	**530**	512	**4**	2
Share-based payment expense – equity settled	**(22)**	(72)	**(22)**	–
	6,753	7,692	**250**	332

The average monthly number of employees during the year was as follows:	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Manufacturing	**100**	142	**–**	–
Sales, marketing, and administration	**64**	60	**4**	4
	164	202	**4**	4

Details of Directors' emoluments, pension contributions and interests in share options are given in the Directors' Remuneration Report set out on pages 37 to 40. The Directors' remuneration disclosures on those pages are an integral part of these financial statements and have been audited.

5. Finance income and expense

Finance income	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Bank interest receivable on short-term deposits	**1**	5	**–**	1

Finance expense	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Interest expense on lease liabilities	**20**	27	**–**	–

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

6. Loss before tax

	2024 £'000	2023 £'000
This is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	**475**	533
Depreciation of right-of-use assets	**187**	240
Amortisation of intangible assets	**240**	194
Research and development expenditure written off	**465**	467
Short-term rentals – vehicles and plant and equipment	**32**	18
Foreign exchange (gain)/loss	**(23)**	55
Share-based payment credit	**(22)**	(72)
Profit on disposal of property, plant and equipment	**(12)**	(25)
Auditors' remuneration:		
– for the audit of these accounts	**22**	20
– for the audit of the accounts of the Company's subsidiaries	**112**	110
– for the audit of the accounts of the Group's associate	**9**	13
– non-audit services – comprising other assurance services	**1**	1

7. Tax credit

	Note	2024 £'000	2023 £'000
Current income tax:			
Corporation tax credit		**–**	121
Adjustment in respect of prior years		**–**	220
		–	341
Deferred tax:			
Origination and reversal of temporary differences			
Adjustment in respect of prior year	16	**473**	(150)
		–	(277)
Discontinued operation	26	**–**	111
Income tax credit		**473**	25

7. Tax credit (continued)

	2024 £'000	2023 £'000
The charge for the year can be reconciled to the profit per the income statement as follows:		
Loss before income tax from continuing operations	**(2,431)**	(194)
Effect of:		
Expected tax credit based on the standard rate of Corporation tax in the UK of 25% (2023: 22%)	**608**	43
Additional deduction for R&D expenditure	**–**	42
Adjustment in respect of prior years	**–**	(57)
Expenses not deductible for tax purposes	**(7)**	(3)
Unrelieved tax losses	**(128)**	–
Income tax credit	**473**	25

The tax rate in the United Kingdom, being the economic environment in which the Company conducts its business was 19% until 31 March 2023, at which point the rate increased to 25%. A hybrid rate of 22% therefore applies to the year ended 30 September 2023. The rate of 25% applies to the year ended 30 September 2024.

8. Dividends

	2024 £'000	2023 £'000
Final 2023 dividend of 0.50 pence (2022: 0.50 pence) per ordinary share proposed and paid during the year relating to the previous year's results	**56**	56
Interim dividend of 0.50 pence (2023: 1.50 pence) per ordinary share paid during the year	**–**	56
	56	112

The Directors are proposing a final dividend of nil pence (2023: 0.5 pence) per share. This will result in a final dividend totalling £nil (2023: £56,244), subject to approval by the shareholders at the Annual General Meeting. This dividend has not been accrued at the balance sheet date.

Notes to the Consolidated Financial Statements Continued

at 30 September 2024

9. Loss per ordinary share

The calculation of the basic and diluted earnings per share is based on the following data:

	2024 £'000	2023 £'000
Numerator		
Loss for the purposes of basic earnings per share being loss after tax attributable to members of Titon Holdings Plc	**(3,702)**	(686)
Loss for the purposes of basic earnings per share being loss after tax of continuing operations	**(1,958)**	(169)
Loss for the purposes of basic earnings per share being loss after tax of discontinued operations	**(1,813)**	(756)
	Number	Number
Denominator		
Weighted average number of ordinary shares for the purposes of basic loss per share	**11,247,056**	11,205,723
Effect of dilutive potential ordinary shares: share options	**–**	10,829
Weighted average number of ordinary shares for the purposes of diluted loss per share	**11,247,056**	11,216,552
Loss per share (pence) continuing operations		
Basic	**(17.41p)**	(1.51p)
Diluted	**(17.41p)**	(1.51p)
Loss per share (pence) discontinued operations		
Basic	**(16.12p)**	(6.75p)
Diluted	**(16.12p)**	(6.75p)
Total loss per share (pence)		
Basic	**(32.92p)**	(6.12p)
Diluted	**(32.92p)**	(6.12p)

The total number of options in issue is also disclosed in note 23.

10. Property, plant and equipment

Group	Freehold land and buildings £'000	Improvements to leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 October 2022	3,455	191	8,811	269	12,726
Additions	–	–	392	41	433
Disposals	–	–	(23)	(134)	(157)
Foreign exchange revaluation	–	(1)	(22)	–	(23)
At 1 October 2023	3,455	190	9,158	176	12,979
Additions	–	–	92	–	92
Disposals	–	(31)	(684)	(80)	(795)
Foreign exchange revaluation	–	3	59	–	62
At 30 September 2024	**3,455**	**162**	**8,625**	**96**	**12,338**
Depreciation					
At 1 October 2022	1,682	110	7,382	231	9,405
Charge for the year	64	25	428	16	533
Disposals	–	–	(23)	(102)	(125)
Foreign exchange revaluation	–	(1)	(16)	–	(17)
At 1 October 2023	1,746	134	7,771	145	9,796
Charge for the year	64	16	369	26	475
Disposals	–	(29)	(588)	(81)	(698)
At 30 September 2024	**1,810**	**121**	**7,552**	**90**	**9,573**
Net book value					
At 30 September 2024	**1,645**	**41**	**1,073**	**6**	**2,765**
At 30 September 2023	1,709	56	1,387	31	3,183
At 1 October 2022	1,773	81	1,429	38	3,321

The Directors are not aware of any events or changes in circumstances during the year which would have a significant impact on the carrying value of the Group's property, plant and equipment at the balance sheet date.

At 30 September 2024, the Group had entered into contractual commitments for the acquisition of plant and equipment amounting to £4,000 (2023: £53,000).

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

10. Property, plant and equipment (continued)

Group: right-of-use assets	Leasehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 October 2022	550	72	436	1,058
Additions	–	186	69	255
Disposals	–	–	(64)	(64)
Foreign exchange revaluation	(3)		(5)	(8)
At 1 October 2023	547	258	436	1,241
Additions	–	11	63	74
Disposals	(98)	–	(225)	(323)
At 30 September 2024	**449**	**269**	**274**	**992**
Depreciation				
At 1 October 2022	166	19	320	505
Charge for the year	67	35	138	240
Disposals	–	–	(64)	(64)
Foreign exchange revaluation	–	–	(49)	(5)
At 1 October 2023	277	54	345	676
Charge for the year	66	63	58	187
Disposals	(79)	–	(194)	(273)
At 30 September 2024	**264**	**117**	**209**	**590**
Net book value				
At 30 September 2024	**185**	**152**	**65**	**402**
At 30 September 2023	270	204	91	565

At 30 September 2024, the Group had entered into contractual commitments for the acquisition of motor vehicles under finance leases amounting to £nil (2023: £48,000).

10. Property, plant and equipment (continued)

Company

The Company has no right-of-use assets (2023: £nil).

	Freehold land and buildings £'000
Cost	
At 1 October 2022	3,455
At 1 October 2023	3,455
At 30 September 2024	**3,455**
Depreciation	
At 1 October 2022	1,682
Charge for the year	64
At 1 October 2023	1,746
Charge for the year	64
At 30 September 2024	**1,810**
Net book value	
At 30 September 2024	**1,645**
At 30 September 2023	1,709
At 1 October 2022	1,773

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

11. Intangible assets

Group	Computer software £'000	Development costs (internally generated) £'000	Goodwill £'000	Patents £'000	Total £'000
Cost					
At 1 October 2022	1,400	1,364	78	258	3,100
Additions	14	191	–	–	205
At 1 October 2023	1,414	1,555	78	258	3,305
Additions	73	148	–	–	221
Disposals	–	–	(78)	(258)	(336)
At 30 September 2024	**1,487**	**1,703**	**–**	**–**	**3,190**
Amortisation					
At 1 October 2022	846	1,086	–	253	2,185
Charge for the year	45	148	–	1	194
At 1 October 2023	891	1,234	–	254	2,379
Charge for the year	84	156	–	–	240
Disposals	–	–	–	(254)	(254)
At 30 September 2024	**975**	**1,390**	**–**	**–**	**2,365**
Net book value					
At 30 September 2024	**512**	**313**	**–**	**–**	**825**
At 30 September 2023	523	321	78	4	926
At 1 October 2022	554	278	78	5	915

All assets have an average useful life of 3.0 years (2023: 3.1 years).

The Directors are not aware of any events or changes in circumstances during the year which would have a significant impact on the carrying value of the Group's intangible assets at the balance sheet date.

Company
The Company has no intangible assets (2023: £nil).

12. Investments in subsidiaries

Investments comprise direct shareholdings of the ordinary share capital in the following subsidiaries, all of which are included in the Consolidated Financial Statements. A list of the investments in subsidiaries, including the name, country of incorporation and proportion of ownership is as follows:

Name of subsidiary	Principal activity	Country of incorporation	Address	Proportion of voting rights held at 30 September 2023 and 2024
Titon Hardware Ltd	Design, manufacture and marketing of window fittings and ventilators	England	894 The Crescent, Colchester Business Park, Colchester CO4 9YQ	100%
Titon Automation Ltd	Dormant company	England	As above	100%
Titon Components Ltd	Dormant company	England	As above	100%
Titon Developments Ltd	Dormant company	England	As above	100%
Titon Investments Ltd	Dormant company	England	As above	100%
Titon Inc.	Distribution of Group products	USA	PO Box 241, Granger, Indiana 46530	100%
Titon Korea Co. Ltd	Manufacture of window ventilators	Republic of Korea	257-4 Ra-dong, Munwon-gil, Jori-eup, Paju-si, Gyeonggi-do	51%
Titon HK Holdings Ltd	Dormant company	Hong Kong, China	402 Jardine House, 1 Connaught Place Central	100%

For the subsidiaries listed above, the country of operation is the same as the country of incorporation.

The assets and liabilities have been reclassified as held for sale for Titon Korea Co. Ltd in the year to 30 September 2024.

Company Investment	2024 £'000	2023 £'000
At 30 September	**194**	554

13. Investments in associates

The following entity meets the definition of an associate, the Group considers it has power to exercise significant influence, and has been equity accounted in these consolidated financial statements:

Name of associate	Principal activity	Country of incorporation	Address	Proportion of voting rights held at 30 September 2023 and 2024
Browntech Sales Co. Ltd	Sales of window ventilators	Republic of Korea	257-4 Ra-dong, Munwon-gil, Jori-eup, Paju-si, Gyeonggi-do	49%

The remaining 51% shareholding of BTS is held by South Korean investors who, through their voting shares, have operational control of the company.

Company Investment	2024 £'000	2023 £'000
At 30 September	**–**	225

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

13. Investments in associates (continued)
The aggregated amounts relating to BTS are as follows:

As at 30 September 2024	2024 £'000	2023 £'000
Current assets	–	3,404
Non-current assets	–	1,242
Total Assets	–	4,646
Current liabilities	–	222
Non-current liabilities	–	325
Total Liabilities	–	547
Net Assets	–	4,099
Group 49% share of Net Assets	–	2,098
Group investment in Goodwill	–	197
Group share of investment	–	2,295

As at 30 September 2024 the investment was reclassified as held for sale as detailed in note 26.

14. Inventories

Group	2024 £'000	2023 £'000
Raw materials and consumables	**1,914**	3,087
Work in progress	**15**	40
Finished goods and goods for resale	**1,567**	3,012
	3,496	6,139

The carrying value of inventory represents cost less appropriate write down, where the estimated realisable value is less than the carrying value. During the year there was a net debit of £1.35m (2023: net debit of £48,197) to the Consolidated Income Statement in relation to an inventory write down, allowing for slow moving and obsolete stock. £1.3m of that debit has been included in exceptional items, as a one off exceptional write down recognised in the year. The movements in the inventory write-down are included within cost of sales in the Consolidated Income Statement. The amount of inventories recognised as an expense during the year is £11,142,114 (2023: £16,413,000).

Company
The Company had no inventories at 30 September 2024 (2023: £nil).

15. Trade and other receivables

Current

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade receivables	**2,190**	3,247	**1**	1
Less: Impairment Allowance	**(53)**	(174)	**–**	–
Trade receivables – net	**2,137**	3,073	**1**	1
Related parties' receivables	**–**	42	**–**	–
Other receivables	**47**	183	**5**	–
Current tax debtor	**121**	121	**–**	–
Prepayments and accrued income	**681**	335	**–**	3
Total trade and other receivables	**2,986**	3,754	**6**	4

Non-current

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Related parties' receivables	**–**	–	**4,962**	4,811
Less: Impairment allowance	**–**	–	**–**	–
Total trade and other receivables (See note 24)	**–**	–	**4,962**	4,811

Other than the amounts due from related parties there were no significant concentrations of credit risk at either 30 September 2024 or 30 September 2023.

The average credit period taken on sale of goods by the Group's trade debtors is 41 days (2023: 51 days).

Trade receivables included in the Statement of Financial Position are stated net of expected credit loss (ECL) provisions which have been calculated using a provision matrix grouping trade receivables on the basis of their shared credit risk characteristics. An analysis of the provision held against trade debtors is set out below:

	Group		Group	
	2024 £'000 Gross trade and related party receivables	2024 £'000 Impairment Allowance (ECL)	2023 £'000 Gross trade and related party receivables	2023 £'000 Impairment Allowance (ECL)
Current – not overdue	**1,250**	**(3)**	1,978	(24)
Up to 30 days past due	**745**	**(18)**	965	(25)
Up to 60 days past due	**140**	**(4)**	157	(37)
Up to 90 days past due	**55**	**(28)**	146	(88)
Over 90 days past due	**–**	**–**	–	–
	2,190	**(53)**	3,246	(174)

The main factors considered in determining the level of the loss provisions set are external customer credit ratings information, prevailing market and economic conditions and the historic levels of losses experienced by the Group.

There are no indications as at 30 September 2024 that the debtors will not meet their payment obligations in respect of the amount of trade and related party receivables recognised in the balance sheet that are overdue and unprovided. The proportion of trade debtors at 30 September 2024 that are overdue for payment is 43% (2023: 39%).

Notes to the Consolidated Financial Statements Continued

at 30 September 2024

15. Trade and other receivables (continued)

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of a provision account. When a trade receivable is considered uncollectible, based on its age and likely recoverability, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision account are recognised in the income statement.

No expected credit loss provision has been provided for related party receivables at Company level due to the level of materiality of any likely adjustment.

	Group	
Movements on the impairment allowance of trade and related party receivables are as follows:	**2024 £'000**	2023 £'000
At the beginning of the year	**174**	209
Impairment allowance	**52**	102
Receivables written off during the year as uncollectible	**(100)**	(71)
Unused amounts reversed	**(73)**	(66)
At the end of the year	**53**	174

16. Deferred tax

Group

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2023: 25%). The movement on the deferred tax account is as shown below:

	Total deferred tax at 1 October 2023 £'000	Effect of rate change on opening balances £'000	Foreign exchange movement £'000	Credited/ (expensed) to Income Statement £'000	**Total deferred tax at 30 September 2024 £'000**	Asset 2024 UK £'000	Asset 2024 Non-UK £'000
UK accelerated capital allowances	(403)	–	–	56	**(347)**	(347)	–
Non-UK accelerated capital allowances	–	–	–	–	**–**	–	–
UK other temporary and deductible differences	63	–	–	(15)	**48**	48	–
Non-UK other temporary and deductible differences	–	–	3	–	**3**	–	3
UK available losses	580	–		447	**1,027**	1,027	–
Non-UK available losses	24	–	–	(14)	**10**	–	10
Total deferred tax	**264**	**–**	**3**	**474**	**741**	**728**	**13**

The UK deferred tax asset has been recognised to the extent that it is probable there will be future taxable profits to set the asset against. The Group has considered the carrying value of its deferred tax asset at each reporting date and concluded that based on management's long-term plan, which includes tax adjusted projections, sufficient taxable profits will be generated in future years to recover such recognised deferred tax assets. This has given rise to a non-recognised deferred tax asset of £128k (FY23: £nil) on £512k (FY23: £nil) of UK tax losses.

16. Deferred tax (continued)

	Total deferred tax at 1 October 2022 £'000	Effect of rate change on opening balances £'000	Foreign exchange movement £'000	Credited/ (expensed) to Income Statement £'000	**Total deferred tax at 30 September 2023 £'000**	Asset 2023 UK £'000	Asset 2023 Non-UK £'000
UK accelerated capital allowances	–	–	–	(403)	**(403)**	(403)	–
Non-UK accelerated capital allowances	2	–	–	(2)	**–**	–	–
UK other temporary and deductible differences	(14)	–	–	77	**63**	63	–
Non-UK other temporary and deductible differences	27	–	–	(27)	**–**	–	–
UK available losses	553	–	–	27	**580**	580	–
Non-UK available losses	129	(4)	(1)	(100)	**24**	–	24
Total deferred tax	**697**	**(4)**	**(1)**	**(428)**	**264**	**240**	**24**

Company

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2023: 25%). The movement on the deferred tax account is as shown below:

	Total deferred tax at 1 October 2023 £'000	Effect of rate change on opening balances £'000	Credited/ (expensed) to Income Statement £'000	**Total deferred tax at 30 September 2024 £'000**
UK Accelerated capital allowances	–	–	–	**–**
UK other temporary and deductible differences	4	–	–	**4**
UK available losses	3	–	(3)	**–**
Total deferred tax	7	–	(3)	**4**

	Total deferred tax at 1 October 2022 £'000	Effect of rate change on opening balances £'000	Credited to Income Statement £'000	**Total deferred tax at 30 September 2023 £'000**
UK Accelerated capital allowances	–	–	–	–
UK other temporary and deductible differences	4	–	–	4
UK available losses	–	–	3	3
Total deferred tax	4	–	3	7

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

17. Trade and other payables – current

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Trade payables	**1,446**	2,045	**66**	29
Other payables	**218**	803	**–**	–
Other tax and social security taxes	**450**	378	**–**	–
Accruals and deferred income	**645**	742	**116**	78
	2,759	3,968	**182**	107

Group trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Year-end Group trade creditors represent 55 days (2023: 46 days) average purchases. The contractual maturities of these liabilities are from 30 days up to approximately 60 days.

The Directors consider that the carrying amount of trade payables is approximate to their fair value.

18. Leases

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions the periodic rent for property leases is fixed over the lease term.

The Group also leases certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the group will consider whether the absence of a break clause would expose the group to excessive risk. Typically factors considered in deciding to negotiate a break clause include:

→ the length of the lease term;

→ the economic stability of the environment in which the property is located; and

→ whether the location represents a new area of operations for the Group

At 30 September 2024 the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses as there are no break clauses available. Lease liabilities are initially measured at the present value of future lease payments, discounted using the Group's incremental borrowing rate.

Right-of-Use Assets	Freehold land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
At 1 October 2023	270	204	91	565
Additions/Disposals	(98)	11	(162)	(249)
Depreciation	13	(63)	136	86
At 30 September 2024	**185**	**152**	**65**	**402**

Lease Liabilities	£'000
At 1 October 2023	632
Additions	71
Disposals	(46)
Interest expense	20
Lease payments	(198)
At 30 September 2024	**479**

18. Leases (continued)

Lease liabilities	Up to 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
At 30 September 2023	206	175	196	55	632
At 30 September 2024	**150**	**144**	**139**	**46**	**479**

Lease expense	2024 £'000
Short-term lease expense	**32**
Low value lease expense	**–**
Aggregate undiscounted commitments for short-term leases	**–**
	32

19. Share capital

Authorised	2024 £'000	2023 £'000
13,600,000 ordinary shares of 10p each	**1,360**	1,360

Each share has equal voting and dividend rights.

The Company's issued and fully paid ordinary shares of 10p during the year is:

	2024 Number	2024 £'000	2023 Number	2023 £'000
At the beginning of the year	**11,228,750**	**1,123**	11,218,750	1,122
Share options exercised during the year	**20,000**	**2**	10,000	1
At the end of the year	**11,248,750**	**1,125**	11,228,750	1,123

Share premium

	2024 £'000	2023 £'000
At the beginning of the year	**1,096**	1,091
Share options exercised during the year	**10**	5
At the end of the year	**1,106**	1,096

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

19. Share capital (continued)
Share options
Options have been granted over the following number of ordinary shares which were outstanding:

Date granted	Exercise price	Number of shares	Exercisable between
30.01.18	156.5p	65,000	30.01.21 and 30.01.28
15.07.21	138.5p	70,000	15.07.24 and 15.07.31
16.07.24	70.0p	150,000	16.07.27 and 16.07.34
At 30 September 2024	**285,000**		
At 30 September 2023	207,000		

No share options were exercised between 30 September 2024 and 22 January 2025.

20. Cash and cash equivalents
Financial assets
The Group has floating rate financial assets which comprise treasury deposits, cash to finance its operations together with the retained profits generated by operating companies (refer to the 'Financial Assets' note 1(p) on page 66 for further details).

The Group has no long-term borrowings and any available cash surpluses are placed on deposit. The Group uses cash on deposit to manage short-term liquidity risks which may arise.

The Group's floating rate financial assets (see below) at 30 September were:

	Group		Company	
Currency	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Sterling	**2,170**	1,905	**13**	94
US Dollar	**89**	223	**–**	–
Euro	**22**	78	**–**	–
South Korean Won	**–**	32	**–**	–
	2,281	2,238	**13**	94

The Sterling financial assets comprises cash held on current account with banks.

The Group's cash and floating rate financial assets at 30 September comprise:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Bank current accounts	**2,281**	2,238	**13**	94

The Group had no floating term deposits at 30 September 2024 (2023: nil).

Financial liabilities
The Group had no floating rate financial liabilities at 30 September 2024 (2021: £nil). Any liability is offset against bank deposits for the purposes of interest payment calculation. The Board considers the fair value of the Group's financial assets and liabilities to be the same as their book value.

21. Financial instruments – risk management

The Group is exposed through its operations to credit risk, foreign exchange risk and liquidity risk.

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note, read in conjunction with the 'Capital Management' section of the Directors' Report on page 33, and the Report on Risk Management on pages 26 to 29 describe the Group's objectives, policies and processes for managing those risks. 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, its objectives, policies and processes for managing those risks from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Audit Committee reviews and reports to the Board on the effectiveness of policies and processes put in place.

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 on pages 42 and 43.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risks arise are trade receivables, cash at bank, bank overdrafts, trade and other payables and loans to related parties (see notes 15, 17 and 20).

Credit risk

Credit risk is the risk of financial loss to the Group if a customer, associate company or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts along with local business practices. The Group is not reliant on any key customers.

The Group's finance function has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and trade references. Purchase limits are established for each customer, which represents the maximum open amount without requiring senior management's approval. These limits are reviewed on an on-going basis. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Credit risk also arises from cash and cash equivalents and deposits with banks. The Group has cash and cash equivalents with banks with a minimum long-term "A" rating.

Quantitative disclosures of the credit risk exposure in relation to trade and other receivables are provided in note 15.

Liquidity risk

Liquidity risk arises from the Group's management of working capital in that the Group may encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due (see note 17). To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of 90 days or longer. The Board receives cash flow projections as well as information regarding cash balances. At the reporting date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The liquidity risk of each Group entity is managed locally. Each operation has a facility with the Group, the amount of the facility being based on budgets. The budgets are set locally and agreed by the Board in advance, enabling the Group's cash requirements to be anticipated. Where facilities of Group entities need to be increased, approval must be sought from the Board.

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

21. Financial instruments – risk management (continued)

Foreign exchange risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group companies are operating. Although its global market penetration reduces the Group's operational risk in that it has diversified into several markets, the Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into Sterling. Only in exceptional circumstances would the Group consider hedging its net investments in overseas operations as generally it does not consider that the reduction in foreign currency exposure warrants the cash flow risk created from such hedging techniques.

Foreign exchange risk also arises when individual Group entities enter into transactions denominated in a currency other than their functional currency.

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency (primarily Sterling, US Dollar or South Korean Won) with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The Group has two overseas subsidiaries in the USA and South Korea. Their revenues and expenses, other than those incurred with the UK business, are primarily denominated in their functional currency. The Board does not believe that there are any significant risks arising from the movements in exchange rates with these companies due to the insignificance to the Group of Titon Inc.'s net assets and the long-term nature of the Group's investment in Titon Korea.

The UK businesses make purchases from approximately twenty overseas suppliers who invoice in the local currency of that supplier. This, in addition to the Euro and US Dollar cash balances held in the UK and the 5% (2023: 10%) of sales from the UK businesses not invoiced in Sterling, gives rise to foreign currency exposure which is detailed in the table below.

As of 30 September the Group's UK net exposure to foreign exchange risk was as follows:

Net foreign currency financial assets/(liabilities)	2024 £'000	2023 £'000
Euro	**132**	(176)
US Dollar	**316**	469
Total net exposure	**448**	293

The effect of a 10% weakening of the Euro and the US Dollar against Sterling at the reporting date of 30 September 2024 on these denominated trade and other receivables, trade and other payables and cash balances carried at that date would, had all other variables held constant, have resulted in a decrease in pre-tax profit for the year and decrease of net assets of £41,000 (2023: £27,000). A 10% strengthening in the exchange rate would, on the same basis, have increased pre-tax profit and increased net assets by £45,000 (2023: increase of £29,000).

22. Pension

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to these funds during the year (see note 4). The unpaid contributions outstanding at the year end, included in accruals (note 17) are £52,000 (2023: £37,000).

23. Share-based payments

Equity settled share option schemes

The Group provides share option schemes for Directors and for other members of staff.

There are presently three equity settled share option schemes; one HMRC approved and one unapproved in which employees may be invited to participate, which were both introduced in March 2010. The third scheme was introduced in July 2021 and an additional tranche was introduced in July 2024 and is HMRC registered. The exercise of options granted under these schemes is dependent upon the growth in the earnings per share of the Group, over any three consecutive financial years following the date of grant, exceeding the growth in the retail price index over the same period by at least 9%.

The vesting period of all share option schemes is three years. If the options remain unexercised after a period of ten years from the date of grant, or on an employee leaving the Group, the options expire.

In the year to 30 September 2024 there were 150,000 share options granted (2023: nil).

Details of the share options granted and exercised during the year and the assumptions used in the Black-Scholes model for each share-based payment are as follows:

Date of share option grant	15/01/14	30/01/18	15/07/21	01/07/22	22/07/24	Number of share options
Exercise price (pence)	58.0	156.5	138.5	95.0	70.0	
Number of share options granted initially	320,000	205,000	260,000	150,000	150,000	
Number of share options outstanding at 01/10/22	**65,000**	**132,000**	**90,000**	**150,000**	**–**	**437,000**
Share options lapsed	(10,000)	(60,000)	–	(150,000)	–	(220,000)
Share options exercised	(10,000)	–	–	–	–	(10,000)
Number of share options outstanding at 30/09/23	**45,000**	**72,000**	**90,000**	**–**	**–**	**207,000**
Share options (lapsed)/granted	(25,000)	(7,000)	(20,000)	–	150,000	98,000
Share options exercised	(20,000)	–	–	–	–	(20,000)
Number of share options outstanding at 30/09/24	**–**	**65,000**	**70,000**	**–**	**150,000**	**285,000**
The inputs to the Black-Scholes pricing model are:						
Expected volatility %	116	88	97	97	97	
Expected option life (years)	6	6	6	6	6	
Risk free rate %	2.18	1.13	0.46	0.46	0.46	
Expected dividend yield %	5	3	3	3	3	

During the year no additional share options, included in the table above, met the conditions of exercise (2023: nil).

At the end of the financial year 135,000 share options met the conditions of exercise and have a weighted average exercise price of 147 pence (2023: 45,000 at 58 pence). The 285,000 share options outstanding at 30 September 2024 had a weighted average exercise price of £1.07 (2023: 207,000 at £1.273) and a weighted average remaining contractual life of 7.93 years (2023: 5.46 years).

The share price at 30 September 2024 was 65.0 pence (2023: 80.0 pence). The average market price during the year was 75.8 pence (2023: 76.4 pence).

The Group uses a Black-Scholes pricing model to determine the annual fair value charge for its share-based payments. Expected volatility is based on historical volatility over the last six years' data of the Company. The calculated fair values of the share option awards are adjusted to reflect actual and expected vesting levels.

In accordance with IFRS 2, the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period on the Group's estimate of shares that will eventually vest. A credit of £22,000 was recognised in respect of share options in the year (2023: credit £72,000) of which £9,000 (2023: £11,000) was the charge made in respect of key management personnel.

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

24. Related party transactions
Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Related party transactions are made on terms equivalent to those that prevail in arm's length transactions only where such terms can be substantiated.

During the year the Company recharged management service fees and rent to other wholly owned Group members totalling £640,000 (2023: £590,000). See note 15 for the related party balances at 30 September 2024.

Transactions for the year between the Group companies and the associate company, which is a related party, were as follows:

	Sales of goods		Amount owed /by related party	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Browntech Sales Co. Ltd	**2,492**	2,488	**47**	42

Trading debts between subsidiaries and BTS are created only when the ultimate customer has accepted the successful inclusion of our products into buildings.

Key management who hold the authority and responsibility for planning, directing and controlling activities of the Group are comprised solely of the Directors. Aside from compensation arrangements including share options, there were no transactions, agreements or other arrangements, direct or indirect, during the year in which the Directors had any interest, The Directors' remuneration is disclosed in the Remuneration Report on page 38 of this document.

Remuneration paid to key management personnel during the year was as follows:

	2024 £'000	2023 £'000
Short-term benefits	**624**	604
Post-employment benefits	**59**	34
Share-based payments	**9**	11
	692	649

The Non-executive Directors received fees for their services to the Titon Holdings Plc Board as disclosed in the Directors' Remuneration Report.

J N Anderson, a substantial shareholder and founder of the Group, received £3,791 during the year for advisory services (2023: £5,000). The agreement for these services was terminated 2 July 2024.

25. Contingent liability
A composite company unlimited guarantee has been given by Titon Hardware Limited, to its bankers to secure all the liabilities of Titon Holdings Plc.

26. Discontinued operations

a) Description

On 24 October 2024 the Group announced its intention to exit from Korea and had agreed a conditional sale for both the subsidiary Titon Korea and the associate Browntech Sales Co. Ltd. The associated assets and liabilities were consequently presented as held for sale in these financial statements.

The process was completed 13 December 2024 where all the conditions of the agreement were met by both parties and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation is detailed below.

b) Financial Performance and cash flow information

The financial performance and cash flow information presented are for the 12 months ended 30 September 2024 and 30 September 2023.

	Note	2024 £'000	2023 £'000
Revenue	3	**2,492**	2,488
Cost of sales		**(2,298)**	(2,196)
Gross profit		**194**	292
Distribution costs		**(44)**	(60)
Administrative expenses		**(291)**	(636)
Income tax		**–**	(111)
Goodwill write off		**(78)**	–
Loss after income tax from discontinued operations		**(219)**	(515)
Share of post-tax loss from associate		**(114)**	(241)
Write-down to adjust the carrying value of assets held for sale in associate to fair value less costs to sell	26(c)	**(1,480)**	–
Loss from discontinued operations		**(1,813)**	(756)
Net cash outflow from operating activities		**(43)**	29
Net cash inflow from investing activities		**24**	(14)
Net cash outflow from financing activities		**–**	(65)
Exchange movement		**2**	8
Net decrease in cash generated by subsidiary		**(17)**	(42)

c) Details of the write-down to adjust the carrying value of assets held for sale for the associate to fair value less costs to sell

	2024 £'000
Consideration agreed net of taxes and legal fees	**704**
Carrying amount of investment	**(2,184)**
Write-down to adjust the carrying value of assets held for sale to fair value less costs to sell	**(1,480)**

Notes to the Consolidated Financial Statements Continued
at 30 September 2024

26. Discontinued operations (continued)

c) Details of the write-down to adjust the carrying value of assets held for sale for the associate to fair value less costs to sell (continued)

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 September 2024, in relation to the subsidiary Titon Korea Ltd and associate Browntech Sales Co. Ltd:

	2024 £'000
Other receivables	21
Amounts owed from related parties	47
Cash	15
Total assets of subsidiary	**83**
Investment in associate	**705**
Total assets held for sale	**788**
Trade payables	(76)
Other payables	(62)
Total liabilities	**(138)**
Net liabilities of subsidiary	**(54)**

The only asset held for sale relating to the Company's financial position is the investment in associate of £705k shown above.

27. Exceptional items

	2024 £'000	2023 £'000
Restructuring costs	**216**	39
Allowance for slow moving inventories	**1,299**	–
Exceptionals total	**1,515**	39

28. Events after the reporting date

Since the year end, the sale of Titon Korea and Browntech Sales Co. Ltd was completed. £710,178 was received 13 December 2024.

There have been no other events after the reporting date that materially affect the position of the Group.

Five Year Summary

Summarised consolidated results

Continuing operations	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Revenue	**15,476**	19,846	19,050	19,835	15,733
Gross profit	**4,333**	5,921	5,817	7,350	5,654
Exceptional items	**(1,515)**	(39)	(349)	–	–
Operating (loss)/profit	**(2,431)**	(194)	(916)	1,117	(239)
Income tax credit/(expense)	**473**	25	419	(35)	146
(Loss)/profit after tax	**(1,958)**	(169)	(497)	1,082	(93)
Discontinued operations	**(1,813)**	(756)	(46)	(79)	215
Total (loss)/profit after tax	**(3,771)**	(925)	(543)	1,003	122
Dividends	**56**	112	502	390	332
Basic (loss)/earnings per share	**(32.92p)**	(6.12p)	(3.89p)	9.24p	0.52p
Assets Employed					
Property, plant and equipment	**2,765**	3,183	3,321	3,476	3,469
Net cash and cash equivalents	**2,281**	2,238	1,726	4,794	5,572
Net current assets	**6,504**	7,957	7,934	9,313	9,138
Financed by					
Shareholders' funds: all equity	**10,935**	14,704	15,707	16,414	15,943

The five-year summary does not form part of the audited financial statements and is not an IFRS statement.

Notice of 2025 Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial adviser. If you have recently sold or otherwise transferred all of your shares in Titon Holdings Plc, please forward this document and the accompanying documents as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee who now holds the shares.

Notice is hereby given that the Annual General Meeting of Titon Holdings Plc ("**Company**") will be held at the Company's premises at Falconer Road, Haverhill, CB9 7XU on 25 March 2025 at 10.00 a.m. for the following purposes:

→ To consider and, if thought fit, to pass the resolutions set out in this notice (the "**Resolutions**"), of which Resolutions 1 to 12 will be proposed as Ordinary Resolutions and Resolutions 13 to 14 will be proposed as Special Resolutions.

Explanatory notes in respect of the Resolutions are set out on pages 35 and 36 of the Directors' Report which accompanies this Notice.

Please note you will not receive a form of proxy for the 2025 Annual General Meeting in the post. Instead, you can vote online at www.signalshares.com. To register you will need your Investor Code, which can be found on your share certificate. You may also request a hard copy proxy form directly from the Company's Registrars, MUFG Corporate Markets, via email at shareholderenquiries@cm.mpms.mufg.com or on 0371 664 0300. Alternatively, you can vote via CREST or Proxymity. For full details on proxy voting please see the explanatory notes below, which accompany this Notice of Annual General Meeting.

Resolutions:

1. To receive and adopt the reports of the Directors and the Auditors and the audited accounts of the Company for the financial year ended 30 September 2024.
2. To declare no final dividend for the financial year ended 30 September 2024.
3. To re-elect Mr James Brooke who retires from the Board by rotation in accordance with the Company's articles of association, as a Director of the Company.
4. To re-elect Mr Thomas Carpenter, who retires from the Board by rotation in accordance with the Company's articles of association, as a Director of the Company.
5. To re-elect Ms Carolyn Isom, who retires from the Board by rotation in accordance with the Company's articles of association, as a Director of the Company.
6. To re-elect Mr Paul Hooper, who retires from the Board by rotation in accordance with the Company's articles of association, as a Director of the Company.
7. To re-elect Mr Jeff Ward, who retires from the Board by rotation in accordance with the Company's articles of association, as a Director of the Company.
8. To re-appoint MHA as Auditors of the Company to hold office form the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
9. That the Directors' Remuneration Report, which includes the Directors' Remuneration Policy set out on pages 37 to 40 of the Annual Report and Financial Statements for the financial year ended 30 September 2024 be approved.
10. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("**Relevant Securities**") and to grant rights to subscribe for, or to convert any security into, shares in the Company ("**Rights**"), up to a maximum aggregate nominal amount of £270,000 (representing approximately 24% of the aggregate nominal value of the ordinary shares in issue in the capital of the Company on 22 January 2025) provided that this authority shall expire (unless previously revoked, varied or renewed by the Company) on 24 June 2026 or, if sooner, at the end of the 2026 Annual General Meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted and/or Rights to be granted after this authority expires and the Directors may allot Relevant Securities and/or grant Rights in pursuance of such offer or agreement as if this authority had not expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of Relevant Securities and/or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

11. That the Titon EMI Share Option Plan 2021 be replaced with the Titon EMI Share Option Plan 2025 (the principal terms of which are summarised in the Appendix below and the Rules of which are produced in draft form to this meeting and, for the purposes of identification, initialled by the Chair) which shall be and it is hereby adopted and the Rules be and are hereby approved in such draft form, subject to such amendments thereto approved by, or by a committee of, the Directors as are necessary to carry the same into effect and/or are necessary or desirable to obtain HMRC or other regulatory approval thereto and the Directors be authorised to do all acts and things which they may consider necessary or expedient for implementing and giving effect to the said plan.

    That, going forward, any Options subject to the Rules of the Titon EMI Share Option Plan 2025 shall be granted with an exercise price being equal to the Company's volume weighted average share price in Bloomberg for the preceding 6 month period ending on the date immediately before an option is granted, being the valuation methodology approved by HMRC by way of letter dated 10 December 2024 and subsequent email dated 7 January 2025.

    To incentivise non-employees of the Company, the standalone non-tax advantaged option agreement (the principal terms of which largely replicate the Titon EMI Share Option Plan 2025) which is produced in draft form to this meeting, and for the purposes of identification, initialled by the Chair) be and are hereby adopted and approved in such draft form, subject to such amendments thereto approved by, or by a committee of, the Directors as are necessary to carry the same into effect and/or are necessary or desirable to obtain HMRC or other regulatory approval thereto and the Directors be authorised to do all acts and things which they may consider necessary or expedient for implementing and giving effect to the standalone non-tax advantaged option agreement.

12. Resolution 12 in the Notice of Annual General Meeting will give the Directors power to vote and be counted in a quorum at any meeting of the Directors at which any matter connected with the EMI Share Option Plan 2025 or the Standalone Non-Tax Advantaged Option Agreement is considered, regardless of any interest they may have in the plan or any non-tax advantaged options under consideration. This is subject to the provision that no Director may vote when the Directors are considering his own individual rights of participation in the proposed share plan or non-tax advantaged option agreement.

13. That subject to the passing of Resolution 10 above, the Directors be generally empowered pursuant to section 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred by Resolution 10 as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that this power shall expire on 24 June 2026 or, if sooner, the end of the 2026 Annual General Meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired. This power shall be limited to the allotment of equity securities:

    13.1 in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

    13.2 otherwise than pursuant to paragraph 13.1 up to an aggregate nominal amount of £160,000 (representing approximately 14.2% of the nominal value of the ordinary shares in issue on 22 January 2025);

    This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in the first paragraph of this resolution the words "pursuant to the authority conferred by Resolution 10" were omitted.

Notice of 2025 Annual General Meeting Continued

14. That the Company be generally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares of 10 pence each on such terms and in such manner as the Directors shall determine, provided that:

    14.1 the maximum number of ordinary shares hereby authorised to be purchased is 1,124,875 ordinary shares of 10 pence each in the capital of the Company (representing approximately 10% of the issued ordinary share capital of the Company on 22 January 2025);

    14.2 the maximum price (excluding expenses) which may be paid for each ordinary share shall be the higher of (i) an amount equal to 5% above the average of the middle market quotations for an ordinary share in the Company (as derived from the AIM Appendix to the Stock Exchange Daily Official List) for the five business days immediately before the day on which the purchase is made (in each case exclusive of expenses); and (ii) an amount equal to the higher of the price of the last independent trade and the current independent bid on the trading venue where the purchase is carried out (exclusive of expenses);

    14.3 the minimum price (excluding expenses) which may be paid for each ordinary share shall be 10 pence; and

    14.4 this authority (unless previously revoked, varied or renewed) shall expire on 24 June 2026 or, if sooner, the end of the 2026 Annual General Meeting of the Company provided that the Company may, before such expiry, make a contract to purchase its own ordinary shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own ordinary shares in pursuance of such contract as if the authority hereby conferred had not expired.

By order of the Board

C V Isom
Secretary
22 January 2025

Registered Office:
894 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Explanatory Notes:

Rights to appoint a proxy

1. Shareholders can vote online by logging on to www.signalshares.com and following the instructions given. Alternatively shareholders can request a hard copy proxy form by contacting the Company's Registrars, MUFG Corporate Markets, via email at shareholderenquiries@cm.mpms.mufg.com or on 0371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. MUFG Corporate Markets are open between 09:00 a.m – 5:30 p.m, Monday to Friday excluding public holidays in England and Wales) and returning it to the address shown on the form. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.
2. Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.

Procedure for appointing a proxy

3. To be valid, the proxy instruction must be received by one of the below methods no later than 10.00 a.m. on Friday 21 March 2025. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority:
   - → via www.signalshares.com by logging in and selecting the 'Proxy Voting' link. If you have not previously registered, you will first be asked to register as a new user, for which you will require your investor code (which can be found on your share certificate and dividend confirmation), family name and postcode (if resident in the UK);
   - → if your shares are held electronically via CREST, the proxy appointment may be lodged using the CREST Proxy Voting Service in accordance with notes 6 and 7 below;
   - → if you are an institutional investor, you may also be able to appoint a proxy electronically via the Proxymity platform in accordance with note 10; and
   - → in hard copy form (if requested from MUFG Corporate Markets) by post, by courier or by hand to the Company's registrars, MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL;
   - → unless otherwise indicated on the Form of Proxy, CREST voting, Proxymity or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion withhold from voting.

Nominated persons

4. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
5. The statement of the rights of members in relation to the appointment of proxies in notes 1, 2 and 3 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

CREST and Proxymity

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, MUFG Corporate Markets (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Notice of 2025 Annual General Meeting Continued

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Ltd does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
10. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.00 a.m. on 21 March 2025 in order to be considered valid or, if the Annual General Meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Entitlement to Attend

11. Entitlement to attend and vote at the Annual General Meeting (and the number of votes which may be cast at the meeting), will be determined by reference to the Company's register of members at close of business on 21 March 2025, or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (ignoring for these purposes non-working days). In each case, changes to the register after such time will be disregarded.

Corporate representatives

12. Any corporation which is a member can appoint one or more corporate representatives, who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Total voting rights

13. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 22 January 2025, which is the latest practicable date before the publication of this document, is 11,248,750. On a vote by show of hands, every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote, every member who is present in person or by proxy has one vote for every ordinary share of which they are the holder.

Publication on website

14. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website
15. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found on the website at www.titon.com/uk/investors/.
16. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Documents available for inspection

17. Copies of the service contract of each Executive Director and the letter of appointment of each Non-executive Director will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturdays and public holidays) and at Falconer Road, Haverhill, CB9 7XU, for at least 15 minutes prior to and during the Annual General Meeting.

Communications

18. Members who have general enquiries about the Annual General Meeting should use the following means of communication. No other means of communication will be accepted. You may:

    → email at shareholderenquiries@cm.mpms.mufg.com;

    → call the shareholders' helpline on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 a.m and 5:30 p.m, Monday to Friday excluding public holidays in England and Wales; or

    → write to MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

    You may not use any electronic address provided in this Notice of Annual General Meeting for communicating with the Company for any purposes other than those expressly stated.

Appendix

A. The Titon EMI Share Option Plan 2025 (the "Plan")

The principal features of the Plan are:

1. Eligibility

Only those Directors or employees of the Company and its subsidiaries (the "Group") who devote substantially all their working time to the business of any company in the Group, a minimum of 25 hours per week working time to the Company, and who do not hold more than 30% of the ordinary share capital of the company will be eligible for options under EMI status. Employees and Directors that are to be issued more options than are able to be issued under EMI status, may participate in the Plan but these options will not qualify for EMI status.

Participants in the Plan will be selected at the discretion of the Remuneration Committee ("the Committee").

It is important that options are not granted to non-employees under the Plan in order for the Plan to fall within certain employee share scheme exemptions to requirements under the Companies Act 2006.

2. Exercise Price

The exercise price for an option will be determined by the Committee but may not be less than the nominal value of any ordinary share (if the option is an option to subscribe for Ordinary Shares) in case of newly issued shares, nor be less than the Company's volume weighted average closing price of an ordinary share for the six months preceding the date immediately before an option is granted as published on Bloomberg's AIM stock listing for one Ordinary share.

3. Grant of Options

Options granted under the Plan will be subject to an objective performance condition imposed by the Committee so that they may not be exercised unless the conditions have been satisfied. The performance conditions to be imposed will require that for each third of options issued to vest, after the third, fourth and fifth anniversaries of the option have passed, the Total Share Value of £1.20, £1.50 and £1.60 respectively must be achieved. The Total Share Value shall be calculated as the volume weighted average share price over a 30-day period published on Bloomberg's AIM stock listing for one Ordinary share plus any dividend per share paid since the date an option is granted.

4. Exercise of Options

Options may normally only be exercised by an option holder who is still an employee or director of a company in the Group after the third, fourth and fifth anniversaries of their date of grant, for each respective third, and before the tenth anniversary of their date of grant.

If an option holder ceases employment or to hold office for reason other than 'cause', their vested options may be exercised until the expiry of 90 days from cessation. Their options will then lapse.

If an option holder dies, his/her options that have vested may be exercised within twelve months of their death by their legal personal representatives. Their options will then lapse.

Options will also be exercisable during limited periods if the Company is taken over, wound up or if there is a scheme of reconstruction.

Options may not be exercised in any event more than ten years after the date of grant and will lapse if any performance condition attached to them has not been achieved by the tenth anniversary of the date of grant.

Options may be exercised in whole or in part.

5. Limitations on the Grant of EMI Options

Individual limit

An option may only be granted to an individual, under EMI status, if the aggregate market value at the date of grant of the Ordinary Shares to be subject to the option and the market value on the date of grant of all Ordinary Shares comprised in subsisting options granted to them under the Plan and any company share option scheme would not exceed £250,000.

Overall limit

At any time, the total market value (at the relevant dates of grant) of the Ordinary Shares that can be acquired on the exercise of all EMI options over the shares must not exceed £3m.

B. Other Features of the Plan

1. Substitution of Shares
Where there is a general offer to acquire the Company, options may by agreement between the offeror and the option holder be rolled over into options over the shares of the offeror.

2. Variation of share capital
On a variation of the Company's share capital by way of a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise, the exercise price and the number of shares comprised in an option can be varied at the discretion of the Committee subject to certification from the Company's auditors that in their opinion the variation is fair and reasonable.

3. General
Ordinary shares allotted on the exercise of options rank pari passu with Ordinary Shares in issue at the date of allotment but shall not rank for dividends the record date for which precedes the date of exercise of the option.

The Company must have sufficient available unissued ordinary share capital to meet the exercise of options, taking into account any arrangements made to procure a transfer by a third party of issued shares.

The Company will be responsible for obtaining a listing for Ordinary Shares issued on the exercise of an option.

Options may not be transferred or charged and if an option holder attempts to do so their options will lapse immediately.

If an option holder ceases employment they will not be entitled to compensation for the loss of any right under the Plan.

Each option holder indemnifies the Company for any income tax and NIC liabilities that may be incurred on the exercise or sale of their Ordinary Shares.

4. Amending the Plan
The Board may amend the Plan from time to time, but:

a) may not amend the Plan if the amendment applies to options granted before the amendment was made and materially adversely affects the interests of option holders, unless each option holder consents to the amendment;

b) while Shares are traded on AIM, the Board may not make any amendment to the advantage of Option Holders if that amendment relates to the definition of employee, the individual or overall limits, or variation in capital rules, without the prior approval of the Company in general meeting.

5. Limitations on the Plan
An option will not be granted under the Plan if the number of Ordinary Shares over which it is proposed to grant the option when aggregated with the number of Ordinary Shares which have been issued or may be issued pursuant to options granted in the ten-year period prior to the proposed date of grant under this Plan and any other share option scheme approved by the Company in general meeting exceeds 15 per cent of the issued ordinary share capital of the Company at the proposed date of grant. Given the relatively small market capitalisation of the business and the need to adequately incentivise the management team, the Board considered that a larger than typical 15% of the Company be available for the Plan under option.

C. The Standalone Non-Tax Advantaged Option Agreement

Options may be granted to non-employees of the Group under the terms of the Standalone Non-Tax Advantaged Option Agreement.

The terms of the Non-Tax Advantaged Option Agreement will replicate the Plan (other than to exclude any EMI references).

Directors and Advisers

Directors

Executive

T Carpenter (Chief Executive, appointed April 2024)
C V Isom (Chief Financial Officer)

Non-executive

J Brooke (Group Non-Executive Chair, appointed January 2024)
T N Anderson (Deputy Chair, resigned July 2024)
N C Howlett (resigned September 2024)
G P Hooper
J Ward
K A Ritchie (resigned February 2024)

Secretary and Registered Office

C V Isom
894 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Company Registration Number

1604952 (Registered in England & Wales)

Website

www.titon.com/uk/investors/

Auditor

MHA
6th Floor, 2 London Wall Place
London
EC2Y 5AU

Nominated Adviser

Shore Capital and Corporate Ltd
Cassini House
57–58 St. James's Street
London
SW1A 1LD

Broker

Shore Capital Stockbrokers Ltd
Cassini House
57–58 St. James's Street
London
SW1A 1LD

Registrars and Transfer Office

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL

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Titon Holdings Plc

894 The Crescent, Colchester Business Park,
Colchester, Essex, C04 9YQ

Tel: +44 (0) 1206 713800

Email: enquiries@titon.co.uk

Web: www.titon.com/uk/investors/