

Independent auditor's report

To the members of AB Dynamics plc

Opinion

We have audited the financial statements of AB Dynamics plc (the Parent Company) and its subsidiaries (the Group) for the year ended 31 August 2025, which comprise:

- The Consolidated statement of comprehensive income for the year ended 31 August 2025
- The Consolidated and Parent Company statements of financial position as at 31 August 2025
- The Consolidated and Parent Company statements of changes in equity for the year then ended 31 August 2025
- The Consolidated statement of cash flows for the year then ended 31 August 2025
- The notes to the financial statements, including a summary of material 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 August 2025 and of the Group's profit for the year then ended
- The Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 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.

Conclusions relating to going concern

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

- Reviewing the Directors' assessment for the Group and Parent Company for the period to August 2027
- Checking the numerical accuracy of the Directors' assessment
- Challenging the Directors on the assumptions underlying those projections and agreeing key elements of these to supporting information such as industry data and historic Group performance
- Obtained the latest management results post year end 31 August 2024 to review how the Group and Parent Company are trending toward achieving the forecast
- Performed sensitivity analysis on key inputs of the forecast by calculating the impact of various scenarios and considering the impact on the Group and Parent Company's ability to continue as a going concern in the event that a downward scenario occurs. The sensitivity analysis covered the downside scenario as disclosed in note 2a
- Assessing the completeness and accuracy of the matters described in the going concern disclosure within the significant accounting policies as set out in Note 2 (a)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements.

We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £1,125,000 (2024: £965,000), based on 5.0% of adjusted Group profit before tax. Materiality for the Parent Company financial statements was set at £560,000 based on 0.46% of net assets.

We use a different level of materiality (performance materiality) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined performance materiality for the Group financial statements as a whole to be £787,500 (2024: £675,500). Performance materiality for the Parent Company financial statements was set at £392,000 (2024: £45,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £56,250 (2024: £45,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Independent auditor’s report continued

To the members of AB Dynamics plc

Overview of our audit approach continued

Overview of the scope of our audit

The main trading Group and its principal subsidiary are accounted for from one central location, the Group’s registered office. The Group has a number of operating locations, both across the UK and overseas. Our audit work was performed entirely in the United Kingdom with the exception of year-end inventory counts. Inventory counts were performed at two locations in the United Kingdom, (AB Dynamics Ltd and Ansible Ltd), two locations in Germany, (Bolab and AB Dynamics GmbH) and one in the USA, (AB Dynamics Inc), which were performed by teams from a Crowe Global member firm with oversight from the UK engagement team.

The Parent Company and the primary trading subsidiary, AB Dynamics Ltd, were subject to a full scope audit. Remaining subsidiaries have been audited to a component materiality. Testing was performed on a line by line basis in the financial statements and testing was completed to ensure that the Group balance of items left untested per line item was below performance materiality.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those 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.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition and accounting for long-term contracts The Group has recognised revenues totalling £114.7m (2024: £111.3m). See notes 2(c) and 3 to the financial statements. Revenue is recognised in accordance with the accounting policy set out in the financial statements. The accounting policy contains a number of judgements, particularly in recognising when the performance obligations are satisfied. This is determined with reference to the underlying contract with the customer. For certain projects the Company recognises revenue over the period of the contract. The Group uses the percentage of completion method to determine the appropriate amount of revenue to recognise in a given period. This is measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. A number of judgements are made by management in making its assessment of estimated costs and profitability including how the stage of completion is identified, which could lead to material misstatement due to fraud or error. Due to the estimation uncertainty over percentage completion we have identified revenue recognition and accounting for long-term contracts as a key audit matter.	• We assessed that the accounting policy conformed with the requirements of IFRS 15 and then tested its application to a sample of contracts • We assessed the use of a input based methodology and its appropriateness to the circumstances of the business • We undertook audit procedures over the design and implementation of controls within the revenue cycle that are operational within the Group • We performed cut off testing to ensure revenue was recorded in the correct period and that any resulting work-in-progress and other entries are appropriate • We tested a sample of individual revenue transactions through to cash receipts and shipment documentation • Our work on long-term contracts focused on validating that estimated contract costs and cost to complete (CTC) which include staff costs, overheads and material costs are appropriate and accurately estimated • We challenged assumptions surrounding CTC, cost escalation and delivery schedules against historical data and budgets • We tested a sample of costs incurred to date to supporting documentation • We considered the original budget for both active and historical contracts and compared this to actual costs to validate how the contract has performed and enquired into cost overruns and any events which could change this assessment • We enquired with project managers external to finance to discuss post year end progress on contracts to identify any unforeseen variance against budget

Independent auditor’s report continued

To the members of AB Dynamics plc

Overview of our audit approach continued

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Recoverability of goodwill and acquired intangible assets The Group recognises goodwill and acquired intangible balances totalling £74.6m (2024: £75.9m) arising from a number of acquisitions. See notes 12 and 13 to the financial statements. The Group’s intangible assets comprise of goodwill arising on acquisition of businesses, customer relationships, brand and technology assets. When assessing the carrying value of goodwill and intangible assets, management makes judgements regarding the appropriate cash generating unit, strategy, future trading and profitability and the assumptions underlying these. We considered the risk that goodwill and/or other intangible assets were impaired. Due to the significant assumptions that underpin the recoverable amount of these assets, the recoverability of goodwill and acquired intangible assets has been identified as a key audit matter.	• We evaluated, in comparison to the requirements set out in IAS 36, management’s assessment (using discounted cash flow models) as to whether goodwill and/or other intangible assets were impaired. We reviewed and challenged management’s assessment of the CGUs • We undertook audit procedures over the design and implementation of Group controls over the internal budgeting and impairment assessment processes and approvals • We challenged, reviewed and considered by reference to evidence, management’s impairment and fair value models as appropriate and their key estimates, including the discount rate. We reviewed the appropriateness and consistency of the process for making such estimates • We obtained management’s discounted cash flow models supporting the intangible asset valuation. We challenged the key assumptions into the model, including the forecast revenue and gross margin, discount rates and growth rates • We compared cash flow forecasts used in the impairment review to historical performance and challenged where forecasts indicated performance that deviated significantly from historical performance, in the absence of significant changes in the business or market environment • Discount rates and terminal growth rates were benchmarked to externally derived data and our knowledge of competitor performance, to evaluate the reasonableness of these assumptions. In addition we used an internal specialist to recalculate the discount rate • Sensitivity analysis was performed by management on the key assumptions such as growth, margin and discount rates to identify those assumptions to which that the goodwill or intangible asset valuation was highly sensitive. We have applied further sensitivity to create a severe but plausible downturn scenario and challenged management on the likelihood of such a scenario occurring, and on what remedial actions would be taken

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The Directors are responsible for the other information. 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.

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.

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
- The strategic report and Directors’ report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

- We have nothing to report in respect of the following matters where 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
 - The Parent Company financial statements are not in agreement with the accounting records and returns
 - Certain disclosures of Directors’ remuneration specified by law are not made
 - We have not received all the information and explanations we require for our audit

Independent auditor's report continued

To the members of AB Dynamics plc

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 95, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company 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 however the primary responsibility for the prevention and detection of fraud lies with management and those charged with governance of the Company.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. The most significant identified were the Companies Act 2006 and the QCA Corporate Governance Code

- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas that involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year
- We used data analytic techniques to identify any unusual transactions or unexpected relationships, including considering the risk of undisclosed related party transactions

Where the risk was considered to be highest, we performed audit procedures to address these.

Our procedures included:

- Enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance
- Examining the supporting documents for all material balances, transactions and disclosures
- Review of minutes of meetings about litigations and claims
- Evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions, in particular those items included in the Key Audit Matters
- Analytical procedures to identify an unusual or unexpected relationships
- Testing the appropriateness of a selection of journal entries recorded in the general ledger and other adjustments made in the financial statements
- Review of accounting estimates for biases

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Use of our report

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

Matthew Stallabrass
Senior Statutory Auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
11 November 2025

Consolidated statement of comprehensive income

For the year ended 31 August 2025

	Note	2025			2024		
		Adjusted £m	Adjustments* £m	Statutory £m	Adjusted £m	Adjustments* £m	Statutory £m
Revenue	3	114.7	—	114.7	111.3	—	111.3
Cost of sales		(43.6)	—	(43.6)	(45.0)	—	(45.0)
Gross profit		71.1	—	71.1	66.3	—	66.3
General and administrative expenses		(47.8)	(7.8)	(55.6)	(46.0)	(7.6)	(53.6)
Operating profit		23.3	(7.8)	15.5	20.3	(7.6)	12.7
Operating profit is analysed as:							
Before depreciation and amortisation		27.8	(1.6)	26.2	24.2	(1.2)	23.0
Depreciation and amortisation		(4.5)	(6.2)	(10.7)	(3.9)	(6.4)	(10.3)
Operating profit		23.3	(7.8)	15.5	20.3	(7.6)	12.7
Net finance expense	6	(0.4)	(0.5)	(0.9)	(0.3)	(0.4)	(0.7)
Profit before tax	7	22.9	(8.3)	14.6	20.0	(8.0)	12.0
Tax expense	9	(4.2)	1.6	(2.6)	(3.7)	1.4	(2.3)
Profit for the year		18.7	(6.7)	12.0	16.3	(6.6)	9.7
Other comprehensive income/(expense)							
Items that may be reclassified to consolidated income statement:							
Exchange gain / (loss) on foreign currency net investments		0.1	—	0.1	(1.8)	—	(1.8)
Total comprehensive income for the year		18.8	—	12.1	14.5	(6.6)	7.9
Earnings per share – basic (pence)	11	81.3p		52.2p	71.0p		42.3p
Earnings per share – diluted (pence)	11	80.3p		51.5p	70.0p		41.7p

* See note 4.

Consolidated statement of financial position

As at 31 August 2025

	Note	2025 £m	2024 £m
ASSETS			
Non-current assets			
Goodwill	12	45.3	44.6
Acquired intangible assets	13	29.3	31.3
Other intangible assets	13	2.9	2.5
Property, plant and equipment	14	29.0	29.7
Right-of-use assets	15	3.0	2.8
		109.5	110.9
Current assets			
Inventories	16	13.9	14.4
Trade and other receivables	17	14.3	14.7
Contract assets	5	4.6	2.3
Cash and cash equivalents	18	44.7	31.8
		77.5	63.2
Assets held for sale	19	1.9	1.9
LIABILITIES			
Current liabilities			
Trade and other payables	20	19.7	20.3
Contract liabilities	5	9.1	7.5
Short-term lease liabilities	15	1.1	1.0
Contingent consideration	28	6.1	2.7
		36.0	31.5

	Note	2025 £m	2024 £m
Non-current liabilities			
Deferred tax liabilities	22	9.7	7.5
Long-term lease liabilities	15	2.2	2.2
Contingent consideration	28	1.1	3.5
		13.0	13.2
Net assets		139.9	131.3
SHAREHOLDERS' EQUITY			
Share capital	23	0.2	0.2
Share premium	23	62.9	62.9
Other reserves	24	0.8	0.7
Retained earnings		76.0	67.5
Total equity		139.9	131.3

The financial statements were approved by the Board of Directors and authorised for issue on 11 November 2025 and are signed on its behalf by:

Dr James Routh
Director

Sarah Matthews-DeMers
Director

Company registration number: 08393914

Consolidated statement of changes in equity

For the year ended 31 August 2025

	Note	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 1 September 2023		0.2	62.8	2.5	59.7	125.2
Total comprehensive income		—	—	(1.8)	9.7	7.9
Share based payments		—	—	—	1.2	1.2
Deferred tax on share based payments	9	—	—	—	0.2	0.2
Dividend paid	10	—	—	—	(1.5)	(1.5)
Issue of shares	23	—	0.1	—	—	0.1
Purchase of own shares		—	—	—	(1.8)	(1.8)
At 31 August 2024		0.2	62.9	0.7	67.5	131.3
Total comprehensive income		—	—	0.1	12.0	12.1
Share based payments		—	—	—	0.7	0.7
Deferred tax on share based payments	9	—	—	—	(0.2)	(0.2)
Dividend paid	10	—	—	—	(1.9)	(1.9)
Purchase of own shares		—	—	—	(2.1)	(2.1)
At 31 August 2025		0.2	62.9	0.8	76.0	139.9

The share premium account is a non-distributable reserve representing the difference between the nominal value of shares in issue and the amounts subscribed for those shares.

The items included in the consolidated statement of changes in equity that relate to transactions with owners are share based payments, deferred tax on share based payments, dividends paid, issues of shares and purchases of own shares by the Employee Benefit Trust.

Consolidated cash flow statement

For the year ended 31 August 2025

	Note	2025 £m	2024 £m
Profit before tax		14.6	12.0
Depreciation and amortisation		10.7	10.3
Finance expense		0.9	0.7
Share based payment	25	0.7	1.4
Operating cash flows before changes in working capital		26.9	24.4
Decrease in inventories		1.0	3.5
(Increase)/decrease in trade and other receivables		(1.6)	1.0
Increase/(decrease) in trade and other payables		1.5	(2.2)
Cash flows from operations		27.8	26.7
Cash flows from operations are analysed as:			
Adjusted cash flows from operations		29.4	27.9
Cash impact of adjusting items	4	(1.6)	(1.2)
Cash flows from operations		27.8	26.7
Finance costs paid		(0.2)	(0.1)
Income tax paid		(2.9)	(3.1)
Net cash flows from operating activities		24.7	23.5
Cash flows used in investing activities			
Acquisition of businesses net of cash acquired		(3.4)	(17.0)
Purchase of property, plant and equipment		(2.3)	(3.6)
Capitalised development costs and purchased software		(0.8)	(0.2)
Net cash used in investing activities		(6.5)	(20.8)

	Note	2025 £m	2024 £m
Cash flows used in financing activities			
Drawdown of loans		—	3.9
Repayment of loans		—	(3.9)
Dividends paid	10	(1.9)	(1.5)
(Purchase of own shares)/proceeds from issue of share capital		(2.1)	(1.7)
Repayment of lease liabilities	15	(1.3)	(1.2)
Net cash used in financing activities		(5.3)	(4.4)
Net increase/(decrease) in cash and cash equivalents		12.9	(1.7)
Cash and cash equivalents at beginning of the year		31.8	33.5
Cash and cash equivalents at end of the year	18	44.7	31.8

Notes to the consolidated financial statements

For the year ended 31 August 2025

1. General information

AB Dynamics plc is a public company limited by shares and registered in England and Wales with company number 08393914. The Company is domiciled in the United Kingdom and the registered office and principal place of business is Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the Group).

The principal activity of the Group is the design, manufacture and supply of advanced testing, simulation and measurement products and services to the global transport market. The Group's products and services are used primarily for the development of road vehicles, particularly in the areas of active safety and autonomous systems.

Basis of preparation

The consolidated financial statements are measured and presented in Sterling. They have been prepared under the historical cost convention, except for financial instruments that have been measured at fair value through profit or loss.

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. These statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

New accounting standards and interpretations

A number of amended standards became applicable for the current reporting period. The application of these amendments has not had any material impact on the disclosures, net assets or results of the Group.

Standards, amendments and interpretations to published standards not yet effective

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that they will have a material impact on the future results of the Group.

2. Summary of material accounting policies

(a) Going concern

The Group's activities and an outline of the developments taking place in relation to its products, services and marketplace are considered in the Chairman's statement and the Chief Financial Officer's review. The principal risks and uncertainties and mitigations are included in the Strategic report.

Note 21 to the consolidated financial statements sets out the Group's financial risks and the management of capital risks.

At 31 August 2025 the Group had £41.4m of net cash and a £20.0m undrawn revolving credit facility. The Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Group and Company will have adequate resources to continue in operation for at least twelve months from the signing date of the financial statements.

As part of their regular assessment of the Group's working capital and financing position, the Directors have prepared a cash flow forecast for the period through to 31 August 2027, being at least twelve months after the date of approval of the financial statements. Additional sensitivity analysis has been performed on the forecasts to consider the impact of a severe, but plausible, reasonable worst case scenario on the Group's cash flow and covenant requirements. The scenario, which sensitised the forecasts for specific identified risks, modelled the reduction in anticipated levels of cash and the associated reduction of adjusted EBITDA. The scenario considered the principal risks and uncertainties referred to on pages 58 to 60 and modelled the financial impact of all of the below sensitivities to the base case forecast:

- A reduction in demand of 25% over the next two financial years
- A 10% increase in operating costs
- An increase in cash collection cycle
- An increase in input costs resulting in reduction in gross margins by 12%

The sensitised scenario shows headroom on the Group's revolving credit facility and covenant thresholds throughout the forecast period. After consideration of the above, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for at least twelve months after the date of approval of the financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

(b) Critical accounting judgements and sources of estimation uncertainty

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, and which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as stated on the next page.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

2. Summary of material accounting policies continued

(b) Critical accounting judgements and sources of estimation uncertainty continued

Accounting judgements

Assessment of revenue recognition for long-term revenue contracts

Management judgements are required on a contract-by-contract basis to determine whether revenue from contracts with customers is recognised over time. If the criteria for recognition over time are not met, revenue is recognised at a point in time. Specifically, management judgements are required to determine whether the Group has an enforceable right to payment for work completed to date at all times throughout the duration of the contract. The assessment centres on whether, in the unlikely event of a cancellation of a contract, the customer would be required to compensate the Group for performance completed to date, either as a result of specific terms and conditions in the contract or by assessing the relevant common law interpretation in the relevant jurisdiction as appropriate.

Where the criteria are not met, custom-built laboratory testing and simulator equipment revenue is recognised at a point in time as performance obligations are met on delivery and on installation.

The main timing difference between over time recognition and point in time recognition arises during the build phase, prior to meeting the initial performance obligation on delivery of the equipment. Consequently, the impact on the results is limited to any contracts where the build phase spans a year end. Were a different judgement to be made regarding point in time or over time recognition on these, the amount of revenue recognised in the year could increase or decrease accordingly. For the year ended 31 August 2025, £11.4m was recognised in relation to 10 contracts for custom-built laboratory testing and simulator equipment, with five contracts in the build phase at the year end.

Assets held for sale

Management judgements are required in relation to the classification of assets held for sale, specifically in relation to assessing whether a sale is highly probable. Typically, a sale is deemed to be highly probable when it is expected to qualify for recognition as a completed sale within one year from the date of classification, in addition to the other criteria stipulated in IFRS 5. However, events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset from being classified as held for sale. Where this is the case, management judgements are required to assess whether the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset, in order to continue to meet the assets held for sale criteria.

For the land asset that is classified as held for sale as at 31 August 2025, the delays experienced to date with the sale process have been caused by circumstances outside of the Group's control, including the impact of the pandemic on planning applications. An active sale process is underway at year end pending planning permission and management judges that a sale is highly probable.

Key sources of estimation uncertainty

Assessment of the percentage of completion for long-term revenue contracts

Where laboratory testing and simulator equipment revenue is recognised over time, further management judgements are required in determining the profitability and stage of completion of contracts. This involves regular review by management of project milestones, actual costs incurred against budgeted costs, forecast costs to complete as well as other pertinent information.

The above estimates are made internally by the Group and any changes of these estimates will result in a corresponding change in revenue and profit. A 10% change in the stage of completion would not have a material impact on revenue or profit. Any potential losses on contracts are considered and appropriately recognised immediately upon occurrence, while contract revenue which cannot be estimated reliably is recognised only after confirmed by written agreement.

Other sources of estimation uncertainty

Acquisition accounting

When the Group makes an acquisition, it recognises the identifiable assets and liabilities, including intangible assets, at fair value with the difference between the fair value of net assets acquired and the fair value of consideration paid comprising goodwill.

Intangible assets are recognised when they are controlled through contractual or other legal rights, or are separable from the rest of the business, and their fair value can be reliably measured. Technology, customer relationships, brand and order book have been identified by management as separate intangible assets as they are separable assets and can be reliably measured by valuation of future cash flows. Management does not believe there are any other intangible assets that have arisen on acquisition during the year which can be reliably measured.

The key assumptions and estimates used to determine the valuation of intangible assets acquired are the forecast cash flows, the discount rate and/or customer/supplier attrition. Customer and supplier relationships are valued using a discounted cash flow model. Any changes in the discount rate or cash flow forecast would result in a change between recognised goodwill and intangible assets. Separate intangibles valued on acquisitions made in the year were £4.1m (2024: £5.2m), comprised of £3.7m (2024: £3.4m) in relation to technology, £Nil (2024: £1.5m) in relation to customer relationships and £0.4m (2024: £0.3m) in relation to brand.

(c) Revenue and long-term contracts

The Group principally earns revenue through the sale of manufactured test products for automotive applications and the provision of test and consultancy services and recognises revenue based on the satisfaction of the performance obligations in contracts with customers. A contract with a customer is confirmed and exists when a sales contract has been signed by both parties where the terms and conditions of the sale have been agreed by both parties and it is expected that the entity will be paid by the customer upon completion of the distinct performance obligations in the contract. Goods and services are distinct and accounted for as separate performance obligations if they are separately identifiable in the contract and the customer can benefit from the goods and services either on their own or together with other readily available resources available to the customer. Revenue is recognised in the amount the entity expects to receive for the performance of its obligations to the customer and net of sales taxes. Where contract modifications do occur and the remaining goods and services are not distinct from those already provided then the transaction price is updated, and where necessary a cumulative adjustment is made. This occurs infrequently where insignificant adjustments are made to the equipment supplied or services rendered.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

2. Summary of material accounting policies continued

(c) Revenue and long-term contracts continued

Transaction prices are set in the contract and are thus fixed upon agreeing to enter into a contract with a customer. The Group does not recognise variable consideration and does not estimate any revenue other than that agreed upon in the contract which is not subject to estimation. Rights of return are present in some contracts, yet these are only triggered by non-performance of the obligations under the contract and after the Group's right to repair lapses. There have been no instances of any right of return clauses being invoked for the Group, and correspondingly no return assets or refund liabilities are recognised.

Where there are multiple performance obligations under a single contract, the Group allocates the transaction price in relation to the stand-alone selling prices for the performance obligations in the contract. Where only one performance obligation is identified in the contract the transaction price is allocated in full. In instances where specific elements are not separated on a contract and invoice, such as training and initial support, these revenue elements are recognised independently with reference to the stand-alone selling prices of these services as if they were provided independently.

Revenue is recognised as the performance obligations in the contract are satisfied and control of the goods and services has transferred to the customer. For each performance obligation the Group determines if the obligation has been settled over time or at a point in time. Performance obligations are satisfied over time if the performance obligation creates an asset with no alternative use for the Group and there is an enforceable right to payment for performance completed to date, or if the customer can simultaneously receive and consume the benefits provided by the Group. When revenue is recognised over time the Group measures progress towards satisfaction of the performance obligations on an output measurement basis, unless input is more appropriate or provides a reasonable proxy for measuring progress of the stage of completion of the contract.

Variations in contract work and claims are recognised to the extent that they have been agreed with the customer. The probability of a profitable outcome of the contract is determined by regular review by management of project milestones, actual costs against budgeted costs and any other pertinent information. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The aggregate of the cost incurred and the profit/loss recognised on each contract is compared against the progress billings up to the year end.

Contract assets (accrued revenue) and contract liabilities (amounts received in advance of performance delivery) are recognised separately.

Supply of manufactured products

The majority of the Group's revenue is derived from the sale of manufactured products, which is broken down into two categories, being standard products and bespoke products. Revenue recognition on standard products which the Group regularly manufactures and sells is measured at the transaction price that is expected to flow to the Group and recognised at a point in time when the Group has transferred control to the customer in line with the Incoterms as agreed with the customer.

Revenue from custom-built laboratory and simulator equipment is recognised over time as the Group has no alternative use for these custom-built pieces of equipment and the Group has an enforceable right to payment, plus a reasonable profit margin throughout the life of the contract. The Group

performs an assessment on a contract-by-contract basis of the appropriate measure of progress towards satisfaction of performance obligations. Where an output measurement basis is used, surveys of work performed are used to assess the percentage of completion of the contract. Where this is not appropriate progress is measured using an input basis by assessing the costs incurred over the total expected costs to satisfy the obligations in the contract as well as the costs to complete. When criteria for over time recognition are not met, revenue is recognised at a point in time on delivery based on the Incoterms.

Supply of services

The Group recognises revenue from the provision of services to customers which include support, road testing, track testing, installation and training. Services are a single performance obligation in the contract with customers. For road testing, track testing and training services revenue is recognised over time as the services are delivered on a straight-line basis over the period in which the services are performed. For support services under a subscription contract with the customer, revenue is recognised at the transaction price on a straight-line basis over the contractual period. Installation service revenue is recognised when the installation is complete and the customer can obtain the benefits of the installation.

Supply of software

The Group's software products are sold on licensing arrangements for set contracted periods in contracts with customers. These contracts provide the customer the right to access the product during the licence period. A new or renewed licence is a single performance obligation and revenue is recognised on a straight-line basis over the licence period. Where perpetual licences are sold, revenue is recognised in full on the delivery of the licence.

(d) Basis of consolidation

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All intercompany balances and transactions, including recognised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as recognised gains except to the extent that they provide evidence of impairment.

(e) Acquisitions

Acquisitions are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Goodwill at the acquisition date represents the cost of the business combination (excluding acquisition related costs, which are expensed as incurred) in excess of the fair value of the identifiable tangible and intangible assets and liabilities acquired. Any contingent consideration payable is recognised at fair value at the acquisition date and held at fair value through profit and loss. Costs in relation to the unwinding of discounting are recognised as a finance expense.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

2. Summary of material accounting policies continued

(F) Inventories

Inventories are valued on a first in, first out basis at the lower of cost and net realisable value. Cost includes all expenditure incurred during the normal course of business in bringing in inventories to their present location and condition, including in the case of work-in-progress and finished goods an appropriate proportion of production overheads. Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and subsequent disposal. Inventory is expensed to cost of sales on consumption which includes direct labour and direct overheads.

(g) Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously. A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss or loans and receivables financial assets. The Group does not hold any financial assets at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

As at the end of the reporting period, there were no foreign currency forward contracts classified under this category.

Financial assets at amortised cost

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets held at amortised cost when the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets held at amortised cost are recognised under an expected credit loss approach, in accordance with IFRS 9. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Financial liabilities

All financial liabilities are initially recorded at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

The fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

(iii) Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Interim dividends are recognised when paid and final dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognising any resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

(h) Property, plant and equipment

Property, plant and equipment is initially recorded at cost. Once the asset is available for use, depreciation is calculated at the rate estimated to write off the cost of the relevant asset, less any estimated residual value, on either a straight-line basis or reducing balance basis over its expected useful life.

Plant and machinery	10% straight line
Motor vehicles	20%–25% straight line
Furniture and fittings	10% straight line
Computer equipment	25%–33% straight line
General equipment	10%–20% straight line
Test equipment	10%–20% straight line
Buildings	2%–5% straight line

(i) Intangible assets

All intangible assets, excluding goodwill arising on a business combination, are stated at their amortised cost or fair value at initial recognition less any provision for impairment.

(i) Research and development costs

Research expenditure is written off as incurred. Development costs incurred on projects where the Group retains ownership of intellectual property and the related expenditure is separately identifiable and measurable, and management is satisfied as to the ultimate technology and commercial viability of the project and that the asset will generate future economic benefits, are recognised as an intangible asset. The assets are amortised on a straight-line basis over the asset's useful life of between three and five years.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

2. Summary of material accounting policies continued

(i) Intangible assets continued

(ii) Computer software costs

Where computer software is not integral to an item of property, plant or equipment its costs are capitalised as other intangible assets. Amortisation is provided on a straight-line basis over its useful economic life of between three and seven years.

(iii) Acquired intangible assets – business combinations

Intangible assets that may be acquired as a result of a business combination include, but are not limited to, customer lists, supplier lists, databases, technology and software and patents that can be separately measured at fair value, on a reliable basis. They are separately recognised on acquisition at fair value, together with the associated deferred tax liability. Amortisation is charged on a straight-line basis to the consolidated income statement over the expected useful economic lives.

	Economic life
Customer relationships	7–10 years
Brand	5–10 years
Technology	5–10 years

(iv) Goodwill – business combinations

Goodwill arising on the acquisition of a subsidiary represents the excess of the aggregate of the fair value of the consideration over the aggregate fair value of the identifiable intangible, tangible and current assets and net of the aggregate fair value of the liabilities (including contingent liabilities of businesses acquired at the date of acquisition). Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Transaction costs are expensed and are not included in the cost of acquisition.

(j) Impairment of tangible and intangible assets

An impairment loss is recognised to the extent that the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or CGU is the higher of: (i) its fair value less costs to sell; and (ii) its value in use. Its value in use is the present value of the future cash flows expected to be derived from the asset or CGU, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit. The pre-tax discount rates are derived from the post-tax weighted cost of capital. Assumptions used in the calculation of the Group's weighted average cost of capital are benchmarked to externally available data. The pre-tax discount rate applied in the value-in-use calculations for the financial year ranged from 11.9% to 15.9%. The discount rate applied reflects the different markets and associated risks within those jurisdictions in which the Group operates. Stress testing was performed on the value-in-use calculations to consider the impact of reasonably possible downside scenarios over the forecast period including, separately, a 1% increase in the discount rate applied, a 0.5% decrease in the growth rate and a 10% reduction in cash flows. None of these scenarios resulted in any CGUs requiring impairment.

Impairment losses are recognised immediately in the consolidated income statement.

(i) Impairment of goodwill

Goodwill acquired in a business combination is allocated to a CGU; CGUs for this purpose represent the lowest level within the Group at which the goodwill is monitored by the Group's Board of Directors for internal and management purposes. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the goodwill attributable to the CGU. Impairment losses cannot be subsequently reversed.

(ii) Impairment of other tangible and intangible assets

Other tangible and intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Impairment losses and any subsequent reversals are recognised in the consolidated income statement.

(k) Taxation

The income 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 recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(l) Share based payments

Employees (including Directors and senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions). These individuals are granted share option rights approved by the Board which can only be settled in shares of the respective companies that award the equity-settled transactions. No cash-settled awards have been made or are planned.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (vesting point).

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

2. Summary of material accounting policies continued

(l) Share based payments continued

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments and value that will ultimately vest. The statement of comprehensive income charge for the year represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The fair value of share based remuneration is determined at the date of grant and recognised as an expense in profit or loss on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest. The fair value is determined by use of Black Scholes model method or Monte Carlo simulation as appropriate.

(m) Foreign currencies

(i) Reporting foreign currency transactions in functional currency

The Group's consolidated financial statements are presented in pounds Sterling. Items included in the financial statements of each of the Group's subsidiaries are measured using the functional currency of the primary economic environment in which the subsidiary operates. Transactions in currencies other than the entity's functional currency (foreign currencies) are initially recorded at the rates of exchange prevailing on the dates of the transactions. At each subsequent balance sheet date:

- (a) Foreign currency monetary items are retranslated at the rates prevailing at the balance sheet date. Exchange differences arising on the settlement or retranslation of monetary items are recognised in the consolidated income statement
- (b) Non-monetary items measured at historical cost in a foreign currency are not retranslated
- (c) Non-monetary items measured at fair value in a foreign currency are retranslated using the exchange rates at the date the fair value was determined. Where a gain or loss on non-monetary items is recognised directly in equity, any exchange component of that gain or loss is also recognised directly in equity and, conversely, where a gain or loss on a non-monetary item is recognised in the consolidated income statement, any exchange component of that gain or loss is also recognised in the consolidated income statement

(ii) Translation from functional currency to presentational currency

When the functional currency of a Group entity is different from the Group's presentational currency, its results and financial position are translated into the presentational currency as follows:

- (a) Assets and liabilities are translated using exchange rates prevailing at the reporting date
- (b) Income and expense items are translated at average exchange rates for the year, except where the use of such an average rate does not approximate the exchange rate at the date of the transaction, in which case the transaction rate is used
- (c) All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity in other reserves; these cumulative exchange differences are recognised in the consolidated income statement in the period in which the foreign operation is disposed of

(iii) Net investment in foreign operations

Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognised in the consolidated income statement in the separate financial statements of the reporting entity or the foreign operation as appropriate. In the consolidated financial statements such exchange differences are initially recognised in other comprehensive income as a separate component of equity and subsequently recognised in the consolidated income statement on disposal of the net investment.

(n) Assets held for sale

Assets held for sale are assets previously classified as non-current which are expected to be sold rather than held for continuing use. These have principally arisen as part of a review of our physical estate. Assets held for sale have not been sold at the balance sheet date but are being actively marketed for sale, with a high probability of completion within twelve months.

(o) Alternative performance measures

The principal alternative performance measures presented are adjusted measures of earnings including adjusted operating profit, adjusted operating margin, adjusted profit before tax, adjusted EBITDA, adjusted earnings per share and adjusted cash flow from operations. Alternative performance measures are measures used after adjusting for certain items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. These specific items are presented separately within the income statement to provide greater clarity and a better understanding of the impact of these items on the Group's financial performance. In doing so, it also facilitates greater comparison of the Group's underlying results with prior periods and assessment of trends in financial performance. This split is consistent with how underlying business performance is measured internally.

For the purposes of calculating alternative performance measures, adjustments may include but are not restricted to: adjustments to the fair value of acquisition related items such as contingent consideration, acquired intangible asset amortisation and other exceptional items due to their significance, size or nature, and the related taxation.

(p) Leases

At the lease commencement date (i.e. the date the underlying asset is available for use), the Group recognises a right-of-use asset and a lease liability on the balance sheet. The lease liability is initially measured at the present value of future lease payments, discounted using the Group's incremental borrowing rate. This is the rate that we would have to pay for a loan of a similar term, and with similar security, to obtain an asset of similar value. The right-of-use asset is initially measured at cost, comprising the initial value of the lease liability, any lease payments made before commencement of the lease, any initial direct costs and any restoration costs. The asset is recorded as property, plant and equipment and is depreciated over the shorter of its estimated useful economic life and the lease term on a straight-line basis. The finance cost is charged to the income statement over the lease term to produce a constant periodic rate of interest on the lease liability. The lease payment is allocated between repayment of the lease liability and finance cost. The Group applies the short-term lease recognition exemption to those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below £5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

3. Segment reporting

The Group derives revenue from the sale of its advanced measurement, simulation and testing products and services used in assisting the global transport market in the laboratory, on the test track and on-road. The Group has three segments.

The operating segments are based on internal reports about components of the Group, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker.

	2025					2024				
	Testing Products £m	Testing Services £m	Simulation £m	Unallocated* £m	Total £m	Testing Products £m	Testing Services £m	Simulation £m	Unallocated* £m	Total £m
Revenue	74.3	18.0	22.4	—	114.7	69.4	16.7	25.2	—	111.3
Adjusted operating profit	16.9	4.4	5.0	(3.0)	23.3	13.2	4.2	7.0	(4.1)	20.3
Adjusted operating profit is analysed as:										
Before depreciation and amortisation	19.4	5.8	5.5	(2.9)	27.8	15.5	5.3	7.5	(4.1)	24.2
Depreciation and amortisation	(2.5)	(1.4)	(0.5)	(0.1)	(4.5)	(2.3)	(1.1)	(0.5)	—	(3.9)
Adjusted operating profit	16.9	4.4	5.0	(3.0)	23.3	13.2	4.2	7.0	(4.1)	20.3
Amortisation of acquired intangibles	(0.5)	(3.4)	(2.3)	—	(6.2)	—	(3.4)	(3.0)	—	(6.4)
Adjusting items	—	—	—	(1.6)	(1.6)	—	—	—	(1.2)	(1.2)
Operating profit	16.4	1.0	2.7	(4.6)	15.5	13.2	0.8	4.0	(5.3)	12.7
Net finance expense					(0.9)					(0.7)
Profit before tax					14.6					12.0
Tax expense					(2.6)					(2.3)
Profit for the year					12.0					9.7

* Unallocated items are head office costs that cannot be allocated to a business segment.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

3. Segment reporting continued

Analysis of revenue by destination:

	2025 £m	2024 £m
Europe (including United Kingdom)	31.8	36.8
North America	29.4	25.9
Asia Pacific	53.3	48.4
Rest of the World	0.2	0.2
	114.7	111.3

One customer individually represents more than 10% of total revenue (2024: no customers individually represent more than 10% of total revenue).

Revenue recognised over time during the year was £17.9m (2024: £12.7m).

Assets and liabilities by segment are not reported to the Board of Directors therefore they are not used as key decision making tools and are not disclosed here.

A disclosure of non-current assets by location is shown below:

	2025 £m	2024 £m
Europe (including United Kingdom)	68.4	64.4
North America	27.6	30.8
Asia Pacific	13.5	15.7
	109.5	110.9

4. Alternative performance measures

In the analysis of the Group's financial performance and position, operating results and cash flows, alternative performance measures are presented to provide readers with additional information. The principal measures presented are adjusted measures of earnings including adjusted operating profit, adjusted operating margin, adjusted profit before tax, adjusted EBITDA, adjusted earnings per share and adjusted cash flow from operations.

The financial statements include both statutory and adjusted non-GAAP financial measures, the latter of which the Directors believe better reflect the underlying performance of the business and provide a more meaningful comparison of how the business is managed and measured on a day-to-day basis. The Group's alternative performance measures and KPIs are aligned to the Group's strategy and together are used to measure the performance of the business and form the basis of the performance measures for remuneration.

A reconciliation of adjusted measures to statutory measures is provided below:

	2025			2024		
	Statutory	Adjustments	Adjusted	Statutory	Adjustments	Adjusted
EBITDA (£m)	26.2	1.6	27.8	23.0	1.2	24.2
Operating profit (£m)	15.5	7.8	23.3	12.7	7.6	20.3
Operating margin	13.5%		20.3%	11.5%		18.2%
Finance expense (£m)	(0.9)	0.5	(0.4)	(0.7)	0.4	(0.3)
Profit before tax (£m)	14.6	8.3	22.9	12.0	8.0	20.0
Tax expense (£m)	(2.6)	(1.6)	(4.2)	(2.3)	(1.4)	(3.7)
Profit after tax (£m)	12.0	6.7	18.7	9.7	6.6	16.3
Diluted earnings per share (pence)	51.5		80.3	41.7		70.0
Cash flow from operations (£m)	27.8	1.6	29.4	26.7	1.2	27.9

Adjusted results exclude certain items because, if included, these items could distort the understanding of the performance for the year and the comparability between the periods.

We provide comparatives alongside all current year figures. The term 'adjusted' is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

	2025 £m	2024 £m
Amortisation of acquired intangibles	6.2	6.4
Acquisition related costs	0.5	0.2
ERP development costs	1.1	1.0
Adjustments to operating profit	7.8	7.6
Acquisition related finance costs	0.5	0.4
Adjustments to profit before tax	8.3	8.0

Amortisation of acquired intangibles

The amortisation relates to the acquisition of Bolab on 25 September 2024 and the businesses acquired in previous years, Venshure Test Services, Ansible Motion, DRI, rFpro and VadoTech.

Acquisition related costs

The costs in the current year relate to the acquisition of Bolab, and the costs in the prior year relate to the acquisition of Venshure Test Services.

ERP development costs

These costs relate to the development, configuration and customisation of the Group's new ERP system which is hosted on the cloud.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

4. Alternative performance measures continued

Acquisition related finance costs

Finance costs relate to the unwind of the discount on contingent consideration payable on the acquisition of Bolab and Venshure Test Services (2024: Venshure Test Services and Ansible Motion).

Tax

The tax impact of these adjustments was as follows: amortisation £1.3m (2024: £1.1m), acquisition related costs £0.1m (2024: £0.1m) and ERP development costs £0.2m (2024: £0.2m).

Cash impact

The operating cash flow impact of the adjustments was an outflow of £1.6m (2024: £1.2m), being £1.1m (2024: £1.0m) in relation to the ERP development costs and £0.5m (2024: £0.2m) in relation to acquisition costs.

5. Disclosure of revenue from contracts with customers

Contract balances

The Group has recognised the following revenue related contract assets and liabilities:

	2025 £m	2024 £m
Contract assets (i)	4.6	2.3
Contract liabilities (ii)	9.1	7.5

(i) Significant changes in contract assets

Contract assets have increased by 100% during the year reflecting work on a large contract being performed in advance of the payment schedule.

(ii) Significant changes in contract liabilities

This balance consists of deferred income and payments received in advance. The increase in contract liabilities was primarily due to the timing of order placement for laboratory testing equipment, resulting in a higher amount of payments received in advance as at the year end. At 31 August 2025 there was £6.8m (2024: £4.8m) of deferred income, primarily relating to the supply of support and software, where revenue is recognised over the period in which these obligations are performed.

Of the £7.5m of contract liabilities at the beginning of the period, £5.8m was recognised as revenue during the year.

Remaining performance obligations as at 31 August 2025

Outstanding performance obligations at 31 August 2025 were £32.3m (2024: £30.3m). The related revenue is expected to be recognised over the next 12 months as these performance obligations are satisfied, except for performance obligations to build and deliver laboratory testing and simulator equipment, where the typical length of time is 18–24 months.

Assets recognised from costs to obtain or fulfil customer contracts

No amounts have been recognised in relation to these categories of assets as at 31 August 2025 (2024: Nil).

6. Net finance expense

	2025 £m	2024 £m
Finance expense	0.4	0.3
Unwinding of discount on contingent consideration	0.5	0.4
Net finance expense	0.9	0.7

7. Profit before tax

The profit before tax is stated after charging:

	2025 £m	2024 £m
Depreciation of tangible fixed assets	2.9	2.4
Depreciation of right-of-use assets	1.2	1.1
Amortisation of other intangible assets	0.4	0.4
Amortisation of acquired intangible assets	6.2	6.4
Realised loss on foreign exchange	0.4	0.6
ERP development costs	1.1	1.0
Staff costs:		
– Wages and salaries	33.0	29.8
– Social security costs	3.2	2.8
– Other pension costs	1.7	1.4
Share based payments	0.7	1.4
Contractor costs	1.6	2.2
Research and development costs charged as an expense	0.2	0.7

Auditor's remuneration

	2025 £m	2024 £m
Fees payable to the Group's auditor during the year for:		
– The audit of the Company's financial statements	0.1	0.1
– The audit of the Company's subsidiaries	0.1	0.1
	0.2	0.2

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

8. Employees

The average monthly number of employees, including Directors, during the year was as follows:

	2025 No.	2024 No.
Directors and commercial	23	21
Engineers and technicians	464	419
Administration	79	72
	566	512

The total number of employees at the year end was 553 (2024: 555).

Total remuneration of key management personnel, being the Directors of the Company and the members of the Executive Committee, is set out below:

	2025 £m	2024 £m
Short-term employee benefits	2.4	2.6
Post-employment benefits	0.1	0.1
Social security costs	0.2	0.2
Share based payments – equity settled	0.4	1.2
	3.1	4.1

Further details relating to the remuneration of the Directors of the Company can be found on page 88 in the Remuneration Committee report. The total remuneration paid to or receivable by the Directors of the Group in respect of qualifying services is £3.1m (2024: £2.0m). Pension contributions totalling £22,000 (2024: £6,000) were made into the defined contribution scheme for two Directors in the year (2024: two).

9. Tax expense

	2025 £m	2024 £m
Current tax:		
– For the financial year	2.4	3.4
– Adjustments in respect of prior year	(0.8)	(0.2)
	1.6	3.2
Deferred tax (note 22):		
– Origination and reversal of temporary differences	0.9	(1.0)
– Adjustments in respect of prior year	0.1	0.1
	2.6	2.3

The statutory effective rate of tax for the year of 17.8% (2024: 19.2%) is lower than (2024: lower than) the standard rate of corporation tax in the UK of 25% (2024: 25%) as set out below.

The effective rate of tax on the adjusted profit before tax is 18.3% (2024: 18.5%).

The tax charge can be reconciled to the consolidated income statement as follows:

	2025 £m	2024 £m
Profit before tax	14.6	12.0
Tax at the applicable statutory rate of 25% (2024: 25%):	3.6	3.0
Tax effects of:		
Non-deductible expenses	0.4	0.5
Adjustments in respect of prior year	(0.7)	(0.1)
Patent Box relief*	(1.1)	(1.4)
(Decrease)/increase in tax risk provision	(0.1)	0.2
Overseas tax rates	0.5	0.1
Tax expense for the financial year	2.6	2.3

* Patent Box relief represents the tax effect of the reduced amount payable on profits that fall within the Patent Box regime.

In addition to the amount charged to the consolidated income statement, the following amounts relating to tax have been recognised directly in equity:

	2025 £m	2024 £m
Deferred tax		
Change in estimated excess tax deductions related to share based payments	0.2	(0.2)
Total income tax recognised directly in equity	0.2	(0.2)

Factors affecting the tax charge in future years

The Group's future tax charge could be affected by several factors including: tax reform in the UK, the USA, Germany, Japan, Singapore or China, including any arising from the European Commission initiatives such as the proposed Tax and Financial Reporting Directive, changes to eligibility for the RDEC, any future acquisitions and availability of R&D and Patent Box relief.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

10. Dividends paid

	2025 £m	2024 £m
Final 2023 dividend paid of 4.42p per share	—	1.0
Interim 2024 dividend paid of 2.33p per share	—	0.5
Final 2024 dividend paid of 5.30p per share	1.2	—
Interim 2025 dividend paid of 2.80p per share	0.7	—
	1.9	1.5

An interim dividend was paid of 2.80p per share totalling £0.7m. The Board has proposed a final dividend in respect of the year ended 31 August 2025 of 6.36p per share totalling £1.5m. If approved, the final dividend will be paid on 30 January 2026 to shareholders on the register on 16 January 2026.

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares. The Company has one category of potentially dilutive shares, namely share options.

The calculation of earnings per share is based on the following earnings and number of shares.

	2025	2024
Weighted average number of shares ('m)		
Basic	23.0	22.9
Diluted	23.3	23.2
Earnings per share		
Profit for the year attributable to owners of the Group (£m)	12.0	9.7
Basic earnings per share (pence)	52.2p	42.3p
Diluted earnings per share (pence)	51.5p	41.7p
Adjusted profit for the year attributable to owners of the Group (£m)	18.7	16.3
Adjusted earnings per share (pence)	81.3p	71.0p
Adjusted diluted earnings per share (pence)	80.3p	70.0p

12. Goodwill

	VadoTech Group £m	DRI £m	rFpro £m	Ansible Motion £m	Venshure Test Services £m	Bolab £m	Total £m
At 1 September 2024	6.2	8.8	7.5	14.0	8.1	—	44.6
Acquisitions	—	—	—	—	—	1.0	1.0
Exchange differences	0.1	(0.2)	—	—	(0.2)	—	(0.3)
At 31 August 2025	6.3	8.6	7.5	14.0	7.9	1.0	45.3

	VadoTech Group £m	DRI £m	rFpro £m	Ansible Motion £m	Venshure Test Services £m	Bolab £m	Total £m
At 1 September 2023	6.3	9.1	7.5	14.0	—	—	36.9
Acquisitions	—	—	—	—	8.5	—	8.5
Exchange differences	(0.1)	(0.3)	—	—	(0.4)	—	(0.8)
At 31 August 2024	6.2	8.8	7.5	14.0	8.1	—	44.6

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of the goodwill has been allocated to the CGUs to which they relate.

The Group tests goodwill at least annually for impairment. Tests are conducted more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations have been individually estimated for each CGU and include the discount rates and expected changes to cash flows during the period for which management has detailed plans.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each of the CGUs. Pre-tax discount rates, derived from the Group's post-tax weighted average cost of capital which have been adjusted for a premium specific to each of the CGUs to account for differences in currency risk, country risk and other factors affecting specific CGUs, have been used to discount projected cash flows. The pre-tax discount rate applied in the value-in-use calculations for the financial year ranged from 11.9% to 15.9%.

Expected changes to cash flows during the period for which management has detailed plans relate to revenue forecasts and forecast operating margins in each of the operating companies. The relative value ascribed to each varies between CGUs as the budgets are built up from the underlying operating companies within each CGU, but the key assumption for each CGU is growth resulting from the long-term drivers in the industry, including the increase in ADAS and autonomy and increased regulation.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

12. Goodwill continued

The calculations have used the Group's forecast figures for the next three years. This is based on data derived from the three-year plan that has been approved by the Board. At the end of three years, the calculations assume the performance of the CGUs will grow at a nominal annual rate of 1.5%. Growth rates are based on management's view of industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes. The weighted average cost of capital is derived using beta values of a comparator group of companies adjusted for funding structures as appropriate.

Following a detailed review, no impairment losses were recognised in the year ended 31 August 2025.

Sensitivity testing was performed on the forecasts to consider the impact of reasonably possible downside scenarios over the forecast period, including a 1% increase in the discount rate, a 0.5% decrease in the growth rate and a 10% reduction in cash flows. None of these scenarios resulted in any CGUs requiring impairment.

13. Acquired and other intangible assets

	Customer relationships £m	Brand £m	Technology £m	Total acquired intangible assets £m	Capitalised development costs £m	Total other intangible assets £m
Cost						
At 1 September 2024	25.2	3.0	30.2	58.4	3.8	3.8
Additions	—	—	—	—	0.8	0.8
Acquisitions	—	0.4	3.7	4.1	—	—
Exchange differences	0.2	—	(0.1)	0.1	—	—
At 31 August 2025	25.4	3.4	33.8	62.6	4.6	4.6
Amortisation						
At 1 September 2024	12.1	1.3	13.7	27.1	1.3	1.3
Charge for the year	3.1	0.5	2.6	6.2	0.4	0.4
Exchange differences	0.2	—	(0.2)	—	—	—
At 31 August 2025	15.4	1.8	16.1	33.3	1.7	1.7
Net book value						
At 31 August 2024	13.1	1.7	16.5	31.3	2.5	2.5
At 31 August 2025	10.0	1.6	17.7	29.3	2.9	2.9

Internally generated additions total £0.5m (2024: £0.1m).

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

13. Acquired and other intangible assets continued

	Customer relationships £m	Brand £m	Technology £m	Total acquired intangible assets £m	Capitalised development costs £m	Total other intangible assets £m
Cost						
At 1 September 2023	24.2	2.7	27.0	53.9	3.8	3.8
Additions	—	—	—	—	0.2	0.2
Acquisitions	1.5	0.3	3.4	5.2	—	—
Disposals	—	—	—	—	(0.2)	(0.2)
Exchange differences	(0.5)	—	(0.2)	(0.7)	—	—
At 31 August 2024	25.2	3.0	30.2	58.4	3.8	3.8
Amortisation						
At 1 September 2023	9.1	0.9	11.0	21.0	1.0	1.0
Charge for the year	3.2	0.4	2.8	6.4	0.4	0.4
Disposals	—	—	—	—	(0.1)	(0.1)
Exchange differences	(0.2)	—	(0.1)	(0.3)	—	—
At 31 August 2024	12.1	1.3	13.7	27.1	1.3	1.3
Net book value						
At 31 August 2023	15.1	1.8	16.0	32.9	2.8	2.8
At 31 August 2024	13.1	1.7	16.5	31.3	2.5	2.5

Acquired intangible assets relate to items acquired through business combinations which are amortised over their useful economic lives.

Other intangible assets comprise acquired intellectual property and capitalised development costs.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

14. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Test equipment £m	Motor vehicles £m	Total £m
Cost					
At 1 September 2024	22.7	9.5	4.2	0.6	37.0
Additions	—	1.1	1.1	0.1	2.3
Acquisitions	—	—	0.3	—	0.3
Disposals	—	(0.5)	(0.5)	—	(1.0)
Exchange differences	—	(0.1)	—	—	(0.1)
At 31 August 2025	22.7	10.0	5.1	0.7	38.5
Accumulated depreciation					
At 1 September 2024	2.7	2.0	2.2	0.4	7.3
Charge for the year	0.6	1.5	0.7	0.1	2.9
Disposals	—	(0.3)	(0.3)	—	(0.6)
Exchange differences	—	(0.1)	—	—	(0.1)
At 31 August 2025	3.3	3.1	2.6	0.5	9.5
Net book value					
At 31 August 2024	20.0	7.5	2.0	0.2	29.7
At 31 August 2025	19.4	6.9	2.5	0.2	29.0

	Land and buildings £m	Plant and equipment £m	Test equipment £m	Motor vehicles £m	Total £m
Cost					
At 1 September 2023	22.6	5.8	3.0	0.6	32.0
Additions	0.2	2.1	1.2	—	3.5
Acquisitions	—	3.3	—	—	3.3
Disposals	—	(1.5)	—	—	(1.5)
Exchange differences	(0.1)	(0.2)	—	—	(0.3)
At 31 August 2024	22.7	9.5	4.2	0.6	37.0
Accumulated depreciation					
At 1 September 2023	2.1	2.2	1.5	0.4	6.2
Charge for the year	0.6	1.1	0.7	—	2.4
Disposals	—	(1.2)	—	—	(1.2)
Exchange differences	—	(0.1)	—	—	(0.1)
At 31 August 2024	2.7	2.0	2.2	0.4	7.3
Net book value					
At 31 August 2023	20.5	3.6	1.5	0.2	25.8
At 31 August 2024	20.0	7.5	2.0	0.2	29.7

Included within land and buildings are assets under construction of £2.5m (2024: £2.3m). These assets are not depreciated.

There were no capital commitments contracted and not yet provided for in these financial statements.

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

15. Leases**Right-of-use assets**

	Land and buildings £m	Total £m
Cost		
At 1 September 2024	3.9	3.9
Additions	1.2	1.2
Acquisitions	0.2	0.2
Disposals	(0.9)	(0.9)
Exchange differences	0.1	0.1
At 31 August 2025	4.5	4.5
Accumulated depreciation		
At 1 September 2024	1.1	1.1
Charge for the year	1.2	1.2
Disposals	(0.8)	(0.8)
Exchange differences	—	—
At 31 August 2025	1.5	1.5
Net book value		
At 31 August 2024	2.8	2.8
At 31 August 2025	3.0	3.0

	Land and buildings £m	Total £m
Cost		
At 1 September 2023	3.3	3.3
Additions	1.9	1.9
Acquisitions	0.5	0.5
Disposals	(1.8)	(1.8)
Exchange differences	—	—
At 31 August 2024	3.9	3.9
Accumulated depreciation		
At 1 September 2023	1.9	1.9
Charge for the year	1.1	1.1
Disposals	(1.8)	(1.8)
Exchange differences	(0.1)	(0.1)
At 31 August 2024	1.1	1.1
Net book value		
At 31 August 2023	1.4	1.4
At 31 August 2024	2.8	2.8

Lease liabilities

	2025 £m	2024 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	1.2	1.2
One to five years	2.5	2.4
Total undiscounted cash flows	3.7	3.6
Discount	(0.4)	(0.4)
Total lease liabilities	3.3	3.2
Current	1.1	1.0
Non-current	2.2	2.2

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

15. Leases continued

Amounts recognised in the consolidated statement of comprehensive income

	2025 £m	2024 £m
Depreciation of right-of-use assets	1.2	1.2
Interest on lease liabilities	0.2	0.1

Amounts recognised in the consolidated cash flow statement

	2025 £m	2024 £m
Principal lease payments	1.3	1.2
Interest payments on leases	0.2	0.1

16. Inventories

	2025 £m	2024 £m
Raw materials	10.2	4.3
Work-in-progress	1.9	6.0
Finished goods	1.8	4.1
	13.9	14.4

The value of inventories recognised as an expense during the year was £31.1m (2024: £34.1m). During the year the amount of write down of inventories recognised as an expense was £Nil (2024: £0.2m).

17. Trade and other receivables

	2025 £m	2024 £m
Trade receivables	12.2	11.8
Less: credit loss provision	(0.5)	(0.8)
	11.7	11.0
Other receivables	1.2	2.5
Prepayments	1.4	1.2
	14.3	14.7

Other receivables consist mainly of VAT, withholding taxes and deposits.

The maximum exposure to credit risk for trade receivables at 31 August, by currency, was:

	2025 £m	2024 £m
Sterling	3.0	0.9
Euro	4.2	4.7
US Dollar	3.0	5.3
Japanese Yen	1.5	0.1
	11.7	11.0

Trade receivables, before credit loss provisions, are analysed as follows:

	2025 £m	2024 £m
Not past due	9.2	9.4
Past due, no credit loss for impairment	2.5	1.6
Past due, credit loss for impairment	0.5	0.8
	12.2	11.8

The ageing of trade receivables, classified as past due, but not impaired, is as follows:

	2025 £m	2024 £m
Less than three months past due	2.4	1.6
Over three months past due	0.1	—
	2.5	1.6

Credit loss provision:

	2025 £m	2024 £m
At 1 September	0.8	1.0
Credited in the year	(0.3)	(0.2)
At 31 August	0.5	0.8

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

18. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank:		
– Sterling	23.7	17.4
– Euro	11.0	6.4
– US Dollar	7.7	4.4
– Japanese Yen	1.7	3.2
– Other currencies	0.6	0.4
	44.7	31.8

Net cash

	2025 £m	2024 £m
Cash and cash equivalents	44.7	31.8
Lease liabilities	(3.3)	(3.2)
	41.4	28.6

19. Assets held for sale

Following a review of our existing manufacturing locations, previously acquired land is surplus to requirements and has been classified as held for sale. It is held at the lower of carrying amount and fair value less costs to sell of £1.9m. The sale is expected to be completed during FY 2026.

20. Trade and other payables

	2025 £m	2024 £m
Trade payables	7.2	5.6
Social security and other taxes	1.4	1.7
Other payables and accruals	11.1	13.0
	19.7	20.3

Other payables and accruals comprise accrued expenses and accrued employee related costs.

The maximum exposure to foreign currency risk for trade payables at 31 August, by currency, was:

	2025 £m	2024 £m
Sterling	1.2	1.9
Euro	1.3	0.5
US Dollar	4.6	3.1
Japanese Yen	0.1	0.1
	7.2	5.6

21. Financial instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on mitigating the potential adverse effects on the Group's financial performance.

(a) Currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Sterling. The transactional exposure arises on trade receivables, trade payables and cash and cash equivalents and these balances are analysed by currency in notes 17, 18 and 20. Currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group maintains a natural hedge whenever possible, by the cash inflows (revenue stream) and cash outflows used for purposes such as capital expenditure and operational expenditure in the respective currencies. Forward exchange contracts are used to manage transactional exposure where appropriate.

Management considers that the most significant foreign exchange risk relates to US Dollar, Euro and Japanese Yen. The sensitivity to a 10% strengthening in Sterling against each of these currencies (with other variables held constant) on the translation of the Group's consolidated income statement is as follows:

	2025 £m	2024 £m
Decrease in adjusted operating profit (at average rates):		
US Dollar	0.5	0.3
Euro	0.5	0.5
Japanese Yen	0.2	0.2

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

21. Financial instruments continued

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets being interest-bearing bank deposits. The Group's policy is to obtain the most favourable interest rates available whilst ensuring that cash is deposited with a financial institution with a credit rating of 'AA' or better. Any surplus funds are placed with licensed financial institutions to generate interest income.

A 100 basis points strengthening/weakening of the interest rate as at the end of the reporting period would have a £300,000 impact on profit after taxation and equity. This assumes that all other variables remain constant.

(c) Equity price risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(d) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and cash equivalents), the Group seeks to minimise credit risk by dealing exclusively with high credit rating counterparties. An analysis of the ageing and currency of trade receivables is set out in note 17. An analysis of cash and cash equivalents is set out in note 18.

The Group establishes an allowance for impairment that represents its expected credit loss in respect of the trade and other receivables as appropriate. In addition to expected credit losses provision, the Group's policy is to provide in full for specific items within trade receivables, being those outstanding for more than 90 days beyond agreed terms, except where strong evidence for the recoverability of the balance exists, and those where there is uncertainty regarding recoverability. Expected credit losses are estimated by management based on prior experience and the current economic environment.

The Group's major concentration of credit risk at 31 August 2025 relates to the amounts owing by 20 customers which constituted approximately 67% of its trade receivables as at the end of the reporting period. As the Group does not have collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:

	2025 £m	2024 £m
North America	2.7	3.1
United Kingdom	1.3	1.7
Europe	2.7	3.3
Rest of the World	5.0	2.9
	11.7	11.0

(e) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they fall due.

The following table details the Group's contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The Group's undiscounted financial liabilities are as follows:

	2025 £m	2024 £m
Trade payables	7.2	5.6
Other payables	11.1	13.0
Lease liabilities	3.7	3.6
Contingent consideration	7.7	6.7
	29.7	28.9
The maturities of the undiscounted liabilities are as follows:		
Less than one year	25.9	22.5
One to five years	3.8	6.4
Total undiscounted cash flows	29.7	28.9
Discount	(0.9)	(0.9)
Total liabilities	28.8	28.0
Current	25.5	22.3
Non-current	3.3	5.7
Total liabilities	28.8	28.0

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

21. Financial instruments continued

(f) Capital risk management

Capital is defined as the total equity of the Group. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of the dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group manages its capital based on debt-to-equity ratio. The strategies adopted were unchanged during the period under review and from those adopted in the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings, including lease liabilities, less cash and cash equivalents.

At 31 August 2025, the Group's cash resources exceed its total debt. The Company hence has no net debt.

(g) Classification of financial instruments

All financial instruments are categorised as follows:

	2025 £m	2024 £m
Financial assets		
Trade receivables	11.7	11.0
Contract assets	4.6	2.3
Cash and cash equivalents	44.7	31.8
	61.0	45.1
Financial liabilities held at amortised cost		
Trade and other payables and accruals	18.3	18.6
Lease liabilities	3.3	3.2
	21.6	21.8
Financial liabilities held at fair value through profit and loss		
Contingent consideration	7.2	6.2
	7.2	6.2

(h) Fair value hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:

- Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of all financial instruments approximates their fair value (valued using level 2 or level 3 in the case of assets held for sale).

22. Deferred tax liabilities

	2025 £m	2024 £m
At 1 September	(7.5)	(8.7)
Acquisitions	(1.0)	—
Recognised in profit or loss:		
– In respect of timing differences	(1.0)	0.9
Recognised in equity:		
– In respect of deferred tax on share options	(0.2)	0.2
Exchange differences	—	0.1
At 31 August	(9.7)	(7.5)

The deferred tax balance is analysed as follows:

	2025 £m	2024 £m
Deferred tax liabilities	(9.7)	(7.5)
	(9.7)	(7.5)

The deferred tax liabilities are attributable to:

	2025 £m	2024 £m
Short-term timing differences	(3.2)	(1.0)
Acquisitions	(6.5)	(6.5)
	(9.7)	(7.5)

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

23. Share capital

The allotted, called up and fully paid share capital is made up of 22,954,463 ordinary shares of £0.01 each.

	Note	Number of shares 'm	Share capital £m	Share premium £m	Total £m
At 1 September 2023		23.0	0.2	62.8	63.0
Issued during the year	(i)	—	—	0.1	0.1
At 31 August 2024		23.0	0.2	62.9	63.1
Issued during the year		—	—	—	—
At 31 August 2025		23.0	0.2	62.9	63.1

(i) During the year ended 31 August 2024, a total of 20,098 share options were exercised of £0.01 each for £3.95.

24. Other reserves

	Reconstruction reserve £m	Merger relief reserve £m	Translation reserve £m	Other reserves £m
At 1 September 2023	(11.3)	14.6	(0.8)	2.5
Other comprehensive expense	—	—	(1.8)	(1.8)
At 31 August 2024	(11.3)	14.6	(2.6)	0.7
Other comprehensive income	—	—	0.1	0.1
At 31 August 2025	(11.3)	14.6	(2.5)	0.8

The reconstruction reserve and merger relief reserve have arisen as follows:

The acquisition by the Company of the entire issued share capital of Anthony Best Dynamics Limited in 2013 was accounted for as a Group reconstruction. Consequently, the assets and liabilities of the Group were recognised at their previous book values as if the Company had always been the Parent Company of the Group.

The share capital for the period covered by these consolidated financial statements and the comparative periods is stated at the nominal value of the shares issued pursuant to the above share arrangement. Any differences between the nominal value of these shares and previously reported nominal values of shares and applicable share premium issued by Anthony Best Dynamics Limited were transferred to the reconstruction reserve.

25. Share based payments

The share based compensation schemes were established to align the long-term interests of management and staff with shareholders. The schemes are administered by the Remuneration Committee.

The schemes adopted by the Group are equity settled and a charge of £0.7m (2024: £1.4m) has been charged to the consolidated statement of comprehensive income relating to these options.

Summary of movements in share options

	Number of shares	Weighted average exercise price (pence)
Outstanding at 1 September 2024	468,491	692
Options and awards granted	118,267	—
Options and awards exercised	(127,026)	—
Options and awards lapsed	(101,110)	—
Outstanding at 31 August 2025	358,622	904
Exercisable at 31 August 2025	8,447	395
Outstanding at 1 September 2023	461,019	709
Options and awards granted	98,050	—
Options and awards exercised	(53,071)	150
Options and awards lapsed	(37,507)	—
Outstanding at 31 August 2024	468,491	692
Exercisable at 31 August 2024	8,447	395

The weighted average share price on the date of exercise was 1,900p (2024: 1,759p). The weighted average remaining contractual life of the options outstanding at the statement of financial position date is 7.6 years (2024: 7.5 years).

The weighted average fair value of options granted in the year was 1,796p (2024: 1,568p).

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

25. Share based payments continued

Summary of movements in share options continued

The fair values of the share option awards granted were calculated using a Black Scholes option pricing model. The long-term incentive plan awards have targets based on earnings per share total growth and shareholder return and were valued using a Monte Carlo simulation. The inputs into the model for awards granted were as follows:

	Date awarded		
	12 December 2024	8 February 2024	4 January 2023
Stock price:	1,950p	1,768p	1,613p
Exercise price:	nil	nil	nil
Interest rate:	4.24%	4.18%	3.43%
Volatility:	37%	39%	48%
Vesting period:	3 years	3 years	3 years

The expected volatility was determined with reference to the published share price.

The long-term incentive plan awards vest on the third anniversary of the award date.

Employee Benefit Trust

At 31 August 2025 64,322 (2024: 77,521) ordinary shares were held by a trust in respect of obligations under the long-term incentive plan. The market value of the shares held in the trust at 31 August 2025 was £0.9m (2024: £1.6m). These shares are held at cost as treasury shares and deducted from shareholders' equity.

During the year the trust acquired 119,428 (2024: 113,200) shares at a cost of £2.1m (2024: £1.8m). 132,627 shares were used to satisfy awards following the vesting of shares under the long-term incentive plan and annual bonus plan.

26. Related party disclosures

The remuneration of the key management personnel of the Group is set out in note 8.

27. Ultimate controlling party

There is no ultimate controlling party.

28. Acquisition of businesses

Bolab

On 25 September 2024, the Group acquired 100% of Bolab for a total consideration of up to €11.0m (£9.2m). Bolab is a niche supplier of automotive power electronics testing solutions, based in Germany. Bolab supplies low-voltage and high-voltage equipment for testing automotive sub-systems and components for conventional, hybrid and EVs. The acquisition supports the expansion of the Group's capabilities in the Testing Products segment and provides further alignment with the structural growth drivers in the sector.

The initial consideration was €3.9m (£3.3m), which comprised €4.5m (£3.8m) of cash consideration paid on completion plus €0.5m (£0.4m) retained against potential warranties, less the working capital adjustment of €1.1m (£0.9m) following completion in line with the closing mechanism agreed in the sale and purchase agreement.

Contingent consideration of up to €6.0m (£5.0m) will become payable in cash across two tranches for the two years following completion, subject to meeting certain performance criteria for each year.

The carrying amount of each class of Bolab's assets before combination is set out below:

	Fair value £m	IFRS 3 intangible asset adjustments £m	Provisional fair value £m
Intangible assets	—	4.1	4.1
Property, plant and equipment	0.3	—	0.3
Right-of-use asset	0.2	—	0.2
Trade and other receivables	0.5	—	0.5
Inventory	0.5	—	0.5
Debt	(0.1)	—	(0.1)
Trade and other payables	(1.1)	—	(1.1)
Lease liabilities	(0.2)	—	(0.2)
Deferred tax liabilities	—	(1.0)	(1.0)
Net assets acquired	0.1	3.1	3.2
Goodwill arising on acquisition			1.0
			4.2

Total consideration	£m
Cash consideration paid on completion	3.8
Discounted retention against warranties	0.4
Working capital adjustment to purchase price – total	(0.9)
Initial consideration	3.3
Contingent consideration payable	0.9
Total consideration	4.2

Cash consideration	£m
Cash consideration paid on completion	3.8
Working capital adjustment to purchase price – cash received	(0.5)
Debt acquired	0.1
Cash flows used in acquisition of businesses	3.4

Notes to the consolidated financial statements continued

For the year ended 31 August 2025

28. Acquisition of businesses continued

Bolab continued

Contingent consideration	£m
Contingent consideration	0.9
Retention against warranties	0.4
Working capital adjustment to purchase price – receivable from vendors	(0.4)
At acquisition	0.9
Unwind on discount	0.1
Exchange differences	0.1
At 31 August 2025	1.1
Current	—
Non-current	1.1

Goodwill of £1.0m represents the amount paid for future sales growth from both new customers and new products and employee know-how.

A deferred tax liability has been recognised in relation to the intangible assets.

From the date of acquisition to 31 August 2025, the newly acquired business contributed £4.4m to revenue and £0.3m to adjusted operating profit. Had the acquisition been completed at the beginning of the period, Group revenue would have been £115m and adjusted operating profit would have been £23.3m. £0.1m of the discount on the contingent consideration unwound in the period and has been included in finance expenses.

Venshure Test Services

On 2 April 2024, the Group acquired 100% of Venshure Test Services LLC. The acquisition was completed for an initial cash consideration of \$13.5m (£10.7m), being \$15.0m (£11.9m) initial consideration less \$1.5m (£1.1m discounted to present value) retained against potential warranties.

Contingent consideration of up to \$15.0m (£11.9m) will be payable in cash across two tranches for the two years following completion, subject to meeting certain performance criteria for both years. The remaining contingent consideration payable is presented below.

Contingent consideration	£m
At 1 September 2024	6.2
Unwind on discount	0.4
Exchange difference	(0.5)
Cash paid	—
At 31 August 2025	6.1
Current	6.1
Non-current	—

29. Subsidiary undertakings

Details of the Group undertakings at 31 August 2025 are set out in note 5 to the Company financial statements. The Company has given a parental guarantee under Section 479A of the Companies Act 2006 to certain subsidiary undertakings. AB Dynamics UK Holdings Limited (company number 13081654), AB Dynamics Overseas Holdings Limited (company number 13081661), Ansible Motion Limited (company number 06944081) and rFpro Limited (company number 06427019) are exempt from the requirement to file audited accounts for the year ended 31 August 2025 by virtue of Section 479A of the Companies Act 2006. See note 5 to the Company financial statements for the registered offices of the subsidiary undertakings.

Company statement of financial position

As at 31 August 2025

	Note	2025 £m	2024 £m
ASSETS			
Non-current assets			
Investments	5	108.8	103.5
		108.8	103.5
Current assets			
Other receivables	6	2.1	3.7
Cash and cash equivalents		15.6	2.2
		17.7	5.9
LIABILITIES			
Current liabilities			
Trade and other payables	7	3.3	4.7
		3.3	4.7
Net current assets		14.4	1.2
Net assets		123.2	104.7
Shareholders' equity			
Share capital	8	0.2	0.2
Share premium	8	62.9	62.9
Merger reserve		3.2	3.2
Retained earnings		56.9	38.4
Total equity		123.2	104.7

The Company's profit for the financial year was £21.8m (2024: £9.8m).

The financial statements were approved by the Board of Directors and authorised for issue on 11 November 2025 and are signed on its behalf by:

Dr James Routh
Director

Sarah Matthews-DeMers
Director

Company registration number: 08393914

Company statement of changes in equity

For the year ended 31 August 2025

	Note	Share capital £m	Share premium £m	Merger reserve £m	Retained profits £m	Total equity £m
At 1 September 2023		0.2	62.8	3.2	30.7	96.9
Total comprehensive income		—	—	—	9.8	9.8
Share based payments		—	—	—	1.2	1.2
Dividends	9	—	—	—	(1.5)	(1.5)
Issue of shares, net of share issue costs		—	0.1	—	—	0.1
Purchase of own shares		—	—	—	(1.8)	(1.8)
At 31 August 2024		0.2	62.9	3.2	38.4	104.7
Total comprehensive income		—	—	—	21.8	21.8
Share based payments		—	—	—	0.7	0.7
Dividends	9	—	—	—	(1.9)	(1.9)
Purchase of own shares		—	—	—	(2.1)	(2.1)
At 31 August 2025		0.2	62.9	3.2	56.9	123.2

The share premium account is a non-distributable reserve representing the difference between the nominal value of shares in issue and the amounts subscribed for those shares.

The merger reserve relates to the acquisition of 100% of the issued share capital of Ansible Motion Limited during the year ended 31 August 2023 of which part of the consideration was the issue of new ordinary shares in AB Dynamics plc.

Retained profits represent the cumulative value of the profits not distributed to shareholders but retained to finance the future capital requirements of the Company.

Notes to the Company financial statements

For the year ended 31 August 2025

1. General information

AB Dynamics plc (the Company) is the UK holding company of a group of companies which are engaged in the design, manufacture and supply of advanced testing, simulation and measurement products and services to the global transport market. The Company is registered in England and Wales (registered number 08393914). Its registered office and principal place of business is Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB.

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention and in accordance with FRS 102 'The Financial Reporting Standard' applicable in the UK and Republic of Ireland, and the Companies Act 2006. The financial statements present information about the Company as an individual entity and the principal accounting policies are described below. They have all been applied consistently throughout the period.

Reduced disclosure exemptions

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12 as follows:

- No cash flow statement has been presented as the Company is included within the consolidated financial statements of the Group
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures are included in the consolidated financial statements of the Group

The Company has also taken advantage of the disclosure exemptions in FRS 102 paragraph 33.1A as follows:

- Related party transactions have not been disclosed with other wholly owned members of the Group
- Disclosures in respect of the Company's share based payments have not been presented as equivalent disclosures are included in the consolidated financial statements of the Group

2. Summary of material accounting policies

Going concern

At 31 August 2025 the Company had net current assets of £14.4m (2024: £1.2m). The Company has assessed its ongoing costs with cash generated by its subsidiaries to ensure that it can continue to settle its debts as they fall due.

The Directors have, after careful consideration of the factors set out above, concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements and the financial statements do not include any adjustments that would result if the going concern basis was not appropriate.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans and receivables are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

Notes to the Company financial statements continued

For the year ended 31 August 2025

2. Summary of material accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities in the financial statements:

Share based payments

The fair value of share based remuneration is determined at the date of grant and recognised as a capital contribution to its subsidiary on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest. The fair value is determined by use of option pricing models.

3. Profit for the financial year

The Company has taken advantage of Section 408 of the Companies Act 2006 and, consequently, a profit and loss account for the Company alone has not been presented.

The Company's profit for the financial year was £21.8m (2024: £9.8m).

The Company's profit for the financial year has been arrived at after charging auditor's remuneration payable to Crowe UK LLP for audit services to the Company of £0.1m (2024: £0.1m). Statutory information on remuneration for other services provided by the Company's auditor and its associates is given on a consolidated basis in note 7 of the consolidated financial statements.

4. Employees' and Directors' remuneration

Staff costs during the year were as follows:

	2025 £m	2024 £m
Wages and salaries	3.7	2.9
Social security costs	0.3	0.2
Pension costs	0.1	0.1
	4.1	3.2

All Directors' remuneration is in respect of qualifying services to AB Dynamics plc. See note 8 of the consolidated financial statements.

Costs in relation to share based payments in respect of the Company's employees are borne by its subsidiary, Anthony Best Dynamics Limited.

The average number of employees of the Company during the year was:

	2025 Number	2024 Number
Directors and management	17	11

5. Investments

	2025 £m	2024 £m
Subsidiary undertaking		
At 1 September	103.5	91.7
Capital contribution arising on share based payments	0.7	1.2
AB Dynamics Overseas Inc	—	10.6
AB Dynamics Overseas Holdings Limited	4.6	—
At 31 August	108.8	103.5

The Company tests investments at least annually for impairment. Tests are conducted more frequently if there are indications that investments might be impaired. There were no impairment indicators identified during the year ended 31 August 2025.

Notes to the Company financial statements continued

For the year ended 31 August 2025

5. Investments continued

Subsidiary undertaking	Class of share held	% shareholding	Registered office	Country of incorporation (or registration) and operation
Anthony Best Dynamics Ltd*	Ordinary	100	Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, United Kingdom	England
AB Dynamics GK*	Ordinary	100	2-2-3 Shinyokohama, Dai-Ichi Takeo bldg. 6F 606 Kohoku-ku, Yokohama 222-0033, Japan	Japan
AB Dynamics Inc*	Ordinary	100	48325 Alpha Drive, Suite 120, Wixom, MI 48393, USA	USA
rFpro Ltd*	Ordinary	100	Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, United Kingdom	England
AB Dynamics UK Holdings Ltd	Ordinary	100	Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, United Kingdom	England
AB Dynamics Overseas Holdings Ltd	Ordinary	100	Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, United Kingdom	England
AB Dynamics Singapore Holdings Pte Ltd*	Ordinary	100	77 Robinson Road, #13-00 Robinson 77, Singapore 068896	Singapore
VadoTech Pte Ltd*	Ordinary	100	77 Robinson Road, #13-00 Robinson 77, Singapore 068896	Singapore
VadoTech Japan KK*	Ordinary	100	Nichitochi Nishishinryuku Building 8F, 6-10-1, Nishishinryuku, Shinjyuku-ku, Tokyo, Japan	Japan
VadoTech Deutschland*	Ordinary	100	Bismarckstraße 7, 10625 Berlin, Germany	Germany
VadoTech Servicios Técnicos S.L.*	Ordinary	100	Calle Madrid, n. 70, Edificio Irene II, local 1, Monachil, Granada, Spain	Spain
VadoTech US Inc*	Ordinary	100	The Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, DE 19801, USA	USA
VadoTech Korea Ltd*	Ordinary	100	301 ho, 10-1, Maebong-gil, Seongdong-gu, Seoul, South Korea	South Korea
Zynit Pte Ltd*	Ordinary	100	77 Robinson Road, #13-00 Robinson 77, Singapore 068896	Singapore
Zynit China Co. Ltd*	Ordinary	100	No.13, Jinma Yuan 2 Street, Gaoliying Town, Shunyi District, Beijing, China	China
Zynit Hefei Co. Ltd*	Ordinary	100	No. 3 Workshop of Keyuan M&E, cross between Tang Kou Road and Ji Xian Road, Feixi Economy Development Area, Hefei, China	China
AB Dynamics Europe GmbH*	Ordinary	100	Vogelsang 11, 35398 Gießen, Germany	Germany
Bolab Systems GmbH*	Ordinary	100	Mühlstetten 3, 72351, Geislingen, Germany	Germany
Dynamic Research Inc*	Ordinary	100	355 Van Ness Avenue, Suite 200, Torrance, CA 90501, USA	USA
DRI Advanced Test Systems Inc*	Ordinary	100	355 Van Ness Avenue, Suite 200, Torrance, CA 90501, USA	USA
Venshure Test Services, LLC*	Ordinary	100	18600 W Old Highway 12, Chelsea, MI 48118, USA	USA
AB Dynamics Overseas Holdings Inc	Ordinary	100	3500 South DuPoint Highway, Dover, DE 19901, USA	USA
ABD Solutions Ltd*	Ordinary	100	Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, United Kingdom	England
Ansible Motion Ltd*	Ordinary	100	Middleton Drive, Bradford on Avon, Wiltshire BA15 1GB, United Kingdom	England

* Denotes indirect shareholding.

AB Dynamics UK Holdings Limited (company number 13081654), AB Dynamics Overseas Holdings Limited (company number 13081661), Ansible Motion Limited (company number 06944081) and rFpro Limited (company number 06427019) are exempt from the requirement to file audited accounts for the year ended 31 August 2025 by virtue of Section 479A of the Companies Act 2006.

Notes to the Company financial statements continued

For the year ended 31 August 2025

6. Other receivables

	2025 £m	2024 £m
Amounts owed by Group undertakings	2.1	1.2
Prepayments	—	2.5
	2.1	3.7

7. Trade and other payables

	2025 £m	2024 £m
Amounts owed to Group undertakings	0.5	2.6
Other payables and accruals	2.8	2.1
	3.3	4.7

8. Share capital

The allotted, called up and fully paid share capital is made up of 22,954,463 ordinary shares of £0.01 each.

	Note	Number of shares 'm	Share capital £m	Share premium £m	Total £m
At 1 September 2023		23.0	0.2	62.8	63.0
Issued during the year	(i)	—	—	0.1	0.1
At 31 August 2024		23.0	0.2	62.9	63.1
At 31 August 2025		23.0	0.2	62.9	63.1

- (i) During the year ended 31 August 2024, a total of 20,098 share options were exercised of £0.01 each for £3.95.

9. Dividends paid

	2025 £m	2024 £m
Final 2023 dividend paid of 4.42p per share	—	1.0
Interim 2024 dividend paid of 2.33p per share	—	0.5
Final 2024 dividend paid of 5.30p per share	1.2	—
Interim 2025 dividend paid of 2.80p per share	0.7	—
	1.9	1.5

An interim dividend was paid of 2.80p per share totalling £0.7m. The Board has proposed a final dividend for the year ended 31 August 2025 of 6.36p per share totalling £1.5m. If approved, the final dividend will be paid on 30 January 2026 to shareholders on the register on 16 January 2026.

10. Related party disclosures

The only key management personnel of the Company are the Directors. Details of their remuneration are contained in the Remuneration Committee report.