Company Registered Number: 01919979

This is Concurrent

Annual Report and Accounts 2024

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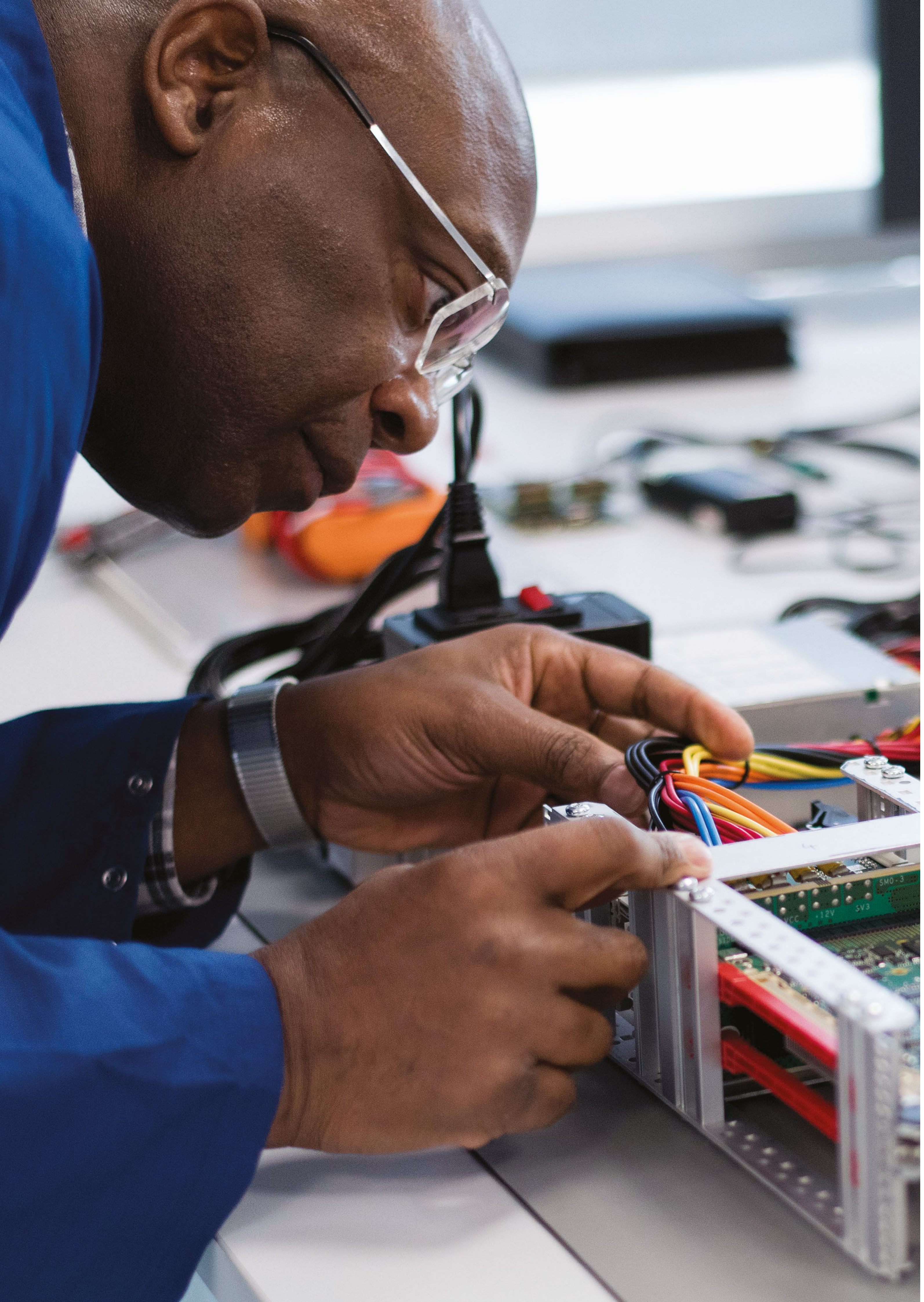

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Strategic report

At a glance

Concurrent Technologies plc (Concurrent) is an innovative leader in designing, developing and manufacturing high-performance embedded Plug-In Cards (PICs) and systems for demanding applications.

Primarily, the Company supplies defence and aerospace, with secondary markets in telecoms and scientific instrumentation.

The Company is known for delivering reliable, high-quality solutions that thrive in tough conditions, without compromising on performance.

With nearly 40 years of expertise, the Company aims to release its products 'concurrently' with the launch of new semiconductor technology from developers such as Intel®, helping customers to boost their own products in environments demanding an advantage.

The Company's strong reputation for flexibility and long-term support underpins trusted relationships across its markets.

Concurrent's work is dedicated to making its end-users' lives safer, easier, and more productive.

Our history at a glance

1985

Founded as a subsidiary of European Electronic Systems (EES) to design Multibus II boards based on Intel® processors for the industrial automation market

1986

US office established as Concurrent Technologies, Inc. in California

1987

Became financially independent from EES after raising £2m funding

1988-2000

Continued to develop Multibus II boards for wider markets, including aerospace, transportation and medical applications, and commenced manufacturing in house

2001-2009

By embracing the SOSA premise that 3U VPX processor boards are interchangeable, and being quick to market with innovative products, we engaged with significantly larger opportunities

2010-2018

Introduced AdvancedMC products for telecoms and physics applications and VPX product ranges predominantly for defence. Started developing class-leading ruggedisation and security capabilities

2019

Tri-service memorandum of understanding published in the United States (US), calling for a modular open solutions approach (MOSA) for all future defence programmes based on standards including Sensor Open Systems Architecture™ (SOSA)

2020

By embracing the SOSA premise that 3U VPX processor boards are interchangeable, and being quick to market with innovative products, we engaged with significantly larger opportunities

2021

Started offering modified off-the-shelf (MOTS) variants to give customers greater control over the end capability

2022

Saw the opportunity to provide vertical technologies and system integration support and began planning for a new division of business

2023

Acquired Phillips Aerospace, which has been delivering rugged systems based on open standards boards (like ours) to defence primes

2024

We are continuing to develop several strategic partnerships to create the potential to sell a more complete integrated solution

Financial highlights

Revenue
+27%
£40.3m
FY23 £31.7m

PBT
+40%
£5.2m
FY23 £3.7m

EBITDA
+30%
£7.8m
FY23 £6.0m

Gross profit
£20m
FY23 £15.6m

Shareholders' funds
£38.9m
FY23 £3.3m

Earnings per share
5.49p
FY23 4.06p

Dividend per share
1.1p
FY23 1.0p

Total assets
£50.8m

Operational highlights

Operational highlights

- Continued investment in R&D to improve the cadence and time to market of the Group's products as demonstrated by several new product launches including Rhea and Hermod II.
- New partnerships secured – including with Parry Labs, Eizo Rugged and a fast-growing defence prime contractor in the US – which are critical for the Group to strengthen its position in the defence sector.
- Launch of new website and update to branding to better reflect the Company's vision and ambitions.
- The Group is now structured and operating across two business units – Products and Systems – to align with growth strategy.

Products business unit

- Secured 22 design wins across key geographies, including 10 'major wins' underpinning the Group's long-term growth trajectory.
- The design wins include the largest ever contract to date – valued at $6 million – with a major US Defence and Aerospace contractor and is set to contribute materially from 2027.
- Invested in machinery, test equipment and power infrastructure to enhance manufacturing efficiency.

Systems business unit

- Significant investment in FY24 with performance in line with the Board's expectations, as well as Phillips Aerospace now being fully integrated into the non-US Systems business.
- Early signs of success, driven by a significant $3.7m design-win contract with a leading defence platform provider in Asia, a new market for the Systems business unit.
- Strategic investments in key hires to accelerate growth, including a new Vice President of Systems in LA, and doubling the size of the team in the region.

Post period end

- Received a significant £3.4m order for the Company's VME-based 6U computer boards from a long-standing European customer, underscoring the Group's support for the VME standard.
- Launched Kratos, one of the first and most powerful rugged PICs available today, built on Intel's latest 6516P-B processor to which the Company had access six months early.
- Commenced trading on the OTCQX® Best Market in the US, in addition to AIM, to better engage with US investors, data distributors and media partners.
- 20-year lease agreed for a new property for Concurrent's Colchester based headquarters and manufacturing capability with planned capacity expansion in the US in FY25 to meet the growing demand for the Group's products.

Outlook

- The record FY24 performance indicates the growing momentum across the Board and Systems business units, and the Company expects this trend to continue in the coming years.
- The Board expects to report results for FY25 in line with market expectations.

Strategy and business model

The strategy is underpinned by three key pillars:

The Company's strategic focus remains on delivering cutting-edge technology to the defence industry at pace.

Defence and aerospace now account for c. 87% of revenue.

Concurrent is committed to **staying ahead** in a market that demands **exceptional performance** and support.

1 Rapid market entry with innovative products

Through investment in R&D, the Company aims to reduce it's time to market and, in some cases, be the first to market with products that utilise the latest platforms and components to ensure the best possible solutions for customers.

Progress in FY24:

New product launches including Rhea, Magni, TR MDx/6sd-RCR, and Hermod II.

- Rhea reinforces the Company's commitment to the VME standard and supporting customers with reliable, backward-compatible solutions.
- Magni was launched to meet growing demand for compute-intensive solutions.
- Kratos, launched post year end, is among the first solutions of its kind available in a SOSA™-aligned 3U VPX architecture. Concurrent is setting a new industry benchmark for rugged computing performance while fulfilling its commitment to drive innovation and provide customers with a competitive edge.

2 Expanding its systems capabilities

Moving into the assembly of application-ready systems takes the Company further up the value chain, providing a major opportunity to scale sales in the US and global markets.

Progress in FY24:

- Launch of Hermod II enables the Company to occupy more of a system within its own technology.
- Significant $3.7 million order win for Systems in Asia, a new market for Concurrent, and three new contracts in the US.
- Key hires include Michael Harden, who joined the Executive Committee in FY24 as Vice President of the LA Systems business.
- Mobilising a strong team with a pending move into a new state-of-the-art facility.

3 Exploring acquisition opportunities

Concurrent sees opportunities to expand its capabilities, customer base, and market presence through acquisition in the medium term. The Phillips Aerospace acquisition is a good example of Mergers and Acquisitions criteria: a familiar business with strong customer relationships, new product expertise, major customers, and enhanced accreditations, strengthening its position in key markets.

Progress in FY24:

- Phillips Aerospace is now successfully integrated with the non-US Systems business, and the Company is already seeing excellent progress, as outlined by the second strategic pillar.

Miles Adcock
Chief Executive Officer

Strategy and business model

Market overview

Concurrent is investing in aligning its products with the US Department of Defense (DoD) open standards initiative. This approach is helping to level the playing field and is opening up new market opportunities.

The Company's much improved time to market and increased agility mean it can now compete credibly with much larger companies, helping to grow its market share in a competitive landscape.

There is strong demand for Concurrent's technology in the United States, growing interest across Asia, and a broader global trend towards increased investment in electronics as a fast-track way to enhance capability.

Capacity

The Products Business Unit will move to a much larger facility in mid to late 2026. The new site will allow the space to invest in machinery to double the capacity of production. In the short term, contract manufacturers can be used – at a modest cost – to meet demand.

In the second half of 2025, the Systems Business Unit in Los Angeles will relocate to a modern building, close to key customers. With a closing FY24 backlog of around $5m and a growing pipeline, FY25 is expected to show a strong year-on-year growth in the Systems Business Unit.

M&A and partnerships

The acquisition of Phillips Aerospace in 2023 is expected to contribute to revenue growth from 2025 onwards, strengthening Concurrent's position in key defence markets.

Once the Systems business unit is firmly established and consistently delivering results, Concurrent will look to explore further acquisitions. These would focus on businesses that closely align with its offering and have the potential to enhance both capability and long-term growth.

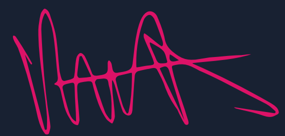
In 2024, Concurrent announced a strategic partnership with US-based Parry Labs, a fast-growing defence contractor focused on software solutions. Under this agreement, Concurrent will provide SOSA-aligned hardware, enabling Parry Labs to deliver fully-integrated turnkey hardware and software solutions to the defence market.

The Company has also formed a valuable partnership with a major US defence prime contractor. This partner plays a dual role: they are both a key customer and the supplier of a critical high-security switch used in Concurrent's Systems. In its first year alone, the partnership generated over £700k in revenue and is well positioned for continued growth.

Leadership statements

Chairman's statement

FY24 marked another record year for Concurrent, with exceptional revenue and profit performance, and a strong order book and cash position.



Mark Cubitt
Chairman

This success is driven by our refreshed strategy which focuses on accelerating the time to market of our products. Significant efforts have been made across the Group, including investments in R&D, strengthening Company culture, and optimising the team structures to support our strategy and to position the Company to capitalise on the exciting prospects in FY25 and beyond.

The year in review

The Group reported record revenue and profitability for the year of £40.3m and £5.2m respectively, evidencing the transformation of the business and successful growth strategy implementation. The increase in profit reflects the initial delivery of operational gearing as the business scales. This performance is achieved despite considerable investment in the Systems business in LA which was acquired in FY23 and was loss making in FY24, in line with expectations.

The Group secured 10 major design wins in FY24, including our largest contract to date. Alongside this, Concurrent launched several new products demonstrating the increasing appetite for our solutions against the larger players in the industry. We also secured our first major Systems design win in the year, highlighting that the investment being made into the Systems business – including the integration of Phillips Aerospace – is proving successful.

This progress, alongside the strength of our statement of financial position, puts us in an opportune position for continued growth.

Chairman's statement

Execution against strategy

We are committed to providing cutting-edge, reliable technology to our customers at an unparalleled pace and, through our Systems and Products units, we have continued to deliver in FY24.

The 10 major design wins secured through the Products unit will ramp up in the coming years in line with our customers' programmes, but they provide long-term, multi-year revenue visibility, which supports the investment plans in our R&D roadmap.

The Systems unit, which is still in its early stages, is making solid progress and we are confident this unit will grow going forward. With the integration of Phillips Aerospace, we secured several key contracts and are seeing positive momentum in both the US and international markets.

While organic growth remains a priority, as we look to significantly expand Concurrent's UK product manufacturing capacity with a new facility to accommodate growth opportunities, we also see opportunities for bolt-on acquisitions to enhance our Systems capability, as demonstrated so far by the successful acquisition of Phillips Aerospace.

Board and people

We were delighted to welcome Issy Urquhart to the Board as an Independent Non-Executive Director in February 2024. Issy brings over 30 years' experience working with global technology and financial services businesses, where she's been responsible for implementing successful people programmess. She is already proving to be an invaluable guide to Concurrent as we deliver on our growth strategy and create the right environment for our people to succeed.

In FY24, our CEO, Miles Adcock, played a pivotal role in defining and embedding a new target culture across the organisation, centred on four key pillars: get things done, no spectators, ambition, and buzzing.

This culture emphasises a proactive and results -oriented approach, encouraging all employees to actively contribute to the Company's success by sharing ideas, adding value, and embracing ambition. It underscores a commitment to achieving excellence while fostering a positive, inclusive, and dynamic workplace environment. As the organisation continues to expand, this cultural transformation will ensure alignment and cohesion among both new hires and long-standing team members.

I would also like to take this opportunity to thank the whole team for their hard work and commitment in what has been another notable year for the company.

Dividend

A 1.1p dividend has been proposed for shareholder approval at the annual general meeting (AGM) which, if passed, will amount to c. £942,000 paid in early July 2025. This reflects a 10% increase on last year and recognises the improved performance, whilst retaining funds for future growth. The Board anticipates this balance will continue, with an appropriate level of cover maintained to enable investment for future growth.

Outlook

We remain focused on launching leading-edge products and accelerating the ramping up of design wins across both the Boards and Systems units for new and existing customers, converting into significant long-term revenue streams for Concurrent. The performance in FY24 supports this strategy and we are already seeing positive momentum in the new financial year, providing confidence in the positive performance in FY25 and beyond.

Chief Executive Officer's statement

I am pleased to be reporting on another year of strong growth for Concurrent, in which we delivered on our commitments – executed as planned – and we continue to position the Group to become a much larger business over time.

Miles Adcock
Chief Executive Officer

Financial performance

We delivered a record financial performance across all key metrics in FY24, with revenue of £40.3m, up 27% (FY23: £31.7m), largely driven by our renewed focus on developing sector-leading products, combined with an energised sales team across our home markets that have been instrumental in driving new customers as well as winning new programmes with existing customers. I'm proud that we have delivered record results across the board whilst maintaining strong investments in the areas that we have declared will drive ongoing growth.

Strategy

The Group now operates across two units – Products and Systems – to align with our growth strategy and ambition of being the first to market with the latest technology. We have made good progress throughout the year in ensuring these divisions are set up for growth, incorporating the acquired Phillips Aerospace into Systems and adjusting our leadership teams to reflect this progress and focus. Whilst we are excited by the opportunity to significantly scale Concurrent organically over the next few years, we believe there is also a range of opportunities to expand our capability, customer list and market penetration through acquisition. The acquisition of Phillips Aerospace has been successful and is a good example of how we have delivered on our acquisition strategy to expand the Systems division. Alongside this, the company is now also exploring adjacent and complementary businesses that have the potential to open new opportunities in new markets.

Chief Executive Officer's statement

Products

Our long-standing Products business designs and manufactures computer boards, and this is where we have substantial expertise and a reputation for quality and collaboration. Much of our business in boards is secured via 'design wins' where customers integrate our products into their programmes, leading to purchase orders in future years as production volumes ramp up, usually two to three years later. This is the most important leading indicator of future growth as a 'major design win' and is one with the potential to achieve peak volumes of >£1m per annum for several consecutive years. Out of 22 design wins, we secured 10 major design wins in FY24, representing a lifetime value to the business of at least £100m. Notably, we secured our largest-ever contract of $6m with a major US defence and aerospace prime contractor, highlighting the potential for future upscaling. This contract was for an initial $4.46m in H1 FY24, with an additional uplift of $1.52m in August, reflecting the customer's trust in the reliability of our products and the strength of the relationship.

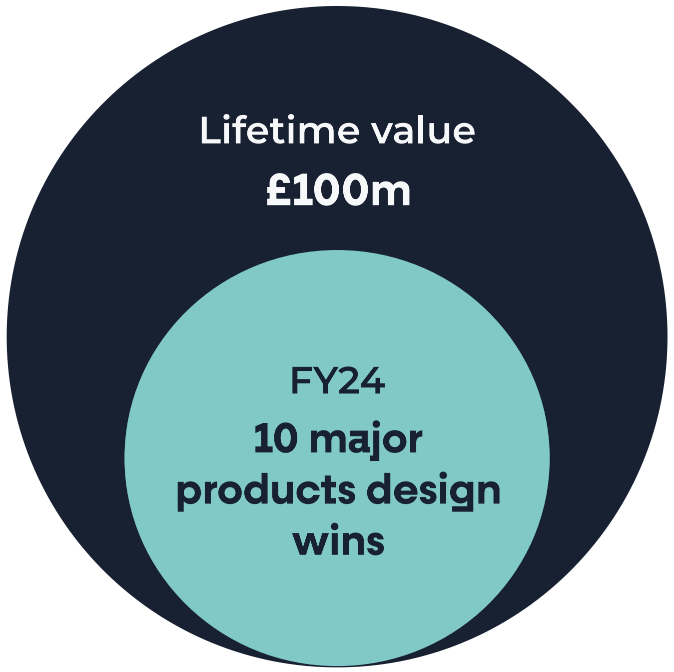
Doubling the capacity of our facility in Colchester in FY24 has been crucial to supporting the increasing number of design wins and post year end, we signed a 20-year lease for a new property for our Colchester headquarters and manufacturing capability. This new facility will further the Company's ability to service the ongoing growth of the business. We have also invested in our machinery, test equipment and power infrastructure which will further enhance our manufacturing efficiency.

Systems

Our Systems business unit, which is still in its early stages of development, performed as we expected, in line with our strategic plan, and we remain confident that this unit will grow in 2025. Phillips Aerospace is now successfully integrated with our non-US Systems business and we are already seeing excellent progress, driven by a significant $3.7 million order win for Systems in Asia and three new contracts in the US. The successful expansion into this new market is a clear indicator of the growing momentum in our Systems business unit, and we expect this trend to continue in the coming years.

The Systems business is strategically benefitting from careful investment in key hires. We welcomed Michael Harden to the Group, who joined our Executive Committee in FY24 as Vice President of the Systems business in LA, and we have now doubled the number of colleagues operating from LA.

With an FY24 closing backlog of c. $5m, the Systems business is well positioned for growth in FY25, and we are mobilising a strong team accordingly, with a pending move into a new state-of-the-art facility.



Markets

The defence sector remains a key driver of our overall growth, now accounting for 87% of our board revenue. As global military services work to improve their operational capabilities, the increased focus on defence electronics to upgrade existing platforms is fuelling demand for our products. As mentioned, we are also seeing growth in international geographies, particularly in the USA, where our systems solutions are gaining traction. The Sensor Open Standards Architecture (SOSA) initiative in the US is creating new opportunities for suppliers like us to displace established competitors and we are capitalising on this shift with our innovative products and services. Rising defence budgets worldwide are further driving growth, all of which will translate into longer-term in-field deployments, resulting in step-changes in revenue for Concurrent. Industrial and scientific (7%) and communications and other (6%) are our additional important domains.

87% Defence

7% Industrial & scientific

6% Communications & other

R&D

Progressive R&D for new product development remains the priority for organic growth. With continued focus on innovation with launches including Rhea, Magni, TR MDx/6sd-RCR, and Hermod II in FY25, we are developing real momentum with customers – a trend set to continue during 2025.

Rhea, part of our expanded VME range, taps into an estimated $300m market. A £3.4m order from a long-standing European customer reinforces our commitment to the VME standard and supporting customers with reliable, backward-compatible solutions. We also launched Magni, a high-performance SOSA-aligned PIC, and TR MDx/6sd-RCR to meet growing demand for compute-intensive solutions.

Hermod II, a rugged 10 Gigabit Ethernet switch designed for harsh environments in defence and heavy industrial sectors, adds to our product offerings at the board level, enabling Concurrent to occupy more of a system with our own technology. It highlights the ambitious product roadmap within the Systems business, aiming to both upgrade existing systems and create solutions for next-generation deployments.

Partnerships

As part of our strategy to develop a broader range of products and services, securing and maintaining partnerships is critical for expanding the size and markets available to us.

In FY24, we established several strategic partnerships to strengthen our position in the defence sector. A key collaboration with Parry Labs – a rapidly growing US defence contractor – enabled us to provide SOSA-aligned hardware, allowing Parry Labs to deliver integrated hardware and software solutions. Another partnership with a fast-growing US defence prime contractor secured them as a key customer for our boards and systems while also supplying a critical switch for our systems. Additionally, our partnership with Eizo Rugged incorporated their graphics card products into our comprehensive systems solutions for customers.

Chief Executive Officer's statement

People and ESG

The progress we are making at Concurrent is only possible with a relentless focus on talent and culture. In recent years, we have assembled a Board and Executive Committee with experience in transforming businesses and growing sales globally, and our success in FY24 is due to the efforts of this team. This hard work led to the creation of a new brand launched in the year to better reflect the Group's vision and future ambitions.

To continue with our significant transformation to deliver more products faster to market we are focused on operational excellence and refined governance. With our people at the centre, we have invested our time and energy in making sure that we maintain an inclusive and engaged workforce providing an attractive reward and benefits offering and a developmental place to work. A continuing key focus area for the Group is delivering quality and safe products to our customers and ensuring this quality through the management of our supply chain. It is also critical that we maintain robust governance across the organisation, building resilience through our extensive control frameworks. As detailed in the ESG Reporting our Annual Report, during FY24 we have continued to invest in all these priority areas, as well as continuing to take steps to minimise our operational impact on the environment and building stronger community ties through several charitable efforts across the business. We have also reported our UK operational carbon footprint for the first time this year, in line with the Streamlined Energy and Carbon Reporting regulations.

Summary and outlook

Concurrent is evolving in a way that builds a foundation for long-term growth and expanded market reach. We have delivered both financially and operationally in FY25 as we continue to bring products to market faster for our customers.

I consider that £100m per annum revenue is a meaningful future milestone for this business and given the progress we continue to make, the Board is fully confident in our ability to achieve this. Trading in FY25 has started well, with a focus on continuing to deliver as planned. Looking further ahead, we anticipate continued growth in revenues and profit from 2026, driven by the full impact of our major design wins and increased capacity across our operations.

> "Concurrent is evolving in a way that builds a foundation for long-term growth."

Chief Financial Officer's statement

Another exceptional year in the Concurrent story. With relentless focus on continuing the strategy, the business has produced a further year of significant growth in revenue and profit before tax with a resulting increased cash position and which includes a first year of investment of our Systems business to provide the platform for growth for future years.

Kim Garrod
Chief Financial Officer

Revenue +27%

£40.3m

FY23 £31.7m

2024	£40.3m
2023	£31.7m
2022	£18.3m

Earnings per share

5.49p

FY23 4.06p

2024	5.49p
2023	4.06p
2022	1.35p

Closing cash +23%

£13.7m

FY23 £11.1m

2024	£13.7m
2023	£11.21m
2022	£4.51m

Total assets

£50.8m

FY23 £46.7m

2024	£50.9m
2023	£46.7m
2022	£32.6m

Gross profit

£20m

FY23 £15.6m

2024	£20m
2023	£15.6m
2022	£8.9m

Profit before tax +40%

£5.2m

FY23 £3.7m

2024	£5.2m
2023	£3.7m
2022	£0.4m

Dividend per share

£1.1p

FY23 1.0p

2024	1.1p
2023	1.0p
2022	0p

EBITDA +30%

£7.8m

FY23 £6.0m

2024	£7.8m
2023	£6.0m
2022	£2.1m

Investment in R&D

£3.0m

FY23 £3.8m

2024	£3.0m
2023	£3.8m
2022	£3.7m

Shareholders' funds

£38.9m

FY23 £34.3m

2024	£38.9m
2023	£34.3m
2022	£23.2m

Chief Financial Officer's statement

Revenue

An excellent year with revenues growing by 27% to £40.3m (FY23: £31.7m). The Company generates sales through products and associated services, customer-funded projects (mainly modification programmes), and the sales of Systems and their development. Products sales remain the major revenue contributor at £37m, plus Systems revenue of £2.1m and project revenue of £1.2m.

Product sales revenue

£37m

Systems sales revenue

£2.1m

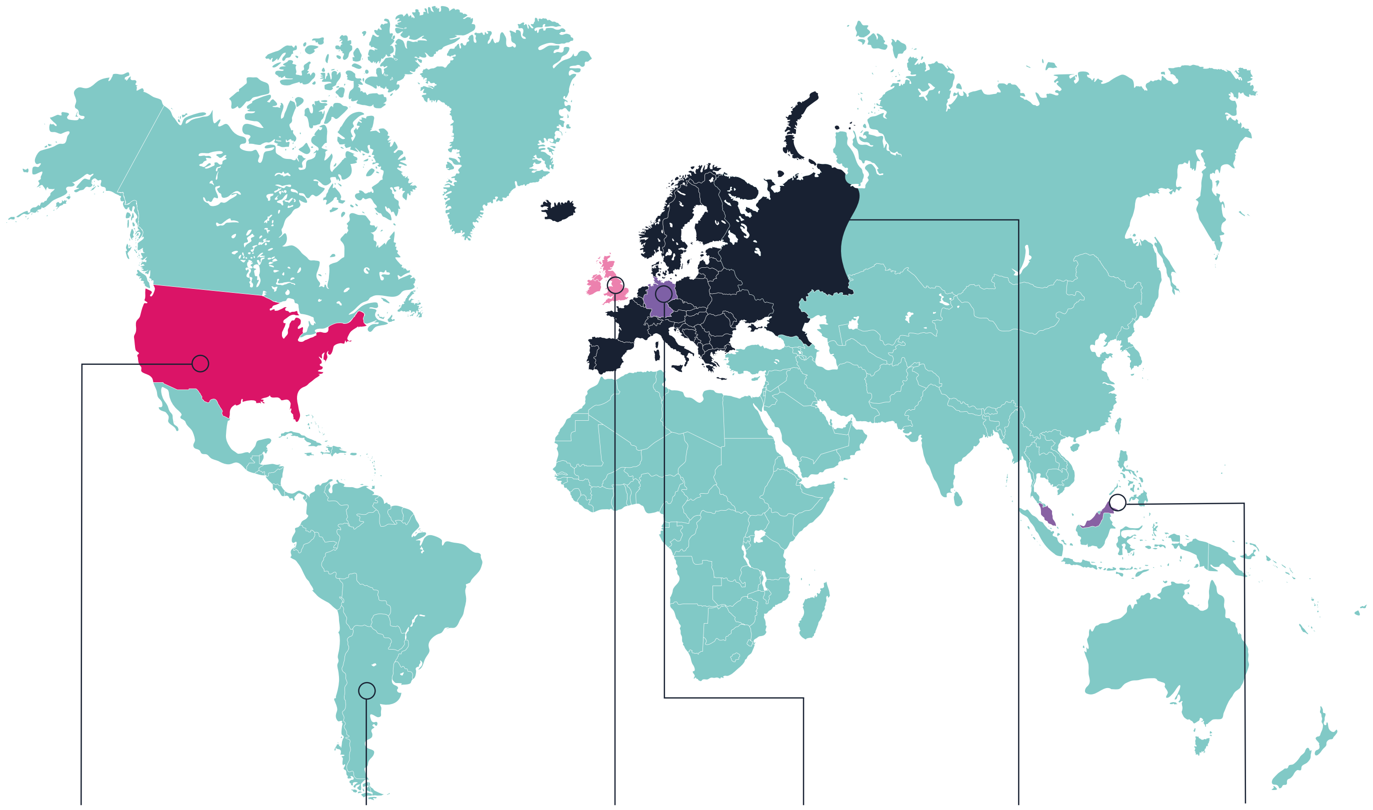
Project sales revenue

£1.2m

Revenue growth

27%

£40.3m



United States	Rest of the World	United Kingdom	Germany	Other Europe	Malaysia
2024: 18,333,933	**2024:** 5,517,47	**2024: 2,929,047**	**2024:** 3,614,506	**2024:** 8,146,423	**2024:** 1,782,697
2023: 13,060,691	**2023:** 5,425,434	**2023:** 2,148,568	**2023:** 6,450,372	**2023:** 4,178,401	**2023**: 392850

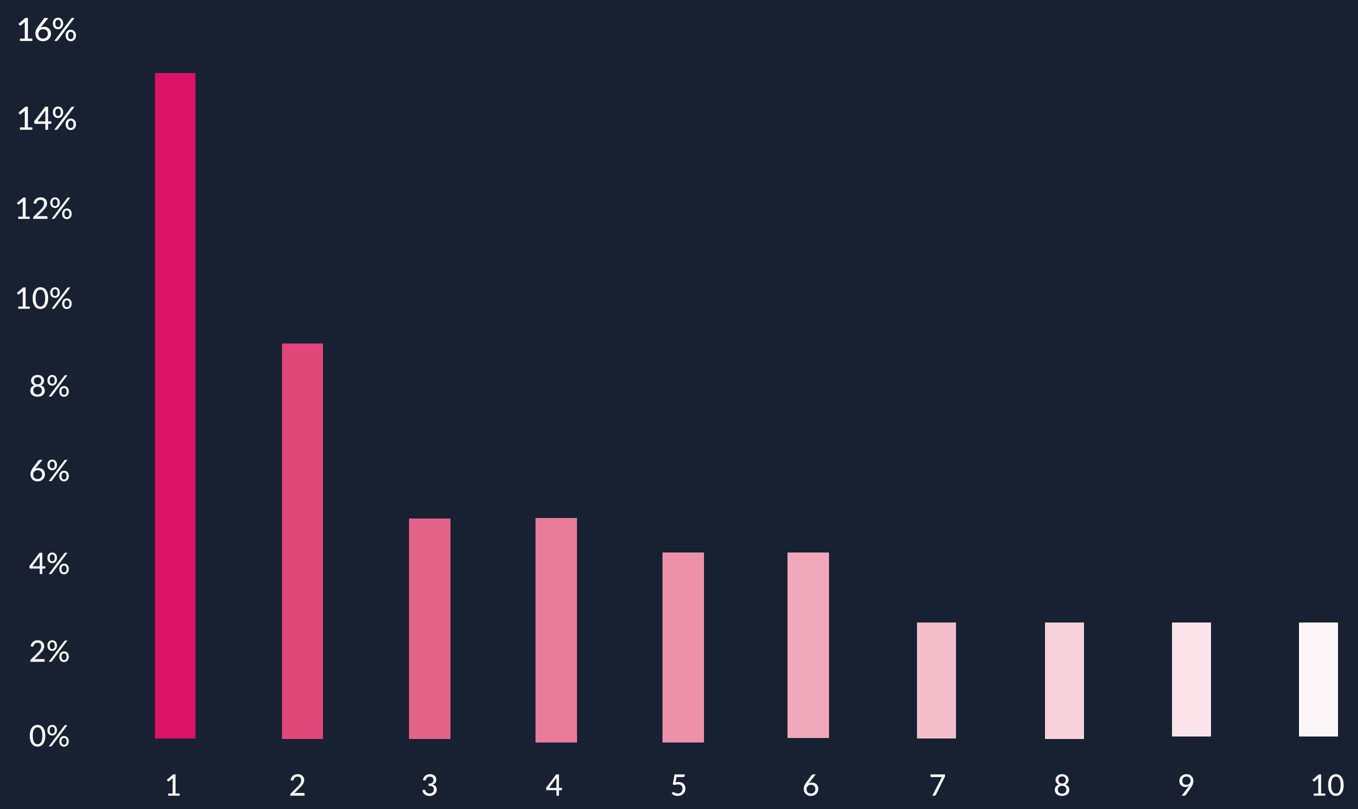
Geographical split

The geographical split remains worldwide and is driven by customer requirements (not always the same every year due to the nature of our products). The US remains dominant for revenue growing from 41% to 45% of revenue in FY24 (FY23: £13.1m; FY24 to £18.3m). Europe has increased by c. 10%/£1m, with continued growth in Asia c. 80%/£3m, with a small decrease in ROW.

The largest customer in FY24 was in the US at £6m, followed by Italy and India. With the direction of working with major primes and increasing our customer base, our top 10 customers equate to c. 54% of our revenue (FY23: 52%).

Chief Financial Officer's statement

% revenue by top customers



Revenue by market

Defence

£35,016,539

87%

Industrial and scientific

£3,033,160

7%

Communications, medical and other

£2,274,384

6%

Total revenue **£40,324,083**

Gross profit

Gross profit grew by c. 28% to £20m (FY23: £15.6m), with gross profit margin remaining strong at 49.5% (FY23: 49.4%) The gross margin on products increased marginally in the year. This improvement was largely offset, as expected, by a lower margin mix in our systems and projects businesses which included customer programmes, varying third party content and increased direct manpower costs.

Profit

Profit before tax increased by c. 40% to £5.2m (FY23: £3.7m), after a significant investment in the Systems business of £1.1m, as planned. Product profit margins remain strong at c. 50%, reflecting strong efficiency and effectiveness as a result of investment in people, tools and processes over the last few years. Record revenue for a second year and corresponding increased gross profit have resulted in increased profitability. EBITDA (measured as operating profit adjusted for depreciation and amortisation) increased by 30% to £7.8m (FY23: £6m). Amortisation of our product development was up by 28% to £1.9m, reflecting the new product portfolio continuing to be released into the costs of the business, across the year. Capitalisation of product development is lower in FY24 at £3m (FY23: £3.8m) due to increased customer -funded design and engineering, and the level of internal development.

Earnings per share (EPS) was 5.12p (FY23: 4.06p). This reflects the increased number of shares, in full, following the equity raise in August FY23.

Cost base

The Group continues to balance an efficient and effective cost base, with a strong growth strategy. FY24 represented a first full year of the full investment costs (predominantly people) in the Products business and functions supporting it. In the year, the Group also significantly invested in the Systems business, mainly with additional people to support growth to be ready to efficiently deliver new business as won.

The Group continues to pursue the strategy, investing in R&D, developing new products and securing talented people to deliver and drive the business.

	FY24 £m	FY23 £m	Variance
Total operating expenses	14.8	12.2	2.6
Salaries, NI and pension	11.0	9.0	-2.0
Bonus and commissions	1.8	1.9	-0.1
Total salary related costs	12.8	10.9	-3.2
Other costs	3.4	3.4	0
Capitalisation	+3.0	+3.8	-0.8
Amortisation	1.9	1.4	-0.5
FX	+0.3	0.3	+0.6
Total	**14.8**	**12.2**	**2.6**
Operating cost of Systems	**1.3**	**0.3**	**1.0**

As per the table above, a major part of the cost increase has been the investment in people, with salaries increasing by £2m, with an additional £1m accounted for in Systems (full year v partial year of c. 4 months).

Bonus and commissions were slightly down, with increased participants, offset by a £300k one-off charge last year for the change in commission scheme.

Amortisation increased significantly due to our newer products being completed. All other costs are relatively flat, with a favourable swing in foreign exchange rates, dominated by the USD.

Chief Financial Officer's statement

Tax

The Group has undertaken a full tax review and computation, in accordance with UK tax regulations. In FY24 we have a tax charge of £0.5m, due to reduced R&D activity (some of this was diverted to customer -funded projects) and increased profits. Tax planning is an important part of our financial efficiency, especially as we grow and tax regime changes for R&D investment. We will continue to review and maximise our position as we go forward.

Cash flow

The business has a healthy cash balance of £13.7m (FY23: £11.1m), with £7.9m generated from normal operations (a strong increase from FY23 at £5.6m). Revenue was strong in Q4, resulting in high trade receivables at the end of FY24 of £6.2m. The business continued to be cash generative in FY24, despite a significant investment in Systems and a one-off end-of-life purchase on components which although delivered in FY23, was paid for in FY24.

Statement of financial position

Inventory at the close of FY24 was £11m (FY23: £12m). Following investment in inventory during the component crisis of FY22 (and part way through FY23) inventory levels began to normalise through FY24, reflecting increased manufacturing levels and the acceleration of customer deliveries in the year. Going forward we expect inventory levels to continue to normalise but against a larger Group structure. The lead times and availability of components is now back to pre-crisis levels, but we are seeing several examples of reductions in component variations (SKUs), which is leading to some end-of-life products being purchased. This is on a reasonable and manageable level and we will continue to manage it tightly to ensure we maximise efficiency. The business reviews inventory regularly and provides for obsolescence and slow-moving inventory accordingly, which totalled £0.9m in FY24 (FY23: £1.26m).

Inventory continues to be a key factor in enabling the business to deliver most efficiently and effectively, with careful management contributing to the reduction in lead times in getting products to customers.

Trade payables at £5.1m (FY23: £5.7m) are at a slightly lower level to FY23. However, FY24 closing does not now include a large one-off payment for an end-of-life component purchase, which was cleared in April FY24, value c. £3.5m. The lower payables reflect a more effective supply chain and better delivery availability (more efficient in ordering in a timely manner).

Governance

Governance

The Directors have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, in line with Section 172 of the Companies Act 2006.

This section of the Strategic Report describes how the Directors continue to have regard for:

- The likely consequences of any decision in the long term,
- the interests of the Group's employees,
- the need to foster the Group's business relationships with suppliers, customers and others,
- the impact of the Group's operations on the community and the environment,
- the desirability of the Group maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Group.

In discharging its Section 172 duties, the Board has considered the factors set out above and the views of key stakeholders as described below. The Board identifies the Group's key stakeholders as shareholders, employees, customers, suppliers and advisors, and it is committed to effective engagement with these stakeholders.

Principal risks and uncertainties

Concurrent's business approach is built around careful risk management while also proactively seeking new opportunities to grow.

The risks listed below are not exhaustive but are intended to represent the key uncertainties currently facing the business.

Legislation and regulatory activities

Concurrent regularly monitors both current and upcoming legislation to ensure compliance. This includes company law, environmental law, export regulations, and COSHH and REACH legislation. Each company within the Group is required to pay tax in the country in which it operates, and any changes to tax legislation in these regions could impact the amount of tax payable on profits.

The Company's advanced technology may be subject to export control legislation, which could restrict its ability to sell products in certain countries. These risks are managed by consulting with tax experts and investing in specialist export control expertise.

Principal risks and uncertainties

Customer risk

Concurrent's revenue relies heavily on its customers' ability to develop, manufacture and sell products that include Concurrent's technology. There is always an underlying risk that several customers could face financial, technical or other difficulties at the same time, which could impact sales and business performance.

A major delay or reduction in revenue could occur if key customer programmes – particularly those developing or upgrading end-use equipment – are postponed or scaled back. Concurrent's top 10 customers currently account for 54% (Concurrent's top customer accounts for 15% of revenue). Around 87% of revenue comes from the defence sector, which remains strong and continues to be a major focus for growth. Concurrent is still considered a smaller business within this sector, which means it is less likely to be significantly affected by wider macroeconomic trends. However, the defence market is typically made up of a small number of large prime contractors. To address this, the Company continues to invest in strong business development to expand its customer base.

Commercial risk

Concurrent has increasingly moved into the Systems business, which now sits alongside its Products business. This shift brings greater commercial risk due to the increased complexity of contracts: strategic partnerships, alliances and acquisitions add further layers of complexity and must be carefully managed.

To support this, Concurrent has restructured into business units, allowing for better oversight and control. This structure helps monitor and mitigate emerging risks more effectively.

Concurrent is closely monitoring the current situation regarding tariffs and their potential impact. While acknowledging the headwind on profit that may exist given Concurrent's exposure to the US, it is confident that it can understand and navigate accordingly.

Concurrent's competitive position in the market remains robust, backed by long-standing customers and long-term planning agreements with many of its competitors, including those based in the US, also facing tariff exposure due to their global manufacturing operations.

Concurrent's priority remains to deliver for its customers and protect the interests of its business and stakeholders while remaining adaptable in the face of evolving circumstances.

Foreign exchange rates

A significant portion of Concurrent's revenue and activity is exposed to foreign exchange fluctuations. However, many purchases are made in the same currency (USD) as the sales, providing a level natural hedge. Concurrent's US entities operate in local currency, but there remains some exposure to current translation risk.

Concurrent monitors this on a regular basis and continues to take steps to reduce its impact where possible.

Attracting talent

Attracting and retaining the right people remains a key priority for Concurrent and will always represent a risk. Concurrent has made meaningful improvements to its employee proposition over the last few years, through training and hiring strategies and is committed to maintaining a working environment that supports and engages its people.

In FY24, 12.5% of employees were promoted or moved into significantly expanded roles – an important step in recognising talent and supporting long-term career growth.

Concurrent is confident it offers a strong overall package: good working conditions, real opportunities for development and growth, and a flexible, modern approach that reflects the way people want to work today.

Board of Directors

Mark Cubitt | Age 62
Chairman

Mark has been the Chairman of Concurrent Technologies plc since 2020. A chartered accountant until he retired in 2023, he has also served as Non-Executive Chairman of AIM-listed Beeks Financial Cloud Group plc since 2016 until he stepped down as Chairman in December 2024 whilst continuing as a Non-Executive. In October 2024, Mark joined the board of IQE plc as a Non-Executive Director and stepped up to Executive Chairman in November 2024 on an interim basis. Previously, Mark was CFO of Wolfson Microelectronics plc from 2007 to 2014 and Non-Executive Chairman of Superglass Holdings plc from 2015 to 2016. He has extensive experience in finance, having served as Vice President of Finance at Jacobs Engineering, and Finance Director of Babtie Group Ltd, which was sold to Jacobs Engineering in 2004.

Dr Miles Adcock | Age 51
Chief Executive Officer

Miles joined Concurrent Technologies plc as CEO in June 2021. Before this, he served as President of Space Imaging at Teledyne Technologies, Inc. His earlier career includes leadership roles at QinetiQ, where he was Managing Director and a member of the Group Executive Committee after serving as Group Engineering Director. He also held senior positions at BAE Systems and GEC-Marconi.

Kim Garrod | Age 58
Chief Financial Officer

Kim held various senior financial roles at QinetiQ Group plc and its predecessor organisations, including five years as Finance Director for the international business. She was appointed Director and CFO of Concurrent Technologies plc in May 2022.

Brent Salgat | Age 59
Chief Revenue Officer

Brent previously held sales management roles at SBS Technologies and GE Intelligent Platforms. He became President of Concurrent Technologies, Inc. in 2008 and was appointed a Director of the company in 2020 and was promoted to Chief Revenue Officer in 2024.

Nat Edington | Age 55
Non-Executive Director

Nat joined Concurrent in 2021. He was appointed CEO of Filtronic plc on 13 May 2024. Nat is the former CEO of Dukosi, where he led the company's transformation into a technology leader in battery systems. Before Dukosi, he was CEO at Cambridge CMOS Sensors, playing a key role in the company's sale to AMS AG. Nat also held senior positions at Wolfson Microelectronics plc.

Issy Urquhart | Age 56
Non-Executive Director

Issy joined Concurrent at the start of 2024. She is a seasoned international business leader with over 30 years of strategic and operational global HR experience. Currently, she serves as Chief People Officer and Director at Craneware plc, a global AIM-listed SaaS company. Issy has held senior roles at CommScope, Wolfson Microelectronics plc, and Convergys. Her expertise spans a wide range of sectors, including technology, business process outsourcing, financial services, and fast-moving consumer goods.

Audit Committee Member

Remuneration Committee Member

Nominations Committee Member

Directors' report

The Directors present their report and financial statements for the Group, which comprises of Concurrent Technologies plc and its wholly owned subsidiaries for the year end 31 December 2024.

They are responsible for ensuring the Annual Report and financial statements meet all relevant legal and regulatory requirements. The Group's financial statements are prepared annually in line with UK -adopted international accounting standards, while the Parent Company's financial statements comply with UK Generally Accepted Accounting Practice (UK GAAP), including FRS 101 'Reduced Disclosure Framework'.

The Directors confirm that the financial statements give a true and fair view of how the business performed and its financial position at the end of FY24.

When preparing the accounts, the Directors must:

- Use consistent and appropriate accounting policies,
- apply reasonable judgement and make fair estimates,
- comply with relevant accounting standards and explain any differences, and
- prepare financial statements on a going concern basis unless there are valid reasons not to.

They are also responsible for keeping accurate accounting records which reflect the Company's transactions and financial position, and for ensuring compliance with the Companies Act 2006. In addition, the Directors are responsible for safeguarding Company assets and taking reasonable steps to prevent and detect fraud or error.

The Directors confirm that:

- To the best of their knowledge, all relevant audit information has been disclosed to the Company's auditor,
- they have taken all reasonable steps to identify and communicate pertinent audit details to the auditor,
- they ensure the accuracy and reliability of corporate and financial data published on the Company's website, and
- they acknowledge that UK legislative requirements for preparing and distributing financial statements may differ from those in other jurisdictions.

Results and dividends

The profit on ordinary activities after taxation for the year end 31 December 2024 was £4.7m (FY23 restated: £3.2m). The proposed dividend per share is 1.1p (FY23: 1.0p)

Research and development

Concurrent recognises the critical importance of investing in R&D to drive both technical innovation and commercial competitiveness. Expenditure on R&D was £3.0m (FY23: £3.8m). The drop from FY23 was predominately due to a mix of customer-funded activities and internal product development.

Donations

The Group made no donations this year.

Substantial shareholders

As of 31 December 2024, the following entities or individuals held an interest of 3% or more in the Company's ordinary shares, excluding shares held in treasury.

Premier Milton Group plc

Quantity 10,267,752 11.97%

Canaccord Genuity Group Inc.

Quantity 5,545,076 6.61%

M Collins

Quantity 4,343,287 5.07%

Lombard Odier Asset Management (Europe) Ltd

Quantity 4,310,846 5.03%

Diverse Income Trust

Quantity 3,358,461 3.92%

*Derived from the most recent TR1 notification

Directors' interests

The Directors listed below have held office throughout the period from 1 January 2023 to 31 December 2024. Their beneficial interests in the Company's ordinary share capital as of 31 December 2024 are detailed below:

	01.01.2024	31.12.2024
Mark Cubitt	70,000	70,000
Nat Edington	30,000	30,000
Miles Adcock	61,538	61,538
Brent Salgat		150,000
Kim Garrod	15,000	15,000

Streamlined energy and carbon reporting (SECR)

Concurrent is only required to report on the energy use and greenhouse gas (GHG) emissions resulting from our UK operations.

Officers' insurance

Concurrent has purchased and maintains insurance to cover its officers against liabilities in relation to their duties to the Group.

Post balance sheet events

There were no post balance sheet events to report.

On 18 November 2024 the Company's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

HaysMac LLP has expressed its willingness to continue in office and a resolution will be proposed at the next AGM for its reappointment as auditor.

Mark Cubitt
Chairman

Annual Report and Accounts 2024

Report on remuneration

This report sets out Concurrent Technologies plc's remuneration and benefits provided to Directors for the financial year end 31 December 2024.

As an AIM listed company, Concurrent is not required to comply with the Directors' Remuneration Report regulations requirements under Main Market UK Listing Rules or those aspects of the Companies Act 2006 applicable to listed companies. The Board of Directors selected the QCA Corporate Governance Code as its corporate governance framework and our extent of compliance within this code is set out and explained within the Corporate Governance Report on pages 46–51. Further details and explanations regarding the extent of compliance with the Remuneration provisions of the QCA Corporate Governance Code are included within this report of the Remuneration Committee.

Remuneration committee

The Remuneration Committee operates within defined terms of reference. It reviews the performance of the Executive Directors and Executive Committee and makes recomm endations to the Board on matters including their remuneration, share awards, and terms of service where necessary. The committee also reviews the pay practices for the Company to ensure its fairness, equity and alignment with Concurrent's pay principles.

The Remuneration Committee is chaired by Issy Urquhart and comprises the Chair of the Board, Mark Cubitt, and Non-Executive Director, Nat Edington.

Remuneration committee report

During FY24, the Remuneration Committee met four times.

Remuneration policy

The Remuneration Policy is designed to ensure that the Executive Directors are rewarded fairly for their individual contributions to the Group's overall performance in the delivery of the Group's strategy and for the promotion of the long-term success of the Group. The policy considers the QCA Corporate Governance Code and other best practice guidance, as far as they are appropriate to the Group. The policy ensures that a significant proportion of the remuneration of the Executive Directors is performance-related and allows the Company to retain and motivate individuals with the required skills and experience to ensure that the Group is managed successfully in the interests for the shareholders as a whole. The Remuneration Committee sets the remuneration of the individual Executive Directors on an annual basis within the framework of the Remuneration Policy, which will usually consist of:

- Base salary
- Annual bonus
- Long-term incentive plan (LTIP) awards
- Retirement benefits
- Healthcare

Base salary

At the start of each fiscal year, the Remuneration Committee recommends base salaries for Directors. These are based on external benchmarks, individual performance and Company affordability. A market analysis exercise was also carried out for other members of the Executive Committee.

The same approach is applied to the annual salary review for the wider employee base. Concurrent remains committed to ensuring all employees are paid at least the Real Living Wage.

Annual bonus

The CEO's annual bonus target remains set at 100% of base salary. In 2024, the performance criteria were adjusted so that 75% of the bonus is based on pre-tax profit and 25% on personal objectives. Within the pre-tax profit element, meeting on-target pre-tax profit earns 37.5% of the total bonus, while achieving the stretch pre-tax profit target earns 75% of the total bonus.

The personal performance portion is made up of five individual objectives, each assessed on a scale of 0.0, 0.5, or 1.0 depending on contribution. To receive the full 25%, all five objectives must score 1.0.

Other Directors have the same bonus structure, with the annual bonus target increased to 66.7% of base salary (from 50%) with 75% of the bonus based on pre-tax profit and 25% of the bonus based on personal objectives.

In FY24, the bonus plan also remained in place for the Executive Committee, which includes five direct reports to the CEO in addition to the two Directors. This group has the same bonus structure as the Executive Directors, with an annual bonus target increased to 33.3% of the annual base salary (from 25%).

As part of the new Business Unit organisation structure, introduced in August 2024, the committee recommended to the Board to include four additional employees in the bonus plan with a 15% annual bonus target, using the same performance criteria as outlined above. This was prorated for the remainder of 2024. From 1 January 2025, an additional 10 employees in the Systems Business Unit and Enabling Functions will also be eligible for this bonus plan at 15% annual bonus target.

An all-employee bonus plan also remains in place, based on pre-tax profit. It has the same performance thresholds for both on-target and stretch performance. This structure ensures alignment to the same performance measures throughout the Company.

The broader sales team has its own bonus plans, based on regional targets. As such, they're excluded from the all-employee bonus plan.

The Company's increasing focus on profit performance is evident in its approach to compensation. Individual contributions, such as skills, capabilities and performance, being recognised through base salary, and collective achievements rewarded through incentives.

Long-term incentive plan (LTIP)

Annual LTIP awards are based on a three-year vesting period linked to EPS growth. Awards vest at 25% for 5% annual compound EPS growth (gate) and at 100% for 10% annual growth (target), with vesting on a straight-line basis between gate and target. Awards lapse if performance falls below the gate, subject to the Remuneration Committee's discretion.

The EPS growth targets are reviewed annually for future awards.

The annual LTIP awards are based on a % of base salary as follows:

- CEO – 100%
- Other Executive Directors – 66.7%
- Executive Committee and one additional employee – 33.3%
- Leadership Team – 15%

As part of the Business Unit organisation structure, a 15% LTIP, with the same performance criteria, was introduced for six employees. In January 2025, a further 10 employees will be eligible for this scheme in the Systems Business Unit and Enabling Functions.

Retirement benefits

UK-based Executive Directors are eligible to participate in the Company's defined contribution pension plan, as outlined in Note 22 of the financial statements. In FY23, Miles Adcock chose to opt out of the Company's pension plan and instead received an alternative payment, which was cost-neutral for the Company. This continued in FY24. This payment is excluded from base salary when calculating bonuses and share-based awards.

US-based Executive Directors are eligible to participate in the Company's 401(k) retirement plan.

Report on remuneration

2024 actual bonus performance

The table below outlines the structure of actual bonus payments awarded to Executive Directors for FY24.

	Personal objectives £	Pre-tax profit £	2024 £	2024 as % of base £
Miles Adcock	70,874	212,621	283,495	100
Kim Garrod	28,364	85,090	113,454	67
Brent Salgat	29,156	87,467	116,623	67
Total	**128,394**	**385,178**	**513,572**	

The total bonus column is included in the Directors' emoluments table below.

Directors' emoluments

Each Director has an employment contract, with the CEO and CRO's contracts stipulating a nine-month notice period, while the CFO is on a six-month notice period.

The Non-Executive Directors' service contracts have a three-month notice period and offer a base fee structure without additional benefits or participation in the Company's bonus plans or share scheme.

Director's emoluments during the year ended 31 December 2024 were:

	Fees/basic salary £	Objective bonus £	Performance bonus £	Pension £	Benefits in kind £	2024 Total £	2023 Total £
Executive							
Miles Adcock	283,495	89,149	214,653	25,987	1,435	614,719	580,876
Kim Garrod	169,335	26,625	64,107	16,298	1,601	277,966	259,537
Brent Salgat	172,705	35,173	84,689	0	0	292,567	271,969
Non-Executive							
Mark Cubitt	57,900	-	-	-	-	57,900	55,673
Nat Edington	34,059	-	-	-	-	34,059	32,749
Issy Urquhart	35,000	-	-	-	-	35,000	0
Total	**752,494**	**150,947**	**363,449**	**42,285**	**3,036**	**1,312,211**	**1,200,804**

Share options

The Company operates both a legacy EMI scheme and a more recent LTIP. While overall responsibility for these plans sits with the Board, their management is delegated to the Remuneration Committee. The Remuneration Committee also determines which employees are invited to participate in the schemes, extending options to a select group based on defined criteria.

Details of the Directors' outstanding share awards are below.

	No. of shares under option 31.12.23	New awards	Options exercised	Lapsed	No. of shares under option 31.12.24	Exercise price	Date from which share option is exercisable	Share option expiry date
Miles Adcock	267,739	-	-	-	267,739	93.5p	2-Jun-24	21-Jun-31
Miles Adcock	288,235	-	-	-	288,235	1.0p	1-Jan-25	23-Nov-31
Miles Adcock	326,136	-	-	-	326,136	1.0p	1-Jan-26	27-Oct-36
Miles Adcock	393,306	-	-	-	93,306	1.0p	31-Dec-26	22-Oct-37
Miles Adcock	-	245,365	-	-	245,365	1.0p	31-Dec-27	24-Sep-38
Brent Salgat	150,000	-	150,000	-	150,000	48.5p	26-Mar-18	26-Mar-25
Brent Salgat	100,000	-	-	-	100,000	101.5p	14-Oct-23	14-Oct-30
Brent Salgat	82,789	-	-	-	82,789	1.0p	1-Jan-25	21-Nov-31
Brent Salgat	114,377	-	-	-	114,377	1.0p	1-Jan-26	27-Oct-36
Brent Salgat	127,858	-	-	-	127,858	1.0p	31-Dec-26	22-Oct-37
Brent Salgat	-	100,938	-	-	100,938	1.0p	31-Dec-27	24-Sep-38
Kim Garrod	153,061	-	-	-	153,061	1.0p	1-Jan-25	9-May-35
Kim Garrod	97,403	-	-	-	97,403	1.0p	1-Jan-26	27-Oct-36
Kim Garrod	117,463	-	-	-	117,463	1.0p	31-Dec-26	22-Oct-37
Kim Garrod	-	98,195	-	-	98,195	1.0p	31-Dec-27	24-Sep-38

The market price of the Company's shares at the end of FY24 was 137.5p and the range of published market prices during the year was 79.0p to 154.5p.

Chair of Remuneration Committee
Issy Urquhart

ESG report

Overview

The Group's ESG strategy and long-term vision are dependent on three key areas: delivering safe, high-quality products; developing an inclusive, safe and engaged workforce; and underpinning the organisation with a robust governance and control framework.

Concurrent is also committed to limiting its environmental impact and in FY24, is reporting its first carbon footprint calculation in line with the Streamlined Energy and Carbon Reporting (SECR) regulation.

Our people

Concurrent places a strong focus on its people. Creating a safe, inclusive and engaging workplace to attract and retain talented people remains a top priority. This is achieved through a positive and supportive culture, investment in employee development, and regular engagement activities.

The Group offers a comprehensive and annually benchmarked benefits package, which includes life and medical insurance, a competitive pension scheme, flexible working, a company share scheme for senior team members, and a guarantee to pay at least the Real Living Wage.

In 2024, more than 80% of employees responded to the Company's culture survey. Insights from the survey informed action plans aimed at improving the overall employee experience. Employees also have regular opportunities to connect with leadership throughout the year, including during 'Evolve Week', which includes a briefing with the CEO. In FY24 the employee retention rate was 90.6% excluding people managed through a process.

Progress is measured through Culture 15, a tracking platform provided by Coode Associates, the business performance consultancy Concurrent has worked with since 2023.

Concurrent offers a wide range of professional development initiatives including intensive leadership training, executive coaching for selected team members, individually tailored technical development (e.g. in partnership with the Institute of Engineering and Technology), apprenticeships in support functions, and access to LinkedIn Learning for all employees. The Company takes a holistic approach to employee wellbeing, covering mental, physical, financial, and social support. Its Health and Safety Policy and Control Framework is overseen by the HSE Committee, which monitors near misses and injury data to continuously improve workplace safety. In FY24 there were no injuries and two near misses reported. At the end of FY24, 13 employees are Institution of Occupational Safety and Health (IOSH) trained, and a further five were in training, representing 17% of the Operations and Engineering workforce. Hazardous material risk assessments are carried out annually.

This framework is supported by the Wellbeing Steering Committee, which oversees a broad range of initiatives. These include a team of nine mental health first aiders (up from three), an employee assistance programme, wellbeing challenges via YuLife, financial wellbeing seminars and regular team socials. In 2024, these initiatives were aligned with Health and Safety Executive standards.

YuLife, a benefits and wellbeing platform, continues to play a central role in wellbeing efforts, offering rewards linked to environmental and charitable causes, alongside personal incentives. Concurrent also fostered community engagement in FY24 through activities such as Macmillan coffee mornings and bake sales. Employees were encouraged to pursue their own charitable endeavours through a matched funding initiative, which will expand in FY25.

The Company remains committed to encouraging young people to pursue careers in STEM. In FY24, the Company hosted four work experience students and two summer interns. These initiatives will continue to grow in the years ahead.

From FY25, Concurrent will introduce employee volunteering days, giving its people the opportunity to support causes of their choice during work time.

Inclusion is deeply embedded in the Company's culture and identity. The Board currently includes 33% female representation – well above the 18% average for similar sized companies in the technology hardware sector.

In FY24, steps were taken to deepen inclusivity, including reviewing internal language to remove bias, simplifying communication to ensure global accessibility and adopting sentence-case formatting across digital platforms to improve screen reader compatibility. Inclusion-focused manager training continued throughout the year, and a podcast series exploring human and vulnerable topics – led by employees – will launch in FY25.

The introduction of HiBob, a global HR management system, helped improve internal connectivity, streamline operations, and provide a data foundation for tracking workforce demographics and support inclusion goals as we continue to grow.

Concurrent's products

Concurrent remains deeply committed to delivering safe, high-quality products. Accredited Management Control Systems are embedded across the business, including AS9100 certification in the US. Work is ongoing to achieve AS9100 certification in the UK.

Concurrent prioritises quality assurance by working with approved franchise suppliers where possible. Where this isn't feasible, additional supplier due diligence is carried out.

Supply chain risk is managed through robust due diligence processes and procurement controls. The Company also complies with the US Defense Federal Acquisition Regulation Supplement (DFARS), and its supplier terms and conditions cover conflict materials, ethical sourcing policy and modern slavery.

Concurrent undertakes periodic supplier audits and plans to increase its frequency in FY25. A new global ERP is being implemented to strengthen supply chain oversight and ensure quality and safety remain central to procurement decisions.

The Company adheres to Restriction of Hazardous Substances (RoHS); Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and follows Control of Substances Hazardous to Health (COSHH) standards wherever applicable.

Energy efficiency is a priority in product design, reflecting customer expectations and environmental responsibility. Many of Concurrent's products are inherently long-life, and recycling support is offered at end-of-life where requested by customers.

ESG report

Concurrent's operations

FY24 marks the Company's first year reporting under the Streamlined Energy and Carbon Reporting (SECR) regulation, including its first carbon footprint calculation for UK operations.

Concurrent has taken several steps to reduce operational energy use. At its Colchester facility, energy intensity per board is monitored, and infrastructure improvements – including LED lighting – have been introduced. The Theale office now features motion-sensitive lighting and climate controls in meeting rooms. As detailed in the SECR report, the Company has secured renewable electricity certification for the Colchester facility through October 2025, significantly reducing UK electricity (Scope 2) emissions.

Additional sustainability initiatives include:

- Electric vehicle and cycle-to-work schemes in the UK,
- investment in energy-efficient manufacturing equipment (e.g. single-mode SPI technology),
- packaging made from an estimated 99% recycled materials,
- return and reuse programmes with suppliers,
- comprehensive water and recycling initiatives, including hazardous waste audits in the UK and operational electronic waste recycling in the US, and
- the auctioning of old IT equipment for reuse.

In the US, wastewater and stormwater compliance measures are in place. In the UK, water usage is now being monitored at the Colchester facility.

Marketing activities have also shifted to more sustainable practices. Concurrent now prioritises digital-first materials where possible, replacing large print brochures with digital versions accessible via QR codes. This approach will be further developed in FY25.

No environmental incidents were recorded in FY24.

Concurrent Streamlined Energy and Carbon Reporting (SECR)

Concurrent is required to report on the energy use and greenhouse gas (GHG) emissions resulting from its UK operations only. This report covers the period 1 January to 31 December 2024 and follows the GHG Protocol Corporate Accounting and Reporting Standard methodology.

The following calculations are included:

UK energy use

- UK Scope 1 (direct) and 2 (indirect) GHG emissions
- UK grey fleet mileage and emissions (Scope 3)
- Intensity metric(s)

Concurrent uses tCO2e per £million revenue as its intensity metric. This reflects the nature of the business and supports year-on-year comparisons as the Company grows. For example, the planned office move in FY26 is expected to impact future emissions data.

UK energy use (kWh)	FY24
Scope 1: gas	109,366.64
Scope 2: electricity	398,637.37
Total	**508,004.01**

UK emissions (tCO2e)	FY24
Scope 1: combustion of gas	22.35
Scope 2: purchased electricity (location-based)	82.54
Scope 2: purchased electricity (market-based)	5.03
Total scope 1 and 2 (location-based)	**104.89**
Total scope 1 and 2 (market-based)	**27.38**
Grey fleet	15.10
Total scope 1, 2 + grey fleet (location-based)	**119.99**
Total Scope 1, 2 + grey fleet (market-based)	**42.48**

UK GHG emission intensity ratio (tCO@e/£million revenue)	FY24
Total scope 1, 2 + grey fleet (location-based)	**2.98**
Total scope 1, 2 + grey fleet (market-based)	**1.05**

Calculation methodology responsibilities

Concurrent was responsible for collection and aggregation of the data, which includes the associated kWh readings from gas and electricity bills for FY24.

Addidat was responsible for the GHG calculation. The UK Government GHG Conversion Factors for Company Reporting, specifically 'DEFRA 2024' were used to calculate emissions of CO2, NO2 and CH4, which are ultimately expressed in a combined format as tonnes of carbon dioxide equivalent (tCO2e).

GHG sources and assumptions

Scope 1 covers the Greenhouse Gas (GHG) emissions directly associated with Concurrent through the combustion of fuels in our offices, namely natural gas.

Scope 2 emissions are those indirectly generated through the consumption of electricity on Concurrent's sites. The location-based values indicate the Company's emissions using a UK grid emissions factor. The market-based values use supplier-specific emissions factors, therefore providing a more accurate representation of Concurrent's actual emissions by reflecting its environmental choices, such as the use of renewable energy in its Colchester facility.

Grey fleet emissions relate to emissions produced by the use of fuel in personal and hire cars and exclude the use of taxis and any mileage expenses for non-employees in the UK, in line with the SECR regulation.

Concurrent's governance

Concurrent maintains high governance standards across the Group.

Concurrent aligns with the QCA Governance Code, with oversight from the Chair, to ensure best practice is upheld across all entities. Preparations are underway to report against the updated Code in FY25.

Risk and opportunity management are integrated at all levels of the business, supported by a central risk register. Management systems aligned to ISO standards including AS9100 (US) are in place.

Key policies include Anti-Bribery and Corruption, Whistleblowing, IT and Cyber Security, Environmental Health and Safety, and the Modern Slavery Statement. Policies are reviewed annually by the Audit Committee. Where updates are made, employees' attestation is managed via the HR system.

Concurrent applies rigorous information and data security controls. These include:

- Dedicated cyber policies, including for generative AI,
- insurance against cyber-attacks,
- cyber security training for all employees,
- external penetration testing,
- tested business continuity and disaster recovery plans,
- an IT security partner in the US, and
- additional data loss prevention protocols for customer work.

Concurrent is Cyber Essentials Plus accredited in the UK, National Institute of Standards and Technology (NIST) compliant in the US, and aligns with Information Technology Infrastructure Library (ITIL) and Microsoft standards. As the business grows, its security and governance framework will continue to evolve.

ESG in FY25

To further strengthen its ESG approach, Concurrent has partnered with Addidat, a leading ESG data and advisory provider. Addidat will support Concurrent in reviewing its current status and defining next steps.

Concurrent will also use the Addidat Platform, which provides analytics and reporting capabilities, to track ESG performance, drive compliance, and deliver data-led improvements across the business.

Corporate governance

As Chair of the Board, it's my responsibility to ensure the highest standard of corporate governance is upheld across the Group, as this is essential to delivering long-term shareholder value. In accordance with the London Stock Exchange (LSE) rules for Companies (AIM Rules), the Board has once again chosen to apply the QCA Corporate Governance Code on the basis that it remains the most appropriate for the Group, in terms of size and structure.

The QCA Code is constructed around 10 broad principles and a set of disclosures. It states what it considers to be appropriate arrangements for small and mid-size companies and asks companies to explain how they meet the principles through the prescribed disclosures.

Recognising the significant impact of its strategic and risk decisions on the Company's culture and performance, the Board emphasises transparent engagement with both individual and corporate investors. Ethical values and behaviours are fundamental to achieving corporate objectives, a commitment the Board maintains across all Company activities.

The Board understands that good corporate governance is an important factor in creating a sustainable and efficient business and works hard to ensure that it does not depart from any of the principles of the QCA Code.

We are confident our approach to corporate governance will underpin the development of Concurrent and successfully position the business for its next stage of growth.

A summary of how we comply with the QCA Code is set out below.

A summary can also be found on the Group's corporate governance web page.

The QCA Corporate Governance Code principles

Principle 1: Establish a strategy and business model that promotes long-term value for shareholders.

The Group designs, manufactures, sells and supports cutting-edge computer products, systems and mission-critical solutions used in high-performance markets by some of the world's major original equipment manufacturers.

The strategic report section of our annual report and accounts explains our business model and strategy, including the key risks in execution and how we address those risks. Our business model is designed to promote long-term profitable growth and cash generation. Our dividend policy remains consistent, with returns based on in-year earnings and robust cash reserves. Our dividend policy and total shareholder return over the last five years are indicators of long-term value for our shareholders and will continue as we invest and grow.

Our growth strategy incorporates organic growth and market share gains together with expansion through acquisitions.

We believe that remaining on AIM is of long-term value to our shareholders as it offers a combination of access to capital markets, flexibility to make acquisitions, incentives and rewards through share option schemes and a regulatory environment appropriate to the size of the Company.

Principle 2: Seek to understand and meet shareholder needs and expectations.

We engage with our shareholders openly through meetings, informal communications and stock exchange announcements. Both the CEO and CFO meet formally with institutional shareholders and equity research analysts, usually after the interim and full-year results announcements. These meetings include progress updates, results presentations, governance discussions and shareholder feedback. Understanding what analysts and investors think about the business is critical for driving our business forward.

Trading and other statements are made via the London Stock Exchange during the year. The Company holds its Annual General Meeting (AGM), which all shareholders can attend and use as an opportunity to speak with Board members. The CEO provides a business update at the AGM and shareholders are encouraged to give their views and ask questions.

Additional communication with private shareholders is done via Investor Meet Company as well as other ad hoc investor-facing events, where the CEO and CFO are available to speak on a one-to-one basis.

Principle 3: Consider wider stakeholder and social responsibilities and their implications for long-term success.

In addition to shareholders, our main stakeholders are our employees, customers, suppliers and advisors.

Employees

We are not a capital-intensive business but depend upon the skills, capabilities and flexibility of our employees. Our business model depends upon us being agile and responsive. To deliver high-quality goods and services to our customers, we must rely on our team. Therefore, hiring and retaining a highly skilled workforce is notably important. We have specific initiatives to attract and retain desirable employees, as outlined in Section 172 of the Companies Act 2006.

Customers

We are dedicated to continually striving to improve the quality of service we deliver to our customers. As a specialist high-technology engineering company, we add value by developing and maintaining an in-depth understanding of our customers' needs.

We monitor customer comments to assess our performance in satisfying their requirements and this feedback informs our decisions on the product portfolio.

Suppliers

Given the nature of our supply chain, maintaining regular communication with key suppliers is essential. This allows us to be actively connected to our main suppliers' high-technology trends and to ensure continued component delivery to our elevated standards of quality.

Advisors

The Board maintains a regular dialogue with our nominated advisor, stockbrokers, lawyers and financial advisors.

These dialogues help to ensure compliance with the AIM Rules, governance requirements and other regulations.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board has ultimate responsibility for the Group's system of internal controls and for reviewing its effectiveness. However, any such system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls that are in place are appropriate for the size, complexity and risk profile of the Group.

The Audit Committee, on behalf of the Board, regularly reviews the risk environment faced by the Group and how these risks are mitigated and managed. The Board has effective risk management embedded throughout the organisation which includes approval limits, internal policies, codes of conduct, health and safety and IT controls.

Corporate governance

The Board receives an assessment of risks from the Executive Directors. This assessment is reviewed at Board meetings. In addition, the Audit Committee considers the quality and effectiveness of the Group's risk management procedures.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, as compared against the budget, are reported monthly and discussed in detail at each meeting of the Board. The Group uses a system that includes strategic planning, annual budgets, monthly reviews, KPI reporting and forecast updates. Areas covered by this system include revenue, profit, working capital, capital investment and quality.

Despite considerable growth in the Company, the Board has determined that an internal audit function is still not required due to the small size of the Company's administrative function and the high level of Director review and authorisation of transactions. The Board will continue to keep this matter under review as the Group develops.

The principal elements of our internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors,
- an organisational structure with defined levels of responsibility, which promotes entrepreneurial decision making and rapid implementation while minimising risks,
- a comprehensive annual budgeting process producing a detailed Group profit-and-loss account and associated statement of financial position, which is approved by the Board,
- detailed monthly reporting of performance against budget
- central control over key areas such as capital expenditure authorisation and banking facilities, and
- an extensive ISO 9001 quality system.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

The Company is controlled by the Board of Directors. The members of the Board have a collective responsibility and legal obligation to promote the interests of the Group.

The Board is highly experienced in the markets it addresses. Through the operation of the Board and the subsidiaries' president, the Board can monitor the business and respond promptly to issues and opportunities as and when they arise.

The Board considers that Mark Cubitt (Chairman), Issy Urquhart and Nat Edington are all independent. Apart from receiving the Directors' remuneration as disclosed in the report and accounts, none receive performance-related remuneration nor are entitled to participate in any share option scheme.

Executive Directors work full time in the business and have no other outside business commitments.

All Directors will retire and stand for reappointment at each AGM in line with best practice and no Director can hold office for more than three years without being re-elected.

The Board is satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively.

Throughout FY24, the Board held 10 full meetings, with attendance records provided below.

	Board	Audit committee	Renumeration committee	Nominations committee
Mark Cubitt	10	3	4	1
Nat Edington	10	3	4	1
Issy Urquhart	10	3	4	1
Miles Adcock	10	N/A	4*	1*
Kim Garrod	10	3*	3*	N/A
Brent Salgat	10	N/A	N/A	N/A
Total possible meetings	10	3	4	1

* By invitation

The Board is supported by the Audit, Remuneration and Nominations Committees. Each Committee has access to the resources, information and advice that it deems necessary, at the Group's expense, to enable the Committee to discharge its duties.

The Board has established the following Committees with formally designated rules and responsibilities. All members of each Committee are Non-Executive Directors. The Committees are:

Remuneration Committee

The function of this Committee is to review and recommend compensation strategies to recruit and retain Executive Board members of sufficient calibre to deliver the Group's plan. Members are Mark Cubitt (Chairman), Issy Urquhart, and Nat Edington, all of whom are independent Non-Executive Directors. Issy was appointed Chair of the Remuneration Committee in the year.

Audit Committee

The function of this Committee is to review the audited financial statements and the report of the Group's appointed auditors, and to oversee the procedures relating to risk reduction. They oversee the effectiveness of resultant corrective and/or preventative measures. Members are Mark Cubitt (Chairman), Issy Urquhart and Nat Edington, all of whom are independent Non-Executive Directors.

Nominations Committee

This Committee's remit is to meet as necessary to consider appointments to the Board of Directors and to co-ordinate succession planning. Members are Mark Cubitt (Chairman), Issy Urquhart and Nat Edington, all of whom are independent Non-Executive Directors.

The roles of the Chairman, CEO and Company Secretary are as follows:

Chairman

The Chairman has overall responsibility for corporate governance and promoting high standards throughout the Group. Leading and chairing the Board is another key responsibility, ensuring the Committees are properly structured, quorate and have the appropriate information and resources with which to perform their functions. The Chairman is instrumental in developing strategy, setting objectives for the Group and overseeing communication between the Group and its shareholders.

CEO

The Chief Executive Officer provides leadership and management to the Group. The CEO pushes the development of objectives, strategies and performance standards: oversees and manages key risks that may be present; and keeps the Board and key stakeholders updated on relevant matters. Investor relations play another key role in ensuring that communications with the Group's existing shareholders and financial institutions are maintained.

Company Secretary

The Company Secretary is responsible for providing a clear and timely information flow to the Board and its Committees and supports the Board on matters of corporate governance and risk. The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. In addition, it can act as a link between the Company and shareholders on matters of governance and investor relations, ensuring that the Board is kept informed of their opinions.

Corporate governance

Principle 6: Ensure the Directors have the necessary up-to-date experience, skills and capabilities

Each Board member brings a different mix of capabilities, which blend well into a successful and effective team. The Board is satisfied that, between the Directors, it has an effective balance of skills and experience.

All Directors can take independent professional advice in the furtherance of their duties and this can be at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.

Board composition is kept under review and the Board is committed to ensuring diversity of skills, experience and gender balance. Where vacancies arise, the Board (via the Nominations Committee) follows a rigorous selection process.

The Directors receive updates from the Company Secretary and various external advisors on corporate governance, accounting and regulatory issues.

Biographies for each Board member are available on pages 34–35.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The ultimate measure of the effectiveness of the Board is the Company's progress against the long-term strategy and aims of the business. This progress is reviewed in Board meetings. The review takes into consideration various criteria such as the effectiveness of the composition of the Board, the approach to its work, the culture and dynamics, the structure and processes, the accessibility to information, the success in achieving its goals, and the need for succession planning.

The Board is small and is focused on implementing the Company's strategy. However, given the size and nature of the Company, the Board does not currently consider it appropriate to undertake a formal board performance evaluation, but will continue to keep this under review. Assessment is done on a continuous and ad hoc basis.

Assessments of all members of the Board are ongoing to ensure that:

- They are committed to the progress and long-term success of the Group,
- their contribution is meaningful and effective,
- they are progressing within their role,
- there are high standards of ethics and compliance within the regulatory framework, and
- they maintain independence, where relevant.

Succession planning is a matter considered by the whole Board from their various points of view (risk, experience, incentivisation etc.). Primary responsibility for developing a succession planning policy currently rests with the Board but most of the responsibility sits with the Nominations Committee.

The Group seeks to promote staff internally but where internal promotion is not possible, the Group uses external advisors to seek appropriately qualified candidates.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board is committed to supporting and promoting the strong ethical and values-driven culture that is embedded throughout the Group. During FY24, as part of a rebrand, the Group outlined a refined mission statement:

Striving to be first to market with the latest technology.

This led to the adjustment of Concurrent's vision:

To excite our customers, colleagues and communities.

Concurrent's values and culture are integral to its identity and operations and are clearly communicated to all new employees through induction sessions and training. Regular discussions are held across teams and business units to openly explore ways employees can contribute to and embody Concurrent's culture. This effort is further supported by an internal handbook and intra-company events designed to reinforce consistent and meaningful cultural alignment.

Concurrent continues to utilise Culture 15 to assess its alignment with the target culture through comprehensive surveys. This process is supported by action tracking and ensuring that managers take ownership to actively drive the desired cultural transformations.

Concurrent has also retained a working relationship with Coode Associates, a consultancy associated with Culture 15, to carry out leadership training linked to its culture.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board has overall responsibility for promoting the success of the Group. Further details on Board and Committee roles and responsibilities are described above under '*Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair*'.

The Board regularly reviews its governance framework to ensure it is fit for purpose and carries out a review of the Committees' terms of reference during each financial year. The CEO and Chairman have regular calls to discuss current issues. The Chairman also has individual sessions with other Directors to discuss the business.

A formal Board programme is agreed before the start of each financial year. This is structured to align with the Group's annual financial programme. The Board is responsible for the long-term performance of the Group. Specific matters are reserved for the Board and these include Group strategy, corporate and capital structures, approval of key financial matters (annual and interim results, budgets, dividend policy) and Board membership and remuneration.

The Board typically meets at least seven times per annum and further meetings are held as necessary. The Company Secretary also attends, and full minutes are taken. For these meetings, reports are produced concerning finance, sales, marketing, engineering and operations.

The Board is committed to an improvement in its governance approach and aims to enhance and develop compliance with best practice, as appropriate for the size of the Company.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group places a strong emphasis on the standards of good corporate governance and maintaining an effective engagement with its shareholders and key stakeholders. This is considered to be integral to longer-term growth and success and aims to ensure that all communications concerning the Group's activities are fair, balanced and understandable.

Communications with shareholders and relevant stakeholders are described in detail above, under *'Principle 2: Seek to understand and meet shareholder needs and expectations'* and *'Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success'*.

The results of the voting at the AGM held on 20 June 2024 can be seen on the Company's website at: **https://concurrent.tech/investors/aim-rule-26**

All resolutions proposed at the last AGM were passed.

The Company's website includes historic annual accounts and AGM notices for the last five years – see: **www.concurrent.tech/investors**

In formally adopting the Code as its governance framework, the Board has reviewed all aspects of compliance and has acted to improve disclosures on its website at:

https://concurrent.tech/investors/corporate-governance

Audit committee report

The Audit Committee is chaired by Mark Cubitt and includes Nat Edington and Issy Urquhart from the Board. The Committee met three times in FY24 to review progress on the audit and approve the annual accounts.

In addition to standing items on the agenda, the Committe also:

- Reviewed reports from the auditor as part of the annual financial statement evaluation, including:
    - audit plan and scope for the year
    - key areas of focus and conclusions
    - auditor’s materiality assessments
    - terms of engagement with the auditor
    - ongoing impact of future accounting developments on the Group
- Assessed the annual report and accounts to ensure they are fair, balanced, and understandable.
- Evaluated the effectiveness and independence of the external audit process.
- Reviewed enhanced audit report.
- Considered appointment of new auditors.

Independence and objectivity of the auditor

The Committee monitors the auditor’s work to ensure their objectivity and independence are not compromised by inappropriate non-audit activities.

Non-audit fees

The Committee approved all non-audit work commissioned by the external auditors. In FY24, the fees paid to the auditor were £168,500 for Group and subsidiary audit.

Other matters

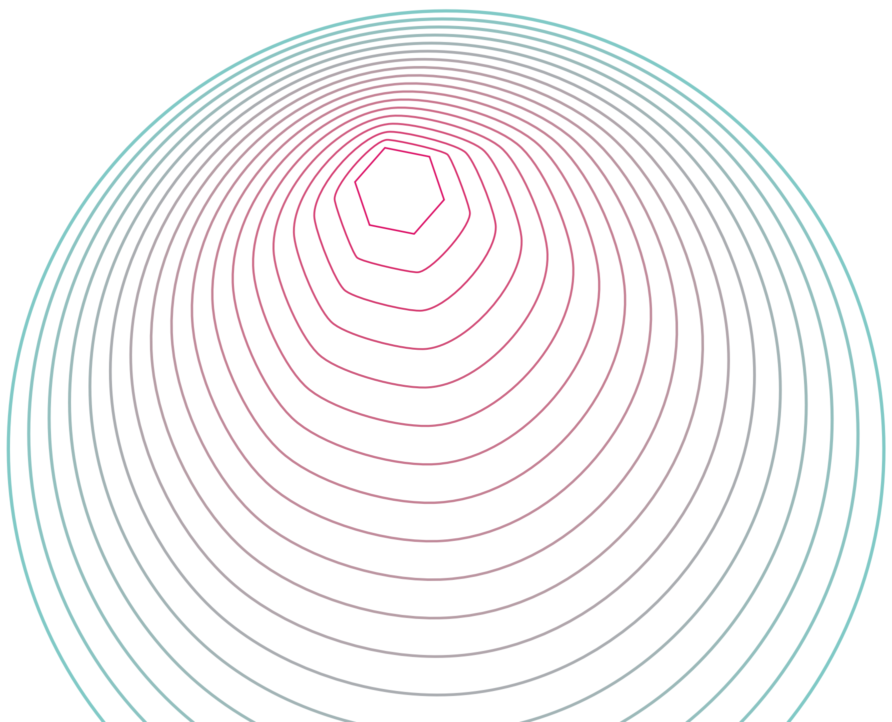
The Committee is empowered to request information from any Group employee and may call staff for questioning during meetings as needed. It can also obtain external legal or professional advice, at the Group’s expense, on matters within its remit.

Reporting responsibilities

The Committee provides recommendations to the Board on areas within its remit requiring action or improvement, ensuring compliance with relevant laws, AIM rules, the QCA Corporate Governance Code, and other applicable regulations. It oversees investigations within its scope and operates under agreed terms of reference aligned with the Group’s financial position and objectives.

Significant areas considered by the Audit Committee concerning the FY24 financial statements are set out below:

Areas estimates	Matter considered and the role of the Committee
Capitalisation and the impairment of intangible R&D	During 2024, the Committee considered the capitalisation of R&D and the impairment assessment prepared by management. It critically assessed the inputs, such as consideration of the reasonableness of discount rates applied and of reviewing forecasts into individual R&D product projections.
Review of acquired intangibles	The intangibles and goodwill recognised on the FY23 acquisition of Phillips Aerospace were reviewed for impairment. Whilst Systems was loss making in FY24, this was expected and the outlook and pipeline for FY25 is encouraging.
Review of inventory provisioning	The intangibles and goodwill recognised on the FY23 acquisition of Philips Aerospace were reviewed for impairment. Whilst Systems was loss making in FY24, this was expected and the outlook and pipeline for FY25 is encouraging.
Review of Risk Register	The Committee reviewed the levels of stock, ageing and projected usage to determine the level of provisioning required.
Revenue recognition	As Systems revenues expand, the timing of revenue recognition will be an increasing area of significance, and whilst this was not material in FY24, it will grow. Revenue recognition has been identified as an area of increased focus with the auditors and has been discussed in both audit planning and closing meetings.



Independent auditor's report to the members of Concurrent Technologies plc

We have audited the financial statements of Concurrent Technologies plc (the 'Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, the Consolidated Cash Flow Statement, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group is applicable law and UK-adopted international accounting standards.

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

In our opinion

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

An overview of the scope of our audit

Our audit scope covered all the Group's components, with varying levels of testing based on the significance of each component. We performed a scoping assessment of the Group at the planning stage of the audit and subsequently reviewed and updated this assessment for the year-end figures.

We assessed the risk of material misstatement for each of these components and determined their significance based on the overall impact to the Group financial statements. This assessment considered the balances in each component which related to significant risks as determined in our audit assessment, as well as any other balances that are deemed to be significant when compared to the Group financial statements. Subsidiaries with >15% of the Group balance for a significant risk were selected for testing, as well as balances with >35% impact on a line within the financial statements. We also assessed each entity in relation to the risk of management override of controls. Our coverage at the Group level as a result was 97% of revenue, 99% of profit and 98% of net assets.

At December 2024, the Parent Company was considered to be a full scope component due to the impact to the Group, with Concurrent Technologies, Inc. deemed to be a specific scope component, with specific risks identified for this component. The audits of the Group and Parent, as well as the reviews of the overseas subsidiaries, were carried out by the Group audit team for the purposes of this opinion.

The remaining entities were deemed insignificant to the audit of the Group financial statements based on the above metrics and, therefore, the audit work on these components has been limited to analytical review, specific cut-off testing, substantive testing of specific balances, as well as verification of bank balances to third-party confirmation. This work has been performed by the Group audit team.

We communicated with both the Directors and the Audit Committee our planned audit work via our audit planning report and relevant discussion.

We communicated audit progress with the Audit Committee through interim audit progress meetings. We have communicated any issues to the Audit Committee and the Directors in our final audit findings report.

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 ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the period 12 months from the date of the signing of the financial statements.

The risks that we considered most likely to affect the Group's financial resources or ability to continue operations over this period were adverse circumstances impacting timely conversion of trade receivables to cash, growth in revenues, adverse changes in working capital trends and conversion of stock to cash.

We considered these risks through a review of the application of reasonably foreseeable downside scenarios that could arise with reference to the level of available financial resources indicated by the Group's financial forecasts and management's assessment of these risks, including potential mitigations available. This has been aligned with our review of the development of future products and the assessments performed by management in determining the market opportunities that they look to exploit.

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

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern;
- Evaluating the methodology used by the Directors to assess the Group and the Company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment and evaluating the key assumptions used and judgements applied;
- Reviewing the sensitivities performed by management to understand any going concern implications;
- Performing our own review of the liquidity headroom and applying sensitivities to the base trading and cashflow forecast assessments of the Directors to ensure there was sufficient headroom to adopt the going concern basis of accounting; and
- Reviewing and assessing the appropriateness of the Directors' disclosures regarding going concern in the financial statements.

Independent auditor's report to the members of Concurrent Technologies plc

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 and the Company's ability to continue as a going concern for a period of at least 12 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.

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) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our scope addressed this matter
Revenue recognition The Group's revenue recognition policy is included within the accounting policies in note 2, and the components of revenue are set out in note 3. The Group recognises revenue in line with the delivery terms agreed with each customer and at the point in which the Group's obligations are satisfied in transferring control of the product over to its customer. The vast majority of revenue is related to product sales, meaning there is a risk that revenue is a risk that revenue has been materially misstated as a result of fraud or error through the recognition of revenue related to sales that occurred around year-end and the incorrect application of delivery terms in relation to the revenue being recognised.	**In response to this risk, our work consisted of, but was not limited to, the following audit procedures:** • We assessed the Group's accounting policy for each material revenue stream and performed walkthrough procedures to assess the design and implementation of controls. • We performed substantive analytical review procedures to gain sufficient coverage of revenue recognised in the year, to ensure that this has been recorded appropriately. • We performed substantive tests of detail for a sample of revenue items recorded during the year to ensure that revenue has not been materially overstated. • We obtained details of all the relevant delivery terms applicable to the Group and performed walkthrough tests of each, determining whether these had been appropriately applied in recognising revenue in the financial statements.

Key audit matter	How our scope addressed this matter
Revenue recognition **Continued**	• We performed specific targeted testing around year-end, with sales in December 2024 and January 2025 selected for testing to supporting documentation to ensure that revenue has been included within the correct period. • We assessed the projects, and in particular management's application of IFRS 15 requirements, for those that straddle the financial year-end. • We used data analytics techniques to assess trends in the year and around year-end for any unusual patterns in revenue recognition.
Recognition of capitalised development costs through application of IAS 38 **Application of IAS 38** The capitalisation of development costs has been identified as a significant risk area regarding misstatement as a resultof fraud or error. Development costs have a carrying value as at December 23 of £12,356,661 (2023: £11,002,925), and in the period, additions of £3,382,525 (2023: £3,939,539) have been recorded. Management capitalises development costs where a project is deemed to meet the criteria of IAS 38, and this process consists of both management estimation and judgement. The costs capitalised in the period are a combination of directly attributable costs relating to the ongoing development projects as well as an allocation of appropriate attributable overhead costs. The Group has a specific policy in relation to research and development, which has been prepared in accordance with IAS 38 requirements. See note 2 for accounting policy.	**In response to this risk, our work consisted of, but was not limited to, the following audit procedures:** **Application of IAS 38** • We obtained and reviewed the Group research and development policy and critically assessed the application of the policy in line with the IAS 38 requirements. • We obtained the intangibles fixed asset register and verified the brought forward figures to the prior year signed financial statements. • For the development projects ongoing in the year, we obtained management's assessment in line with IAS 38 criteria and obtained supporting evidence where possible to ensure that the treatment of these costs as development costs were appropriate. • We specifically assessed the projects that were new in the year and reviewed the processes in place for capitalisation to be approved by management.

Independent auditor's report to the members of Concurrent Technologies plc

Key audit matter	How our scope addressed this matter
Recognition of capitalised development costs through application of IAS 38 **Continued**	• We performed a test of a sample of capitalised additions to supporting documentation to assess whether it satisfied the development costs criteria. Consideration of the overall projects to which these costs related were also included in our assessment as to whether the additional capitalised elements were appropriate. • We discussed projects which were ongoing with members outside of the finance department to ensure that we understood the commercial background to the project and how this determines the project to be capital in nature.
Recoverability of intangible assets, capitalised development costs The impairment of intangible assets, namely those relating to capitalised development costs, has been identified as an area of significant risk, with overstatement due to fraud or error considered to be high. The carrying value of capitalised development costs as at 31 December 2024 is £12,356,661 (2023: £11,002,925), and there is a risk that this balance is materially overstated. Management have performed impairment assessments for capitalised development costs in accordance with IAS 36 'Impairment of Assets'. Where an impairment review was considered to be appropriate, management have assessed impairment using a 'Value in Use' calculation. The calculation consists of a discounted cash flow model on a project-by-project basis (where there are indicators of impairment) to assess whether any impairment of these assets should be recorded in the financial statements.	**In response to this risk, our work consisted of, but was not limited to, the following audit procedures:** • We obtained management's impairment assessment and critically analysed the inputs in the model and the forecasts for future revenues of the projects in development. • We challenged assumptions made by management in relation to the forecasts. This included comparing historical forecasts against actuals to determine the accuracy of forecasts as well as performing stress tests on future forecasts to determine the impact. • We reviewed the amortisation policy as disclosed in the notes and performed our own recalculation to ensure correct calculation.

Key audit matter	How our scope addressed this matter
Recoverability of intangible assets, capitalised development costs **Continued**	• We reviewed the historical sales lifecycles of previously capitalised development projects to ensure that the timing of sales per management's forecasts for projects early in the lifecycle, or those still in the process of being completed, were appropriate and in line with the sales of previously capitalised internal projects. • We reviewed a sample of pipeline opportunities to supporting documentation as well as a sample of backlog sales that management have included in the individual impairment assessments performed. We focused on those projects where sales had not been recognised as at 31 December 2024. • We reviewed the calculation of management estimates and inputs in the cash flow forecasts, such as the discount rate, to ensure the method and calculation was appropriate, including verifying components of these calculations to observable third-party information. • We have performed sensitivity analysis for the impairment reviews undertaken by management to assess the level of headroom in the impairment calculations prepared.
Valuation of intangible assets and goodwill relating to historical business combinations In the prior year, the Group acquired a 100% shareholding in Phillips Aerospace, resulting in the recognition of goodwill and separately identifiable intangible assets of £2,361,445. There is a risk that the balances are materially overstated due to existing impairment indicators present at the CGU level to which these intangible assets are allocated. In assessing this area of significant risk, there is a risk that the judgements and estimates made by management are inappropriate and could lead to material misstatement.	**In response to this risk, our work consisted of, but was not limited to, the following audit procedures:** • We obtained and critically assessed management's impairment assessment performed regarding the intangible assets attributed to the CGU. • We reviewed the key judgements and estimates incorporated within the impairment assessment, such as estimated levels of revenue growth, margin expectations and expected levels of operating costs. We compared performance of the subsidiary in the financial year to prior year forecasts and expectations for any indicators of impairment.

Independent auditor's report to the members of Concurrent Technologies plc

Key audit matter	How our scope addressed this matter
Valuation of intangible assets and goodwill relating to historical business combinations **Continued**	• We reviewed the calculation of management estimates and inputs in the cash flow forecasts, such as the discount rate, to ensure the method and calculation was appropriate, including verifying components of these calculations to observable third-party information. • We reviewed the sales pipeline, including known wins to assess whether the forecasted revenue levels were reasonable. • We have performed sensitivity analysis for the impairment reviews undertaken by management to assess the level of headroom in the impairment calculations prepared. • We reviewed the impairment assessment on both a CGU level as well as at an individual intangible asset level to ensure that assets recognised for customer relationships in the prior period did not require impairment by assessing whether the relationships with key customers at the time of acquisition were still ongoing.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced.

We determined overall materiality for the Group financial statements as a whole to be £495,000 being 1.23% of revenue for the year. We considered it appropriate to determine our materiality based on revenue as we consider this to be the key metric in assessing the financial performance and position of the Group. For each of the s ignificant components as documented above, we applied a specific materiality for the review based on revenue metrics. For those components that were considered non-significant, we performed analytical reviews and specific testing to Group materiality. We apply a different level of materiality, performance materiality, to determine the extent of our testing, and this was set at 65% of the overall financial statements' materiality. Performance materiality has been set at 65% as a result of our assessment of the control environment at the planning stage of the audit and the complex nature of the Group.

We agreed with the Audit Committee that we would report to it all audit differences in excess of £24,750 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of Concurrent Technologies plc

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The Group financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 49, 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 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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the Group and industry, we considered the extent to which non-compliance with laws and regulations could have a material effect on the financial statements. We also identified and considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, AIM listing rules, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the AIM Rules, Companies Act 2006, minimum wage regulations, health and safety regulations, corporation tax, payroll tax and sales tax;
- We obtained an understanding of how the Group complies with these frameworks through discussions with the Directors;
- We inspected relevant tax filings and considered these and other relevant correspondence for indications of non-compliance;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by considering the key risks impacting the financial statements;
- We carried out a review of manual entries recorded in management's accounting records and assessed the appropriateness of such entries;
- We challenged assumptions and judgements made by management and their critical accounting estimates; and
- We assessed whether the Group's control environment is adequate for the size and operating model of such a Group.

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

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

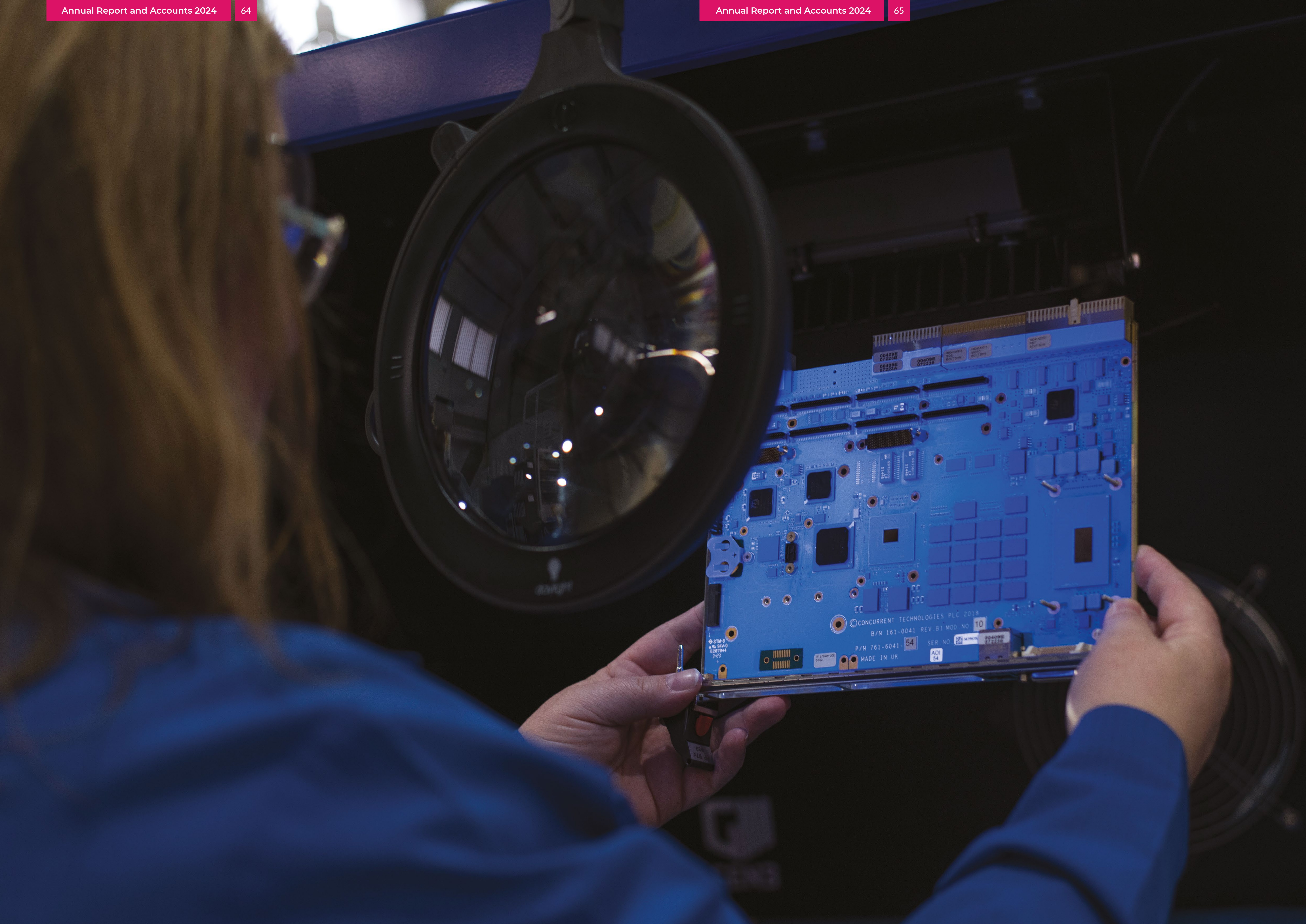
Use of our report

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

Jonathan Maddison
(Senior Statutory Auditor)
10 Queen Street Place

Jonathan Maddison 13/04/2025

For and on behalf of
HaysMac LLP,
Statutory Auditors
London
EC4R 1AG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Finance

Financial statements

Notes to the financial statements

Financial statements

Consolidated statement of comprehensive income

Continuing operations	Note	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Revenue	3	**40,324,083**	**31,656,316**
Cost of sales		(20,348,752)	(16,018,368)
Gross profit		**19,975,331**	**15,637,948**
Administrative expenses		(14,782,064)	(11,951,314)
Group operating profit	4	5,193,267	3,686,634
Finance costs		(93,284)	(86,010)
Finance costs	5	79,294	**68,145**
Exceptional items	28	-	(195,881)
Profit before tax		**5,179,277**	**3,472,888**
Tax (charge)/credit	6	(476,839)	(312,752)
Profit for the year		**4,702,438**	**3,160,136**
Other comprehensive income			
Exchange gains/(loses) on translating foreign operations		(53,556)	(101,340)
Other comprehensive income for the year, net of tax		**(53,556)**	**(101,340)**
Total comprehensive income for the year		**4,648,882**	**3,058,796**
Profit for the period attribtable to:			
Equity holders of the parent		4,702,438	3,160,136
Total comprehensive income attribtable to:			
Equity holders of the parent		4,648,882	3,058,796
Earnings per share			
Basic earnings per share	8	5.49p	4.06p
Diluted earnings per share	9	5.18p	3.95p

All operations were continuing within the year.

This statement should be read in conjunction with accompanying notes.

Financial statements

Consolidated statement of financial position

Assets	Note	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Non-current assets			
Property, plant and equipment	**11**	2,686,772	2,465,883
Intangible assets	**12**	15,392,208	13,914,397
		18,078,980	16,380,280
Current assets			
Inventories	**15**	10,875,616	11,958,500
Trade and other receivables	**16**	8,104,112	6,442,827
Current tax assets	**6**	14,957	779,621
Cash and cash equivalents		13,706,703	11,118,728
		32,701,389	30,299,676
Total assets		**50,780,369**	**46,679,956**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	**13**	2,123,264	1,661,453
Trade and other payables	**17**	446,477	695,273
Long-term provisions	**19**	326,596	315,135
		2,896,337	2,671,861
Current liabilities			
Trade and other payables	**17**	8,940,768	9,666,412
Short-term provisions	**19**	18,256	18,256
		8,959,024	9,684,668
Total liabilities		**11,855,361**	**12,356,529**
Net assets		**38,925,008**	**34,323,428**

Equity	Note	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Capital and reserves			
Share capital	**21**	861,692	861,692
Share premium account		9,950,231	9,950,231
Merger reserve		1,283,457	1,283,457
Capital redemption reserve		256,976	256,976
Cumulative translation reserve		(182,832)	(129,276)
Profit and loss account		26,755,483	22,100,348
Equity attributable to equity holders of the parent		**38,925,008**	**34,323,428**
Total equity		**38,925,008**	**34,323,428**

This statement should be read in conjunction with accompanying notes.

Company Registered Number: 01919979
Company Name: Concurrent Technologies plc

The Financial Statements were approved and authorised for issue by the Board of Directors on 13 April 2025 and signed on its behalf by:

M Adcock
CEO

K Garrod
CFO

Financial statements

Company statement of financial position

Assets	Note	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Non-current assets			
Property, plant and equipment	11	2,468,789	2,374,209
Intangible assets	12	12,788,842	11,217,904
Investments	14	1,947,312	1,572,640
Trade and other receivables	16	3,301,753	-
		20,506,697	15,164,753
Current assets			
Inventories	15	10,094,952	11,754,564
Trade and other receivables	16	8,980,097	8,534,995
Current tax assets		-	721,921
Cash and cash equivalents		10,692,223	9,111,243
		29,767,272	30,122,723
Total assets		**50,273,969**	**45,287,476**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	13	1,890,207	1,402,181
Trade and other payables	17	428,913	677,607
Long-term provisions	19	326,596	315,135
		2,645,716	2,394,923
Current liabilities			
Trade and other payables	17	7,011,848	8,890,046
Current tax liabilities		32,368	-
Short-term provisions	19	18,256	18,256
		7,062,472	8,908,302
Total liabilities		**9,708,188**	**11,303,225**
Net assets		**40,565,781**	**33,984,251**

Equity	Note	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Capital and reserves			
Share capital	21	861,692	861,692
Share premium account		9,950,231	9,950,231
Merger reserve		1,283,457	1,283,457
Capital redemption reserve		256,976	256,976
Profit and loss account		28,213,425	21,631,895
Equity attributable to equity holders of the parent		**40,565,781**	**33,984,251**
Total equity		**40,565,781**	**33,984,251**

This statement should be read in conjunction with accompanying notes.

The Company has taken advantage of section 408 to not include its own profit and loss.

The Parent Company profit after tax for the year was £6,628,833 (2023: £2,919,774).

Company Registered Number: 01919979
Company Name: Concurrent Technologies plc

The Financial Statements were approved and authorised for issue by the Board of Directors on 13 April 2025 and signed on its behalf by:

M Adcock
CEO

K Garrod
CFO

Financial statements

Consolidated cash flow statement

Cash flows from operating activities	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Profit before tax for the period	5,179,277	3,472,888
Adjustments for:		
Finance income	(79,294)	(68,145)
Finance costs	93,284	86,010
Depreciation	673,058	806,236
Amortisation	1,936,561	1,509,167
Impairment loss	4,088	31,557
Share-based payment	744,755	430,854
Exchange differences	27,547	(145,706)
Decrease/(increase) in inventories	1,082,884	(1,868,063)
(Increase)/decrease in trade and other receivables	(1,661,285)	(1,029,033)
Decrease/(increase) in trade and other payables	(749,800)	2,853,322
Cash generated from operations	7,251,074	6,079,087
Tax received/(paid)	641,594	(444,210)
Net cash generated from operating activities	7,892,668	5,634,877
Cash flows from investing activities		
Finance income	79,294	68,145
Purchases of property, plant and equipment (PPE)	(877,072)	(495,973)
Payment of acquisition of subsidiary net of cash acquired	-	(685,767)
Capitalisation of development costs and purchases of intangible assets	(3,382,525)	(3,977,839)
Net cash used in investing activities	(4,180,302)	(5,091,434)

Cash flows from financing activities	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Equity dividends paid	(856,377)	-
Repayment of leasing liabilities	(233,230)	(215,209)
Interest paid	(93,284)	(86,010)
Issue of ordinary shares	-	6,355,741
Sale/(purchase) of treasury shares	58,500	-
Net cash used in financing activities	(1,124,391)	6,054,522
Effects of exchange rate changes on cash and cash equivalents	-	8,043
Net increase/(decrease) in cash	**2,587,975**	**6,606,008**
Cash at beginning of period	11,118,728	4,512,720
Cash at the end of the period	13,706,703	11,118,728

This statement should be read in conjunction with accompanying notes.

Financial statements

Consolidated statement of changes in equity

	Share capital £	Share premium £	Merger reserve £	Capital redemption reserve £	Cumulative translation reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2023	**739,000**	**3,699,105**	**-**	**256,976**	**(27,936)**	**18,509,357**	**23,176,502**
Profit for the period	-	-	-	-	-	3,160,136	3,160,136
Exchange differences on translating foreign operations	-	-	-	-	(101,340)	-	(101,340)
Total comprehensive income for the period (restated)	-	-	-	-	(101,340)	3,160,136	3,058,796
Share-based payment	-	-	-	-	-	430,854	430,854
Merger reserve	18,077	-	1,283,457	-	-	-	1,301,534
Issue of ordinary shares	104,615	6,251,126	-	-	-	-	6,355,741
Balance at 31 December 2023 (as restated)	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**(129,276)**	**22,100,347**	**34,323,427**
Balance at 31 December 2023 (reported)	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**(129,276)**	**22,813,347**	**35,036,427**
Prior year adjustment (note 2)	-	-	-	-	-	(713,000)	(713,000)
Balance at 31 December 2023 (as restated)	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**(129,276)**	**22,100,347**	**34,323,427**
Profit for the period	-	-	-	-	-	4,702,438	4,702,438
Exchange differences on translating foreign operations	-	-	-	-	(53,556)	-	(53,556)
Total comprehensive income for the period (restated)	-	-	-	-	(53,556)	4,702,438	4,648,882
Share-based payment	-	-	-	-	-	744,755	744,755
Deferred tax on share-based payment	-	-	-	-	-	5,820	5,820
Dividends paid	-	-	-	-	-	(856,377)	(856,377)
Sale/purchase of treasury shares	-	-	-	-	-	58,500	58,500
Balance at 31 December 2024	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**(182,832)**	**26,755,483**	**38,925,008**

This statement should be read in conjunction with accompanying notes.

Company statement of changes in equity

	Share capital £	Share premium £	Merger reserve £	Capital redemption reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2023	739,000	3,699,105	-	256,976	18,022,596	22,717,677
Total profit and comprehensive income for the period	-	-	-	-	2,919,774	2,919,774
Share-based payment	-	-	-	-	430,854	430,854
Dividends received	-	-	-	-	258,670	258,670
Merger reserve	18,077	-	1,283,457	-	-	1,301,534
Issue of ordinary shares	104,615	6,251,126	-	-	-	6,355,741
Balance at 31 December 2023 (as restated)	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**21,631,894**	**33,984,250**
Balance at 31 December 2023 (reported)	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**22,344,894**	**34,697,250**
Prior year adjustment (note 2)	-	-	-	-	(713,000)	(713,000)
Balance at 31 December 2023 (as restated)	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**21,631,894**	**33,984,250**
Profit for period	-	-	-	-	6,628,833	6,628,833
Share-based payment	-	-	-	-	744,755	744,755
Deferred tax on share-based payment	-	-	-	-	5,820	5,820
Dividends paid	-	-	-	-	(856,377)	(856,377)
Sale/purchase of treasury shares	-	-	-	-	58,500	58,500
Balance at 31 December 2024	**861,692**	**9,950,231**	**1,283,457**	**256,976**	**28,213,425**	**40,565,781**

This statement should be read in conjunction with accompanying notes.

Notes to the financial statements

Note 1
General information

The principal activity of Concurrent Technologies plc ('the Company') and its subsidiaries (together 'the Group') is the design, development, manufacture and marketing of single board computers for system integrators and original equipment manufacturers.

On 6 September 2023, the Group acquired 100% of the voting shares of Phillips Aerospace Limited. Please refer to note 28 for further details.

Concurrent Technologies plc is the Group's ultimate Parent Company. It is incorporated and domiciled in the United Kingdom. Concurrent Technologies plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

The Group's financial statements are presented in pounds sterling (£), which is also the functional currency of the Parent Company. They have been approved for issue by the Board of Directors on 13 April 2025.

Note 2
Summary of significant accounting policies

Basis of preparation

These financial statements are for the year ended 31 December 2023. They have been prepared in accordance with UK-Adopted International Accounting Standards and with the requirements of the Companies Act 2006. These financial statements have been prepared under the historical cost convention.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has early applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- IAS 1: Classifications of Liabilities as Current or Non-Current (effective for periods commencing on or after 1 January 2023);
- IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for periods commencing on or after 1 January 2023);
- IAS 8: Definition of Accounting Estimates (effective for periods commencing on or after 1 January 2023); and
- IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for periods commencing on or after 1 January 2023)

New and revised IFRS accounting standards in issue but not yet effective

Certain standards, amendments to, and interpretations of, published standards have been published that are mandatory for the Group's accounting years beginning on or after 1 January 2024 or later years and which the Group has decided not to adopt early:

- IRS 7 and IAS 7: Supplier Finance Arrangements (effective for periods commencing on or after 1 January 2024);
- IAS 1: Non-current liabilities with covenants (effective for periods commencing on or after 1 January 2024);

None of the above listed changes are anticipated to have a material impact on the Group's financial statements.

Changes in significant accounting policies

There have been no changes in the year to significant accounting policies in the period.

The policies set out below have been consistently applied to all the years presented, except where stated.

Basis of presentation and disclosure exemptions

The consolidated financial statements are presented in accordance with IAS 1 Presentation of Financial Statements. The Group has elected to present the 'Income Statement' and 'Statement of Other Comprehensive Income' in one statement.

The company financial statements are separate financial statements prepared in accordance with FRS 101. The company is a qualifying entity as defined in FRS 101 and has applied the disclosure exemptions available under FRS 101 in the preparation of these financial statements.

- As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions:
- A cash flow statement and related notes (IAS 7)
- Comparative information in respect of certain disclosures (IAS 1)
- Disclosure requirements of IFRS 7 (Financial Instruments: Disclosures)
- Disclosure requirements of IFRS 13 (Fair Value Measurement)
- Related party disclosures (IAS 24), where transactions are with wholly-owned subsidiaries

Going concern

The Directors have reviewed the approved budget and projections sensitised for different scenarios through to December 2025, considering general and specific market conditions, status of suppliers, liquidity and funding requirements and the needs of subsidiary companies.

The Directors have assessed the viability of the Group using extreme assumptions to reverse stress test the cash forecast. Assumptions include extreme reduction in sales, decrease in gross margin, and reduced reduction in inventory levels (as anticipated in 2024). Additionally, within these scenarios we have excluded any potential beneficial impacts such as tighter management of working capital and cost reduction measures. These have been excluded to retain headroom in the forecast and to provide a worst expected case scenario. The forecast is that significant cash balances remain within the Group and there is no borrowing requirement leaving the Directors confident that the Group will be able to meet its obligations and as such, there is no material uncertainty over the going concern assumption.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings. A subsidiary is a company controlled directly by the Group. Control is achieved where the Group has the power over the investee, rights to variable returns and the ability to use the power to affect the investee's returns.

The acquisition method views a business combination from the perspective of the combining entity that is identified as the acquirer. The acquirer recognises the assets acquired and liabilities and contingent liabilities assumed, including those not previously recognised by the acquiree, where recognition criteria are met. Measurement of these items is generally at fair value at acquisition date. The measurement of the acquirer's assets and liabilities is not affected by the transaction, nor are any additional assets or liabilities of the acquirer recognised as a result of the transaction, because they are not the subjects of the transaction. All subsidiaries are 100% wholly owned and are fully controlled by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is recognised by the Group using the five-step process outlined in IFRS 15:

- Identifying a contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when the performance obligations are satisfied

The Group's principal source of revenue is from the sale of single board computers and associated products (which could include software products which are required by the customer to be added to the boards sold, for example security software).

Notes to the financial statements

The Group's principal source of revenue is from the sale of single board computers and associated products (which could include software products which are required by the customer to be added to the boards sold, for example security software). Revenue from the sale of products, including any added software (this is so interlinked with the single board computer (SBC) that they are considered one performance obligation under IFRS 15), is recognised when the Group satisfies its performance obligations by transferring the promised goods to its customers. Control is considered to transfer, at the point in time, when the customer takes undisputed responsibility for the goods. This depends on the terms and conditions of sale with the customer. There are three main terms for delivery: 1) On delivery terms being the Group is responsible for the goods until delivered at the stated delivery address under the contract. 2) Free on Board contract terms means the goods remain the Group's responsibility until they are placed on board the vehicle for shipping, with export duty being the Group's responsibility as well. The customer is responsible after this point. 3) Ex-works contract terms, where the customer is responsible from the point the goods leave the factory or appropriate site, often, under control of the customer's defined shipping arrangement.

The Group provides a basic warranty on its products but does offer customers the opportunity to purchase an extended warranty of one, two or three years for their boards. As the customer has the option of purchasing the additional warranty separately, this is accounted for as a separate performance obligation under IFRS15 where the Group will repair or replace faulty boards at no additional charge to the customer. Contract liabilities on these extended warranties is recognised and released to income over the warranty period until the performance obligation is satisfied. During the 12 months to 31 December 2024, £5,087 was released to Profit and Loss.

Revenue recognised for Systems contracts, under IFRS 15, was £2,132,044 for 2024 accounts. Systems revenue will continue into 2025 and beyond as we are now a Systems company as well. Revenue will normally be recognised over time, in accordance with IFRS 15, using the input method based on the percentage of completion (using costs versus budgeted/forecasts of costs at completion), and will be dependent on the conditions of each specific contract (in line with the five-step process above).

For our single board business, invoices are raised on despatch, with payment terms being usually 30 days from date of invoice. For the Systems business, payment terms will be based on negotiations and could include pro-forma and 30-day payment terms but will be subject to negotiated positions.

Cost of sales

Cost of sales consists of external purchases and inventory used on delivering specific contracts, plus the direct manpower (predominantly manufacturing) related to the fulfilment of the specific contracts and direct ancillary costs such as shipping.

Administrative expenses

This includes all non-direct costs (e.g. general overheads such as rent, rates, sales and indirect functions). This also includes non-direct engineering expenses.

Foreign currencies

The functional and presentational currency of the Company is pounds sterling (GBP). Transactions in currencies other than the functional currency of the individual entities within the Group are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into pounds sterling upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Foreign Exchange differences arising for intercompany transactions are charged within profit and loss. Income and expenses have been translated into GBP at the rates of exchange

prevailing on the dates of the transactions over the reporting period. In line with IAS 21, an average rate used for the period unless exchange rates fluctuate significantly and then the weighted average rate is used. Exchange differences are charged/credited to other comprehensive income and recognised in the cumulative translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into GBP at the closing rate.

Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in first-out basis. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value represents the estimated selling price after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state into a finished condition. Provision is made where necessary for obsolete, slow moving or defective inventories.

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group; the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and the Group has the right to direct the use of the identified asset throughout the period of use.

At lease commencement the Group recognises a right of use asset and a lease liability on the statement of financial positiion. The right of use asset is measured at cost and initial direct costs incurred by the Group. The right of use asset is then depreciated on a straight-line basis over the term of the lease or the estimated useful life of the asset if shorter. At commencement date the Group measures the lease liability at the present value of the future lease payments, discounted using the Group's incremental borrowing rate.

The Group has elected to account for short-term leases and leases of low value assets using the recognition exemptions and payments in relation to these are recognised as an expense in the appropriate period.

Right of use assets have been included in property, plant and equipment and the corresponding lease liability included in trade and other payables. Detailed lease liability information is included in Notes 17 and 20.

Property, plant and equipment

Property, plant and equipment is stated at original historical cost, net of depreciation and any provision for impairment. Depreciation is charged to write off the cost of assets together with any cost directly attributable with bringing the asset into use, less estimated residual value, on a straight-line basis over their estimated useful lives in accordance with the table below:

Plant and machinery
5–15 years on a straight-line basis

Fixtures, fittings, and equipment
3–7 years on a straight-line basis

Computer equipment
3–5 years on a straight-line basis

Improvements to short leasehold property
5–10 years on a straight-line basis

The gain or loss arising on the disposal or retirement 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 residual values and useful economic lives of property, plant and equipment are reviewed annually.

Notes to the financial statements

Intangible assets

All intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill arose upon the acquisition of Phillips Aerospace made on 6 September 2023, which was defined as a single cash generating unit (CGU). The assets acquired are not capable of individually generating revenue on their own, so they are deemed combined within the business as a whole to generate revenue, and therefore the business (Phillips Aerospace) is defined as a single CGU.

The goodwill is the amount attributable to the excess of consideration over the fair value of the net assets acquired, including expected synergies, future growth, critical accreditations, and technical knowledge of the employee, and is recorded in accordance with IFRS 3, 'Business Combinations'.

Goodwill is reviewed and tested annually for impairment.

Research costs

Research costs are charged directly to administrative expense in the statement of comprehensive income as incurred.

Development costs

Development costs are capitalised as intangible assets if the asset can be separately identified; it is in the control of the Group; future economic benefits will accrue to Group; it is technically feasible; the Group has adequate resources to complete the development of the asset; and the costs can be reliably determined.

Capitalised development costs comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management, including development-related overheads. Amortisation commences upon completion of the development or when the asset becomes available for commercial production. Capitalised development costs are amortised on a straight-line basis, over the estimated product life which is generally five to seven years. The asset will be reviewed annually for indicators of impairment and whenever indicators suggest that the carrying amount may not be recovered throughout the period in which it is being used, the asset will be subject to a full impairment review.

All intangible assets, including those not yet available for use, will be reviewed for indicators of impairment.

All other development costs are recorded under administrative expense in the statement of comprehensive income in the period they are incurred. The following table shows products with a NBV of £500k or more:

Product	NBV	Remaining amortisation period
Board A	2,509,122	84 months
Board B	1,372,992	84 months
Board C	1,079,818	84 months
Board D	745,697	84 months

Customer relations

Customer relationships were acquired as part of the acquisition of Phillips Aerospace on 6 September 2023 and have applied an income approach valuation using the multi period excess earning method with a useful economic life of 10 years.

Other intangible assets

Intangible assets purchased separately, such as software licences that do not form an integral part of hardware, are capitalised at cost and amortised over their useful lives of three to seven years.

The carrying values of intangible assets with finite lives are reviewed for impairment when events or changes in circumstance indicate the carrying value may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment loss.

The recoverable amount of the asset will be used as for all other intangible assets (e.g. backlog and pipeline opportunities), except where the asset does not generate independent cashflows i.e. additional software packages sold as an add-on to a board.

Impairment of property, plant and equipment, and intangible assets

At each statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows (using both backlog and weighted pipeline) are discounted (10.2% rate used) to their present value. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as a credit to expenses immediately.

Taxation

Current tax is the tax currently payable based on taxable profit for the year. Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group takes advantage of the Small & Medium Enterprise tax scheme in respect of R&D tax credits. These are included in the taxation line and are accounted for on a receivable basis. This means that the Group applies certain assumptions based on previous R&D claims and any changes to the business and applicable legislation to record a credit through profit or loss and an associated receivable on the statement of financial position in the accounting period in question.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the year-end date.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Financial assets are held at amortised cost if the assets are held with the objective to collect contractual cash flows and where the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition at transaction price being the amount of consideration that is unconditional, receivable balances are measured at amortised cost using the effective interest method, less loss allowance for expected credit losses. The Group's cash and cash equivalents, other financial assets (fixed term deposits), trade and most other receivables fall into this category of financial instruments.

Notes to the financial statements

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

(ii) Financial liabilities
Trade and other payables are not interest bearing and are initially recognised at fair value plus transaction costs directly attributable to their acquisition and then subsequently measured at amortised cost.

(iii) Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value plus transaction costs directly attributable to their acquisition and subsequently measured at amortised cost using the effective interest method. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Investments in subsidiaries

Investments in subsidiaries, as reported in the Parent Company financial statements, are included at cost less provision for impairment.

Finance income

Finance income comprises interest income accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable.

Investments in subsidiaries

Investments in subsidiaries, as reported in the Parent Company financial statements, are included at cost less provision for impairment.

Dividends

Dividends to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Employee benefits

Retirement benefits
The Company operates a defined contribution retirement benefit plan. The cost of the defined contribution plan is charged to administrative expenses in the statement of comprehensive income on the basis of contributions payable by the Company during the year.

Share-based payments
The Group issues equity-settled, share-based payments to certain employees. Equity-settled, share-based payments are measured at fair value at the date of grant. In the consolidated Financial Statements, the fair value determined at the grant date of equity-settled, share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares which will eventually vest, together with a corresponding increase in equity. In the Financial Statements of the Company, equity-settled share-based payments issued to employees of the Company are treated in the same manner as in the consolidated Financial Statements. Equity settled, share-based payments issued to employees of subsidiary undertakings are treated in the Financial Statements of the Company as an increase in investment in subsidiary companies, together with a corresponding increase in equity, over the vesting period based on the Group's estimate of shares which will eventually vest.

Fair value is measured by use of a binomial option pricing model and has been adjusted for the estimated effect of non-transferability, exercise restrictions and behavioural considerations.

For options that have non-market vesting conditions such as EPS growth, the award has been valued using a Black-Scholes Model. This type of model is typically used where no market conditions are associated with the awards.

Options granted from November 2021 have been valued using the Black-Scholes Model. Option pre-November 2021 used the binomial option pricing model.

Treasury shares

The Company's shares which have been purchased and not cancelled are held as treasury shares and deducted from shareholders' equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the shares.

Reserves

Share premium account represents the difference between the price received on the sale of shares and their par value.

Capital redemption reserve arose from the purchase of shares and represents their nominal value.

Cumulative translation reserve arises from the consolidation of foreign subsidiaries.

Share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and share-based payments less treasury shares held at the statement of financial position.

Merger reserve represents the difference between the price of the shares issued on acquisition of Phillips Aerospace and their par value.

Provisions

Provisions are recognised when present obligations resulting from a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Provisions reported are for non-purchased warranties (all additional purchased warranties are accounted for under contract liabilities). The obligation under IFRS15 is for the Group to repair or replace faulty boards at no additional charge to the customer.

EPS

Basic earnings per share is calculated by dividing the profit attributable to the owners of Concurrent Technologies plc, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

DEPS

Diluted earnings per share is calculated by dividing the profit attributable to the owners of Concurrent Technologies plc, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares and share options outstanding during the financial year.

Key judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Estimates
The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of creating a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Development costs
To determine whether an impairment is required regarding the carrying value of the capitalised development costs, management have applied the criteria of IAS 36 'Impairment of Assets' and have projected the future economic benefits of the asset. Reviewing against current backlog and estimated weighted, (based on probability factors, predominantly driven by stage of the opportunity), future pipeline opportunities, which will be achieved from this investment using an estimated useful life of seven years. Management considers the review to be sufficiently robust regarding reasonable movements in discount rates (current rate used 8.1%).

A 1% increase in the discount rate would not lead to a material increase in impairment, so therefore, the discount rate is not considered to be the key source of estimation uncertainty, but it is the assumptions made around conversion of future sales that is key to the estimate. Where indicators exist, management then record judgement-based impairment charges which consider project specific technical issues, customer feedback, opportunity for product substitution and other market factors. Estimation uncertainty relates to assumptions about future results.

Notes to the financial statements

The Group has performed a sensitivity analysis against our top five boards in terms of NBV, using the key input of gross margin, and the result is the gross margin would have to reduce between 50% and 70%, depending on the board, to achieve a breakeven position. This provides the Directors with comfort in respect of headroom in the impairment calculations.

Inventory
A slow moving inventoy provision has been made where necessary where inventory has had no movement in three years or more as per our accounting policy. Items that are provided for, should they start being used again, will have the provision removed/reversed.

R&D Tax Credits
The Group takes advantage of the Small & Medium Enterprise tax scheme in respect of R&D tax credits. These are included in the taxation line and are accounted for on a receivable basis. This means that the Group applies certain assumptions based on previous R&D claims and any changes to the business and applicable legislation to record a credit through profit or loss and an associated receivable on the statement of financial position in the accounting period in question.

Goodwill and intangible assets on acquisition Application of IFRS 3
During the prior year, the Group acquired Phillips Aerospace and accordingly reviewed the acquisition of the entity in accordance with IFRS 3 'Business Combinations'. Any assets that were identified as being separately identifiable assets have been valued using appropriate valuation techniques in order to determine the fair value of intangible assets acquired as part of the business combination aside from any goodwill arising as a result of the transaction.

These are accordingly recorded as separate intangible assets in Note 12 and have been reviewed for impairment as noted in Note 12.

CGU
The classification of Phillips Aerospace as a single CGU is a key judgement based on the understanding of the elements that were purchased. The assets purchased (e.g., accreditation, customer relationships, working capital etc.) are not capable of generating revenue in their own right, individually, and therefore, they are judged to be intrinsically linked as one to define the business of Phillips Aerospace to be one single CGU. Accordingly, any goodwill arising as a result of this acquisition has been allocated to the CGU identified.

Capitalisation of development costs IAS 38 – Intangible Assets
Judgement is required when distinguishing the research and development phases of new projects and determining whether the recognition requirements for capitalisation of the development costs are met under IAS 38. Research covers pre-solution options often through feasibility studies of various technologies. Development is the application of research findings or other knowledge to plan or design for the production of new or substantially improved products before the start of commercial production. Development costs are capitalised as an intangible asset if all the following criteria are met: there is technical feasibility of completing the asset so that it will be available for use or sale; the intention is to complete the asset and use or sell it; there is an ability to use or sell the asset; the asset will generate future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally; the availability of adequate technical, financial and other resources to complete the development and to use or sell it; and the ability to measure reliably the expenditure attributable to the intangible asset.

Judgements
Judgement is required when distinguishing the research and development phases of new projects and determining whether the recognition requirements for capitalisation of the development costs are met. Research covers pre-solution options often through feasibility studies of various technologies. Development is the application of research findings or other knowledge to plan or design for the production of new or substantially improved products before the start of commercial production. Development costs are capitalised as an intangible asset if all the following criteria are met: there is technical feasibility of completing the asset so that it will be available for use or sale; the intention is to complete the asset and use or sell it; there is an ability to use or sell the asset; the asset will generate future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally; the availability of adequate technical, financial and other resources to complete the development and to use or sell it; and the ability to measure reliably the expenditure attributable to the intangible asset.

Corporation tax
A prior year restatement has been included for corporation tax as a result of an erroneous tax asset being included in the 2023 accounts. The impact of this adjustment is to increase the tax charge in 2023 by £713,000 and decrease the corporation tax asset in 2023 by £713,000.

	2023 (restated) £	2023 as previously stated £
Tax (charge)/credit	(312,752)	400,248
Current tax asset	779,621	1,492,621
profit and loss reserve	22,100,348	22,813,348
Earnings per share	4.06p	4.98p
Diluted earnings per share	3.95p	4.85p
Profit and loss impact	713,000	-
Cumulative retained earnings impact	713,000	-

Note 3 Segment reporting

The Directors consider that there is only one operating segment, Concurrent Group, which undertakes the design, manufacture and supply of high-end embedded computer products and systems. The Company's products can be supplied to more than one business sector and are sold on a global basis. All manufacturing of computer products is undertaken in the UK.

Whilst looking at sales by business sectors, the Executive Board members of the Company as the Chief Operating Decision Maker do not make decisions regarding allocation of Group resources on such a basis.

The Board in its entirety, i.e. including Non-Executive members, is not involved in making operational decisions. Further, Group profits are not categorised for internal reporting purposes by sectors or geography. The historical and anticipated performance of the Group is therefore reported to the Board of Concurrent Technologies plc as a single entity. Thus, the Directors consider that there are no additional segments required to be disclosed under IFRS 8 - Operating Segments but have provided the following geographic sales analysis. No geographical analysis of non-current assets is provided as non-current assets outside of the UK are immaterial.

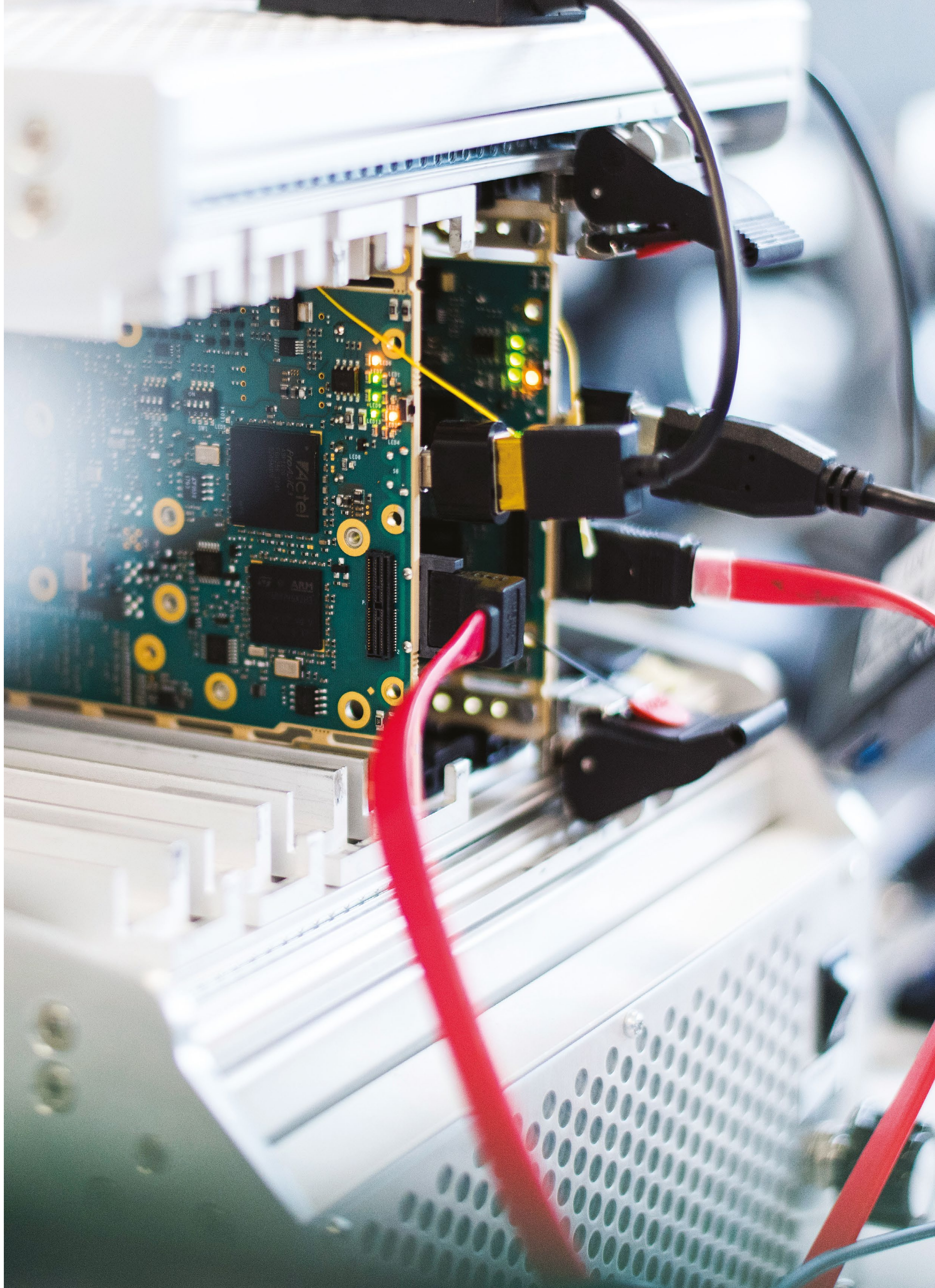
During 2024, £5.9m or 15% of Group Revenue depended on a single customer. In 2023, £3.49m or 11.0% of Group Revenue depended on a single customer.

All board revenue is recognised at a point in time, with systems and warranty (immaterial) revenue recognised over time.

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 £
United States	18,333,933	13,060,691
Malaysia	1,782,697	392,850
Germany	3,614,506	6,450,372
United Kingdom	2,929,047	2,148,568
Europe	8,146,423	4,178,401
Rest of the world	5,517,477	5,425,434
	40,324,083	**31,656,316**

Note 4
Group operating profit

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 £
Group operating profit is stated after charging to cost of sales:		
Cost of inventories recognised as expense	18,393,779	14,884,586
Staff costs (see Note 10)	2,244,166	1,133,781
Group operating profit is stated after charging/(crediting) to operating expenses		
Net foreign exchange (gains)/losses	(303,144)	279,491
Total expensed research and development costs	2,573,902	1,930,389
Amortisation of intangible assets	1,936,561	1,509,167
Impairment of intangible assets	4,088	31,557
Depreciation of owned property, plant and equipment	468,683	686,403
Depreciation of ROU Asset	204,374	203,870
Staff costs (see Note 10)	10,540,722	9,002,640
Group principal auditor's remuneration:		
Audit of Group financial statements pursuant to legislation	158,300	150,000
Other non-auditor remuneration relating to taxation compliance	39,200	25,000



Notes to the financial statements

Note 5
Finance income

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 £
Interest earned on bank deposits	79,294	68,145

Note 6
Tax

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Current tax expense	-	-
Current deferred tax	1,014,506	401,271
Prior year tax expense	(17,007)	(4,970)
Prior year deferred tax	(520,660)	(113,969)
Current overseas tax charge	-	30,420
	476,839	**312,752**

The tax assessed on the Group's profit before tax for the year is less than the standard rate of corporation tax in the UK. The applicable rate of corporation tax for the year to 31 December 2024 was 25.00% (2023: 23.52%). The differences are explained below:

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Profit before tax	**5,179,277**	**3,472,888**
Corporation tax on profit before tax at standard rate	1,294,819	816,823
Expenses not deductible for tax purposes	13,771	282,141
UK tax credits	(731,734)	(486,705)
Effect of change in UK tax rate	-	23,747
Share options	4,736	-
Effects of other reliefs	-	-
Difference in overseas effective tax rates	-	(24,150)
Impact of overseas losses	432,914	-
Adjustment in respect of previous years	(537,667)	(299,104)
Tax (credit)/charge	**476,839**	**312,752**

Factors that may affect future tax charges are as follows: UK tax rates, and any changes to R&D tax credits would have an impact on the tax position of the Group and Parent company.

Note 7
Dividend

	2024 £	2023 £	2024 pence per share	2023 pence per share
Final (for the previous year)	856,377	-	1.00	-
Interim	-	-	-	-
	856,377		**1.00**	

Interim dividends are recognised in the Financial Statements in the period they are paid. The Directors have proposed a 1p dividend for the year ended 31 December 2023 as a resolution for the Annual General Meeting (total dividend for 2022 was nil).

Note 8
Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders for the period by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all contracted dilutive potential Ordinary Shares. The Company only has one category of dilutive potential Ordinary Share namely the share options.

The inputs to the earnings per share calculation are shown below:

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 (as restated) £
Profit after tax	**4,702,438**	**3,160,136**
	Year to 31 Dec 2024 £	**Year to 31 Dec 2023 £**
Weighted average number of ordinary shares for basic earnings per share	85,676,344	77,833,759
Adjustment for share options	5,106,393	4,554,202
	90,782,737	**82,387,961**
Earnings per share amount	5.49p	4.06p
Diluted earnings per share amount	5.18p	3.95p

Notes to the financial statements

Note 9
Directors' emoluments

	Year to 31 Dec 2024 £	Year to 31 Dec 2023 £
Fees and emoluments	1,295,912	1,182,172
Pension contributions	16,298	18,632
	1,312,210	**1,200,804**
The emoluments of Directors disclosed above include in respect of the highest paid Director:		
Fees and emoluments	614,719	571,029
Pension contributions	-	9,847
The number of Directors to whom retirement benefits are accruing under a defined contribution scheme:	1	2

Detailed information concerning Directors' emoluments, shareholdings and options is provided in the Report of the Remuneration Committee.

Note 10
Staff costs

	Group year to 31 Dec 2024 £	Company year to 31 Dec 2024 £	Group year to 31 Dec 2023 £	Company year to 31 Dec 2023 £
Wages and salaries	10,160,327	7,822,904	8,501,442	7,055,210
Social security costs	1,277,769	985,571	958,837	867,527
Defined contribution pension costs	602,037	547,017	438,431	418,231
Share-based payment	744,755	370,083	430,854	283,761
	12,784,888	9,725,575	10,329,564	8,624,729
Average number of employees	**No.**	**No.**	**No.**	**No.**
Production	40	39	39	38
Other	115	89	103	88
	155	**128**	**142**	**126**

Direct employment costs capitalised for the year to 31 December 2024 £2,656,170 (2023: £2,389,672).

Note 11
Property, plant and equipment - Group

Cost	Improvements to short lease-hold Property £	Right of use asset £	Plant, fixtures, & computer equipment £	Total £
At 1 January 2023	**784,169**	**1,497,157**	**4,405,590**	**6,686,916**
Foreign exchange movement	(6,251)	-	(8,624)	(14,875)
Modification and amendment	-	(234,905)	-	(234,905)
Transfer from intangibles	-	-	75,045	75,045
Additions	227,733	-	523,184	750,917
At 31 December 2023	**1,005,651**	**1,262,252**	**4,995,195**	**7,263,098**
Foreign exchange movement	(2,018)	-	(2,785)	(4,803)
Additions	28,629	-	868,482	897,111
At 31 December 2024	**1,032,262**	**1,262,252**	**5,860,892**	**8,155,406**
Accumulated depreciation				
At 1 January 2023	**260,028**	**451,828**	**3,289,953**	**4,001,809**
Foreign exchange movement	(5,193)	1,651	(7,288)	(10,830)
Charge for the year	252,370	203,870	434,033	890,273
Modification and amendment	-	(84,037)	-	(84,037)
At 31 December 2023	**507,205**	**573,312**	**3,716,698**	**4,797,215**
Foreign exchange movement	(1,067)	533	(1,105)	(1,639)
Charge for the year	121,182	204,374	347,501	673,058
At 31 December 2024	**627,320**	**778,219**	**4,063,094**	**5,468,634**
Net book value				
At 31 December 2023	**498,446**	**688,940**	**1,278,497**	**2,465,883**
At 31 December 2024	**404,942**	**484,033**	**1,797,797**	**2,686,772**

Notes to the financial statements

Note 11
Property, plant and equipment – Company

Cost	Improvements to short lease-hold Property £	Right of use asset £	Plant, fixtures, & computer equipment £	Total £
At 1 January 2023	**780,351**	**1,400,165**	**4,255,588**	**6,436,104**
Transfer from intangibles	-	-	75,045	75,045
Modification and amendment	-	(234,905)	-	(234,905)
Additions	60,672	-	303,337	364,009
At 31 December 2023	**841,023**	**1,165,260**	**4,633,970**	**6,640,253**
Additions	28,629	-	684,704	713,333
At 31 December 2023	**869,652**	**1,165,260**	**5,318,674**	**7,353,586**
Accumulated depreciation				
At 1 January 2023	**256,209**	**401,478**	**3,149,917**	**3,807,604**
Charge for the year	94,546	186,393	261,538	542,477
Modification and amendment	-	(84,037)	-	(84,037)
At 31 December 2023	**350,755**	**503,834**	**3,411,455**	**4,266,044**
Charge for the year	96,452	187,443	334,858	618,753
At 31 December 2024	**447,207**	**691,277**	**3,746,313**	**4,884,797**
Net book value				
At 31 December 2023	**490,268**	**661,426**	**1,222,515**	**2,374,209**
At 31 December 2024	**422,445**	**473,983**	**1,572,361**	**2,468,789**

Note 12
Intangible assets – Group

Cost	Development costs £	Goodwill £	Customer relationships £	Other £	Total £
At 1 January 2023	**31,061,443**	**-**	**-**	**1,109,461**	**32,170,904**
Foreign exchange movement	-	-	-	(1,106)	(1,106)
Additions	3,939,539	-	-	38,300	3,977,839
Additions on acquisition	-	1,230,594	1,130,851	383,593	2,745,038
Transfer between classes	(64,413)	-	-	64,413	-
Transfer to tangibles	(75,046)	-	-	-	(75,046)
At 31 December 2023	**34,861,523**	**1,230,594**	**1,130,851**	**1,594,661**	**38,817,629**
Foreign exchange movement	-	19,690	17,513	-	37,203
Additions	3,043,265	-	-	339,260	3,382,525
Adjustment	-	-	-	-	-
At 31 December 2024	**37,904,787**	**1,250,284**	**1,148,364**	**1,933,921**	**42,237,356**
Amortisation					
At 1 January 2023	**22,477,838**	**-**	**-**	**885,776**	**23,363,614**
Foreign exchange movement	-	-	-	(1,106)	(1,106)
Charge for the year	1,349,203	-	36,248	123,716	1,509,167
Impairment loss	31,557	-	-	-	31,557
At 31 December 2023	**23,858,598**	**-**	**36,248**	**1,008,386**	**24,903,232**
Foreign exchange movement	-	-	-	1,268	1,268
Charge for the year	1,685,441	-	114,895	136,225	1,936,561
Impairment loss	4,088	-	-	-	4,088
At 31 December 2024	**25,548,127**	**-**	**151,143**	**1,145,879**	**26,845,149**
At 31 December 2023	**11,002,925**	**1,230,594**	**1,094,603**	**586,275**	**13,914,397**
At 31 December 2024	**12,356,661**	**1,250,284**	**997,221**	**788,042**	**15,392,208**

Notes to the financial statements

Note 12
Intangible assets – Company

	Development costs £	Other £	Total £
At 1 January 2023	**31,061,443**	**1,109,461**	**32,170,904**
Transfer between classes	(64,413)	64,413	-
Additions	3,939,539	38,300	3,977,839
Transfer to tangibles	(75,046)	-	(75,046)
At 31 December 2023	**34,861,523**	**1,212,174**	**36,073,697**
Additions	3,043,265	321,820	3,365,085
Adjustment	-	5,398	5,398
Disposals	-	-	-
At 31 December 2024	**37,904,787**	**1,539,392**	**39,444,180**
Amortisation			
At 1 January 2023	**22,477,838**	**885,776**	**23,363,614**
Foreign exchange movement	-	-	-
Charge for the year	1,349,203	111,420	1,460,623
Disposals	-	-	-
Impairment loss	31,557	-	31,557
At 31 December 2023	**23,858,598**	**997,196**	**24,855,794**
Charge for the year	1,685,441	110,015	1,795,456
Disposals	-	-	-
Impairment loss	4,088	-	4,088
At 31 December 2024	**25,548,126**	**1,107,211**	**26,655,338**
At 31 December 2023	**11,002,925**	**214,978**	**11,217,903**
At 31 December 2024	**12,356,661**	**432,181**	**12,788,842**

Development costs can be broken down as assets under development (based on original cost) £3,282,211 (2023: £7,428,960) and assets available for use (based on original cost) £34,622,576 (2023: £27,432,563). Transferred in available for use was £nil (2023: £1,088,920).

Other intangible assets comprise purchased software used within the business and software licences. All amortisation and impairment charges (or reversals if any) are included within 'Administrative Expenses'.

In respect of Intangibles associated with the acquisition of Phillips Aerospace, Concurrent has undertaken an impairment review, with key inputs of revenue growth and costs, using a discount rate of 10.2%. The results of this are that a significant reduction in revenue would have to be incurred to result in any impairment to the assets.

Note 13
Deferred tax – Group

	Share-based payments £	Accelerated capital allowance £	Tax losses £	Other £	Total £
At 1 January 2023	**401,945**	**(2,222,539)**	**37,799**	**6,960**	**(1,775,835)**
Credited/(charged) to statement of comprehensive income	88,785	121,376	215,538	-	425,699
Credited/(charged) to equity	-	-	-	(311,317)	(311,317)
At 31 December 2023	**490,730**	**(2,101,163)**	**253,337**	**(304,357)**	**(1,661,453)**
Credited/(charged) to statement of comprehensive income	63,848	(978,982)	421,289	26,214	(467,631)
Credited/(charged) to equity	5,820	-	-	-	5,820
At 31 December 2024	**560,398**	**(3,080,145)**	**674,626**	**(278,143)**	**(2,123,264)**

Note 13
Deferred tax – Company

	Share-based payments £	Accelerated capital allowance £	Tax losses £	Other £	Total £
At 1 January 2023	**401,945**	**(2,229,825)**	**-**	**-**	**(1,827,880)**
Credited/(charged) to statement of comprehensive income	88,785	121,376	215,538	-	425,699
Credited/(charged) to equity	-	-	-	-	-
At 31 December 2023	**490,730**	**(2,108,449)**	**215,538**	**-**	**(1,402,181)**
Credited/(charged) to statement of comprehensive income	63,848	(978,982)	421,289	-	(493,845)
Credited/(charged) to equity	5,820	-	-	-	5,820
At 31 December 2024	**560,398**	**(3,087,431)**	**636,827**	**-**	**(1,890,206)**

There has been a reclassification in 2023 of deferred tax asset to show net of the deferred tax liability because all deferred tax assets and liabilities arise in offsettable jurisdictions. As a result, deferred tax assets of £432,642 in 2023 are now presented within the overall net deferred tax liability.

Notes to the financial statements

Note 14
Investments – Company

	31 December 2024 £	31 December 2023 £
Investment in subsidiary companies		
Shares at cost	19,705	19,705
Capital contribution	1,361,656	1,361,656
Equity-settled share-based payment	565,951	191,278
Total investment in subsidiary companies	**1,947,312**	**1,572,639**

The Group has closed the Research and Development facility located in India. The investment in the subsidiary company has not been impaired during 2024. This will be impaired in 2025 upon formal dissolution. The investment carried in the accounts is £12,994.

Subsidiary undertakings included in these accounts, which are all wholly owned, at 31 December 2024 are:

Name	Place of incorporation	Class of share	Percentage held	Nature of business
By Company				
Concurrent Tech India Private Ltd	Bangalore, India	Ordinary	99.999%	Non-trading company
Concurrent Technologies Inc	California, USA	Ordinary	100%	Sale & service pf company products and R&D services
By Concurrent Technologies Inc				
Omnibyte Corporation	Illinois, USA	Ordinary	100%	Dormant
Phillips Aerospace	California, USA	Ordinary	100%	Developer & manufacturer of industrial products and associated services

Note 15
Inventories

	Group 31 December 2024 £	Company 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2023 £
Raw materials	6,948,808	6,168,144	8,357,855	8,153,919
Work in progress	3,640,455	3,640,455	3,407,901	3,407,901
Finished goods	286,353	286,353	192,744	192,744
	10,875,616	**10,094,952**	**11,958,500**	**11,754,564**

During 2024 the provision for obsolete and slow-moving inventories has been increased by £74,719 (2023: increased by £543,686). In accordance with IAS2, inventories are measured at the lower of cost and net realisable value.

The inventory balance movement includes a write-off provision which has decreased by £237,384 in the period. This comprises obsolete inventory following an in-depth analysis of the Group's inventory.

In 2024, a total of £18.4m (2023: £14.8m) of inventories was included in the Consolidated Statement of Comprehensive Income as an expense.

Notes to the financial statements

Note 16
Trade and other receivables

Current	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Trade receivables	6,196,812	2,183,749	5,430,181	2,667,667
Prepayments and accrued income	1,550,741	1,359,050	687,535	577,182
Other debtors	356,559	356,559	325,111	325,111
Loan to subsidiary	-	-	-	2,786,644
Amounts due from subsidiary undertakings	-	5,080,739	-	2,178,391
	8,104,112	**8,980,097**	**6,442,827**	**8,534,995**

Non-current	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Loan to subsidiary	-	3,301,753	-	-
	-	**3,301,753**	**-**	**-**

The formal loan agreement for the loan to subsidiary was signed in 2024 and the loan has a repayment date of September 2028. Therefore, the loan balance has been reclassified to non-current receivables.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables have been grouped based on shared credit risk characteristics. The expected loss rates are based on historic performance, as well as current macroeconomic conditions and experience. The Company has assessed the recoverability of inter-company balances, and deem no issues in terms of credit losses, with all amounts being repayable on demand. There have been no previous write-offs of inter-company balances and there are sufficient cash and other current assets to cover the amount.

ECL Provision Matrix	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2024					
Expected loss rate	-	-	-	0.001%	-
Gross carrying amount	4,525,345	552,964	741,415	377,088	6,196,812
Lifetime expected credit loss	-	-	-	210	210

As a Group we don't have a significant amount of bad debt and, historically, bad debts have been very close to nil due to the recurring nature of orders: our customers pay what is owed, so it is not necessary for us to provide for any balances as bad debt.

	Group 2024 £	Group 2023 £
At 1 January	210	210
Charged/(credited) to statement of comprehensive income	-	-
At 31 December	**210**	**210**

	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
More than 30 days	552,964	398,653	18,712	17,998
More than 60 days	741,415	531,201	128,551	128,448
More than 90 days	377,088	257,731	125,876	125,096
	1,671,467	**1,187,585**	**273,139**	**271,542**

Notes to the financial statements

Note 17
Trade and other payables

Current	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Trade payables	5,052,348	4,469,106	5,707,674	5,608,259
Contract liabilities	588,213	588,213	1,030,449	1,030,449
Other payables	117,589	102,878	355,549	46,329
Current right of use lease liability	310,182	287,746	294,662	268,472
Other taxes and social security costs	277,102	267,953	207,385	202,605
Accruals	2,595,334	1,295,952	2,070,693	1,733,933
	8,940,768	**7,011,848**	**9,666,412**	**8,890,047**

Non-Current	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Right of use liability	446,477	428,913	695,272	677,607
	446,477	**428,913**	**695,272**	**677,607**

Contract liabilities have been disaggregated from other payables in the current and prior years to provide more detailed information to the reader of the accounts as to the nature of other payables.

Contract liabilities (Group and Company)	Warranty	End of life	End of life service charge	Non-recurring engineering	Total
B/fwd as 1 January 2024	49,244	590,936	584	389,685	1,030,449
Charged/(credited) to profit or loss	-	-	-	-	-
Addition	16,724	-	-	-	16,724
Release	(5,087)	(63,605)	(584)	(389,685)	(458,961)
Closing at 31 December 2024	**60,882**	**527,331**	**-**	**-**	**588,213**

Note 18
Financial instruments

Group	Financial assets measured at amortised cost £
2023 non-current	-
2023 current	
Trade and other receivables	5,430,181
Cash and cash equivalents	11,118,728
Total for category	**16,548,909**
2024 non-current	-
2024 current	
Trade and other receivables	6,196,812
Cash and cash equivalents	13,706,703
Total for category	**19,903,515**

Group	Financial assets measured at amortised cost £
2023 current	
Trade and other payables	8,428,578
2024 current	
Trade and other payables	8,075,453

Included in the above is trade payables, other payables, accruals and lease liabilities. All non-current liabilities as displayed in Note 17 relate to lease liabilities which are financial liabilities measured at amortised cost.

Notes to the financial statements

Note 19
Provisions

Group and Company	Dilapidation £	Product warranty £
Carrying amount at 1 January 2024	296,879	36,512
Charged to profit loss	-	-
Increase in provisions	11,461	-
Amount utilised	-	-
Carrying amount at 31 December 2024	308,340	36,512
Provisions have been analysed between current and non-current as follows:		
Current		18,256
Non-current		326,596

Warranties are provided for based on past experience and on the basis of management's best estimate of the Group's liability under 24-month warranties granted on its hardware products.

Dilapidations are provided for on the basis of management's best estimate for both the Colchester and Theale offices. This is recognised over the life of each lease.

Note 20
Leases and commitments

The Group leases properties for its operations in the UK and US and the information is presented below, all leases relate to property.

Changes in liabilities arising from financing activities	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Opening balance	989,935	946,079	1,460,107	1,391,449
Additions	-	-	-	-
Modifications and amendment	-	-	(265,325)	(265,325)
Payments	(326,514)	(286,410)	(301,219)	(269,641)
Interest	86,166	56,990	103,008	89,596
Foreign exchange	7,072	-	(6,636)	-
Closing balance	**756,659**	**716,659**	**989,935**	**946,079**

Right of use assets	Group 2024 £	Company 2024 £
Opening balance	688,940	661,426
Additions	-	-
Depreciation	(204,374)	(187,443)
Foreign exchange	(533)	-
Closing balance	**484,033**	**473,983**

The right of use in relation to leasehold property are disclosed as PPE (Note 11).

Leases are made up of three properties with the terms as follows: UK office (Colchester) has no remaining break clauses; UK office (Theale) has a break clause of 1st April 2028; US office has an annual automatic one-year extension unless notice is given.

Right of use assets	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Within one year	(365,566)	(325,462)	(357,040)	(325,462)
Within 2–6 Years	(453,424)	(453,424)	(757,806)	(739,386)
Add unearned interest	62,331	62,227	124,911	118,769
	(756,659)	**(716,659)**	**(989,935)**	**(946,079)**
Non-current Note 17	(446,477)	(428,913)	(695,273)	(677,607)
Current Note 17	(310,182)	(287,746)	(294,662)	(268,472)
	(756,659)	**(716,659)**	**(989,935)**	**(946,079)**

At 31 December 2024 the Group was committed to a short-term lease for the Phillips Aerospace office lease .

The Group has elected not to recognise a lease liability for short-term leases or for leases of low-value assets. Payments made on these leases are expensed on a straight-line basis and the value of these expenses in the year was £198,735.

Amounts recognised in the consolidated statement of comprehensive income.

Note 20
Leases and commitments

Right of use assets	Group 2024 £	Company 2023 £
Short-term and low-value lease expense	198,735	49,606
Depreciation charge	204,374	203,870
Interest expense	2,378	103,008

Amounts recognised in the consolidated statement of cash flows.

Right of use assets	Group 2024 £	Company 2023 £
Short-term and low value lease expense	-	-
Payment of lease liabilities	326,514	301,219

At the end of the year there were no capital expenditure commitments £nil (2023: £nil).

Note 21
Share capital

	31 December 2024	31 December 2023
Allotted, issued and fully paid share capital:		
Ordinary shares (86,169,236 of 1p each)	861,692	861,692

At 31 December 2024 the Company held 381,522 ordinary shares (2023: 531,522) with an aggregate nominal value of £3,815 (2023: £5,315) in Treasury.

	Treasury shares
Balance as at 1 January 2024	531,522
Shares sold	(150,000)
Balance as at 31 December 2024	381,522

Treasury share movement in year due to exercise of share options of £150,000 which were taken out of treasury shares and moved to ordinary shares.

Note 22
Pension scheme

The Company operates a Group Personal Pension Scheme, which all permanent employees may join. The Scheme, which is a defined contribution scheme, is independent of the Company's finances. The Company's contributions are based on between 5.5% and 10% of members' gross salaries, dependent upon the length of service of the individual. The Company has also chosen Royal London as its workplace pension scheme to meet its employer duties under the Auto Enrolment rules. Contributions to the Royal London scheme are at the minimum rates. The total charge to administrative expenses in the statement of comprehensive income is disclosed in Note 10 Staff Costs. Pension contributions payable to the Schemes at the end of the year were £80,020 (2023: £63,681).

Note 23
Financial risk management

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 18. The main types of risks are market risk, credit risk and liquidity risk. The Group's policy in respect of financial risk management is referred to in the report on Corporate Governance.

The Group does not actively engage in the trading or holding of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk which results from its operating activities.

Foreign currency sensitivity

A number of transactions are conducted by companies in the Group in currencies other than their functional currency which give rise to monetary assets and liabilities denominated in other currencies. The Group's exposure to foreign currency exchange risk is mitigated to a large extent by natural hedging, as assets in currency are matched by liabilities in the same currency. The value of monetary assets and liabilities of the Group and Company not held in functional currencies at the statement of financial position date were as follows:

Net foreign currency monetary assets/(liabilities)	2024 US dollar $	2023 US dollar $
Group	3,050,393	(175,103)

Note 23
Financial risk management

	2024 US dollar $	2023 US dollar $
If sterling had strengthened by 5% against US dollar:		
Impact on net Group result and equity for the year	(145,257)	21,312
If sterling had weakened by 5% against US dollar:		
Impact on net Group result and equity for the year	160,547	(23,555)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the exposure to currency risk

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk via from cash and cash equivalents and outstanding receivables.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows:

Group	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2024					
Expected loss rate	-	-	-	0.01%	-
Gross carrying amount	4,525,345	552,964	741,415	377,088	6,196,812
Lifetime expected credit loss	-	-	-	210	210
31 December 2023					
Expected loss rate	-	-	-	0.01%	-
Gross carrying amount	5,282,708	18,712	128,551	210	5,430,181
Lifetime expected credit loss	-	-	-	210	210

The Group loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows.

	2024 £	2023 £
Opening loss allowance at 1 January	210	210
Loss allowance recognised during the year	-	-
Closing loss allowance at 31 December	210	210

The credit risk for cash and cash equivalents and fixed-term cash deposits is considered negligible since the counterparties are reputable banks with high-quality external credit ratings.

Liquidity risk analysis	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
2024					
Trade payables	3,083,629	799,658	863,568	305,493	5,052,348
Accruals	2,595,334	-	-	-	2,595,334
2023					
Trade payables	4,747,497	673,864	154,861	131,452	5,707,674
Accruals	2,070,693	-	-	-	2,070,693

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a week-to-week basis and by monthly forecasting.

The Group's objective is to maintain cash to meet its liquidity requirements for the foreseeable future. This objective was met for the reporting periods. Funding for long-term liquidity needs is assessed by the Board on a regular basis.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 16) exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within three months.

Note 24
Capital management

The Group's objectives when managing capital are:

(i) to ensure the Group's ability to continue as a going concern

(ii) to provide an adequate return to shareholders

(iii) to ensure the optimal cost of capital to fund the Group's strategy

by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the Consolidated Statement of financial position.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, purchase its own shares to hold in treasury, issue new shares or sell assets. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Capital for the reporting periods under review is summarised as follows:

	Group 2024 £	Group 2023 £
Total equity	38,925,008	35,036,427
Cash and cash equivalents	(13,706,703)	(11,118,728)
Capital	25,218,304	23,917,699
Total equity & overall financing	38,925,008	35,036,427
Capital to overall financing ratio	0.65	0.68

Note 25
Related party transactions

Dividends paid to Directors during the year amounted to 280.

Transactions with Key Management Personnel during the period

Key Management Personnel are the Company's Board. Key Management Personnel remuneration includes the following expenses:

	Group 2024 £	Group 2023 £
Short-term employee benefits	1,260,912	1,305,205
Post-employment benefits	16,299	18,632
Share-based payment (IFRS 2)	400,553	287,773
	1,677,764	**1,611,610**

Note 26
Share-based payment

At the beginning of 2021 the Company operated an Enterprise Management Incentive Share Option Scheme. During 2021, a Long Term Incentive Plan (LTIP) was introduced.

The new Scheme provides for a grant price equal to the nominal value of the Company's shares on the date of grant. Options cannot be vested until three years after grant date and vesting is conditional upon the Group achieving a compound percentage growth of the Group average basic earnings per Ordinary Share, for the complete years commencing 1 January of the year of grant and ending with the year most immediately prior to the vesting of the option. The latest date for exercising options is 10 years after grant date and vesting of options is subject to continued employment with the Group.

	2024 options No.	2024 Weighted average price pence	2023 options No.	2023 Weighted average price pence
Outstanding at 1 January	4,544,202	16.15	2,289,797	31.14
Granted	832,816	1.00	2,300,209	1.00
Exercised	(150,000)	39.00	-	-
Forfeited/lapsed	(130,625)	1.00	(35,804)	1.00
Outstanding at 31 December	**5,096,393**	**10.86**	**4,554,202**	**16.15**
Weighted average share price at date of exercise	166.80	-	-	-
Exercisable at 31 December 2024	-	-	-	-

Options outstanding at 31 December 2024 had exercise prices ranging from 1.0 pence to 101.50 pence and a weighted average remaining contractual life of 2.14 years (2023: 2.49 years).

The inputs to the Black-Scholes model for options granted over the period were as follows:

Grant Date	25 Sep 2024
Share price at grant date	£1.16
Exercise price	£0.01
Dividend yield	2.37%
Risk-free interest rate	3.75%
Volatility	39.20%

Note 27
Ultimate controlling party

The Directors have assessed that there is no ultimate controlling party.

Note 28
Business combinations

Acquisition in 2023

Acquisition of Phillips Aerospace

During the year, on 6 September 2023, the Group acquired 100% of the voting shares of Phillips Aerospace Limited, a non-listed company based in the USA and specialising in the development and manufacture of industrial products and associated services, in exchange for the Company's shares and cash. The Group acquired Phillips Aerospace Limited because its strategy was to use the Phillips business and diversify it into actual systems, offering it additionally to the Group's customer base, as well as gaining Phillips' customer relationships. These expansion, growth and export opportunities provide an established presence in North America.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Phillips Aerospace Limited as at the date of acquisition were:

Assets	Fair value recognised on acquisition £
Tangible fixed assets	20,032
Working capital	140,560
Cash and cash equivalent	146,610
Borrowings	(667,120)
Deferred tax	(339,875)
Net (liabilities) on acquisition	(699,793)
Separately identifiable intangible assets on acquisition	1,889,624
Goodwill on acquisition	815,602
Total fair value of capital invested	2,005,434

The deferred tax liability comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

Separately identifiable intangible assets comprise of customer relationships: £1,436,181 License £487,163, technology know-how £195,625 and assembled workforce £195,625.

The goodwill of £815,602 comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised.

From the date of acquisition, Phillips Aerospace Limited contributed £819,500 of revenue and £201,000 to profit before tax from continuing operations of the Group.

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