

VICON MOTION SYSTEMS LTD

Financial Statements

**For the Year Ended
30 September 2024**

**Company number;
01801446**

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VICON MOTION SYSTEMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

VICON MOTION SYSTEMS LIMITED

REPORT AND FINANCIAL STATEMENTS for the year ended 30 September 2024

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VICON MOTION SYSTEMS LIMITED

STRATEGIC REPORT for the year ended 30 September 2024

The directors present their Strategic Report together with the audited financial statements of the Company for the year ended 30 September 2024.

Principal activities, business review and future developments

The principal activity of the Company during the year was the development, production and sale of systems and related services for capture and analysis of movement for life sciences, entertainment and engineering applications.

The directors consider key performance indicators to include revenue, gross margin, profit before tax and cash position.

Revenue		Gross Margin		Profit/(loss) before tax		Net Cash position*	
FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23
£28.5m	£33.9m	£16.7m	£20.4m	(£3.5m)	£5.5m	£0.9m	£3.8m

*FY23 Net cash position includes cash balances net of the bank overdraft.

Despite a strong start to the year, by the end of the first half of the financial year, with post-pandemic disruption, subsequent pent-up demand and supply chain challenges largely behind us, Vicon had returned to pre-pandemic trading patterns. Our order book had returned to more normal levels, a trend which continued into the second half. With a consistent pipeline throughout the year, we started to see pipeline movement with extended buying cycles really developing during September - historically the Company's busiest month with large contributions achieved. As we moved into September, the pipeline conversion into revenue did not happen at the rate expected to deliver the full year number.

Globally, we saw customers across our markets exercising greater caution and purchasing decisions taking longer to conclude. Entertainment was impacted most by the widely reported and ongoing slowdown in the global games industry and subsequent content creation contraction, with some projects cancelled. Both Engineering and Life Sciences, as expected, reported slightly behind the prior year, having been subject to academic funding delays.

At our Capital Market's Day in April, attendees got to experience first-hand our markerless technology in action, showcased in Dreamscape's 'The Clockwork Forest' VR experience and in a smart manufacturing demo. You can watch the positive reactions to the demos [here](#).

Extending our sensing capabilities, our team continues to work hard optimising the future of motion capture, setting the gold standard. Following positive feedback and demand for this next generation technology, we have secured three more blue chip partners to enter the beta programme, taking the total to 10 cornerstone customers. Taking into consideration invaluable feedback from our dedicated partners on the beta program, eight updates have been released so far to improve and optimize the technology.

The beta programme is progressing well with customers looking forward to the first iteration of this next generation technology.

Trading in the first months of the financial year has started in line with management expectations with a continuation of the normalised trading patterns and buying behaviour seen in the latter part of FY24.

Vicon has started the year with a good spread of opportunities across all main markets and a pipeline of new products, in addition to markerless being released in FY25.

VICON MOTION SYSTEMS LIMITED

STRATEGIC REPORT

for the year ended 30 September 2024

During the year the decision was taken to discontinue IMeasureU (IMU), our New Zealand operation, to focus on growth areas of the business and working hard to commercialise markerless. This has resulted in the write off of the investment in IMeasureU Limited.

Income Statement

As we moved towards the end of the financial year, we saw customers across our markets exercising greater caution with purchasing decisions taking longer to conclude. The Company has reported revenues of £28.5m (FY23: £33.9m), a decrease of 16% and below expectations.

The Company reports a loss before tax of £3.5m (FY23: profit of £5.5m), reflecting the trend of extended buying cycles which developed in H2 against an exceptional FY23 comparative and the impairment of the investment in IMeasureU Limited. Historically, September has always been the Company's busiest trading month. FY23 was an exceptionally strong year following the well-documented global supply chain challenges and with the team successfully delivering on pent-up demand post-pandemic.

The gross profit for the Company was £16.7m (FY23: £20.4m), a decrease of £3.7m.

Cash position

The Company finished the year with Net cash of £0.9m (FY23: £3.8m).

The cash reserves were utilised in continued investment in development giving rise to a purchase of intangibles of £3.1m (FY23: £2.1m).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks are set out below:

Product and technology risk

Vicon operates in a complex and competitive technological environment. The business requires continual investment and innovation in its products and services to maintain its competitive position. In order to mitigate this risk the business has invested in product marketing and research with the objective of focusing research and development with specific measurable aims and goals to meet market needs. The business coordinates each development project with Board monitoring and project management principles in order to mitigate the length of time that products take to enter the market.

Suppliers

Vicon sources certain product components which are only available from a small number of specialist suppliers. Disruption to the supply chain could have an adverse effect on the business. Where possible, such risks are mitigated by ensuring ownership of design and intellectual property and maintaining appropriate inventory levels.

Employee retention

The Company's performance depends largely on its skilled staff. The loss of key individuals, the cost of recruitment and the inability to recruit individuals with the right experience and skills could adversely impact the results. To mitigate these matters, the Company aims to have appropriate management structures and provide competitive remuneration, including share options and where possible provide continuing career development for key personnel. The Company's culture, values and behaviours create an environment that respects and values staff, making the Company an attractive and inclusive place to work.

Market

The Company operates in multiple geographical markets so there is a risk that territory and global macro-economic conditions may result in one or more of these markets being adversely affected and the revenues of the business impacted accordingly. However, by virtue of selling in multiple

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STRATEGIC REPORT for the year ended 30 September 2024

geographical markets the impact of localised economic downturn in one or a number of markets is minimised.

Vicon operates in four distinct areas described below. In mitigation of the risks identified Vicon operates in multiple geographies, through well-established key distributors, who provide insight into local markets and an effective defence against competitive activity. Disruption to Vicon's relationship with these key distributors would have an adverse effect on the business. However, Vicon has a well-established and respected brand and through continual innovation maintains a competitive advantage over the competition.

Life Sciences – Our customers are primarily medical and educational institutions funded largely, but not exclusively, by Government which are subject to national budgetary decisions although in many markets these areas of spend are protected to some extent.

Engineering – The majority of our customers are largely commercial organisations whose investment decisions are determined by general macro-economic conditions in their markets so revenues can be affected accordingly. The remaining customers tend to be higher education research establishments whose funding is ultimately controlled by national budgetary decisions.

Entertainment and LBE – Our customers are commercial organisations who produce content for the film, TV, video game marketplace and location-based entertainment. Spending in this market tends to be erratic and ultimately driven by consumer demand for content which by virtue of this marketplace cannot always be guaranteed.

Inflationary pressure

The Group's exposure can be summarised as follows:

Staff costs account for half of the cost base – The ongoing 'Cost of Living' crisis may give rise to the need to increase remuneration in order to retain staff and morale.

Cost of goods accounts for a quarter of the cost base – Global shortages may result in the cost of key components increasing over time.

The remaining cost base consisting of operational and general overheads are subject to general inflationary pressures which may result in increased costs.

In mitigation, the business has the opportunity to increase customer prices and optimise bill of materials to maintain product gross margins and to seek alternative suppliers to secure competitive terms where possible.


Non-Financial

The business continually assesses its exposure to non-financial risks. These are broadly summarised as competition, reputation and product related risks. The Board is cognisant of this information when determining business strategy.

Approval

This strategic report was approved by order of the Board on 17 December 2024.

Z Fox
Director



VICON MOTION SYSTEMS LIMITED

REPORT OF THE DIRECTORS for the year ended 30 September 2024

Vicon Motion Systems Limited is a private company limited by shares, incorporated, domiciled and registered in England and the UK.

Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The going concern review considered the following key areas:

Market considerations

The Company's primary markets are life sciences, engineering and location-based entertainment. The directors have assessed the prospects in these markets together with the inflationary environment.

The Life Sciences market segment accounts for around 40% of revenues. This segment serves customers including hospitals, medical research centres, universities and sport research. For the most part, these customers are financed by Government grants and to a lesser extent by charitable donations. There is currently no evidence that Governments are seeking to reduce expenditure in these areas.

The Entertainment segment serves customers in the video games industry, Location Based Entertainment ('LBE') and TV/Film and historically accounts for around 40% of revenues. These customers are typically commercial organisations in nature. The sector has recently showed signs of contraction following resilience during the pandemic and strong prior years, there is uncertainty on when this demand will return to normal and Vicon is taking a cautious view. However, the new markerless technology and new Vicon products scheduled for release in FY25 are expected to drive additional sales.

The Engineering market segment historically accounts for around 20% of revenues. This segment serves customers that use our technology in an engineering context to design and/or manufacture goods. These customers are typically commercial organisations in nature and address many sectors which may be sensitive to macro-economic factors such as recession in certain markets.

Operational readiness

The Company adapted to virtual working during the pandemic and demonstrated the business could operate effectively during this period. All operations have returned to normal though this 'new normal' includes more remote working and will continue through FY25 and beyond.

Financial considerations

The Company has no external financing and as at the balance sheet date had net cash balances of £0.9m (FY23: £3.8m). Future trading performance is likely to see the continuation of the more normalised sales cycles and consumption of the order book seen in the latter part of FY24. However, the financial strength of both the Company and its parent company means that it is capable of trading through significant macro-economic events.

The directors, having prepared cash flow forecasts and given due consideration to the inflationary environment and residual supply chain challenges and general macro-economic uncertainty on the Company's markets, operations and financial risk, have assessed that there is no material uncertainty with the Company's ability to continue operating as a going concern for a period in excess of 12 months from the date of signing the financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The Company's retained loss for the financial year is £3,391,000 (2023: £5,208,000 profit) which will be offset by reserves.

During the year dividends of £nil were paid (2023: £nil). The directors do not recommend the payment of a final dividend.

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REPORT OF THE DIRECTORS for the year ended 30 September 2024

Research and development

During the year the Company expensed £5,485,000 (2023: £6,365,000) in research and development costs. In addition, £3,086,000 (2023: £2,127,000) of development costs were capitalised. Research and development costs are principally the costs of employees involved in research and development, together with related equipment and materials for hardware development.

Directors

The directors who served the Company during the year and up to the date of signing these financial statements were as follows:

I O'Connor (appointed 1 October 2023)
D Deacon (resigned 30 September 2024)
Z Fox (appointed 1 July 2024)
C Robertson

The directors confirm that qualifying third party indemnity provisions are held.

Financial instruments

Information about the Company's management of financial risk can be found in note 17 to the financial statements.

Likely future developments in the business of the company

Information on likely future developments in the business of the Company has been included in the Strategic Report on page 1.

Statement on disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Relevant information is defined as "information needed by the Company's auditors in connection with preparing their report".

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosures Framework" ("FRS 101") and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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REPORT OF THE DIRECTORS
for the year ended 30 September 2024

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with Section 485 of the Companies Act 2006.

For and on behalf of the Board



Z Fox

Director

17 December 2024

VICON MOTION SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Vicon Motion Systems Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Vicon Motion Systems Limited ("the Company") for the year ended 30 September 2024 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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 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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in

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INDEPENDENT AUDITOR'S REPORT

the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

As explained more fully in the Report of the Directors, 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 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 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

VICON MOTION SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the legal and regulatory framework applicable to the Company and industry in which it operates, through discussion with management and audit committee and our knowledge of the industry;
- enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and the UK Companies Act.

Our procedures in respect of the above included:

- Reading minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and the Audit Committee, regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board meetings for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue existence, focussing on cut-off, capitalised development costs, manual journal entries and inappropriate use of estimates.

VICON MOTION SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

Our procedures in respect of the above included:

- Performing a detailed review of the Company's year-end adjusting entries, assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias surrounding capitalisation of development costs; and
- In addressing the risk of fraud in existence of revenue, testing the appropriateness of the revenue recognition policies and the application of these policies and performing specific procedures over the existence and cut-off of revenue and the judgements involved in the allocation of the standalone selling price.

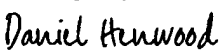
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including the component engagement team who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:

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Daniel Henwood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK

17 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

VICON MOTION SYSTEMS LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 30 September 2024

	Note	2024 £'000	2023 £'000
Turnover	3	28,454	33,878
Cost of sales		<u>(11,705)</u>	<u>(13,440)</u>
Gross profit		16,749	20,438
Sales, support and marketing costs		(4,077)	(3,292)
Research and development costs		(5,485)	(6,365)
Administrative expenses		(6,738)	(5,249)
Impairment of investment and intercompany receivable		(3,922)	-
(Loss)/Profit from operations	4	(3,473)	5,532
Interest payable		(132)	(76)
Interest receivable		58	44
Profit on ordinary activities before taxation		<u>(3,547)</u>	<u>5,500</u>
Taxation on profit on ordinary activities	7	<u>156</u>	<u>(292)</u>
(Loss)/Profit on ordinary activities after taxation and (loss)/profit for the financial year		<u>(3,391)</u>	<u>5,208</u>
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss:</i>			
Tax recognised directly in equity		-	47
Total comprehensive income/(loss) for the year		<u>(3,391)</u>	<u>5,255</u>

All operations are derived from continuing activities.

The accompanying notes on pages 14 to 28 form an integral part of these financial statements.

VICON MOTION SYSTEMS LIMITED

BALANCE SHEET
as at 30 September 2024

COMPANY NUMBER: 01801446

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	8	8,292	6,766
Tangible assets	9	2,514	1,740
Right of use assets	10	1,803	1,282
Investments	11	1,138	3,690
		<u>13,747</u>	<u>13,478</u>
Current assets			
Stocks	12	6,775	6,738
Debtors	13	7,344	9,601
Cash at bank and in hand		905	4,973
		<u>15,024</u>	<u>21,312</u>
Creditors: amounts falling due within one year			
Trade and other payables	14	(4,205)	(7,415)
Lease liabilities	10	(686)	(395)
		<u>(4,891)</u>	<u>(7,810)</u>
Net current assets		<u>10,133</u>	<u>13,502</u>
Total assets less current liabilities		23,880	26,980
Creditors: amounts falling due in more than one year			
Other liabilities	15	(545)	(450)
Lease liabilities	10	(1,135)	(811)
Provisions	16	(934)	(1,079)
		<u>(2,614)</u>	<u>(2,340)</u>
Net assets		<u>21,266</u>	<u>24,640</u>
Capital and reserves			
Share capital	18	101	101
Share premium	19	1	1
Retained earnings	19	18,423	21,814
Capital contribution reserve	19	2,741	2,724
Shareholders' funds		<u>21,266</u>	<u>24,640</u>

The financial statements were approved and authorised for issue by the Board of Directors on 17 December 2023 and were signed on its behalf by:

Z Fox
Director



The accompanying notes on pages 14 to 28 form an integral part of these financial statements.

VICON MOTION SYSTEMS LIMITED**STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 September 2024

	Share capital £'000	Share premium £'000	Retained earnings £'000	Capital contribution reserve £'000	Total £'000
Balance as at 30 September 2022	101	1	16,559	2,697	19,358
Profit for the year	-	-	5,208	-	5,208
Tax recognised directly in equity	-	-	47	-	47
Movement in relation to share options	-	-	-	27	27
Balance as at 30 September 2023	101	1	21,814	2,724	24,640
Loss for the year	-	-	(3,391)	-	(3,391)
Movement in relation to share options	-	-	-	17	17
Balance as at 30 September 2024	101	1	18,423	2,741	21,266

The accompanying notes on pages 14 to 28 form an integral part of these financial statements.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

1 ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 "Application of Financial Reporting Requirements" and Financial Reporting Standard 101 "Reduced Disclosure Framework".

The financial statements have been prepared on a going concern basis, under the historical cost convention. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The going concern review considered the following key areas:

Market considerations

The Company's primary markets are life sciences, engineering and location-based entertainment. The directors have assessed the prospects in these markets together with the inflationary environment.

The Life Sciences market segment accounts for around 40% of revenues. This segment serves customers including hospitals, medical research centres, universities and sport research. For the most part, these customers are financed by Government grants and to a lesser extent by charitable donations. There is currently no evidence that Governments are seeking to reduce expenditure in these areas.

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Operational readiness

The Company adapted to virtual working during the pandemic and demonstrated the business could operate effectively during this period. All operations have returned to normal though this 'new normal' includes more remote working and will continue through FY25 and beyond.

Financial considerations

The Company has no external financing and as at the balance sheet date had net cash balances of £0.9m (FY23: £3.8m). Future trading performance is likely to see the continuation of the more normalised sales cycles and consumption of the order book seen in the latter part of FY24. However, the financial strength of both the Company and its parent company means that it is capable of trading through significant macro-economic events.

The directors, having prepared cash flow forecasts and given due consideration to the inflationary environment and residual supply chain challenges and general macro-economic uncertainty on the Company's markets, operations and financial risk, have assessed that there is no material uncertainty

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

with the Company's ability to continue operating as a going concern for a period in excess of 12 months from the date of signing the financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of certain disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by IAS 1;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Oxford Metrics plc.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Oxford Metrics plc. These financial statements do not include certain disclosures in respect of:

- Share based payments; and
- Financial instruments.

The financial statements of Oxford Metrics plc can be obtained as described in note 22.

Exemption from preparation of consolidated financial statements

The financial statements contain information about Vicon Motions Systems Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group, Oxford Metrics plc, a company registered in England.

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also required the company's directors to exercise judgement in applying the company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Turnover

Revenue represents the fair value of consideration received or receivable arising from the provision of goods and services to third party customers, net of VAT, and trade discounts. Revenue has been recognised in accordance with the policies set out below:

Performance obligations and timing of revenue recognition

The majority of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

Some of the Company's revenue streams are typically recognised on an over time basis, with the revenue earned recognised on a straight-line basis, over the term of the contract. A deferral is made for the proportion of revenue allocated to the undelivered element of the performance obligation, based upon the standalone selling price of the individual performance obligation under the terms of the sale.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

A number of sales are made through independent third party distributors. In this instance revenue is recognised on delivery of the product to the distributor. No sales to third party distributors are made on a sale or return basis.

Determining the transaction price and allocating amounts to performance obligations

Revenue is derived from fixed price contracts and therefore the amount of revenue attributable to each contract is determined by reference to those fixed prices.

System sales are multi element arrangements and include the sale of software, hardware and ongoing support. The support element of the system sale has been identified as a separate performance obligation because support services are sold on a standalone basis and the system can operate without them. Revenue is recognised over time as this obligation is fulfilled. Where discounts are given these are allocated on a proportionate basis to the hardware and software elements of the system sale. The revenue attributable to the support element of the system sale is calculated by reference to the equivalent standalone selling price of the support had it not been included within a system sale, less any attributable discount.

Where revenue is recognised over time any deferred income balances are included in creditors on the Balance Sheet. Revenue from the sale of goods relates to the sale of items held within inventory. For service and support contracts revenue is recognised over time by reference to the term of the contract until all performance obligations are fulfilled and consequently no asset for work in progress is recognised.

Investments in subsidiaries

Investments are included at cost less provision for impairment.

Intangible assets

Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised once it can be demonstrated that commercial and technical viability of the product is proven. This is generally when a detailed feasibility study has been undertaken and approved by the Board.

Capitalised development costs are amortised over the periods the Company expects to benefit from selling the products developed, which is estimated to be 3 – 7 years. The amortisation expense is included within research and development expenses in the consolidated income statement.

Development expenditure which is incurred after the general release of internally generated intangible assets or costs which are incurred in order to enhance existing products are expensed in the period in which they are incurred and included within research and development expense in the financial statements.

Tangible fixed assets and depreciation

Property, plant and equipment is stated at cost less accumulated depreciation. The rates applicable are:

- Computers and equipment 25% - 50%
- Furniture and fixtures 20% - 50%
- Demonstration equipment 25% or 50%. Some demonstration equipment held within the Company is not depreciated as its residual value exceeds its cost.
- Leasehold improvements Over the lower of the life of the asset and the remaining period of the lease.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

Stock

Stock is stated at the lower of historical cost and net realisable value, on a first in first out basis, after making allowance for obsolete and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Leases

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable. In this case the Company's incremental borrowing rate on commencement of the lease is used.

On initial recognition the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the remaining term of the lease or over the remaining useful economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Financial assets

The Company classifies its financial assets into one of the categories discussed below. The Company has not classified any of its financial assets as held to maturity, available for sale or fair value through profit or loss.

Amortised cost: These assets arise principally from the provision of goods and services to customers (e.g. trade debtors). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected credit loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

Impairment provisions for debtors from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since the initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has significantly increased, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses are recognised along with interest income on a net basis.

The Company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Company classifies its financial liabilities into one of the following categories depending on the purpose for which the liability was acquired. The Company has not classified any of its financial liabilities as fair value through profit or loss.

Amortised cost: Trade payables and other short-term monetary liabilities are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method. The difference between the fair value of the loan on initial recognition and the amount of the proceeds is credited directly to equity as a capital contribution.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currency

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the statement of comprehensive income.

The financial statements are presented in Sterling (£) which is also the Company's functional currency.

Employee benefits

Contributions to pension schemes

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately in an independently administered fund. Contributions to the Company's defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

Employee share option schemes

The parent company operates an equity settled share based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the statement of comprehensive income over the vesting period of the grant with a corresponding adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends this is when they are paid. In the case of final dividends, this is when they are approved by the shareholders at an annual general meeting.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company makes certain estimates and assumptions regarding the future. Estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates, judgements and assumptions

(a) *Estimation of the stand-alone selling price of support contracts in accordance with IFRS 15*
System sales within Vicon are multi element arrangements which include ongoing support. This support has been identified as a separate performance obligation and the revenue attributable to this element is calculated by reference to the equivalent standalone selling price of the support had it not been included within the system sale. During the year a review was undertaken of these standalone selling prices to ensure they remain appropriate.

(b) *Judgements concerning the capitalisation of development costs*
Development costs are capitalised according to the criteria outlined in note 1. Management make assumptions as to when these criteria have been met and consequently the date from which the costs for a project are capitalised. Management review the carrying value of capitalised development costs on an annual basis and consider indicators of impairment.

3 TURNOVER AND SEGMENTAL ANALYSIS

Business segments are analysed as follows:

	2024 £'000	2023 £'000
Sale of hardware	24,570	30,260
Sale of software	1,326	1,290
Rendering of services	2,250	2,001
Support	308	327
	<u>28,454</u>	<u>33,878</u>

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

An analysis of turnover destination by geographical market is given below:

	2024	2023
	£'000	£'000
United Kingdom	4,313	3,101
Europe	4,941	4,249
North America	8,764	10,186
Hong Kong	1,214	2,502
Japan	4,010	5,680
China	1,529	3,961
South Korea	874	2,835
Rest of Asia Pacific	2,809	1,364
	28,454	33,878

Contract balances	Contract liabilities	
	2024	2023
	£'000	£'000
At 1 October	1,685	2,618
Amounts included in contract liabilities recognised as revenue during the period	(3,992)	(8,957)
Cash received in advance of performance and not recognised as revenue during the period	4,065	8,024
At 30 September	1,758	1,685

Contract liabilities are included within creditors on the face of the Balance Sheet. They arise primarily from the Company's support contracts which are delivered over time and where cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contract.

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2024	2023
	£'000	£'000
Depreciation of owned fixed assets	703	441
Depreciation of right of use assets	569	250
Amortisation of intangible fixed assets	1,559	1,461
Impairment of intangible fixed assets	-	217
Impairment of investment and intercompany receivable	3,922	-
Auditors' remuneration	55	52
Net loss/(profit) on foreign currency translation	178	(499)

Fees paid to the company's auditor, BDO LLP, and its associates for services other than statutory audit of the company are not disclosed in these financial statements since the consolidated accounts of Oxford Metrics plc disclose non-audit fees on a consolidated basis.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

5 EMPLOYEES

The average number of staff employed by the Company during the financial year amounted to:

	2024 Number	2023 Number
Production	22	22
Selling and customer support	27	24
Development	59	37
Management and administration	17	19
	<u>125</u>	<u>102</u>

The aggregate payroll costs of the above were:

	2024 £'000	2023 £'000
Wages and salaries	7,911	7,486
Share-based payment recharge	17	26
Social security costs	893	881
Other pension costs	551	402
	<u>9,372</u>	<u>8,795</u>

6 DIRECTORS' EMOLUMENTS

All the directors of the Company are also directors of the Company's parent company, Oxford Metrics plc, and their emoluments are paid by Oxford Metrics plc and disclosed in that company's financial statements.

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2024 £'000	2023 £'000
Total current tax expense/(credit) on profit for the year		
- Current year	-	56
- Prior year	-	(3)
Deferred taxation	(156)	239
Total tax (credit)/expense	<u>(156)</u>	<u>292</u>

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25.0% (2023: blended rate of 22.0%).

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

	2024 £'000	2023 £'000
Profit/(Loss) on ordinary activities before taxation	<u>(3,547)</u>	<u>5,500</u>
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.0% (2023: 22.0%)	(887)	1,210
Effect of:		
Expenditure not taxable	1,024	22
Research and development enhanced expenditure	(775)	(682)
Effect of rate change	-	(17)
Share based payments	-	30
Prior year adjustment to current tax	-	(3)
Prior year adjustment to deferred tax	(31)	(232)
Utilisation of losses brought forward	-	25
Group relief	513	(61)
Total tax charge/(credit) for the year	<u>(156)</u>	<u>292</u>

Deferred tax

The following table summarises the provided deferred tax liability:

	2024 £'000	2023 £'000
Provided - asset		
Short term timing differences	14	19
Unrelieved trading losses carried forward	1,570	920
Tax relief on unexercised employee share options	1	4
Deferred tax asset	<u>1,585</u>	<u>943</u>
Provided - liability		
Accelerated research and development tax credit	(2,073)	(1,691)
Accelerated capital allowances	(387)	(283)
Deferred tax liability	<u>(2,460)</u>	<u>(1,974)</u>
Net deferred tax liability	<u>(875)</u>	<u>(1,031)</u>

Deferred tax assets and liabilities have been measured on an undiscounted basis at an effective tax rate of 25% (2023: 25%).

8 INTANGIBLE ASSETS

	Development Costs £'000
Cost	
At 1 October 2023	16,668
Additions	3,086
At 30 September 2024	<u>19,754</u>
Amortisation	
At 1 October 2023	9,902
Charge for the year	1,560
At 30 September 2024	<u>11,462</u>
Net book value	
At 30 September 2024	<u>8,292</u>
At 30 September 2023	<u>6,766</u>

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2024

9 TANGIBLE FIXED ASSETS

	Plant & Machinery £'000	Fixtures & Fittings £'000	Demon- stration Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost					
At 1 October 2023	1,474	301	751	1143	3,669
Additions	152	199	584	549	1,484
Disposals	-	-	(7)	-	(7)
At 30 September 2024	1,626	500	1,328	1,692	5,146
Accumulated depreciation					
At 1 October 2023	878	234	97	720	1,929
Charge for the year	305	49	149	202	705
Disposals	-	-	(2)	-	(2)
At 30 September 2024	1,183	283	244	922	2,632
Net book value At 30 September 2024	443	217	1,084	770	2,514
At 30 September 2023	596	67	654	423	1,740

10 LEASES

All leases relate to land and buildings and comprise only fixed payments over the lease term.

Right of use assets	£'000
At 1 October 2023	1,282
Addition	1,091
Depreciation	(570)
At 30 September 2024	1,803

Lease liabilities	£'000
At 1 October 2023	1,206
Addition	1,078
Interest expense	153
Lease payments	(616)
At 30 September 2024	1,821

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

The maturity analysis of lease liabilities at 30 September 2023 is as follows:

	2024	2023
	£'000	£'000
Within 1 year	686	395
Between 1-2 years	686	395
Between 2-3 years	554	395
Between 3-4 years	235	265
Effect of discounting	(340)	(244)
Total greater than 1 year	1,135	811
Lease liability	1,821	1,206

11 INVESTMENTS

	2024	2023
	£'000	£'000
Shares in subsidiary undertakings - cost	£'000	£'000
At 1 October	3,690	3,690
Impairment	(2,552)	-
At 30 September	1,138	3,690

The impairment during the current year relates to the investment in IMeasureU Ltd.

	Principal activity	Country of incorporation	Registered office
IMeasureU Ltd	Development and sale of computer software and equipment	New Zealand	5 Water Street, Grafton, Auckland, 1023, New Zealand
Contemplas GmbH	Development and sale of computer software and equipment	Germany	Albert Einstein Strasse 6, D-87437 Kempten, Germany

Vicon Motion Systems Limited owns 100% of the share capital of IMeasureU Ltd and 88% of the share capital of Contemplas GmbH.

12 INVENTORIES

	2024	2023
	£'000	£'000
Finished goods	628	1,979
Component parts	6,147	4,759
	6,775	6,738

There is no material difference between the replacement cost of inventories and the amount stated above.

The cost of inventories recognised as an expense and included in cost of sales is £10,502,000 (2023: £12,444,000). During the year £441,000 of inventories were impaired (2023: £261,000) and £166,000 of inventories were written off (2023: £53,000).

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

13 DEBTORS

	2024 £'000	2023 £'000
Trade debtors	3,835	2,026
Amounts owed by group undertakings	2,927	6,705
Other debtors	9	470
Prepayments and accrued income	573	400
	<u>7,344</u>	<u>9,601</u>

All amounts owed by group undertakings are unsecured, interest free, and with no fixed terms of repayment.

The amounts owed by group undertakings is stated net of a provision of £553,000 (2023: £553,000) relating to balances owed by OMG Life Limited and £1,370,000 (2023: £nil) relating to balances owed by IMeasureU Limited.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Bank overdraft	-	1,174
Trade creditors	1,062	3,141
Amounts owed to group undertakings	702	-
Taxation and social security	299	283
Accruals	929	1,582
Contract liabilities	1,213	1,235
	<u>4,205</u>	<u>7,415</u>

The company does not have external borrowing facilities. The bank overdraft in the prior year was offset against positive bank balances in the parent company and arises due to cash pooling arrangements with Oxford Metrics plc.

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

15 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Contract liabilities	545	450
	<u>545</u>	<u>450</u>

The contract liabilities above relate to revenue from support contracts which cover a period of more than 12 months from 30 September 2024.

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

16 PROVISIONS FOR LIABILITIES

	Deferred tax liability £'000	Leasehold dilapidations £'000	Total £'000
At 1 October 2023	1,031	48	1,079
(Credited)/charged to the statement of comprehensive income	(156)	11	(145)
At 30 September 2024	875	59	934

Leasehold dilapidations relate to the estimated cost of returning the Company's leasehold properties to their original state at the end of the lease in accordance with the lease terms. During the year the dilapidations provision was reversed in respect of a property for which the lease ended in the prior financial year.

17 FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and short term deposits and debtors and creditors that arise directly from its operations.

The Company's net cash at bank and in hand is held in the following currencies:

	GBP £'000	Euro £'000	US\$ £'000	Total £'000
Cash at bank and in hand 2024	398	205	302	905
Cash at bank and in hand 2023	(1,174)	224	4,749	3,799

Risk management

The Company is exposed through its activities to the following financial risks:

Liquidity risk

At 30 September 2024 the Company's cash and short term deposits amounted to £905,000 (2023: £3,799,000). The Company had no external financial borrowing obligations. Management does not consider liquidity to be a key risk.

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. The Company's average creditor payment period at 30 September 2024 was 50 days (2023: 65 days).

Credit risk

Sales are made on a basis designed to minimise so far as possible the risk of non-payment in each case. Balances owing from customers are reviewed at least monthly, and action is taken where considered appropriate with a view to achieving timely settlement.

Foreign currency risk

The Company's foreign exchange transaction exposure arises principally from trading with US undertakings within the Group and third parties in Europe and the Far East. The Company's policy is to reduce exposure to revaluation of monetary assets and liabilities. Under the policy, assets and

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

liabilities held in currencies other than the Company's functional currency are minimised through intercompany trading.

The Company considers the volatility of currency markets over the year to be representative of the potential foreign currency risk it is exposed to. The main currency the Company's results were exposed to at the year end was the US dollar and over the year the volatility of this currency was 5.8% (2023: 9.1%). If Sterling had strengthened against the dollar at year end by 10% it would have increased profit by £171,000 (2023: decreased profit by £148,000). If Sterling had weakened against the dollar at year end by 10% it would have decreased profit by £208,000 (2023: increased profit by £181,000).

The table below shows the extent to which the Company has monetary assets/(liabilities) in currencies other than its functional currency.

	US\$ £'000	NZ\$ £'000	Euro £'000	Total £'000
30 September 2024	(2,501)	-	1,174	(4,248)
30 September 2023	(1,962)	(2,280)	1,065	(3,177)

18 SHARE CAPITAL

	2024 £'000	2023 £'000
<i>Allotted, called up and fully paid:</i>		
101,255 Ordinary shares of £1 each	<u>101</u>	<u>101</u>

19 MOVEMENTS IN RESERVES

The movement in reserves are disclosed fully within the Statement of Changes in Equity. The description of the nature and purpose of each reserve within owner's equity is as follows:

Reserve	Description and purpose
Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital contribution reserve	Additional paid in capital from the Company's immediate and ultimate parent undertaking.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

20 PENSIONS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £551,000 (2023:

VICON MOTION SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2024

£402,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year

21 RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard 24 (IAS 24). The directors have taken the exemption available under FRS 101 Section 8k, where it is a wholly owned subsidiary and the parents consolidated financial statements, Oxford Metrics plc, are publicly available (see note 22).

22 ULTIMATE PARENT UNDERTAKING AND CONTROL

The immediate and ultimate parent undertaking of the Company is Oxford Metrics plc, a company incorporated and registered in the UK.

Copies of Oxford Metrics plc consolidated financial statements are publicly available and can be obtained from the Company Secretary at Oxford Metrics plc, 6 Oxford Pioneer Park, Yarnton, Oxfordshire, OX5 1QU, or via the website www.oxfordmetrics.com.

VICON MOTION SYSTEMS LIMITED

REPORT AND FINANCIAL STATEMENTS
for the year ended 30 September 2024

Company registration number	01801446
Registered office	6 Oxford Pioneer Park Yarnton Oxfordshire OX5 1QU
Directors	I O'Connor Z Fox C Robertson
Secretary	C Robertson
Bankers	National Westminster Bank plc 121 High Street Oxford OX1 4DD
Solicitors	Goodman Derrick LLP 10 St Bride Street London EC4A 4AD
Independent Auditors	BDO LLP Level 12, Thames Tower Station Road Reading Berkshire RG1 1LX