

Zytronic plc

Annual Report and financial statements

For the year ended 30 September 2024



# Company Information

## **DIRECTORS**

Dr Chris Potts – Chair  
Mark Cambridge – CEO (resigned 1 February 2025)  
Mark Butcher – Non-executive Director  
Claire Smith – CEO/CFO (appointed CEO 1 February 2025)  
John Walter – Non-executive Director (resigned 8 January 2024)

## **SECRETARY**

Claire Smith

## **INDEPENDENT AUDITORS**

Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

## **REGISTERED OFFICE**

Whiteley Road  
Blaydon-on-Tyne  
Tyne & Wear  
NE21 5NJ  
Tel: 0191 414 5511  
Fax: 0191 414 0545

## **BANKERS**

Barclays Bank plc  
71 Grey Street  
Newcastle-upon-Tyne  
NE99 1JP

Santander Corporate Banking  
Baltic Place  
South Shore Road  
Gateshead  
NE8 3AE

Yorkshire Bank  
131-135 Northumberland Street  
Newcastle-upon-Tyne  
NE1 7AG

## **SOLICITORS**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle-upon-Tyne  
NE1 3DX

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle-upon-Tyne  
NE1 4BF

# Contents

	Page(s)
Strategic report	3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Consolidated statement of comprehensive income	9
Consolidated statement of changes in equity	10
Consolidated statement of financial position	11
Consolidated cashflow statement	12
Notes to the consolidated financial statements	13 - 29

# Strategic report for the year ended 30 September 2024

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

The Group has chosen to, in accordance with Section 414c(ii) of the Companies Act 2006, set out in the Strategic report the following, which the Directors believe to be of strategic importance:

## Business review

Financial year 2024 was another year of difficult trading for the Group. Revenues continued to be impacted by competitors offering products at discounted pricing resulting in £7.2m (2023: £8.6m) being reported for the year. As the year was progressing, the Directors were engaging with a third-party consultant to enact an operational review to address this situation. This presented a range of outcomes for the Group, that would be put to shareholders as a strategic review, for them to consider their preference for the future strategy, post the year-end date. Following a consultation process with shareholders, the shareholders ultimately agreed that the operational review was too risky to proceed with and therefore opted to either sell the Company or, if this was not achievable then the Company, and Group would be wound up and liquidated, with any remaining value being passed back to the Shareholders. The Board then engaged with FRP Corporate Finance to try to find a buyer for the Company, and FRP Advisory, to advise on the liquidation process should that occur. Following an extensive search, the Board could not agree suitably attractive terms with a buyer for the trading company (Zytronic Displays Ltd) and so announced that it would commence the orderly wind-down of the Group's assets. This is commencing during financial year 2025, however as a result of this there are a number of impairments in the year ended 2024 accounts, details of which are explained in the relevant notes. The reported loss before tax for year ended 30 September 2024 is £4.2m (2023: £2.0m).

## Principal activities

Zytronic is the developer and manufacturer of a unique range of internationally award-winning touch sensor products. Zytronic's products incorporate an embedded array of metallic micro-sensing electrodes which offer significant durability, environmental stability and optical enhancement benefits to designers of system-integrated interactive displays for public access and industrial-type applications.

Zytronic is also the developer of Electroglaz™ technology, which is a bespoke lamination of non-conductive and conductive transparent glass. The arrangement allows power to be transferred across two or more individual layers within the laminate and tapped/extracted at the required locations to power multiple low power (<50V) devices. The delivery of this energy is wire/cable free and invisible to the user.

## Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, competition risk and price risks. The board review these regularly to ensure they are adequate for the Group's needs.

### Credit risk

The Group's principal financial assets are bank and cash balances and trade and other receivables. The group's credit risk is primarily applied to its trade receivables. The amounts presented in the statement of financial position are net of allowances for any doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.


### Competition Risk

The Group operates in a competitive market environment and the development of new product ranges is key to its success. The Group ensures it invests in new products and development together with maintaining strong relationships with its customers.

### Price Risk

The Group is exposed to price risk arising from fluctuations in the cost of raw materials and components used in the manufacture of display screens. Risk is managed through inventory management together with ongoing monitoring of costs to ensure the best quality of materials are secured for the best possible price.

This report was approved by the Board and signed on its behalf:



**Claire Smith**

**Director**

23 July 2025

**Registration number**

**03881244**

# Directors report for the year ended 30 September 2024

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

## Statement of Directors' responsibilities in relation to the Group and Parent Company financial statements and annual report

The Directors are responsible for preparing the annual report and the Group financial statements in accordance with UK-adopted International Accounting Standards. The Parent Company financial statements are prepared in accordance with FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the Group and Parent Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period. In preparing those financial statements the Directors are required to:

- present fairly the financial position, financial performance and cashflows of the Group and Parent Company (under FRS 101 the Parent Company is not required to report a statement of cashflows);
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosures when compliance with the specific requirements of IFRS, in accordance with UK-adopted International Accounting Standards (the Parent Company reports under FRS 101), is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Parent Company's financial position and financial performance; and
- state whether the Group and Parent Company financial statements have been prepared in accordance with IFRS, in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements (the Parent Company reports under FRS 101).

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

## Results and dividends

The consolidated statement of comprehensive income is set out on page 9. The Group loss after tax amounted to £4.2m (2023: £1.6m). The Directors do not propose the payment of a final dividend. This will bring the total dividend for the year to 0.0p per share (2023: 0.0p).

## Directors

The Directors of the Company are shown on page 1. Any Board changes are referenced on page 1 also.

## Research and development

The R&D department has continued to develop over the year, which has resulted in spend of £0.6m being incurred.

## Disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing its report) of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

## Post Balance Sheet events

The Group initiated a strategic review to consider options for the Group with a view to maximising returns to shareholders which included exploring a number of options presented to the Directors which included exploring the sale of the Company's trading entity, Zytronic Displays limited. On 19 February 2025, the Company announced that, despite engaging with multiple counterparties, it was unable to agree on suitably attractive terms for a transaction. As a result of this, the Board, in consultation with FRP Advisory has commenced the orderly wind-down of the Group's assets. The Company ceased trading as of 31<sup>st</sup> May 2025.

This report was approved by the Board and signed on its behalf:

*claire smith*

**Claire Smith**

***Director***

*23 July 2025*

**Registration number**

**03881244**

# Independent auditor's report

To the members of Zytronic plc

## Opinion

We have audited the financial statements of Zytronic PLC (the 'parent Company') and its subsidiaries (the Group') for the year ended 30 September 2024 which comprise the Consolidated statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Company Statement of Changes in Equity and the related notes, including a summary of accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the 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 30 September 2024 and of the Group's loss 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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, 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.

## Emphasis of Matter – Financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we have considered the basis of preparation of the financial statements and adequacy of the disclosures made in note 1(e) which explains that the trading subsidiary ceased trading in May 2025 and consequently the Group will cease trading thereafter. Accordingly, the financial statements have been prepared on a basis other than going concern. The use of a basis of preparation other than going concern has not resulted in any changes in the accounting policies for recognition, measurement or presentation of the financial statements.

## Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinion on other matter prescribed by the Companies Act 2006

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

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

## **Matters on which we are required to report by exception**

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

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

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and accounting standards are set out in the Directors' responsibilities statement on page 4.

## **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 Group 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:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

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 available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

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



**Daniel Town (Senior Statutory Auditor)**

*for and on behalf of*

**Crowe U.K. LLP**

**Statutory Auditor**

***Black Country House, Rounds Green Road***

***Oldbury, West Midlands B69 2DG***

*23 July 2025*

# Consolidated statement of comprehensive income

For the year ended 30 September 2024

	Notes	2024 £'000	2023 £'000
<b>Group revenue</b>	2	<b>7,230</b>	8,610
Cost of sales		<b>(7,352)</b>	(7,109)
Cost of sales excluding exceptional items		<b>(5,546)</b>	(6,500)
Exceptional items - Goodwill impairment	3(a)	—	(235)
Exceptional items - Other	3(a)	<b>(1,806)</b>	(374)
<b>Gross (loss)/profit</b>		<b>(122)</b>	1,501
Distribution costs		<b>(111)</b>	(159)
Administration expenses		<b>(4,146)</b>	(3,547)
Administration expenses excluding exceptional items		<b>(3,340)</b>	(3,092)
Exceptional items	3(b)	<b>(806)</b>	(455)
<b>Group operating loss</b>	4	<b>(4,379)</b>	(2,205)
Finance revenue	6	<b>174</b>	200
<b>Loss before tax</b>		<b>(4,205)</b>	(2,005)
Tax credit	7	<b>21</b>	441
<b>Loss for the year</b>		<b>(4,184)</b>	(1,564)
Other comprehensive income		—	—
<b>Total comprehensive loss</b>		<b>(4,184)</b>	(1,564)

The notes on pages 13 to 29 form part of these financial statements.

# Consolidated statement of changes in equity

For the year ended 30 September 2024

	Equity share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2022	102	8,994	58	6,033	15,187
Loss for the year	—	—	—	(1,564)	(1,564)
Dividends	—	—	—	(224)	(224)
At 30 September 2023	102	8,994	58	4,245	13,399
Loss for the year	—	—	—	(4,184)	(4,184)
<b>At 30 September 2024</b>	<b>102</b>	<b>8,994</b>	<b>58</b>	<b>61</b>	<b>9,215</b>

# Consolidated statement of financial position

At 30 September 2024

	Notes	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	—	840
Property, plant and equipment	10	<b>3,976</b>	4,958
		<b>3,976</b>	5,798
<b>Current assets</b>			
Inventories	11	<b>1,225</b>	2,711
Trade and other receivables	12	<b>1,232</b>	1,252
Cash and short-term deposits	13	<b>3,695</b>	4,706
		<b>6,152</b>	8,669
<b>Total assets</b>		<b>10,128</b>	14,467
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	<b>328</b>	488
Accruals	14	<b>583</b>	554
		<b>911</b>	1,042
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	15	<b>2</b>	26
		<b>2</b>	26
<b>Total liabilities</b>		<b>913</b>	1,068
<b>Net assets</b>		<b>9,215</b>	13,399
<b>Capital and reserves</b>			
Equity share capital	17	<b>102</b>	102
Share premium	17	<b>8,994</b>	8,994
Capital redemption reserve	17	<b>58</b>	58
Retained earnings		<b>61</b>	4,245
<b>Total equity</b>		<b>9,215</b>	13,399

These financial statements have been approved by the Board of Directors and signed on its behalf by:

*Claire Smith*

**Claire Smith**

**Chief Executive Officer**

23 July 2025

Zytronic Group plc: Registered number 03881244

# Consolidated cashflow statement

For the year ended 30 September 2024

	Notes	2024 £'000	2023 £'000
<b>Operating activities</b>			
Loss before tax		(4,205)	(2,005)
Finance income		(174)	(200)
Depreciation of property, plant and equipment		386	445
Amortisation and write-off of intangible assets		112	140
Impairment of goodwill		—	235
Impairment losses		2,723	—
Fair value movement on foreign exchange forward contracts		—	(92)
<b>Working capital adjustments</b>			
Decrease/(increase) in inventories (excluding impairment)		394	(527)
Decrease in trade and other receivables		20	1,705
Decrease in trade and other payables and provisions		(125)	(723)
Cash used in from operations		(869)	(1,022)
Tax received		—	137
<b>Net cashflow used in operating activities</b>		<b>(869)</b>	<b>(885)</b>
<b>Investing activities</b>			
Interest received		165	189
Payments to acquire property, plant and equipment		(83)	(296)
Payments to acquire intangible assets		(224)	(481)
<b>Net cashflow used in investing activities</b>		<b>(142)</b>	<b>(588)</b>
<b>Financing activities</b>			
Dividends paid to equity shareholders of the Parent		—	(224)
<b>Net cashflow used in financing activities</b>		<b>—</b>	<b>(224)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(1,011)</b>	<b>(1,697)</b>
Cash and cash equivalents at the beginning of the year	13	4,706	6,403
<b>Cash and cash equivalents at the year end</b>	13	<b>3,695</b>	<b>4,706</b>

# Notes to the consolidated financial statements

For the year ended 30 September 2024

## 1. Accounting policies

### **(a) Authorisation of financial statements and statements of compliance**

The financial statements of Zytronic plc and its subsidiaries (the "Group") for the year ended 30 September 2024 were authorised for issue by the Board of Directors on 23 July 2025 and the statement of financial position was signed on behalf of the Board by Claire Smith. Zytronic plc is a public limited company, limited by shares, incorporated, domiciled and registered in England and Wales (company registration number 03881244). The Company's ordinary shares are traded on Asset Match. The address of the registered office is Whiteley Road, Blaydon-on-Tyne, Tyne and Wear NE21 5NJ.

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The Directors consider the following accounting policies to be relevant in relation to the Group's financial statements, which have been prepared on a basis, other than going concern due to the wind-down and subsequent liquidation expected to complete in financial year 2025. Where judgements and uncertainty arise, the Group has noted the impact of its decision making.

### **(b) Adoption of new and revised standards**

There are no new accounting standards adopted in the year that have a material impact on the financial statements.

### **(c) Judgements and key sources of estimation uncertainty**

The preparation of the Group's consolidated financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at the date of the financial statements and the reported income and expense during the year. Although these judgements and assumptions are based on the Directors' best knowledge of the amounts, events or actions, actual results may differ from those estimates.

In the process of applying the Group's accounting policies, the Directors have made the following judgements concerning the future and other key sources of estimation uncertainty at the statement of financial position date which have the most significant effect on the amounts recognised in the financial statements.

#### *Development costs*

Development costs in the annual report and accounts for the year 2024 have been fully impaired to as at the statement of financial position date as management is unsure as to the recoverability of any net book value of this asset during the wind down of the Group.

### **(d) Key sources of estimation uncertainty**

#### *Freehold property*

The Freehold property is held on the balance sheet at historic cost less accumulated depreciation. The recoverable value of this is subject to a number of assumptions regarding market conditions, comparable transactions, rental yields and future cash flows. Any revision to these assumptions and judgements could impact the valuation included in the Statement of Financial Position. Details of the freehold property are given in note 10.

#### *Plant and Machinery*

Plant and Machinery is held on the balance sheet at historic cost less accumulated depreciation. The recoverable value of this is subject to a number of assumptions regarding market conditions, comparable transactions, rental yields and future cash flows. Any revision to these assumptions and judgements could impact the valuation included in the Statement of Financial Position. The Company are in the process of disposing of these assets via an auction and the amount recorded in the Statement of Financial Position represents the expected amount to be recovered less costs to sell (approximately £25,000). This amount is estimated to be £500k.

### **(e) Going concern**

Following a sustained lack of recovery in business performance to its pre-covid levels, in September 2024, the Board initiated a strategic review in conjunction with its shareholders to explore options for the Group. These options included the potential sale of the Company, the solvent liquidation of the Company's assets or delisting and continuing as a private company. In November 2024, upon conclusion of the review, the Company released an outcome statement of the strategic review stating that despite engagement with multiple counterparties to sell the business, it was unable to agree on suitable terms for a transaction.

As a result of this outcome, the Company decided to commence the orderly wind down of the Company. The Company ceased trading in May 2025 and is in the process of disposing of its assets. As a result, the financial statements have been prepared on a basis other than going concern.

The Company has made a number of adjustments to asset values included in the balance sheet in preparing the accounts on this basis. These adjustments are disclosed in notes 9, 10 and 11.

#### **(f) Basis of consolidation and goodwill**

The consolidated financial statements comprise the financial statements of Zytronic plc and its subsidiaries as at 30 September each year. They are presented in Sterling and all values are rounded to the nearest thousand Pounds (£'000) except where otherwise indicated.

All intra-group balances and transactions, including unrealised profits arising from them, are eliminated.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### **(g) Foreign currencies**

The consolidated financial statements are presented in Sterling, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

#### **(h) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment charges. Such costs include those directly attributable to making the asset capable of operating as intended and the cost of replacing significant parts of such plant and equipment when that cost is incurred, if the recognition criteria are met. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land	–	nil
Freehold property	–	50 years
Long leasehold property	–	30–50 years
Plant and machinery	–	varying rates between 5% and 50% per annum

Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted, if appropriate. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's fair value, or the cash-generating unit's fair value of which it forms part, less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

#### **(i) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is deemed to be their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Other than capitalised development costs, internally generated intangible assets are not capitalised.

Intangible assets are amortised on a straight-line basis over their useful economic lives and reviewed for impairment at each financial year end. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. The estimated useful lives are as follows:

Patents	–	20 years
Licences	–	period of licensing agreements (between ten and 17 years)
Capitalised development expenditure	–	three to ten years
Software	–	four years

Capitalised development expenditure in relation to electronics and software is usually amortised over a period of up to five years as the shelf life of such technology is shorter. Hardware development is usually amortised over a period of up to ten years.

Intangible assets with indefinite useful lives, such as goodwill, are tested for impairment annually and are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable.

#### **Patent applications**

The costs associated with the drafting and filing of patent applications are capitalised as incurred.

Those costs are not amortised until the patent has been granted, after which they will be amortised over its useful economic life of 20 years. If the application fails, the capitalised costs will then be impaired and written off.

#### ***(j) Research and development costs***

Research expenditure is written off as incurred. An intangible asset arising from development expenditure on an individual project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during the development.

During the period of development, the asset is tested annually for impairment. Following the initial recognition of the development expenditure, the cost model (as defined in IFRS) is applied, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of three to ten years.

#### ***(k) Inventories***

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	–	purchase cost on a first-in, first-out basis
Finished goods and work in progress	–	cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs

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

#### ***(l) Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group's financial assets include trade receivables and cash and cash equivalents.

#### ***(m) Trade and other receivables***

Trade receivables are recognised and carried at their original amount less expected credit losses.

#### ***(n) Cash and cash equivalents***

Cash and short term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an initial maturity of three months or less or for a longer period but with the ability to break the deposit with a similar notice period. Bank overdrafts are shown within financial assets on the statement of financial position as the Group has a set-off arrangement in place. For the purpose of the cashflow statement, cash and cash equivalents comprise these balances.

#### ***Financial liabilities***

The Group's financial liabilities include trade and other payables and derivative financial instruments. The derivative financial instruments are measured at fair value through the statement of comprehensive income. The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### ***Fair value measurement of financial instruments***

The Group remeasures its derivatives at fair value at each statement of financial position date and for disclosure purposes estimates the fair value of its remaining financial instruments. Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### ***(o) Derecognition of financial assets and liabilities***

A financial asset or financial liability is derecognised when the contract that gives rise to it is discharged, sold or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### ***(p) Pension scheme***

The Group operates a group personal pension scheme, which is a defined contribution scheme, for its employees. Contributions are recognised in the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

### (q) Revenue recognition

Zytronic recognises revenue when it transfers goods or services to a customer based on the amount of consideration to which it expects to be entitled from a customer in exchange for fulfilling its performance obligations.

In determining the appropriate method of recognising revenue, management is required to make judgements as to whether performance obligations are satisfied over a period of time or at a point in time. Zytronic has no performance obligations that are satisfied over a period of time and therefore recognises revenue at a point in time.

#### *Sales of finished goods product*

Sales of finished goods product to customers are recognised when control of the product has transferred to the third party. This is usually when title passes to the customer, either on shipment or on receipt of goods depending on the delivery terms of the customer order. The performance obligation is satisfied when control has passed to the customer. The transaction price is specified in confirmation of the customer order.

### (r) Tax

#### *Current tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred tax*

Deferred tax is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill, or of an asset or liability, in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the related asset or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

## 2. Group revenue and segmental analysis

Revenue represents the invoiced amount of goods sold, stated net of value-added tax, rebates and discounts.

For management purposes, the Chief Operating Decision Maker (the Board) considers that it has a single business unit comprising the development and manufacture of customised optical filters to enhance electronic display performance. All revenue, profits or losses before tax and net assets are attributable to this single reportable business segment.

The Board monitors the operating results of its entire business for the purposes of making decisions about resource allocation and performance assessment. Business performance is evaluated based on operating profits.

All manufacturing takes place in the UK and accordingly all segment assets are located in the UK. The analysis of segment revenue by geographical area based on the location of customers is given below:

	30 September 2024		30 September 2023	
	Touch £'000	Non-touch £'000	Touch £'000	Non-touch £'000
<b>Sale of goods</b>				
– Americas (excluding USA)	215	1	207	—
– USA	1,478	137	962	251
– EMEA (excluding UK and Hungary)	2,716	130	2,468	114
– Hungary	462	135	660	124
– UK	267	454	342	373
– APAC (excluding South Korea)	467	45	496	74
– South Korea	606	117	2,483	56
	<b>6,211</b>	<b>1,019</b>	<b>7,618</b>	<b>992</b>
<b>Total revenue</b>	<b>7,230</b>		<b>8,610</b>	

### 3 (a). Exceptional costs/(income) – cost of sales

	30 September 2024 £'000	30 September 2023 £'000
Write-(back)/down of stock impairment associated with doubtful debt	(239)	239
Costs of goodwill impairment	—	235
Costs of software impairment	534	—
Costs of inventory impairment	1,093	—
Costs of development costs impairment	163	—
Costs of patents and licences impairment	255	—
Costs of restructuring	—	135
<b>Total exceptional costs</b>	<b>1,806</b>	<b>609</b>

The write-down of stock in the consolidated statement of comprehensive income in 2023 relates to the effects on the Group of AGA filing a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the State of Nevada. Over the course of the financial year 2024 the Group were ultimately able to sell this stock to another customer and thereby wrote-back the stock impairment.

The goodwill impairment costs of write-down relate to the operations of Intasolve Limited, as described in note 9.

The software impairment costs of write-down are described in note 9.

The inventory impairment costs of write-down are described in note 11.

The development impairment costs of write-down are described in note 9.

The patents and licences impairment costs of write-down are described in note 9.

The Group undertook a restructuring exercise in 2023, and these costs are classed as exceptional as this was a one-off event at that time.

### 3 (b). Exceptional costs/(income) – administration costs

	30 September 2024 £'000	30 September 2023 £'000
Write-(back)/down of doubtful debt	(149)	332
Costs of restructuring	—	123
Costs of strategic review	276	—
Costs of plant and equipment impairment	516	—
Costs of property impairment	163	—
<b>Total exceptional costs</b>	<b>806</b>	<b>455</b>

The write-down of debt in the consolidated statement of comprehensive income relates to the effects on the Group of AGA filing of a voluntary petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the State of Nevada. The Group successfully pursued part of the claim against the customer and has received repayment of debt of £149k over the year.

The Group undertook a restructuring exercise in 2023, and these costs are classed as exceptional as this was a one-off event at that time.

The Group engaged in a strategic review over 2024 to try to recover its revenues and drive the business in a different direct. This was a one-off exercise and therefore the costs of these are classed as exceptional.

The plant and equipment impairment costs of write down are described in note 10.

### 4. Group operating (loss)/profit

This is stated after charging/(crediting):

	30 September 2024 £'000	30 September 2023 £'000
R&D costs	553	426
Amortisation and impairment of development expenditure	248	107
	<b>801</b>	<b>533</b>
Auditor's remuneration – in respect of audit services*	73	71
Depreciation of owned assets	387	445
Amortisation, impairment and write-off of licences	543	30
Cost of inventories recognised as an expense including:	<b>3,085</b>	2,999
– the net movement in the stock provision	174	(44)
Net foreign currency contract differences	—	11

\* £20,000 of this relates to the Company (2023: £20,000).

### 5. Staff costs and Directors' emoluments

	30 September 2024 £'000	30 September 2023 £'000
Wages and salaries	3,507	4,019
Social security costs	324	363
Other pension costs	179	265
	<b>4,010</b>	<b>4,647</b>

The total of Directors' emoluments is £396,000 (2023: £349,000). The aggregate value of contributions paid to money purchase pension schemes includes £22,000 (2023: £21,000) in respect of two Directors (2023: two).

Amounts paid to the highest paid Director are £181,000 (2023: £171,000) plus a contribution paid to the money purchase pension scheme of £15,000 (2023: £14,000).

The average number of employees during the year was made up as follows:

	30 September 2024 Number	30 September 2023 Number
Production	60	83
Administration and sales	31	32
	91	115

## 6. Finance revenue receivable

### Finance revenue

	30 September 2024 £'000	30 September 2023 £'000
Interest receivable		
Bank interest receivable	174	200

## 7. Tax

	30 September 2024 £'000	30 September 2023 £'000
<b>Current tax</b>		
UK corporation tax	—	—
Tax due on foreign subsidiary	2	1
Corporation tax over provided in prior years	—	—
Total current tax charge	2	1
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(24)	(435)
Movement related to change in tax rates	—	—
Movement related to prior year adjustments	1	(7)
Total deferred tax credit*	(23)	(442)
Tax credit in the statement of comprehensive income	(21)	(441)

\* Note 15.

### Reconciliation of the total tax credit

The effective tax rate of the tax credit in the statement of comprehensive income for the year is 0% (2023: 22%) compared with the average rate of corporation tax charge in the UK of 25% (2023: 22%). The differences are reconciled below:

	30 September 2024 £'000	30 September 2023 £'000
Accounting loss before tax	(4,205)	(2,005)
Accounting loss multiplied by the average UK rate of corporation tax of 25% (2023: 22%)	(1,052)	(441)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9	73
Depreciation in respect of non-qualifying items	—	18
Enhanced tax reliefs – R&D and patent box	—	(33)
Amounts not recognised	1,014	—
Movements in capital loss	5	—
Effect of deferred tax rate reduction and difference in tax rates	—	(52)
Tax under/(over)-provided in prior years	1	(7)
Tax due on foreign subsidiary	2	1
Total tax credit reported in the statement of comprehensive income	(21)	(441)

## 8. Dividends

The Directors do not propose the payment of a final dividend for this year's results. This will bring the total dividend for the year to 0.0p (2023: 0.0p).

	30 September 2024 £'000	30 September 2023 £'000
<b>Ordinary dividends on equity shares</b>		
Final dividend of 2.2p per ordinary share paid on 24 February 2023	—	224
	—	224

## 9. Intangible assets

	Software £'000	Goodwill £'000	Patents and licences £'000	Development expenditure £'000	Total £'000
<b>Cost</b>					
At 1 October 2022	734	235	2,096	3,992	7,057
Additions	296	—	38	160	494
At 1 October 2023	1,030	235	2,134	4,152	7,551
Additions	118	—	44	62	224
<b>At 30 September 2024</b>	<b>1,148</b>	<b>235</b>	<b>2,178</b>	<b>4,214</b>	<b>7,775</b>
<b>Amortisation</b>					
At 1 October 2022	609	—	1,876	3,861	6,346
Provided during the year	—	235	23	107	365
At 1 October 2023	609	235	1,899	3,968	6,711
Provided during the year	5	—	24	83	112
Impairment	534	—	255	163	952
<b>At 30 September 2024</b>	<b>1,148</b>	<b>235</b>	<b>2,178</b>	<b>4,214</b>	<b>7,775</b>
<b>Net book value at 30 September 2024</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Net book value at 1 October 2023	421	—	235	184	840
Net book value at 1 October 2022	125	235	220	131	711

### **Impairment of software**

Following the announcement of the intention to liquidate the Group, the Directors have taken the view that there is no value in any of the software developed within the business and have therefore fully impaired the net book value to £Nil as at 30 September 2024.

### **Impairment of goodwill**

The Directors considered the carrying value of this asset in the financial year 2023 and with the Group's continued technology advancements in its PCAP solutions, confirmed that the incorporated older technology has no value in use. The Group therefore agreed to fully impair the Goodwill in that year.

### **Impairment of patents and licences**

Following the announcement of the intention to liquidate the Group, the Directors have taken the view that there may be limited value in any of the patents and licences within the business and have therefore fully impaired the net book value to £Nil as at 30 September 2024.

### **Impairment of development expenditure**

Following the announcement of the intention to liquidate the Group, the Directors have taken the view that there may be no value in any of the development expenditure within the business and have therefore fully impaired the net book value to £Nil as at 30 September 2024.

## 10. Property, plant and equipment

The amounts carried in the statement of financial position comprise:

	Land £'000	Freehold property £'000	Long leasehold property £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>					
At 1 October 2022	207	3,070	2,463	9,326	15,066
Additions	—	—	—	296	296
Disposals	—	—	—	(35)	(35)
At 1 October 2023	207	3,070	2,463	9,587	15,327
Additions	—	—	—	83	83
Disposals	—	—	—	(58)	(58)
Amortisation	—	—	—	—	—
<b>At 30 September 2024</b>	<b>207</b>	<b>3,070</b>	<b>2,463</b>	<b>9,612</b>	<b>15,352</b>
<b>Depreciation</b>					
At 1 October 2022	—	890	986	8,083	9,959
Provided during the year	—	61	55	329	445
Disposals	—	—	—	(35)	(35)
At 1 October 2023	—	951	1,041	8,377	10,369
Provided during the year	—	61	44	281	386
Disposals	—	—	—	(58)	(58)
Impairment	—	163	—	516	679
<b>At 30 September 2024</b>	<b>—</b>	<b>1,175</b>	<b>1,085</b>	<b>9,116</b>	<b>11,376</b>
<b>Net book value at 30 September 2024</b>	<b>207</b>	<b>1,895</b>	<b>1,378</b>	<b>496</b>	<b>3,976</b>
Net book value at 1 October 2023	207	2,119	1,422	1,210	4,958
Net book value at 1 October 2022	207	2,180	1,477	1,243	5,107

### Properties

The Directors have sought a number of independent opinions on the valuation of its property to ascertain the expected recoverable amount when the property is marketed for sale in the future. The valuations received indicate that the value would be between £3.0m and £3.8m based on a number of different assumptions, the amount included in the statement of financial position is based upon current market conditions as at the date of signing these financial statements. Included within the above value is estimated selling costs which have been deducted from the valuation which total £35k.

### Plant and machinery

The Directors have sought independent valuation advice on the plant and equipment, with valuations being given at an in-situ value and an ex-situ value. As it might be unlikely that the Group will sell the property with the plant and equipment included, it has therefore been determined in order to be prudent that the plant and equipment net book value should be impaired to the ex-situ value, which is what is reflected in the statement of financial position.

## 11. Inventories

	30 September 2024 £'000	30 September 2023 £'000
Raw materials and consumables	692	2,149
Work in progress	123	316
Finished goods	410	246
	<b>1,225</b>	<b>2,711</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The Group has opted to impair its stock at the year-end by the amounts it is unlikely to recover following the conclusion of trading in FY25.

## 12. Trade and other receivables

### Current assets

	30 September 2024 £'000	30 September 2023 £'000
Trade receivables	970	936
VAT recoverable	18	57
Corporation tax	—	1
Prepayments	244	258
	<b>1,232</b>	<b>1,252</b>

Out of the carrying amount of trade receivables of £1.0m (2023: £0.9m), £0.2m (2023: £0.1m) is the amount of debts owed by two major customers (2023: two major customers). Regular reviews are undertaken on these major customers so as to ascertain that there are no recoverability issues with them.

Trade receivables are non-interest bearing and are generally on 30 to 60-day terms. Some customers, with whom there is a long-standing relationship, are on 90-day terms. They are shown net of a provision for impairment.

As at 30 September 2024, trade receivables at a nominal value of £189,000 (2023: £338,000) were impaired due to poor payment history. This debt continues to be pursued but the recoverability of this remains uncertain. The Board have determined not to impair any other debtors despite its announcement to wind down the business as it is certain that recoverability of all debts will occur. Movements in the provision for impairment of trade receivables were as follows:

	£'000
At 1 October 2022	—
Provided during the year	338
At 1 October 2023	338
Released during the year	(149)
<b>At 30 September 2024</b>	<b>189</b>

The £149k released during the year is explained in detail in note 3(b).

### 13. Cash and short term deposits

	30 September 2024 £'000	30 September 2023 £'000
Cash at bank and in hand	385	2,113
Short term deposits	3,310	2,593
	<b>3,695</b>	<b>4,706</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for variable lengths, being overnight or six months (sometimes with break conditions), depending on the immediate cash requirements of the Group, and earn interest at variable rates.

At 30 September 2024, the Group had available a net £1.5m (total cash less overdrawn accounts) overdraft facility from Barclays Bank plc which was subsequently withdrawn following the announcement of the liquidation in November 2024.

The fair value of cash and cash equivalents is £3.7m (2023: £4.7m).

### 14. Trade and other payables

	30 September 2024 £'000	30 September 2023 £'000
Trade payables*	253	410
Other taxes and social security costs	75	78
	<b>328</b>	<b>488</b>
Accruals	583	554
	<b>911</b>	<b>1,042</b>

\* Trade payables are non-interest bearing and are normally settled on 30-day terms.

### 15. Deferred tax asset

The deferred tax included in the statement of financial position is as follows:

	30 September 2024 £'000	30 September 2023 £'000
<b>Deferred tax liability</b>		
Accelerated capital allowances	196	507
Capitalised R&D	—	46
Other	14	15
	<b>210</b>	<b>568</b>
<b>Deferred tax asset</b>		
Pension asset	—	(7)
Losses	(208)	(535)
	<b>(208)</b>	<b>(542)</b>
<b>Disclosed on the statement of financial position</b>	<b>2</b>	<b>26</b>

The deferred tax included in the Group statement of comprehensive income is as follows:

	30 September 2024 £'000	30 September 2023 £'000
<b>Deferred tax in the statement of comprehensive income</b>		
Accelerated capital allowances	328	74
R&D tax credits	—	(25)
Other – losses	(305)	109
Deferred income tax credit	23	158

## 16. Financial risk management policy and financial instruments

The Group's principal financial instruments comprise cash and forward foreign exchange contract derivatives, however at the year end there were no forward foreign exchange contracts in place. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments, such as trade receivables and trade payables, that arise directly from its operations.

The main risks associated with the Group's financial assets and liabilities are set out below:

### Credit risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the Group provides goods on deferred terms.

Group policies are aimed at minimising such losses and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and/or satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the Group's exposure to bad debts is not significant. Goods may be sold on a cash-with-order basis to mitigate credit risk.

Management's assessment of the maximum credit risk exposure relating to financial assets is represented by the carrying value as at the statement of financial position date.

### Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure is approved at Group level.

Flexibility is maintained by retaining surplus cash in readily accessible bank accounts.

### Maturity profile of financial liabilities

Year ended 30 September 2024

	On demand £'000	<3 months £'000	3–12 months £'000	Total £'000
Trade and other payables	701	132	—	834
Total	701	132	—	834

Year ended 30 September 2023

	On demand £'000	<3 months £'000	3–12 months £'000	Total £'000
Trade and other payables	759	204	—	963
Total	759	204	—	963

### Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency). Foreign exchange risk is not material to the Group.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar and Euro exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in US Dollar rate	Effect on profit before tax £'000	Change in Euro rate	Effect on profit before tax £'000
<b>2024</b>				
<b>Sterling</b>	<b>+10%</b>	<b>(39)</b>	<b>+10%</b>	<b>(11)</b>
	<b>-10%</b>	<b>48</b>	<b>-10%</b>	<b>14</b>
<b>2023</b>				
<b>Sterling</b>	<b>+10%</b>	<b>(40)</b>	<b>+10%</b>	<b>(9)</b>
	<b>-10%</b>	<b>48</b>	<b>-10%</b>	<b>12</b>

### Capital management

The Group's policies on capital management are included in the Directors' report on page 4.

## 17. Equity share capital

### (a) Share capital

	2024 Number Thousands	2023 Number Thousands	2024 £'000	2023 £'000
Allotted, called up and fully paid				
Ordinary shares of 1p each	10,162	10,162	102	102

**(b) Share premium**

	£'000
At 1 October 2023	8,994
<b>At 30 September 2024</b>	<b>8,994</b>

**18. Capital commitments**

Amounts contracted for at 30 September 2024 but not provided for in the financial statements amounted to £14,000 (2023: £Nil) for the Group.

**19. Pension scheme commitments**

Contributions for the year ended 30 September 2024 amounted to £179,000 (2023: £264,000) and the outstanding contributions at the statement of financial position date were £34,000 (2023: £34,000). The Group is a member of a group personal pension scheme which is a defined contribution scheme. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

**20. Related party transactions**

There are no related party transactions required to be disclosed in the financial statements.

The key management personnel are considered to be the Directors of the Group. The following table highlights the remuneration which is recorded in the statement of comprehensive income to the Directors:

	2024 £'000	2023 £'000
Salaries/fees	437	383
Pension contributions	22	21
	<b>459</b>	<b>404</b>

**21. Guarantees**

Zytronic plc had previously given a guarantee to Barclays Bank plc in connection with the overdraft facility detailed in note 13. Following the announcement of the liquidation on the 14<sup>th</sup> November 2024, Barclays have subsequently withdrawn this facility.

The Group is owned by its shareholders; there is not one shareholder with overall controlling interest.

# Parent Company statement of financial position

At 30 September 2024

	Notes	2024 £'000	2023 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,470	3,734
Investments	5	132	5,564
		<b>3,602</b>	<b>9,298</b>
<b>Current assets</b>			
Trade and other receivables:			
– amounts falling due within one year	6	29	18
– amounts falling due after one year	6	960	1,597
Cash and short term deposits		2,752	3,632
		<b>3,741</b>	<b>5,247</b>
<b>Total assets</b>		<b>7,343</b>	<b>14,545</b>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	376	264
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	8	157	207
<b>Total liabilities</b>		<b>533</b>	<b>471</b>
<b>Net assets</b>		<b>6,810</b>	<b>14,074</b>
<b>Capital and reserves</b>			
Equity share capital	9	102	102
Share premium	9	8,994	8,994
Capital redemption reserve	9	58	58
Retained earnings		(2,344)	4,920
<b>Total equity</b>		<b>6,810</b>	<b>14,074</b>

The Company's loss for the year was £7,264,000 (2023: £4,343,000).

These financial statements have been approved by the Board of Directors and signed on its behalf by:

*claire smith*

**Claire Smith**

**Chief Executive Officer**

23 July 2025

Zytronic Group plc: Registered number 03881244

# Parent Company statement of changes in equity

For the year ended 30 September 2024

	Equity share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 October 2022	102	8,994	58	9,487	18,641
Loss for the year	—	—	—	(4,343)	(4,343)
Dividends	—	—	—	(224)	(224)
At 1 October 2023	102	8,994	58	4,920	14,074
Loss for the year	—	—	—	(7,264)	(7,264)
<b>At 30 September 2024</b>	<b>102</b>	<b>8,994</b>	<b>58</b>	<b>(2,344)</b>	<b>6,810</b>

# Notes to the Parent Company financial statements

For the year ended 30 September 2024

## 1. Accounting policies

The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at the date of the financial statements and the reported income and expense during the year. Although these judgements and assumptions are based on the Directors' best knowledge of the amounts, events or actions, actual results may differ from those estimates.

### (a) Judgements and key sources of estimation

In the process of applying the Company's accounting policies, the Directors have considered that there are the following judgements or other key sources of estimation uncertainty at the statement of financial position date which have a significant effect on the amounts recognised in the financial statements.

#### *Amounts owed by group undertakings*

Amounts owed by group undertakings represents the expected amount to be recovered from Zytronic Displays Limited, its subsidiary undertaking. At the year end, the balance sheet of Zytronic Displays Limited includes a number of key judgements and estimates which may impact the value recoverable. There is an agreement in place between Zytronic PLC and Zytronic Displays Limited which will subordinate the loan to ensure that the amount can be recovered.

### (b) Basis of preparation

The financial statements of Zytronic plc were approved for issue by the Board of Directors on 23 July 2025. The financial statements are prepared in accordance with FRS 101 Reduced Disclosure Framework. However, following the announcement of the wind-down and liquidation of the Group and Company the statements are prepared on a basis other than going concern.

A statement of comprehensive income is not presented for the Company as permitted by Section 408 of the Companies Act 2006.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand Pounds (£'000) except where otherwise indicated.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2024.

In these financial statements, the Company has taken advantage of the following disclosure exemptions available under FRS 101:

- the requirements of IFRS 7 Financial Instruments. The disclosures are available in the Group financial statements of Zytronic plc;
- the requirements in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 10(d), 16, 111 and 134–136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Transactions; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

### (c) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment charges. Such costs include those directly attributable to making the asset capable of operating as intended and the cost of replacing significant parts of such plant and equipment when that cost is incurred, if the recognition criteria are met. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land	–	nil
Freehold property	–	50 years
Long leasehold property	–	30–50 years

Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted, if appropriate. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's fair value, or the cash-generating unit's fair value of which it forms part, less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is

considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

#### **(d) Investments**

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

#### **(e) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company's financial assets include cash and cash equivalents.

The Company's financial liabilities include trade and other payables.

#### **Cash and cash equivalents**

Cash and short term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an initial maturity of three months or less or for a longer period but with the ability to break the deposit with a similar notice period. Bank overdrafts are shown within financial assets on the statement of financial position as the Company has a set-off arrangement in place.

#### **(f) Tax**

##### **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **Deferred tax**

Deferred tax is recognised in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the related asset or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

#### **2. Auditor's remuneration**

Auditor's remuneration for the year ended 30 September 2024 was £20,000 (2023: £20,000).

#### **3. Staff costs and Directors' emoluments**

	30 September 2024 £'000	30 September 2023 £'000
Fees	106	75
Social security costs	12	7
	<b>118</b>	<b>82</b>

The total of Directors' emoluments is £106,000 (2023: £75,000). This is in relation to fees for services provided. There are no charges for pension costs.

Amounts paid to the highest paid Director are £65,000 (2023: £31,000).

The average number of employees during the year was made up as follows:

	30 September 2024 Number	30 September 2023 Number
Administration	2	2
	<b>2</b>	<b>2</b>

#### **4. Property, plant and equipment**

	Land £'000	Freehold property £'000	Long leasehold property £'000	Total £'000
<b>Cost</b>				
<b>At 1 October 2023 and 30 September 2024</b>	207	3,070	2,097	5,374
<b>Depreciation</b>				
At 1 October 2023	—	951	689	1,640
Provided during the year	—	61	40	101
Impaired during the year	—	163	—	163

<b>At 30 September 2024</b>	<b>—</b>	<b>1,175</b>	<b>729</b>	<b>1,904</b>
<b>Net book value at 30 September 2024</b>	<b>207</b>	<b>1,895</b>	<b>1,368</b>	<b>3,470</b>
Net book value at 1 October 2023	207	2,119	1,408	3,734

### Properties

The Directors have sought a number of independent opinions on the valuation of its property to ascertain the expected recoverable amount when the property is marketed for sale in the future. The valuations received indicate that the value would be between £3.2m and £3.8m based on a number of different assumptions, the amount included in the statement of financial position is based upon current market conditions as at the date of signing these financial statements. Included within the above value is estimated selling costs which have been deducted from the valuation which total £35k.

## 5. Investments

### Investments in subsidiary companies

	2024 £'000	2023 £'000
<b>Shares in subsidiary companies</b>		
At beginning of year	<b>5,564</b>	10,106
Amortised during the year	<b>(5,432)</b>	(4,542)
At end of year	<b>132</b>	5,564

During the year 2023 the Directors identified the recent and short-term projected results of the subsidiary, Zytronic Displays Limited as indicators of an impairment. They undertook an impairment assessment using a value-in-use model. This assessment considered turnover and gross margin to be the key drivers of future value of the subsidiary. As a result of this review an impairment provision of £4.2m was considered appropriate. Following the announcement of the results of the strategic view during financial year 2025 and that the subsidiary was to be wound up and subsequently liquidated, impairments of all assets were calculated to determine a closing position in financial year 2024. It was determined that the investment in Zytronic Displays Limited by Zytronic PLC should be amortised to its share capital, as any remaining value is to be transferred up to Zytronic PLC upon the conclusion of the liquidation.

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Incorporated in	Holding	Proportion of voting rights and shares held	Nature of business
Zytronic Displays Limited	UK	Ordinary shares	100%	Manufacture of transparent composites, including touch sensors
Zytronic Inc.	USA	Ordinary shares	100%	Technical sales support
Intasolve Limited	UK	Ordinary shares	100%	Dormant
Zytronic Glass Products Limited	UK	Ordinary shares	100%	Dormant

Zytronic Inc. is a wholly owned subsidiary of Zytronic Displays Limited. The registered office address for all of the subsidiaries is Whiteley Road, Blaydon-on-Tyne, Tyne and Wear NE21 5NJ.

## 6. Trade and other receivables

	2024 £'000	2023 £'000
Prepayments, VAT and accrued income	<b>29</b>	18
	<b>29</b>	18

Amounts falling due after more than one year are:

	2024 £'000	2023 £'000
Amounts owed by Group undertakings	<b>960</b>	1,597

## 7. Trade and other payables

	2024 £'000	2023 £'000
Trade creditors	<b>56</b>	2
Other creditors and accruals	<b>239</b>	54
Other amounts owed to subsidiary undertakings	<b>81</b>	81
Corporation tax	<b>—</b>	127
	<b>376</b>	264

## 8. Deferred tax liability

The deferred tax included in the statement of financial position is as follows:

	2024 £'000	2023 £'000
Accelerated capital allowances	157	207
At 1 October	207	216
Credit in the statement of comprehensive income	(50)	(9)
At 30 September	157	207

## 9. Equity share capital

### (a) Share capital

	2024 Number Thousands	2023 Number Thousands	2024 £'000	2023 £'000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 1p each	10,162	10,162	102	102

### (b) Share premium

	£'000
At 1 October 2023	8,994
<b>At 30 September 2024</b>	<b>8,994</b>

## 10. Guarantees

Zytronic plc had given guarantees regarding funding advanced to Zytronic Displays Limited by Barclays Bank plc in connection with an overdraft facility detailed in note (a) below.

### (a) Borrowing facilities

The Group had an unsecured overdraft facility of £1.5m arranged with its principal banker, Barclays Bank plc. This facility was subsequently withdrawn following the announcement of the liquidation in November 2024.