

23 January 2025

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Titon Holdings Plc

Final results for the year to 30 September 2024

Titon Holdings Plc (“Titon”, or the “Group”), a leading international manufacturer and supplier of ventilation systems, and window and door hardware, announces its audited final results for the year ended 30 September 2024 (“FY24”).

Summary Financial Results (continuing operations²):

	2024	2023 (restated) ²
	£'000	£'000
Revenue	15,476	19,846
Gross profit margin	28.0%	28.4%
Underlying ¹ EBITDA	5	813
Underlying ¹ loss before exceptionals and tax	(916)	(155)
Exceptional items	(1,515)	(39)
Reported operating loss before income tax	(2,431)	(194)
Year-end net cash and cash equivalents	2,281	2,238

Financial overview

- Net Revenue decreased by 22% to £15.5 million (2023: £19.8 million), primarily due to continued subdued market conditions in the housebuilding sector.
- Gross margin maintained at 28.0% (2023: 28.4%) as the Group carefully managed cost and volume pressures.
- Underlying EBITDA¹ of £5,000 (2023: £813,000) with reduced revenues mitigated by restructuring and actions taken to reduce costs and improve efficiency in FY24.
- Underlying¹ loss before exceptional costs of £0.9 million (2023: £0.2 million), principally reflecting the decline in sales. The Group saw an improving trend as revenues stabilised and losses reduced significantly in H2 after the benefits of cost actions started to be realised.
- Exceptional costs within continuing operations of £1.5 million comprise the previously guided inventory write-down and restructuring costs.
- Loss from discontinued operations for FY24 was reported at £1.8 million (2023: £0.76 million), principally comprising a write down of the carrying value of the investment in our associate, Browntech Sales Co. Ltd, of £1.48 million (2023: £nil) prior to disposal of the South Korean operations post FY24 period-end.
- Strong balance sheet maintained with no borrowings and cash levels consistent across the year, at £2.3 million (2023: £2.2 million), before the receipt of the £0.7m consideration from the sale of the South Korean operations post FY24 period-end.

A year of significant strategic progress

- Despite the challenging market conditions, the Group made significant strategic progress in the year to improve the performance of Titon and return it to profitability and sustainable growth, including:
 - The appointment of a new Chief Executive Officer and the continued strengthening of the leadership team.
 - Completion of a review of the Group’s strategy and the initiation of a comprehensive 5-year transformation strategy to streamline operations, enhance the Group’s capabilities, diversify the

business, improve and focus the product range on select core markets, and prioritise high-margin opportunities for Titon.

- Improvements to gross margins from strategic actions and restructuring to reduce overhead costs in H2, allowing the Group to significantly reduce net losses as H2 FY24 progressed, almost achieving operational breakeven in the final two months of FY24, a trend that has continued to improve into the start of the current financial year.
- Continued commitment to innovation, demonstrated by the release of new offerings in both the Mechanical Ventilation and Window and Door Hardware businesses. For example, we achieved sales of £0.6m of our HRV4 range which was launched in the summer of FY23.
- Completion of the sale of the South Korean operations, realising £0.7 million in cash, with funds received in December 2024.

Current trading and outlook

- The Board remains confident in the Group's foundations and its strategic roadmap to achieve a blended organic revenue growth rate of 10% and a net margin of 15% by 2028. The initial progress made in realigning our business and focussing on key markets provides a solid foundation for growth and, together with tentative early signs of a market recovery and forecast construction market growth, provides confidence in the medium and long-term future of the business.
- Early indications from the implementation of the Group's transformation strategy have been promising with an improving financial trajectory as restructuring measures undertaken in 2024 have improved the Group's breakeven level of revenues.
- The Group's order book more than doubled across H2 FY24, with a book-to-bill ratio of 1.13 by the end of the FY24 financial year (0.92 as at 30 September 2023) which the Board believes is a positive indicator of improved order momentum.
- Trading in the first quarter of 2025 has been slightly ahead of the Board's expectations, with operating losses lower than the same period in each of the last two financial years, and the Group anticipates generating positive cash flows from operations in the coming year.
- The Board is confident that further meaningful strategic progress will be made across the business in 2025 and, whilst uncertainties in the macroeconomic landscape are likely to persist, it remains confident that the Group is establishing a solid foundation for sustained growth and long-term success.

Commenting, Chief Executive Officer, Tom Carpenter said:

"We are encouraged by the positive momentum the business saw in the latter half of FY24 and into the current financial year, supported by a strong uptick in the Mechanical Ventilation Systems order book and steadier revenues across both business units. Our focus on cash management, gross margin improvement and cost reduction has helped preserve a healthy cash balance, enabling us to continue investing in the business and in new products to enhance our competitiveness. Looking ahead, we recognise that much work remains and view 2025 as a transitional year as we execute our turnaround strategy to drive meaningful growth and profitability for the Group."

¹ Underlying loss before tax and underlying EBITDA are non IFRS measures that the Board use to measure underlying performance excluding exceptional items.

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

This announcement is released by the Company and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR") as it forms part of UK domestic law by virtue of the EUWA ("UK MAR"), encompassing information relating to the Group's final results. For the purposes of UK MAR and Article 2 of the binding technical standards published by the Financial Conduct Authority in relation to MAR as regards Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Carolyn Isom, CFO.

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The full text of the Report and Accounts for the year to 30 September 2024 is contained below. This document can be accessed with the benefit of page referencing on the Company's website: <https://www.titon.com/uk/wp-content/uploads/sites/10/2025/01/Annual-Report-and-Financial-Statements-2024.pdf>

Annual Report and Financial Statements

for the year ended 30 September 2024

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: £19.8m²), reflecting ongoing pressures in the housebuilding sector, particularly within the new build market. This led to an underlying operating loss¹ 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 EBITDA¹ 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 focussed 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 focussed 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 focussing 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.

Jamie Brooke
Chair

22 January 2025

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 10.

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.

Strategic Report

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.

Chief Executive's Review

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 Groups 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, declined 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.

Mechanical ventilation systems

Our mechanical ventilation systems business unit delivers a comprehensive range of solutions to the residential new-build market, with Mechanical Ventilation 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 5-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 programs 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.

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 3 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 47. A summary of the results for continuing operations along with other selected Key Performance Indicators ("KPIs") is as follows:

	2024	2023
	£'000	£'000
Revenue	15,476	19,846
Gross profit	4,333	5,628
Gross profit margin	28.0%	28.4%
Underlying loss before exceptionals and tax¹	(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 EBITDA¹	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:

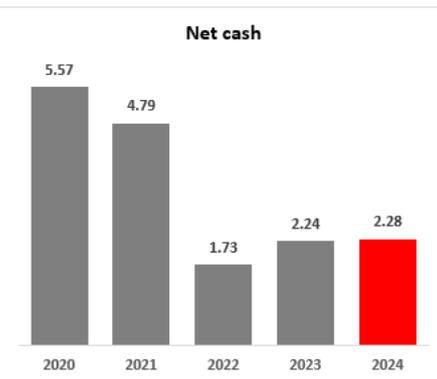
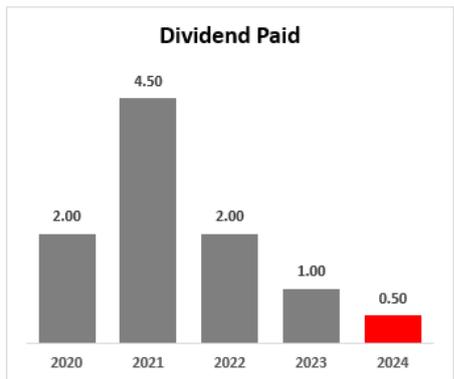
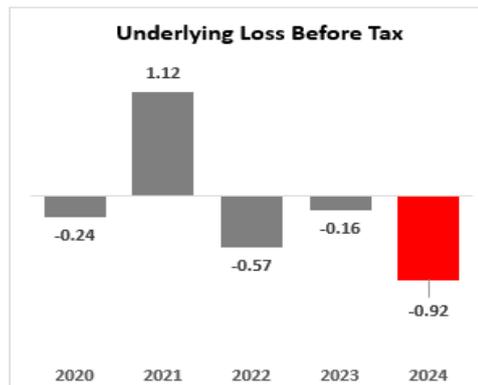
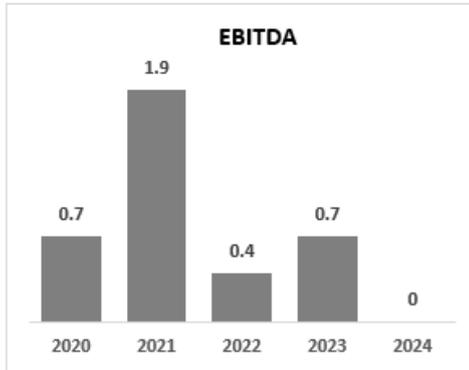
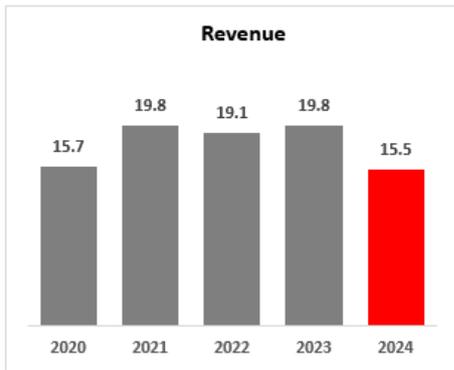
Continuing operations	2024	2023
	£'000	£'000
Loss before income tax	(2,431)	(194)
Exceptional items (note 27)	1,515	39
Underlying operating loss before income tax	(916)	(155)
Net interest cost	19	14
Depreciation and amortisation	902	869
Underlying EBITDA	5	728

Key Performance Indicators (KPIs)

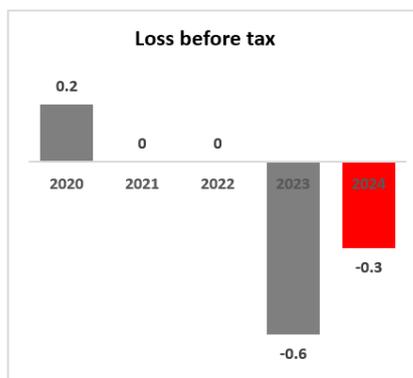
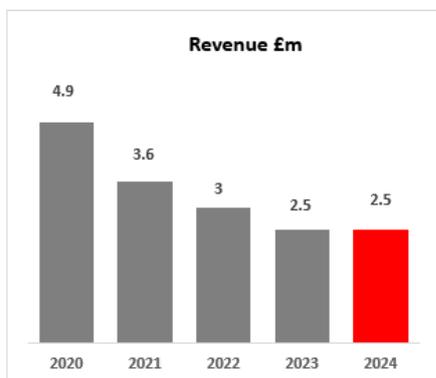
The Board looks at a range of KPIs to monitor the performance of the Group throughout the financial year. These include KPIs to track delivery of the business strategy. At individual team and departmental level relevant KPIs are also monitored and tracked regularly. The financial KPIs monitored by the 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 targets and prior year on weekly basis
Sales, margins and prices of core products	Top 20 products reviewed monthly (at business unit management levels and operating segments)
Sales to customers	Top 20 customers (at business unit 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:



The following graphs show the performance for discontinued operations:



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 5-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 Hexalock 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.

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 5 to 6. 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 & 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 & 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 focussed 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	2023	Reduction
kWh	kWh	

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 CO₂ emissions during the period.

Global Greenhouse Gas (GHG) emissions data for the period are:

	2024	2023
Source:	tCO₂e	tCO ₂ e
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 CO₂ equivalent	588	748
CO ₂ emissions normalised per £ million of sales of manufactured products	42.4	40.9

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 generate 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.

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.

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.

Employee Gender Breakdown

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

	2024	2024	2024	2023	2023	2023
	Male	Female	Total	Male	Female	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

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

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 35 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:

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:

- January to December 2024 19 reported accidents, 2 RIDDOR reported
- January to December 2023 54 reported accidents, 0 RIDDOR reported

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	<p>The Board needs to know investors' views so they can be considered when making strategic and governance decisions.</p> <p>We aim to provide fair, balanced and understandable information about the business to enable informed investment decisions to be made.</p>	<p>We have regular dialogue with institutional investors and significant individual shareholders in order to develop an understanding of their views.</p> <p>We also consider the views of our Nominated Adviser and Broker in this respect and the feedback they receive from shareholders.</p> <p>Our AGM is an important forum for private shareholders to meet the board and ask any questions they may have.</p> <p>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.</p> <p>We use Investor Meet Company to present our interim and final results presentations each year.</p>
Employees	<p>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.</p> <p>We have the highest regard for the health, safety and wellbeing of our employees.</p>	<p>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.</p> <p>We perform an annual staff survey and also have recently introduced monthly pulse surveys.</p> <p>We continue to make every effort to protect our employees.</p>
Customers	<p>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.</p>	<p>We engage with our customers through:</p> <ul style="list-style-type: none"> • Regular visits and meetings including virtual meetings • Industry exhibitions • Customer site tours and presentations • Our website • Supplying samples and supporting literature

		<ul style="list-style-type: none"> • 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.	<p>We provide ventilation products that are beneficial to health and that are better for the environment.</p> <p>Many of our capital expenditure projects focus on improving energy efficiency and reducing environmental emissions from our factories.</p> <p>We have ISO 14001 Accreditation in the UK.</p> <p>We work with our stakeholders to promote good indoor air quality.</p>
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.	<p>We participate in industry bodies and working groups and selective All-Party Parliamentary Groups and plenary sessions.</p> <p>We participate in and respond to industry and government consultations.</p>

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.

Report on 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
<p>Business disruption</p> <p>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.</p> <p>There is also a risk of business disruption if key sub-contractors experience an incident on their site or were to cease trading.</p>	<p>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.</p> <p>A cyber-attack could leave the Group open to a ransom demand or compromise data security both for the Group and customers.</p>	<p>The Group has developed business continuity and disaster recovery plans.</p> <p>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.</p> <p>The Group has an annual building insurance review where actions are raised and subsequently cleared internally, providing evidence to the insurer.</p> <p>The Group gets a fire risk assessment carried out by an external party every 2 years (last completed 29 October 2024) and annually internally and actions/suggestions raised are reviewed and actioned accordingly.</p> <p>A fire suppression system is installed in relevant manufacturing areas.</p> <p>Visits take place by the local fire service to review and provide feedback on fire safety systems and practices.</p> <p>The Group implemented multifactor authentication for relevant employees. The Group has implemented a Cyber Security training and awareness programme for all employees.</p> <p>The Group's strategy is to maintain essential systems in the Cloud.</p> <p>The Group has an email security gateway system in place.</p> <p>The Group has a register of Titon owned tooling held at sub-contractors.</p> <p>The Group looks to review sub-contractor insurance and business continuity policies.</p>
<p>Supply chain risks</p> <p>The risk of extended lead times beyond forecast windows due to restricted component availability.</p> <p>The risk of continued material price inflation and hence margin erosion.</p> <p>The risk of international trade sanctions or interruption of supply due to geopolitical</p>	<p>Decrease in cash due to increased stock holding.</p> <p>Loss of customers due to an inability to meet demand or uncompetitive pricing.</p> <p>Increased risk of obsolescence.</p> <p>Delays in supplying customers and additional administrative costs.</p>	<p>The Group operates strategic purchasing of key long lead time items.</p> <p>The Group holds weekly Sales Inventory and Operations Planning reviews.</p> <p>The Group has a policy of dual sourcing key components where possible.</p> <p>The Group ensures robust supplier relationship management.</p>

<p>uncertainty, such as the Russian invasion of Ukraine and supply interruptions in China.</p>	<p>Prices may increase which could impact our sales and profitability.</p>	<p>The Group can implement customer agreements to incorporate specification changes if required.</p> <p>The Group will obtain supplier declarations and compliance information when required.</p>
<p>Recruitment and retention of key staff</p> <p>The Group is dependent on the continued employment and performance of its senior management and other skilled personnel.</p>	<p>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.</p>	<p>The Group aims to provide competitive remuneration packages and bonus schemes to retain and motivate key staff.</p>
<p>Recruitment and retention of staff</p> <p>The Group is dependent on the continued employment and performance of all staff.</p>	<p>Failure to maintain adequate staffing levels could impact on all business activities and the Group's ability to meet its defined targets.</p>	<p>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.</p> <p>The Group has a robust recruitment and onboarding process.</p> <p>The Group has several employee engagement initiatives in place including training and personal development opportunities and performance review and objective setting processes.</p> <p>The Group has a two-way employee feedback process in place.</p>
<p>Economic conditions</p> <p>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.</p>	<p>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.</p>	<p>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.</p> <p>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.</p> <p>The Group monitors product demand on a weekly basis and is able to respond accordingly in re-allocating or varying resources.</p>
<p>Risk</p>	<p>Potential Impact</p>	<p>Mitigations</p>
<p>Government action and policy</p> <p>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.</p>	<p>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.</p>	<p>The Group monitors and attempts to influence Building Regulations through its work with industry working groups.</p> <p>Changes in regulations and Government policy also provide the Group with new commercial opportunities.</p>

	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.	
<p>Product liability</p> <p>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.</p>	<p>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, which could all affect the Group's financial results.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The Group endeavors to ensure that its products are in compliance with relevant fire safety regulations.</p> <p>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.</p>
<p>Financial risk management</p> <p>The Group's operations expose it to a variety of financial risks including fraud, credit and foreign exchange risk.</p>	<p>Losses from any of these financial risks could impact the Group's financial results.</p>	<p>The Group has financial risk management procedures and controls in place that seek to limit the adverse effects of the financial risks.</p> <p>The Group took out credit insurance during the year to mitigate the risk of losses from bad debts.</p>
<p>Reliance on key customers and suppliers</p> <p>Parts of the Group's business are dependent on key customers and key suppliers.</p>	<p>Failure to manage relationships with key customers and suppliers could lead to a loss of business affecting the financial results of the Group.</p>	<p>The Group's strategic objective is to broaden its customer base wherever possible.</p> <p>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.</p> <p>The Group maintains ISO 9001 standard and a robust complaints process.</p> <p>The Group closely manages its pricing, rebates and commercial terms with its customers and suppliers to ensure that they remain competitive.</p> <p>The Group has a policy of dual sourcing key components where possible.</p>

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

T Carpenter
Chief Executive

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 36 to 37.

A detailed commentary on the results for the year and discussion of future developments is given in the Financial and Operational Review on pages 9 to 13 and an explanation of the Group's business strategy is included within the Strategic Report on pages 6 to 8.

The Group's compliance with the QCA Code is set out in the report on page 36.

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 10p 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 20 to 23 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.

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 the Employee Consultative Committee, 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.

The Group's approach and responsibilities for social and community issues are not covered in this report.

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 51). 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; and
- 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; and
- 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' statement as to disclosure of information to auditors

The Directors at the time of approving the Directors' Report are listed on page 32. 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 20 to 23. 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 87 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 30 to 34.

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.

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 re-issue 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 Director's 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 32.

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	2023	Percentage change
	£'000	£'000	
Directors' remuneration	632	576	10%
Other employee remuneration	5,567	6,450	(14%)

Dividend payments to shareholders **56** 112 (50%)
Audited Directors' Remuneration

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

	Year ended 30 September	Salary and fees (a) (b)	Benefits in kind	Short term performance related remuneration (c)	Pension benefits	Total
		£'000	£'000	£'000	£'000	£'000
Executive Directors:						
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 July 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 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	30 September 2023
		Ordinary shares of 10p each	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:

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	At 1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	At 30 September 2024 Number
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 per cent.

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

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 10 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. 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 Masters 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.

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 unit 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.

	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

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.

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 30 to 34. 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 23 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, re-appointment 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 pages 25 and 26, and those of the Auditors are detailed in the Independent Auditor's Report on page 45.

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 20 to 23) 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 41 to 43 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	<ul style="list-style-type: none"> Revenue Recognition Inventory Valuation
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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.
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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.

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.

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

		2024	2023
	Note	£'000	£'000 <i>Restated</i>
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	2023
	£'000	£'000
Loss for the year	(3,771)	(925)
<i>Other comprehensive income - items which may be reclassified to profit or loss in subsequent periods:</i>		
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 54 to 85 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
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The notes on pages 54 to 85 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

Company No. 01604952

	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 54 to 85 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	Share premium	Capital redemption reserve	Foreign exchange reserve	Retained earnings	Total	Non- controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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 54 to 85 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	Share premium	Capital redemption reserve	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000	£'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 54 to 85 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
Treasury shares	Weighted average cost of own shares held in Treasury
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

	Note	Group		Company	
		2024 £'000	2023 £'000 <i>Restated</i>	2024 £'000	2023 £'000
Cash generated from operating activities					
(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 & 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 & 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 & equipment	10	(92)	(433)	-	-
Purchase of intangible assets	11	(221)	(205)	-	-
Proceeds from sale of plant & 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 54 to 85 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 page 5. 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 20 to 23. 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 pages 26 to 27.

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.

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.

© 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.

(c) 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	- 10% 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)).

(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 3 and 5 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 3 and 10 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 5 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.

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.

(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.

(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 of 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.

(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 as 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.

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:
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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	2023
	£'000	£'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.

Operating segment

For the year ended 30 September 2024	United Kingdom	North America	Europe and all other countries	Consolidated
	£'000	£'000	£'000	£'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:	788	-	-	788
Assets held for sale				
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	Europe	USA and Canada	Total
Revenues from continuing operations	£'000	£'000	£'000	£'000
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

Operating segment

For the year ended 30 September 2023	United Kingdom	North America	Europe and all other countries	Continuing operations	South Korea	Total
	£'000	£'000	£'000	£'000	£'000	£'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:	2,295	-	-	2,295	-	2,295
Investments in associates						
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	Europe	USA and Canada	South Korea	All other regions	Total
Revenues	£'000	£'000	£'000	£'000	£'000	£'000
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

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Staff costs, including Directors, were as follows:				
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

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
The average monthly number of employees during the year was as follows:				
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 30 to 34. 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	Company
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	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank interest receivable on short term deposits	1	5	-	1

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

6 Loss before tax

	2024	2023
	£'000	£'000
This is arrived at after charging / (crediting):		
Depreciation of property, plant & 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 & equipment	32	18
Foreign exchange (gain) / loss	(23)	55
Share-based payment credit	(22)	(72)
Profit on disposal of property, plant & 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

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

	2024	2023
	£'000	£'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	2023
	£'000	£'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.

9 Loss per ordinary share

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

	2024	2023
	£'000	£'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)
Denominator	Number	Number
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	Improvements to leasehold property	Plant and equipment	Motor vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000
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).

Group: right-of-use assets	Leasehold property	Plant and equipment	Motor vehicles	Total
Cost	£'000	£'000	£'000	£'000
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	185	152	65	402
At 30 September 2024				
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).

Company

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

	Freehold land and buildings
Cost	£'000
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

Group	Computer software	Development costs (internally generated)	Goodwill	Patents	Total
Cost	£'000	£'000	£'000	£'000	£'000
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

The aggregated amounts relating to BTS are as follows:

	2024 £'000	2023 £'000
As at 30 September		
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	2023
	£'000	£'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	2024 £'000	2023 £'000	2023 £'000
	Gross trade and related party receivables	Impairment Allowance (ECL)	Gross trade and related party receivables	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%).

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	
	2024 £'000	2023 £'000
Movements on the impairment allowance of trade and related party receivables are as follows:		
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: 25.0%). The movement on the deferred tax account is as shown below:

	Total deferred tax at 1 October 2023	Effect of rate change on opening balances	Foreign exchange movement	Credited / (expensed) to Income Statement	Total deferred tax at 30 September 2024	Asset 2024 UK	Asset 2024 Non-UK
	£'000	£'000	£'000	£'000	£'000	£'000	£'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.

	Total deferred tax at 1 October 2022	Effect of rate change on opening balances	Foreign exchange movement	Credited/ (expensed) to Income Statement	Total deferred tax at 30 September 2023	Asset 2023 UK	Asset 2023 Non-UK
	£'000	£'000	£'000	£'000	£'000	£'000	£'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	Effect of rate change on opening balances	Credited / (expensed) to Income Statement	Total deferred tax at 30 September 2024
	£'000	£'000	£'000	£'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	Effect of rate change on opening balances	Credited to Income Statement	Total deferred tax at 30 September 2023
	£'000	£'000	£'000	£'000
UK Accelerated capital allowances	-	-	-	-
UK other temporary and deductible differences	4	-	-	4
UK available losses	-	-	3	3
Total deferred tax	4	-	3	7

17 Trade and other payables – current

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'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	Plant and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	£'000	£'000	£'000	£'000	£'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

	2024	2023
Authorised	£'000	£'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	2024	2023	2023
-------------	-------------	------	------

	Number	£'000	Number	£'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

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 60 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.

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

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	2023	2024	2023
	£'000	£'000	£'000	£'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 25, and the Report on Risk Management on pages 20 to 23 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 38 to 39.

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.

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	2023
	£'000	£'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 per cent.

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 147p (2023: 45,000 at 58p). 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 65.0p (2023: 80.0p). The average market price during the year was 75.8p (2023: 76.4p).

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.

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 (to)/ 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 31 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 of 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)

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.

Summarised consolidated results

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Continuing operations					
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 & 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.

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)

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