



# Annual Report and Financial Statements

For the year ended 31 August 2025

## Company Information

<b>Directors</b>	P Reeves D Hitchcock R J Shepherd R K Smith C Brooks A McInerney	(Appointed 30 January 2025) (Appointed 30 January 2025) (Appointed 17 September 2025) (Appointed 30 January 2026) (Appointed 30 January 2026)
<b>Company Secretary</b>	R Shepherd	
<b>Company Number</b>	12795371	
<b>Registered Office</b>	220 Aztec Studios Park Avenue Almondsbury Bristol, BS32 4SY	
<b>Auditor</b>	Azets Audit Services Limited One Temple Quay Temple Back Bristol, BS1 6DZ	
<b>Corporate Broker</b>	Cavendish Capital Markets Limited One Bartholomew Close London, EC1A 7BL	
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<b>Financial PR</b>	BlytheRay 4-5 Castle Court, London, EC3V 9DL	
<b>Registrars</b>	Share Registrars Limited 3 The Millennium Centre Crosby Way, Farnham Surrey, GU9 7XX	
<b>Corporate Website</b>	www.rcfornax.co.uk	

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## Strategic Report

The Directors present the Strategic Report for the year ended 31 August 2025 (“**FY25**” or the “**Period**”).

### Principal activities

RC Fornax plc (“**RC Fornax**” or the “**Company**”) is a veteran-founded UK consultancy dedicated to enhancing the operational capability of the UK Ministry of Defence (“**MOD**”) and its partners. The Company specialises in delivering bespoke, outcome-driven services across critical defence platforms, including fighter aircraft, naval vessels, drones and military vehicles.

Since its establishment, RC Fornax has positioned itself as a trusted provider of high-integrity solutions that support mission-critical programmes across land, sea and air domains. The Company continues to expand both its scope of services and its client base within the defence sector and adjacent industries.

### Business Model

The Company’s operating model centres on the delivery of managed services under Statements of Work (“**SoW**”). These services enable clients to transition from traditional labour-based engagements to fully managed, outcome-focused solutions, transferring responsibility for deliverables and programme execution to RC Fornax. This model improves quality, accountability and efficiency while ensuring full IR35 compliance.

RC Fornax maintains a strong associate community, drawing on highly skilled engineering, technical and programme professionals from across the UK contractor market. This network enables the Company to assemble rapid-response teams and deliver projects with precision and reliability.

### Period Summary

- Admission to the London Stock Exchange’s AIM in February 2025, raising £3.4m in net proceeds (“**IPO**”).
- FY25 financial results impacted by the industry hiatus caused by the publication of the UK Government’s Strategic Defence Review (“**SDR**”) in June 2025:
  - FY25 revenue £4.1m (FY24: £6.4m)
  - FY25 gross profit £1.0m (FY24: £1.6m)
  - FY25 adjusted loss before tax £1.6m (FY24: £0.5m profit).
- The Company is participating across seven procurement frameworks, generating 20+ bid opportunities since April 2025.
- RC Fornax is in advanced discussions on three major agreements, two with defence primes for land and maritime programmes.
- Development within SME Procure continues, consisting of AI-driven tools to generate Scopes of Work, build teams and connect SMEs with defence buyers. This is designed to transform how SMEs engage with defence procurement.
- The Company opened new headquarters in Bristol in April 2025, which meets the Ministry of Defence’s secure facility standards. The headquarters provides the opportunity to scale up to 50 staff members.

- At 31 August 2025, the Company’s cash position totalled £0.9m. This reflects investments in RC Fornax’s new headquarters and talent for future growth.

### **Post Period Highlights and Outlook**

- Fundraising in December 2025 raised £2.1m net.
- £4.3m in new orders and extensions booked in the first half of FY26.
- Invoiced sales through the end of January 2026 totalled £1.7m, with additional contracted orders for remainder of FY26 totalling £2.4m.
- Furthermore, orders subject to contract total £0.6m, of which £0.4m is expected to convert to sales during FY26. Therefore, the Company has firm current visibility over £4.5m in sales for FY26 heading into the second half of the year.
- In January 2026, the Company was unconditionally accepted by Aurora Engineering Partnership as a Specialist Provider on Evolve, its Engineering Delivery Partnership Provider Network, a major UK defence engineering framework.
- Demonstrated progress in diversifying beyond the UK defence sector, highlighted by the recent contract award announced on 25 November 2025 from a UK Public Sector Space Client.
- Despite near-term uncertainty linked to the delayed Defence Investment Plan (“**DIP**”), positive outlook underpinned by strong long-term demand expectations as the UK strengthens its war-fighting readiness.
- Challenges in securing additional investment funding are increasing customer focus on maximising value from existing budgets—precisely where RCF’s capabilities in delivering cost-effective, outcomes-driven engineering and procurement support provide a clear competitive advantage.
- Board strengthened through the appointments of Richard Smith in September 2025, and Andrew McInerney and Chris Brooks in January 2026.

## **Chief Executive's Review**

FY25 tested our agility and resilience in a year of profound change for the defence sector. Revenue of £4.1m and a £1.6m adjusted loss before tax reflect the impact of SDR-related procurement delays that did not result in the conversion of leads at the rate initially expected by the Board, and our deliberate investment in capability. Despite these headwinds, gross profit held at £1.0m, supported by disciplined delivery and cost control.

## **Shaping the Future of Defence Procurement**

RC Fornax is not simply adapting to change - we are helping to define it. The SDR has accelerated the need for innovation, agility, and trusted partnerships. Our platform, SME Procure, is designed to transform how SMEs engage with defence procurement, driving transparency, efficiency, and compliance across the supply chain. These solutions will underpin a more resilient and responsive defence ecosystem, with commercialisation expected in FY26.

## **Operational Progress**

We strengthened governance, appointed a sales director, and realigned our Sales and Delivery teams to accelerate conversion. Our associate network expanded significantly, enabling rapid deployment across Land, Air, and Maritime domains and reinforcing our ability to meet evolving client needs.

## **Forward Strategy**

Following the release of the Strategic Defence Review in June 2025 and the subsequent publication of the Defence Industrial Strategy in September 2025, the Company continues to monitor the evolving policy landscape. Despite these developments, ongoing uncertainty surrounding the timing of the DIP continues to weigh on expectations for the anticipated uplift in sector activity as the UK accelerates its transition toward a war-fighting readiness posture. This delay has prolonged decision-making cycles across several priority programmes and continues to affect the pace at which revenue expansion is expected to materialise.

Notwithstanding this, the governance enhancements implemented during FY25 - including strengthened pipeline management, more rigorous opportunity qualification processes, and improved internal reporting mechanisms - have significantly enhanced the Company's visibility into future workloads. These changes provide greater confidence in both the quality and resilience of the forward opportunity pipeline.

The Company also enters FY26 in a substantially stronger position to navigate prolonged uncertainty within the defence sector. Through:

- the expansion of outreach activities within the defence sector;
- diversification into parallel markets, as illustrated by the announcement on 25 November 2025 regarding the UK Public Sector Space client framework award; and
- disciplined management of discretionary expenditure,

the Company is better equipped to adapt to shifting customer priorities while sustaining operational flexibility. This more robust foundation enables the business to remain focused on capturing long-term growth opportunities as greater clarity emerges around UK defence investment trajectories.

Our priorities for the remainder of FY26 are clear:

- Convert major framework agreements and accelerate revenue growth.
- Scale SME Procure to unlock margin improvement and operational leverage.
- Deepen partnerships with primes and SMEs to strengthen market position.
- Maintain financial discipline while investing in innovation and talent.

With £0.9m in cash at the end of the Period (subsequently increased as a result of a well-supported net £2.1m fundraising in November 2025) and a robust pipeline that the Company is converting, RC Fornax is positioned not only to return to growth but to lead the transformation of defence procurement. I thank our employees, associates, customers, and investors for their commitment and confidence as we enter the next phase of our journey.

## Section 172(1) Statement

In accordance with section 414CZA of the Companies Act 2006, the Directors describe below how they have had regard to the matters set out in section 172(1) in pursuing the Company's success for the benefit of shareholders as a whole:

- Long-term consequences of decisions: FY25 investments in the Bristol HQ, secure infrastructure and product development were made to support scalable, outcome-based delivery and sustainable margin improvement.
- Employee interests: The Board oversaw headcount growth, skills development and Health & Safety initiatives aligned with ISO 45001 and promoted a speak-up culture and veteran pathways.
- Business relationships with suppliers, customers and others: We prioritised predictable delivery, fair payment practices and collaborative planning with primes, SMEs and MOD teams; this included earlier engagement on security assurance and export controls.
- Community and environment: We progressed an ISO 14001-aligned Environmental Management System and published a Carbon Reduction Plan with near-term actions on travel, energy and supply-chain criteria.
- High standards of business conduct: We maintained zero-tolerance policies on bribery and modern slavery, reinforced training and continued alignment with the QCA Corporate Governance Code.
- Acting fairly between members: Capital allocation, governance decisions and fundraising considerations were assessed with regard to equitable treatment of shareholders.

## Financial Review

### Overview

FY25 was a year of strategic investment and operational transition. While revenue fell short of prior-year levels due to SDR-related delays and deliberate investment decisions, the Company strengthened its balance sheet through AIM admission proceeds and positioned itself for long-term growth.

### Financial Performance

Revenue for FY25 was £4.1m compared to £6.4m in FY24, reflecting SDR-related procurement delays and slower conversion of pipeline opportunities. Gross profit was £1.0m (FY24: £1.6m), with margins maintained at approximately 24%. Administrative expenses increased to £2.3m (FY24: £0.8m), driven by headcount expansion, recruitment costs, and professional fees linked to IPO and organisational restructuring. Net loss before tax of £1.6m (FY24: £0.5m profit), primarily due to increased operating costs and depreciation on new assets.

### Balance Sheet Strength

Net assets stood at £1.9m (FY24: £48,000), reflecting the IPO and share premium of £3.3m. Fixed assets increased to £1.2m (FY24: £5,600) following investment in Bristol HQ fit-out and IFRS 16 recognition of right-of-use assets for property and vehicles. Cash position at year-end was £0.9m (FY24: £0.6m), supported by £3.4m financing inflow from AIM admission offset by £0.9m capex and £1.8m operating cash outflow.

### Cash Flow

Operating activities resulted in a net outflow of £1.6m (FY24: inflow of £0.4m), reflecting working capital movements and tax settlement. Investing activities saw an outflow of £0.9m (FY24: £6,200), driven by HQ fit out and IFRS 16 assets. Financing activities delivered an inflow of £2.8m (FY24: outflow of £0.3m), primarily from the net proceeds of £3.4m from shares issued, partially offset by pre-IPO dividend payments of £164,000 (FY24: £573,000).

### Key Drivers and Context

The SDR introduced short-term procurement delays impacting revenue conversion; however, its long-term implications remain positive for SME integrators such as RC Fornax. Investment in capability included opening the Bristol HQ in April 2025, growing headcount from 11 to 17, and funding technology development from AIM proceeds. Increased operating costs reflect strategic decisions to build capacity for future growth.

### Outlook

Despite FY25 losses, RC Fornax has entered FY26 with a strengthened capital base and liquidity, advanced discussions on major defence programmes, and a stabilising market environment.

Invoiced sales through the end of January 2026 totalled £1.7m and contracted orders through the remainder of FY26 total £2.4m which, coupled with the sales pipeline means the Board remains confident in the Company's ability in due course to return to profitability and deliver sustainable shareholder value.

## Key Risks & Mitigations

- Cash Liquidity: Managed through AIM admission and subsequent fundraising proceeds and cost discipline; monitoring cash burn closely.
- SDR Uncertainty: Diversifying client base and frameworks to mitigate procurement delays.
- Client Concentration: Expanding SME network and pursuing tier-1 frameworks.
- Talent Acquisition: Strengthened recruitment and retention strategies to support growth.

## Key Performance Indicators (KPIs)

The Board intends to introduce a focused set of Key Performance Indicators (“KPIs”) during FY26 year to establish a reliable baseline for performance management.

## Principal Risks and Uncertainties

This section forms part of the Strategic Report and describes the principal risks and uncertainties that could materially affect the Company. The Board has carried out a robust assessment of emerging and principal risks and the effectiveness of related controls. Risk management is embedded within planning, bidding and delivery, with risk owners assigned at executive level and oversight by the Audit Committee. The Company’s risk profile reflects our scale, our delivery model (a core team augmented by security-cleared associates), and our focus on UK defence programmes.

## Risk management and internal control framework

- Board: sets risk appetite, approves the Risk Register and reviews principal risks at least quarterly.
- Audit Committee: oversees the effectiveness of risk management and internal controls and monitors financial reporting and assurance activities.
- Executive leadership: maintains the Company Risk Register, assigns risk owners, and ensures mitigating actions are implemented and tracked.
- All colleagues and regular associates: identify and manage operational risks through established controls, delivery reviews and incident reporting.
- Risk scoring methodology: each risk is assessed for Likelihood and Impact on a 1–5 scale and given an overall rating. Trends are monitored (Increased / No change / Decreased). The table below summarises the principal risks considered by the Board to be most relevant over the medium term.
- Risk change key: Increased · No change · Decreased

Risk	Potential impact	Key mitigating actions	Trend
Defence procurement timing and budget changes	Delays or re-phasing of UK defence programmes (e.g., reviews, budget resets) may defer contract awards and revenue recognition, increasing revenue volatility and cash flow risk.	Broaden participation across frameworks and domains; maintain diversified pipeline; use milestone billing and flexible cost base; enhance revenue visibility; regular client engagement to anticipate timing.	Increased

Contract delivery and execution	Failure to deliver outcomes to time, cost and quality could lead to margin erosion, liquidated damages, reputational damage and loss of repeat business.	Structured delivery governance with gated reviews; technical and independent assurance on complex work; clear SoW, acceptance criteria and change control; lessons-learned and PMO oversight.	No change
Talent attraction, retention and security clearances	Shortage of suitably skilled and security-cleared personnel may constrain delivery capacity and delay project mobilisation.	Team builder tool under development providing competitive edge and single point of entry, removing intermediaries as competition	Increased
Cyber and information security	Cyber incidents (e.g., ransomware, data breach) could disrupt operations, compromise sensitive data and lead to regulatory and contractual penalties.	Layered cyber controls aligned to NIST CSF and Cyber Essentials Plus; security awareness training; third-party testing; incident response and business continuity planning; proportionate secure-by-design for products.	Increased
Regulatory and compliance (data protection, export controls, Official Secrets)	Non-compliance with UK GDPR, export controls (ITAR/EAR/UK regs) or sector security obligations could result in fines, contract sanctions or loss of permission to operate.	Compliance policies and training; export control screening and approvals; data minimisation and DLP; contractual flow-downs and audits; specialist advice where required.	No change
Client and partner concentration	High dependency on a limited number of customers, primes or frameworks may increase exposure to single-client decisions and pricing pressure.	Expand relationships across primes and MOD teams; pursue additional frameworks; develop adjacent offerings and geographies within UK defence; focus on repeat business.	No change
Liquidity and working capital	Extended procurement/billing cycles and growth	12–18 month cash forecasting with sensitivities; disciplined	Decreased

	investment could pressure cash runway and covenant headroom.	cost management; diversified funding options; milestone and stage-payment structures; prompt invoicing and collections.	
Innovation execution (SME Procure commercialisation)	Delays in productisation or adoption could defer expected efficiency and margin benefits and increase capitalised R&D risk.	Stage-gated delivery with client pilots; clear product roadmap and ROI hurdles; cyber and privacy by design; partnerships to accelerate market access.	No change
Health, safety and physical security	Incidents affecting staff, contractors or visitors, or inadequate site security, could cause harm, regulatory action and operational disruption.	Risk-based OH&S management aligned to ISO 45001; training and near-miss reporting; secure facilities and visitor controls; periodic drills and reviews.	No change
Reputation and ethics (including modern slavery and bribery)	Breach of ethical standards could lead to regulatory action, loss of client trust and exclusion from frameworks.	Code of Conduct and supplier standards; anti-bribery training; due diligence on third parties; speak-up channels and investigation procedures.	No change

The Board and Audit Committee monitor these principal risks and associated indicators throughout the year and will update stakeholders on any material changes in future reports.

On behalf of the Board

*Paul Reeves*

P Reeves

**Director**

Date                    23 February 2026

## **Governance Report**

### **Board of Directors**

The Directors who served during the year and up to the date of approval of the financial statements were:

- Paul Reeves
  - Rob Shepherd (appointed 30 January 2025)
  - Chris Brooks (appointed 30 January 2026)
  - David Hitchcock (appointed 30 January 2025)
  - Richard Smith (appointed 17 September 2025)
  - Andrew McInerney (appointed 30 January 2026)
- 
- Kiri Cavill (appointed 30 January 2025 and resigned 17 September 2025)
  - Mark Fahy (appointed 30 January 2025 and resigned 29 January 2026)
  - Daniel Clark (resigned 30 January 2025)

### **Biographies of current Board of Directors**

#### **David Hitchcock – Independent Non-Executive Chair**

David Hitchcock joined the Board on 30 January 2025 and was appointed Chair on 30 January 2026. He has been a director of several UK companies in the Financial Services and Precision Engineering sectors. He is currently a Non-Executive Chair of AIM-quoted Powerhouse Energy Group plc. David Hitchcock has over 30 years of experience in finance, including 17 years at J.P. Morgan as Head of Equity Sales and later Managing Director, four years at Goldman Sachs, as well as being a former Chair of Grant Thornton's UK Banking and Securities Group. David Hitchcock served as a Captain in the Brigade of Gurkhas, a graduate of The Royal Military Academy, Sandhurst, and was educated at Pembroke College, Cambridge.

#### **Paul Reeves – Executive Director**

Paul Reeves founded RC Fornax Limited in 2020 after an 18-year career beginning as an engineer in the Royal Air Force, before moving onto engineering and programme management roles with defence primes. He has successfully led high-value product developments across land, air and sea domains for top-tier defence organisations by building and driving high-performing teams. Highlights include delivering capability insertion projects across the typhoon platform over multi-national contracts with BAE systems and successfully delivering a complete refit and upgrade of minehunter class ships to the Estonian Navy. Paul's extensive involvement in bid phases and project delivery within the defence sector inspired him to improve efficiency and accountability through defence programmes, shaping the strategic vision for the Company to become a leading organisation in the future of defence. Prior to the IPO, Paul successfully led the Company through 4 years of continuous growth and now continues to lead with a grander vision for wider impact with the core business services and introduction of the SME Procure platform.

### **Rob Shepherd – Executive Director**

Rob Shepherd joined the Board on 30 January 2025 having previously acted as Finance Director of an AIM-listed company from 2018 to 2024 and prior to that having been a former Director of Corporate Finance Oil and Gas, later advancing to Vice President for Emerging Markets Oil & Gas at ABN AMRO. Rob Shepherd also acted as a Non-Executive Director of the FTSE 250 company, Imperial Energy Corporation plc, and was a former Finance Director of Dominion Petroleum Limited and Managing Director of Azonto Petroleum Limited. Rob Shepherd holds an MBA and BEng (Hons) in Mechanical Engineering.

### **Chris Brooks – Executive Director**

Chris Brooks was appointed to the Board of the Company on 30 January 2026 having assumed the role of Managing Director in April 2025 after joining the Company initially in an advisory capacity and then permanently as Head of Engineering in November 2024, ahead of the Company's IPO.

Chris is a Chartered Engineer with a BEng in Aeronautical Engineering who has approximately 13 years' experience across the defence sector, spanning air, land and maritime programmes, and has worked extensively with both industry primes and SMEs.

### **Richard Smith – Independent Non-Executive Director**

Richard Smith was appointed on 17 September 2025. He is a seasoned CFO and non-executive director with extensive experience across the defence, infrastructure and technology sectors. He has led major financial and organisational transformations in senior roles at the UK Ministry of Defence, Raytheon, and Leonardo, overseeing multi-billion-pound budgets and international teams. Richard now advises several SMEs, supporting growth, financing and strategy with his strong commercial, governance and programme-delivery expertise.

### **Andrew McInerney – Independent Non-Executive Director**

Andrew McInerney was appointed on 30 January 2026. He is an experienced CEO, senior adviser and former UK Special Forces officer with a track record of leading high-growth companies, major transformation programmes and complex international operations. He has scaled tech start-ups, delivered turnarounds in both public and private sectors, and directed multi-million-pound programmes across cyber, defence, intelligence and national security. He brings deep strategic insight, crisis leadership experience and a hands-on, team-focused approach developed through senior roles in government, industry and elite military commands.

### **Skills, Experience and Board Capability**

The Board believes that, collectively, the directors possess the skills and experience necessary to support the Company's strategy, manage risk effectively and deliver sustainable long-term growth.

The matrix below summarises the principal skills and areas of experience represented on the Board. The Board reviews this assessment annually as part of its performance evaluation and succession planning processes.

<b>Skills / Experience</b>	<b>McInerney</b>	<b>Reeves</b>	<b>Shepherd</b>	<b>Hitchcock</b>	<b>Smith</b>	<b>Brooks</b>
Board leadership & governance	✓	✓	✓	✓	✓	
Financial management and reporting			✓		✓	
AIM / public markets experience	✓		✓	✓		
Risk management & internal controls	✓	✓	✓	✓	✓	✓
Sector & technical expertise		✓		✓	✓	✓
Sector growth & M&A		✓	✓	✓		✓
Remuneration & people strategy	✓	✓	✓	✓	✓	✓

## **Chair's Statement**

The Strategic Defence Review (SDR), published in June, introduced 62 recommendations and signalled a decisive shift towards war-fighting readiness. While this transition created short-term procurement delays, it reinforces the long-term need for agile, accredited SMEs. UK defence spending is projected to rise to 2.5% of GDP by 2027 - an estimated £13.4 billion uplift - providing a constructive backdrop for RC Fornax's services.

FY25 was a year of strategic investment and resilience. Following our AIM admission and successful capital raise, the Board focused on strengthening governance, enhancing risk management, and ensuring the Company is positioned for sustainable growth. Revenue closed at £4.1m, below expectations due to deferred client expenditure as a result of the uncertainty surrounding the outcomes of the SDR.

## **ESG and Board Oversight**

Whilst the Company is not required to report its greenhouse gas emissions under the Companies Act 2006 or the Streamlined Energy and Carbon Reporting (SECR) framework due to its size and AIM-listed status, the Board recognises that strong environmental, social, and governance (ESG) practices are integral to sustainable growth. In FY25, we prepared our first Carbon Reduction Plan and embedded diversity and inclusion principles across our operations. In FY26, we will continue to strengthen ESG reporting and align our practices with evolving stakeholder expectations. The Board maintains rigorous oversight through dedicated committees to ensure compliance, accountability, and alignment with our strategic objectives.

## **Looking Ahead**

The Board anticipates a stabilising defence environment and a return to more predictable procurement cycles in FY26. Our priorities will include:

- Leveraging our strengthened governance and compliance frameworks to support growth and maintain investor confidence.
- Driving commercialisation of innovation platforms to improve margins and scalability.
- Expanding strategic partnerships and frameworks to capture emerging opportunities from increased defence spending.
- Maintaining disciplined capital allocation to balance investment in growth with shareholder returns.
- Advancing ESG commitments to reinforce our role as a responsible and sustainable partner in the defence sector.

The Board remains confident in the Company's trajectory. With a robust innovation pipeline, maturing frameworks, and a constructive market outlook, RC Fornax is well placed to deliver enduring shareholder value. On behalf of the Board, I thank our employees, associates, customers, and shareholders for their continued support.

## Corporate Governance

### Board structure and composition

The Board is responsible to the shareholders and to act in the interest of all Company stakeholders. This includes setting the strategy for the Company to achieve its long-term goals, monitoring financial and ESG performance, governance matters and managing Company risk. During this financial year, from February 2025 following the Company's IPO, the Board was comprised of five Directors, two Executive Directors, Paul Reeves, and Rob Shepherd and three Non-Executive Directors, Non-Executive Chair Mark Fahy supported by David Hitchcock and Kiri Cavill, both fully independent Non-Executive Directors. Post the end of the financial year, Mark Fahy was replaced by David Hitchcock as Non-Executive Chair, Kiri Cavill was replaced by Richard Smith, Andrew McInerny joined the Board as an independent Non-Executive Director and Chris Brooks joined the Board as an Executive Director.

Following these changes, the Board is comprised of six Directors, three Executive Directors and three fully independent Non-Executive Directors.

The Chair is responsible for setting the Board agenda and monitoring its effectiveness. There is clear separation of responsibilities and independence between the Chair and Chief Executive.

### Board and Committee Meetings and Attendance

The Board met four times during the financial year to review performance, strategy, risk and governance matters. Attendance of current directors who served during the year at scheduled Board meetings during the year ended 31 August 2025 is shown below.

	Board
David Hitchcock (Chair)	Two
Paul Reeves (Chief Executive)	Four
Rob Shepherd (Finance Director)	Four

No committee meetings were held from formation in February 2025 as part of the IPO through the end of the period – going forward, they will be held at least twice a year with attendance required by all three Non-Executive Directors.

Post the period end, Audit Committee and Remuneration Committee meetings have been held.

### The Board

The Board is ultimately responsible for the Company's strategy, performance and management. The Board discusses and reviews all matters and issues relevant to the performance of the Company. A rolling agenda of matters to be reviewed is agreed by the Board under the guidance of the Chair. Certain matters are reserved for the Board, these include:

- setting the Company strategy and long-term objectives
- approving budgets and forecasts
- changes to the Company's capital structure and dividend policy

- extension of Company activities by geographical regions or acquisitions
- ensuring the Company has appropriate sustainability targets and manages the impact of climate change
- approval of significant contracts, capital or operating expenditure
- assessing the effectiveness of financial risks and control
- effective communication with shareholders
- approving interim and annual reporting and regulatory communications.

The Board will normally meet 11 times in a full 12-month cycle with board members expected to attend all meetings. At each meeting the members confirm they have no conflicts of interest relating to items on the meeting agenda. Procedures are in place for members to recuse themselves from a meeting should a conflict arise. Outside formal Board meetings, Non-Executive Directors communicate directly with the Executive Directors and senior management. Non-Executive Directors are expected to attend committee meetings of which they are a member and devote sufficient time throughout the year to ensure they fulfil their role as Company Directors. The Chair is responsible for the leadership and effectiveness of the Board, ensuring debate is open and rigorous, that all participants contribute and decisions are reached in a balanced and evidence-based manner. During the year, the Board reviewed the Capital Allocation Policy. The Board reviews its AIM obligations with its nominated adviser including annual refresher training and, where appropriate, holds meetings with external advisors to support the Board decisions.

### **Board committees**

The Board delegates specific responsibilities to the Audit, Remuneration and Nominations Committees. These committees have written terms of reference including their duties and reporting responsibilities. Each committee shall have at least two Non-Executive Directors who are independent of the management and free from any business or other relationship that could interfere with the exercise of their independent judgement. The terms of reference for the committees are kept under review to ensure they remain relevant and reflect changes in regulation and best practice.

### **The Audit Committee**

The Audit Committee is chaired by Richard Smith with other members David Hitchcock and Andrew McInerney. The Audit Committee is responsible for ensuring the financial performance of the Company is properly reported and reviewed, and for overseeing the framework of internal controls to manage business risk. The committee is responsible for advising the Board on the appointment of the external auditor, ensuring external auditor independence and advising on fees and terms of reference. The committee will receive and review reports from the Company's management and external auditors relating to the interim and annual accounts and the internal controls operating within the Company. The Audit Committee will meet at appropriate times in the reporting and audit cycle. The Finance Director may attend the meetings by invitation.

### **The Remuneration Committee**

The Remuneration Committee is chaired by David Hitchcock with other members Richard Smith and Andrew McInerney. The committee is responsible for ensuring remuneration policies and practices support Company strategy and promote long-term sustainable success. Maintaining a formal and transparent process for developing policy on executive rewards and ensuring executive remuneration is

aligned to the Company's purpose and is clearly linked to the successful delivery of long-term strategy. The Remuneration Committee will also make recommendations to the Board for the granting of share options or other equity incentives in line with share-based incentive plans operating within the Company. In exercising this role, the Remuneration Committee will have regard to recommendation of the QCA code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance. The committee is authorised to appoint external consultants to advise on remuneration policies. The Remuneration Committee will normally meet at least twice every year.

### **Relations with shareholders**

The Company maintains regular communication with institutional shareholders through meetings and presentations with the Executive Directors following the publication of annual and interim results. The Chair and Non-Executive Directors are also available to meet with shareholders if required. Throughout the year the Executive Directors will meet with potential investors and analysts. Shareholder feedback is made available to the Board and shared with our nominated adviser and broker.

### **Governance Philosophy**

The Company is committed to achieving and maintaining high standards of corporate governance and consequently adopted the QCA Code upon listing in February 2025. The QCA Code identifies ten corporate governance principles that companies should follow.

Set out below is a description of how the Company complies with the new, updated QCA Code. The Directors of the Company (the Board) remain committed to evolving the Company's corporate governance arrangements as the business develops.

#### **Deliver Growth**

##### **Establish a purpose, strategy and business model which promote long-term value for the shareholders**

The Company's strategy is to create a platform for organic growth and potentially for acquisitions where the opportunity exists to create significant shareholder value through high growth and/or a well-executed consolidation strategy. The Board is responsible for setting the strategy, ensuring it is implemented in a timely manner and tracking the progress towards our strategic goals.

##### **Seek to understand and meet shareholder needs and expectations**

The Company has been committed to maintaining an open dialogue with its shareholders to develop a good understanding of the needs and expectations of shareholders and will continue to communicate the Company's strategy at appropriate intervals as progress is made. The Executive team meets with investors and analysts on a regular basis throughout the year. All shareholders have the opportunity, and are encouraged, to attend and vote at the Annual General Meeting of the Company, during which the Board will be available to discuss matters affecting the Company. David Hitchcock will be the primary point of contact for shareholder liaison. The Company's website contains information on the Company, including the year-end and interim results announcements as well as all Annual Reports, notices of Annual General Meetings and general meetings, proxy voting details, circulars sent to shareholders and any other information sent to

shareholders. It also includes information on the Audit Committee and Remunerations Committee terms of references.

**Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long term success**

The Company has identified our main stakeholders which include customers, associates, employees, shareholders and our communities. The Company engages with these stakeholders through direct dialogue and relies on their feedback through meetings, conversations and formal feedback processes. The Board continually assesses the impact of business decisions on all stakeholder groups. The Board has developed a carbon reduction strategy to minimise the Company's environmental impact through targeted operational initiatives and collaboration with its stakeholders.

**Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**

Going forward, the Board and Audit Committee intend to conduct regular reviews of its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available. The review will cover all material controls, including financial, operational and compliance controls and risk management systems. The Board is responsible for ensuring the Company has effective and robust systems of internal controls and these controls are designed to manage, but not eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatements and loss. The Board has compiled a comprehensive list of these risks, which are detailed on pages 10 to 12. The Company maintains appropriate insurance cover in respect of actions taken against the Board and/or the Company.

**Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**

The Remuneration Committee evaluates Executive Director performance based on annual financial, non-financial and personal objectives. Details of the remuneration policy can be found in the remuneration committee report on pages 26 to 30. New (or significant amendments to existing) share schemes will be put to a shareholder vote.

**Maintain a dynamic management framework**

**Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Board recognises the importance of regularly evaluating its own performance and effectiveness, and that of individual Directors and Board Committees, as required under the QCA Code. Whilst the Board did not undertake a formal evaluation process during the financial year, it remains committed to high standards of governance and continuous improvement.

Since IPO, the Company has implemented a number of changes to the composition and structure of the Board, reflecting an ongoing focus on strengthening governance capabilities, enhancing skills and experience, and ensuring the Board remains effective in supporting the Company's strategic ambitions. These developments demonstrate that the Board is operating with a culture of continuous development and improvement, and the

Board therefore considers itself to be compliant with the spirit of this QCA Code principle. The Board intends to introduce a more formalised evaluation process as the Company continues to mature.

**Promote a corporate culture that is based on ethical values and behaviours**

The Board has put in place an effective corporate governance and compliance framework. The Board has established a corporate culture based on sound ethical values and behaviours and intends to lead from the front in promoting the adoption of this culture throughout the Company.

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

The Board is responsible for the overall management and control of the Company. The Board reviews its strategy regularly and is responsible for determining the strategic focus of the Company. As set out above, the Board meets regularly throughout the year to review, formulate and approve the Company's strategy, budgets and corporate actions, as well as oversee the Company's progress towards its goals. The Company has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and written terms of reference. Consideration will be given by the Board to future succession plans for members of the Board as well as consideration as to whether the Board has the skills required to manage the Company effectively. The Board continues to review succession planning for key roles to ensure orderly transitions and the retention of critical skills. This includes identifying potential internal and external candidates and supporting the development of future leaders to maintain strong governance and long-term strategic continuity. The Board discusses and reviews all matters and issues which are important to the business. Certain decisions are reserved for the Board, and they can be found on pages 17 and 18.

**Build Trust**

**Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders**

The Company communicates with its shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting and meetings/discussions with the Company's major existing or potential shareholders. The Company will communicate principally by way of the release of regulatory and other announcements as and when information is available to disclose. The Company's website, [www.rcfornax.co.uk](http://www.rcfornax.co.uk), is regularly updated. The Company's Annual Report and Accounts are located under the 'Documents' section of the website. Notices of the general meetings of the Company will be located under the 'Financial Calendar' section of the website. The results of voting on all resolutions at general meetings are posted to the website on a timely basis, including any actions to be taken as a result of resolutions of which votes against have been received by a significant proportion of voters.

## **ESG and Stakeholder Engagement**

Our governance approach is closely linked to our commitment to environmental, social, and governance (ESG) principles. The Board actively considers stakeholder interests in decision-making, including employees, customers, suppliers, and the wider community. We aim to integrate ESG considerations into our strategy and risk management processes, supporting long-term resilience and responsible business practices.

## **Modern Slavery & Ethics**

The Company operates under a robust Code of Conduct, which sets clear expectations for ethical behaviour across all activities. We maintain a zero-tolerance approach to bribery and corruption, supported by our Anti-Bribery and Anti-Corruption Policy and regular staff training. These measures ensure compliance with applicable laws and reinforce our commitment to integrity throughout our business relationships.

## **Cyber risk and data security**

We maintain robust cyber security controls to protect our systems, data, and operational resilience. During the year, we continued to strengthen our cyber-risk management framework through ongoing monitoring, employee awareness training, and regular testing of our defensive capabilities. We are proud to be certified to Cyber Essentials Plus, demonstrating that our key IT controls and security practices have been independently assessed and verified. This certification, alongside our broader governance measures, provides assurance that we are effectively safeguarding sensitive information and mitigating evolving cyber threats.

## **Audit Committee Report**

### **Formal Audit Committee meetings held (post Period end) – 1**

#### **Members of the Audit Committee**

Richard Smith became Chair of the Audit Committee in September 2025. All three members of the Committee, including the Chair, are independent Non-Executive Directors. The Board is satisfied that the Chair of the Committee has recent and relevant financial experience. The Finance Director routinely attends the Audit Committee meetings by invitation, and other Executive Directors or members of the management team may also be invited to attend meetings as required. The Non-Executive Directors are provided with an opportunity at the Audit Committee meetings to discuss matters with the Auditors without the presence of the Executive Directors. The committee intends to meet formally at least twice a year and more frequently if required and has unrestricted access to the Company's auditor. Audit Committee meetings are minuted and made available to all Board members along with any formal reports from the Company auditor.

#### **Duties**

The main duties of the Audit Committee are set out in its terms of reference, which available on the Company's website ([www.rcfornax.co.uk](http://www.rcfornax.co.uk)). The work carried out by the Audit Committee during the financial period comprised the following:

- ensuring the financial performance of the Company is being properly measured and reported on
- review of the FY25 audit plan
- consideration of key audit matters and how they are addressed
- Going Concern Review
- review of the Financial Statements and Annual Report
- review of the appropriateness of the Company's accounting policies and judgements made in the preparation of the Financial Statements, and adequacy of the disclosures made therein
- consideration of the external audit report and management representation letter
- review of the risk management and internal control systems
- meeting with the external auditor without management present
- review of anti-bribery policy and whistleblowing arrangements.

#### **Auditor objectivity, independence, and performance**

The Audit Committee monitors the relationship with the external auditor to ensure that auditor independence and objectivity are maintained. As part of this role, the committee reviews any non-audit fees of the auditor. Azets fees for the financial period to 31 August 2025 are disclosed in note 8. There were no non-audit services or fees relating to the activities of Azets. The Audit Committee also assesses the auditor's performance. The committee has adopted a broad framework to review the effectiveness of the Company's external audit process and audit quality. This includes:

- assessment of the audit partner and team with particular focus on the lead audit engagement partner
- planning and scope of the audit, with identification of particular areas of audit risk
- the planned approach and execution of the audit

- management of an effective audit process
- communications by the auditors with the Committee
- how the audit contributes insights and adds value
- a review of independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Having reviewed the auditor's independence and performance, the Audit Committee recommends that Azets be appointed as the Company's auditor at the next Annual General Meeting (“**AGM**”).

### **Report and Financial Statements**

The Audit Committee considered whether the Financial Statements are fair, balanced and provide the necessary information and disclosures for shareholders to assess the Company's performance, strategy and business model. The Committee was satisfied the Financial Statements for the period ended 31 August 2025 are fair and achieved these stated objectives. In so doing the Audit Committee assessed whether suitable accounting policies were adopted, and the reasonableness of key estimates and judgement used in the preparation of the Financial Statements. In particular, the Audit Committee assessed areas identified as key audit risks including the following:

- Management override of controls.
- Financial statements transition from FRS102 to IFRS.
- Fraud in revenue recognition; and
- Accounting for the IPO in relation to Share Capital and the treatment of costs incurred in the IPO.

### **Internal audit**

At present the Company does not have an internal audit function and the committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. The Audit Committee will continue to assess this as the Company changes.

### **Risk management and internal controls**

As described throughout the Annual Report and the Corporate Governance section, the Company has established a framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. The committee supports the Board in its overall responsibility for risk management activities and implementing policies to ensure that risks are evaluated, measured and kept under review by way of appropriate KPIs once introduced. Presentations from senior management across the business are provided to the Board to further develop information, understanding and debate on risks.

The Company will continue to improve and evolve its risk management framework by developing and embedding the necessary capabilities within the organisation to support informed risk taking by the business. Management, together with the Board, periodically review and revise risk appetites setting out risks that should be avoided and those that can offer sustainable and positive returns.

**Whistleblowing**

The Company has in place a whistleblowing process whereby an employee of the Company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. Whistleblowing is a standing agenda item for the Audit Committee meetings. The committee is comfortable that the current policy is operating effectively.

**Anti-bribery**

The Company has in place an anti-bribery and anti-corruption policy which sets out its zero-tolerance position and provides information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues. The committee is comfortable that the current policy is operating effectively.

## **Remuneration Committee Report**

### **Remuneration Committee meetings held – 1**

As the Company's shares are quoted on the AIM Market of the London Stock Exchange, it is not required to provide all of the information included in this report. However, we provide disclosures in addition to that which is required by AIM Rule 19 on a voluntary basis to enable shareholders to understand and consider our remuneration arrangements. The Company is committed to high standards of corporate governance, and our remuneration policy and disclosures are designed to reflect this approach.

### **Composition of the Committee and role**

The Committee members are David Hitchcock (as Chair), Andrew McInerney (Non-Executive Director) and Richard Smith (Non-Executive Director). The Executive Directors may attend meetings from time to time at the invitation of the Committee and provide information and support as requested. Directors are excluded from discussion on their own remuneration packages to ensure there is no possible conflict of interest. The activities of the Committee are governed by its terms of reference, which are available from the Company's website. In exercising its role, the Remuneration Committee has regard to the recommendations put forward in the QCA Code and, where appropriate, the QCA Remuneration Committee Guide and associated guidance. The Remuneration Committee determines, on behalf of the Board, the Company's policy for executive remuneration and the individual remuneration packages for Executive Directors.

The Remuneration Committee reviews the incentive and reward packages for the Executive Directors to ensure that they are aligned with the Company's strategic objectives and financial performance:

- are appropriate to attract, retain and motivate executive behaviour in support of the creation of shareholder value; and
- drive continued commitment of executives to the Company's success through appropriate incentive schemes.

FIT Remuneration Consultants prepared the initial benchmarking and advisory report to the Committee. FIT Remuneration Consultants is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the code. The Remuneration Committee met once prior to release of this report during the year, and all Remuneration Committee members were in attendance. The Committee will normally meet at least twice every year.

### **Remuneration policy**

The Company's remuneration policy is designed to attract, motivate and retain high calibre individuals who will contribute fully to the success of the Company. It is intended that this policy conforms with best practice standards commensurate with its size and market listing. The key objectives of the policy are to:

- align executive packages with Company objectives and shareholder interests
- create an appropriate balance between fixed and performance related elements and between short-term and long-term performance

- ensure variable pay elements are based on appropriate performance criteria
- promote a high-performance culture
- support the recruitment, motivation, development and retention of quality people
- align with the expectations of shareholders; and
- ensure appropriate consideration is given to non-financial and sustainability objectives when setting remuneration packages.

<b>Element and link to strategy</b>	<b>Operation</b>	<b>Maximum opportunity</b>	<b>Performance</b>
<i>Benefits</i>			
Provide a competitive level of benefits	Benefits are in line with those offered to other senior management employees and may include medical expenses cover and life insurance cover	The cost of providing these benefits can vary in accordance with market conditions which will, therefore, determine the maximum value	n/a
<i>Pension</i>			
Provide a competitive level of pension benefit	Executive Directors are eligible to receive an employer's pension contribution or a cash supplement	Maximum contribution currently 5% of base salary. This percentage is in line with the pension contribution made by the Company to its workforce	n/a
<i>Annual bonus</i>			
Incentivise and reward the achievement of stretching one-year key performance targets set by the committee at the start of each financial year.	Parameters, performance criteria, weightings and targets are set at the start of each year.  Payments are made in cash following completion of the year, subject to the assessment of performance against targets and the committee retains the discretion to adjust the bonus outcomes to ensure that they reflect underlying business performance.  Awards are subject to malus/ clawback provisions	The maximum bonus opportunity for the CEO and FD is 100% of base salary	Performance measures may include financial, non-financial, personal and strategic objectives.  Performance criteria and weightings may be changed from year to year. At present, the performance target is based on Revenue and Efficiency Ratio which are considered by the committee to be the Company's key financial performance indicators.

### *Non-Executive Director remuneration*

Support recruitment and retention of Non-Executive Directors with the necessary breadth of skills and experience. Provide fees appropriate to time commitments and responsibilities of each role	Non-Executive Directors are paid a base fee in cash, with additional fees payable for chairing a Board committee. Fees are reviewed periodically. In addition, reasonable business expenses may be reimbursed	The cost of providing these benefits can vary in accordance with market conditions which will, therefore, determine the maximum value	n/a
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### **Executive Directors' service contracts**

The CEO entered into a new rolling service contract with the Company on admission to AIM in January 2025 with an indefinite term, but a fixed period of six months' notice of termination. The FD has signed a new service agreement in the year with an indefinite term, but a fixed period of six months' notice of termination.

### **Non-Executive Directors**

The Non-Executive Directors do not have service contracts but have letters of appointment. The appointments are subject to a three-month notice period. Non-Executive Directors' remuneration is approved by the Board.

### **Summary of Director's remuneration (audited)**

The following table sets out the total remuneration of the Directors who served during the financial period to 31 August 2025

#### **Directors' Remuneration (Audited) – Year Ended 31 August 2025**

<b>Director</b>	<b>Salary/Fees (£)</b>	<b>Benefits (£)</b>	<b>Pension (£)</b>	<b>Bonus (£)</b>	<b>LTIP/Options (£)</b>	<b>Total (£)</b>
Paul Reeves (Executive)	121,905	16,898	-	-	-	138,802
Rob Shepherd (Executive) <sup>(1)</sup>	66,536	2,558	-	-	-	69,095
David Hitchcock (NED – Chair)	26,016	-	-	-	-	26,016
Mark Fahy <sup>(2)</sup>	46,667	-	-	-	-	46,667
Kiri Cavill <sup>(3)</sup>	26,250	-	-	-	-	26,250
Daniel Clark <sup>(4)(5)</sup>	5,238	-	-	-	-	5,238
<b>Total</b>	<b>292,610</b>	<b>19,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,067</b>

(1) Received additional £25,000 payment prior to becoming a director

(2) Resigned 29 January 2026

(3) Resigned 17 September 2025

(4) Resigned 30 January 2025

(5) Earned an additional £58,333 in salary post resignation as director

Rob Shepherd was enrolled in the Company pension scheme on 1 November 2025.

## Director's interest in shares

The interest of the Directors as at 23 February 2026 in the shares of the Company were:

Name	Number	% of issued
Paul Reeves	23,354,846	24.3
Rob Shepherd	343,000	0.4
Chris Brooks	56,402	0.1
David Hitchcock	-	-
Richard Smith	-	-
Andrew McInerney	-	-

## Directors' remuneration for the period commencing 1 September 2025

### *Executive Directors*

There will be a no change in Director salaries for FY26. The salaries for CEO and FD will be £200,000 and £150,000 respectively. The FD receives an additional £25,000 salary in his capacity as Company Secretary.

Long-term incentive awards are planned to be granted to the Executive Directors during the year and will operate as set out in the policy table hereunder.

Element and link to strategy	Operation	Maximum opportunity	Performance
<i>Long-term incentive plan</i>			
Incentivise and reward Executive Directors for the delivery of longer-term financial performance and shareholder value. Share-based to provide alignment with shareholder interests	Awards are granted as options or conditional awards which vest after three years subject to the meeting of objective performance conditions specified at award. An additional holding period post vesting may be applied. Awards are subject to malus/ clawback provisions. Dividend equivalents may be added to awards	The maximum annual award for CEO and FD is 100% of base salary	Performance measures may include financial and share price performance-based targets. Performance criteria and weightings may be changed from year to year.  At present, the performance target is based on EBITDA and Cash From Operations which are considered by the committee to be the Company's key financial performance indicators

The measures and targets are yet to be confirmed but will be disclosed in next year's report.

### *Non-Executive Directors*

There will be no increase to the annual fees payable to the Non-Executive Directors for FY26. David Hitchcock's fee is £75,000, the base fee payable to the other non-executives is £40,000, with an additional annual fee of £5,000 payable to each of them for chairing the respective committees.

## **Directors Report**

The Directors present their report and audited Financial Statements for the period ended 31 August 2025.

### **Business review and future developments**

A review of Company performance during the period including key performance indicators, business risks and comments on future developments is given in the Chair's Statement on page 16 and the Strategic Report starting on pages 4 to 12.

### **Results and dividends**

The Company recorded a loss for the financial year of £1.4m (FY24: £0.5m profit). Dividends of £164,000 were paid during the year prior to the IPO in February 2025 (FY24: £565,000). The Directors do not recommend a final dividend.

### **Post Balance Sheet Events**

In October 2025, the Company's management system was recertified by an independent auditor as meeting the requirements of ISO 9001:2015.

As disclosed in the notes to the financial statements, in December 2025, the Company completed an equity fundraising and incorporated SME Procure Ltd as a wholly owned subsidiary to advance the AI marketplace initiative.

Mark Fahy resigned as Non-Executive Chair on 29 January 2026 and was replaced by David Hitchcock, an existing Non-Executive Director, on the same date. Andrew McInerney joined the Board as a Non-Executive Director on the same date.

### **Directors' insurance**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### **Appointment and replacement of Directors**

The rules governing the appointment and resignation of Directors are contained within the Company's Articles of Association. The Articles can be found on the Company's website, [www.rcfornax.co.uk](http://www.rcfornax.co.uk).

### **Political donations**

It is the Company's policy not to make political donations. The Directors confirm that no political donations were made during the period (2024: none)

### **Issued Share Capital**

As at 23 February 2026, the Company had 95,942,718 ordinary shares of £0.0025 each in issue. No shares are held in treasury.

In accordance with AIM Rule 26, the total number of voting rights and percentage not in public hands are disclosed on the Company's website and updated at least every six months.

### **Significant Shareholdings**

As at 23 February 2026, the Company had been notified of the following interests representing 3% or more of the issued share capital:

<b>Shareholder</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of Issued Share Capital %</b>
<b>Paul Reeves</b>	23,354,846	24.3
<b>Daniel Clark</b>	15,103,230	15.7
<b>Unicorn Asset Management</b>	10,672,797	11.1
<b>Puma Investment Management Limited</b>	8,333,333	8.7
<b>Rathbones Investment Management</b>	5,170,033	5.4
<b>Pentwater Capital Management LP</b>	4,933,333	5.1

The Directors are not aware of any other person who, directly or indirectly, holds an interest in excess of 3% of the Company's issued share capital.

### **Employee involvement and equal opportunities**

Employee involvement is encouraged at all levels within the Company and is a key part of the Company culture which contributes towards the success of the business. The Company provides regular communications to staff on corporate strategy and objectives.

The Company is committed to eliminating discrimination in any form and promoting diversity within the workforce and the wider group of stakeholders. Our people should be a reflection of the whole society including our customers and suppliers. Opportunities for training, development and promotion are available to all staff.

### **Corporate Governance**

The Company has signed up to the QCA Code of Conduct. Our Statement on Corporate Governance is included on pages 19 to 21 of the report.

### **Statement of engagement with stakeholders**

Stakeholder relationships are central to our culture and values. We believe in fostering positive relationships with our staff, suppliers, customers and shareholders. Further information on how we engage with our strategic partners are included in our Strategic Report on pages 4 to 12 and also in our Section 172 statement on page 8.

### **Carbon Reduction Plan**

The Company is committed to understanding the impact of our business on the environment and taking all reasonable steps to eliminate or reduce any harms caused by our economic activity. In this regard, the Company published its first Carbon Reduction Plan in accordance with PPN 06/21 and

associated guidance and reporting standard for Carbon Reduction Plans. Emissions were reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting. Scope 1 and Scope 2 emissions were reported in accordance with SECR requirements, and the required subset of Scope 3 emissions were reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

Emissions estimated as at 30 May 2025 were as follows:

- Scope 1: 0 tCO<sub>2</sub>e
- Scope 2: 18 tCO<sub>2</sub>e
- Scope 3<sup>(1)</sup>: 48 tCO<sub>2</sub>e
- Total current emissions: 66 tCO<sub>2</sub>e

*(1) includes business travel for RC Fornax employees only*

#### *Emissions Reduction Targets*

The Company is committed to achieve Net Zero greenhouse gas emissions across Scope 1, 2, and relevant Scope 3 emissions by 2050, in line with UK Government targets and MOD sustainability priorities and aims to reduce total emissions by 50% by 2030. This will be achieved through:

- Adopting a remote/hybrid working policy to reduce staff commuting emissions
- Encouraging employees to purchase electric / hybrid cars when replacing their vehicles
- To the extent possible, switching to 100% renewable electricity across all operational sites
- Minimising non-essential business travel and favouring rail over air travel
- Expanding digital delivery infrastructure to avoid unnecessary on-site presence

#### *Carbon Reduction Initiatives*

Following preparation of this first Carbon Reduction Plan (the “**Plan**”), we are implementing the following:

- Encouraging a remote-first operating model, reducing commuting miles
- Engaging with our office landlords to see whether we can switch to a green energy supplier
- Introducing digital training and compliance platforms for contractors
- Rolling out environmental awareness training across our employees and deployed engineer pool

#### *Governance and Accountability*

- Carbon reduction progress is reviewed quarterly by senior management. Sustainability is embedded in:
  - Contractor onboarding
  - Supplier selection criteria
  - Annual corporate responsibility review

#### **Going concern**

During the period, the Company met its day-to-day working capital requirements through funds raised from equity issued at the time of the IPO plus cash generated from operating activities. The Company's

forecasts and projections, taking account of a severe but plausible change in trading performance, show that the Company should be able to operate using cash generated from operations, and that no additional borrowing facilities will be required. Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

### **Financial risk**

The financial risk management objectives and policies of the Company, including credit risk liquidity risk, foreign currency exchange risk and capital management, are provided in note 4 of the Financial Statements.

### **Future Policy Intentions**

For the year ending 31 August 2026, the Committee intends to maintain a clear and proportionate framework, continue to emphasise financial, strategic and ESG performance, and keep incentive structures under review as the Company evolves.

### **Notice of Annual General Meeting (AGM)**

Details of the matters to be conducted at the AGM will be contained in the Notice of Annual General Meeting which will be communicated separately to shareholders. It is the opinion of the Directors that the passing of AGM resolutions is in the best interest of all shareholders.

### **Disclosure of information to auditors**

The Directors of the Company at the date of approval of this report confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's and Company's auditors are unaware; and
- each Director has taken all reasonable steps they ought to have taken as a director to make themselves aware of any relevant information and to establish that the Company's and Company's auditors are aware of that information.

### **Independent auditor**

A resolution to confirm the appointment of Azets Audit Services Limited will be proposed at the Annual General Meeting.

### **Approval**

The Directors' Report was approved on behalf of the Board on 23 February 2026.

## **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. The Directors have elected under company law and are required by the AIM rules of the London Stock Exchange to prepare the Company Financial Statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also 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. The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Statement of Directors' Responsibilities was approved on behalf of the Board on 23 February 2026.

## **Independent Auditors Report to the members of RC Fornax plc**

### **Opinion on the financial statements**

We have audited the financial statements of RC Fornax PLC (the “**Company**”) for the year ended 31 August 2025 which comprise:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Company Statement of Changes in Equity;
- Company Statement of Cash Flows; and
- The related notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of RC Fornax's affairs as at 31 August 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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 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.

### **Our approach to the audit**

Our audit was scoped by obtaining an understanding of the Company and its environment as a defence company and assessing the risk of material misstatement at a company level. We tailored our approach to the audit to reflect how the company is structured as well as ensuring our audit was both effective and risk focused.

This included the developing controlling environment, the nature of the industry and the Company listing on AIM during the year. In establishing the overall approach to our audit, we assessed the risk of material misstatement, considering the nature, likelihood and potential magnitude of any misstatement. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in the evaluation of the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### **Key audit matters**

Key audit matters are those which, in our professional judgement, were of most significance during the audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed during our audit of the financial statements as a whole, and in forming an opinion thereon, and we do not provide a separate opinion on these matters. We have outlined below a summary of how the scope of our audit addressed each matter. This is not a complete list of all risks identified by our audit.

#### **Description of Key audit matter**

Impact of the Initial Public Offering (IPO)  
Refer to Note 1.1 for the description of Initial Public Offering (AIM Listing) and the basis of preparation of these Financial Statements; Note 27 for the costs of issue deducted accounting treatment.

RC Fornax PLC listed on the Alternative Investment Market (AIM) in February 2025. The accounting for the IPO (Initial Public Offering) involved non-recurring and judgmental transactions, particularly in relation to recognition and classification of share capital, other equity accounts and IPO-related costs. Due to the complexity and one-off nature of these transactions, there is a risk that they may be inaccurately calculated, incompletely recorded, or incorrectly classified in the financial statements.

As a result of the listing, the Company is also required to prepare its financial statements under UK adopted international accounting standards (IFRS) for the first time. The transition to IFRS is pervasive to the financial statements and requires management to apply new accounting policies and make associated judgements. This is the first year in which the Company's IFRS financial statements have been subject to audit. We

#### **Audit Response**

We agreed the costs incurred in relation to the IPO were consistent with that description based on supporting evidence.

We challenged the judgements made by management when allocating the costs incurred in relation to the IPO between equity and profit and loss, including verifying the nature of the items to supporting documentation on a sample basis.

We performed an independent completeness assessment to verify that all IPO-related transactions were identified. We exercised judgement in assessing whether the costs met the criteria for equity treatment, and in determining the completeness of transactions attributable to the IPO. From a completeness perspective, we exercised professional judgement in assessing whether all costs directly attributable to the IPO had been fully identified, captured, and evaluated for appropriate equity classification. Our risk assessment focused on the possibility that certain IPO related costs may not have been recorded, may have been omitted from management's analysis, or may not have been allocated correctly to the transaction.

therefore focused on the appropriateness of the company's accounting policies under IFRS, as well as the completeness and accuracy of the accounting entries and the disclosures.

We considered the risk that incomplete information could lead to understatement of equity classified costs or misclassification within the financial statements. Our procedures were designed to address this completeness risk and ensure that all relevant IPO related transactions were recognised in accordance with the applicable financial reporting framework.

We checked the appropriateness of the disclosures included in the notes to the financial statements to ensure they are consistent with the nature of the transactions undertaken relating to the IPO.

We found, based on the results of our testing, that the accounting entries recognised in relation to the IPO were accurately calculated and recorded, complete, and correctly classified based on the supporting evidence obtained. We also found that the disclosures made in the financial statements were consistent with the supporting evidence obtained.

### **Our application of materiality**

Materiality has been applied as a basis for identifying the scope of our work performed in combination with risk assessment procedures. We set certain quantitative thresholds for materiality, in conjunction with qualitative considerations to help determine the scope of our audit and the nature, timing and extent of our audit procedures. We use materiality both in planning the scope of our audit work and in evaluating the results of our work and evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as follows:

	<b>Company</b>
Overall materiality for Financial Statements	£81,200
Performance materiality	£60,900
Benchmark	2% of Revenue

In determining our benchmark for materiality, we have considered the metrics used by investors and other users of the financial statements. We have determined materiality using the

benchmark of revenue which is a key principal consideration in the performance of the Company.

### **Conclusions relating 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 Company's ability to adopt the going concern basis included:

- Evaluating and assessing the process by which the Company's future cash flow forecasts were prepared,
- Ensuring the mathematical accuracy of the forecasts.
- Obtaining and agreeing the Directors' going concern assessment to the Board-approved budget and ensuring that the base case scenario indicates that the Business is expected to generate sufficient cash to meet its liabilities as they fall due.
- Evaluating the Directors' severe but plausible scenarios and ensuring this is appropriately modelled.

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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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 and the Directors' Report.

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

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

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 35, 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 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.

### **Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This assessment includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud. We identified a heightened fraud risk in relation to the occurrence of revenue and management override of controls.

*Laws and regulations of direct Significance in the context of the company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation.*

In response to the risk of irregularities and noncompliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud,
- Reviewing minutes of meetings of those charged with governance,
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries at the company level and other adjustments for appropriateness, understanding and evaluating the Business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- For a selection of revenue transactions throughout the year, we assessed whether the revenue recognition was appropriate by vouching to supporting documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **Other Matter**

The comparative information presented for the year ended 31 August 2024 was not audited. Accordingly, we do not express an opinion on the comparative information.

## **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 Report of the Auditors 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.

*Azets Audit Services Limited*

Duncan Stratford (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

One Temple Quay

Temple Back East

Bristol

BS1 6DZ

24 February 2026

## Statement of Comprehensive Income

For the Year ended 31 August 2025

Item	Note	2025 Audited £	2024 Unaudited Restated £
Revenue	5	4,069,444	6,439,561
Cost of sales		(3,118,758)	(4,876,403)
<b>Gross profit</b>		950,686	1,563,158
Administrative expenses		(2,217,490)	(780,844)
Exceptional items	6	(124,000)	-
<b>Operating (loss)/profit</b>	7	(1,390,804)	782,314
Investment income	11	374	-
Finance costs	12	(164,149)	(58,201)
Impairment of other financial assets	13	(33,874)	
<b>(Loss)/profit before taxation</b>		(1,588,453)	724,113
Taxation (income) / expense	14	205,411	(205,411)
<b>(Loss)/profit and total comprehensive income for the year</b>		(1,383,042)	518,702

	Notes	2025 £	2024 £
<b>Losses per share</b>	16		
Basic		(0.04)	757.23
Diluted		(0.04)	757.23

The Company had no items of other comprehensive income or expenditure during the current or prior year. Accordingly, a separate Statement of Other Comprehensive Income has not been presented.

## Statement of Financial Position

As at 31 August 2025

Item	Notes	2025 Audited £	2024 Unaudited Restated £
<b>Non-current assets</b>			
Intangible assets	17	62,041	-
Property, plant and equipment	18	763,672	5,597
Right-of-use assets	18	388,796	72,160
		1,214,509	77,757
<b>Current assets</b>			
Trade and other receivables	20	1,185,337	832,230
Current tax recoverable		207,124	-
Cash and cash equivalents		891,563	612,448
		2,284,024	1,444,678
<b>Current liabilities</b>			
Trade and other payables	23	884,911	665,397
Current tax liabilities		-	205,411
Borrowings	22	323,056	521,766
Lease liabilities	24	135,800	31,512
		1,343,767	1,424,086
<b>Net current assets</b>		940,257	20,592
<b>Non-current liabilities</b>			
Trade and other payables	23	-	12,771
Lease liabilities	24	290,754	37,963
		290,754	50,734
<b>Net assets</b>		1,864,012	47,615
<b>Equity</b>			
Called up share capital	26	143,114	12
Share premium account	28	3,319,958	-
Retained earnings		(1,599,060)	47,603
<b>Total equity</b>		1,864,012	47,615

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the Board of Directors and authorised for issue on 23 February 2026 and are signed on its behalf by:

*Paul Reeves*

.....  
P Reeves

**Director**

Company registration number 12795371 (England and Wales)

## Statement of Changes in Equity

For the Year ended 31 August 2025

	Notes	Share capital £	Share premium £	Retained earnings £	Total £
<b>As restated for the period ended 31 August 2024:</b>					
<b>Balance at 1 September 2023</b>		10	-	98,600	98,610
Transition and restatement adjustments		-	-	(5,134)	(5,134)
<b>As restated</b>		10	-	93,466	93,476
<b>Year ended 31 August 2024:</b>					
Profit and total comprehensive income		-	-	518,792	518,702
Transactions with owners:					
Issue of share capital	<b>26</b>	2	-	-	2
Dividends	<b>15</b>	-	-	(564,565)	(564,565)
<b>Balance at 31 August 2024</b>		12	-	47,603	47,615
<b>Year ended 31 August 2025:</b>					
Loss and total comprehensive income		-	-	(1,383,042)	(1,383,042)
Transactions with owners:					
Issue of share capital	<b>26</b>	43,106	3,319,958	-	3,363,064
Bonus issue	<b>26</b>	99,996	-	(99,996)	-
Dividends	<b>15</b>	-	-	(163,625)	(163,625)
<b>Balance at 31 August 2025</b>		143,114	3,319,958	(1,599,060)	1,864,012

## Statement of Cash Flows

For the Year ended 31 August 2025

Item	Notes	2025	2024
			Unaudited Restated
		£	£
<b>Cash flows from operating activities</b>			
Cash (absorbed by)/generated from operations	30	(1,396,087)	479,428
Interest paid		(163,775)	(58,201)
Income taxes paid		(207,124)	(104,291)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(1,766,986)</b>	<b>316,936</b>
<b>Investing activities</b>			
Purchase of intangible assets		(62,041)	-
Purchase of property, plant and equipment		(848,282)	(6,242)
<b>Net cash used in investing activities</b>		<b>(910,323)</b>	<b>(6,242)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		3,363,064	
Repayment / receipt of business finance loans		(198,710)	323,305
Payment of lease liabilities		(44,305)	(30,428)
Dividends paid		(163,625)	(565,565)
<b>Net cash used in financing activities</b>		<b>2,956,424</b>	<b>(271,688)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>279,115</b>	<b>39,006</b>
Cash and cash equivalents at beginning of year		612,448	573,442
Cash and cash equivalents at end of year		891,563	612,448

# Notes to the Financial Statements

## For the Year Ended 31 August 2025

### 1 Accounting policies

#### Company information

RC Fornax PLC is a public company limited by shares incorporated in England and Wales. The registered office is 220 Aztec West, Almondsbury, Bristol, BS32 4SY. The Company's principal activities and nature of its operations are disclosed in the Strategic Report.

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The business was listed on AIM during the period, so it re-registered as a public company. It was decided that the business would adopt IFRS as part of this so has transitioned from UK GAAP, which has been applied retrospectively meaning that the comparatives have been restated.

#### 1.2 Going concern

The Company raised an additional £2.1m in equity funds in December 2025 to fund additional working capital and further invest in R&D in relation to an AI tool being developed. Forecasted revenue is expected to be higher as a result of this, and the business anticipates being cash flow positive by summer 2027. Due to this, the Directors deem it appropriate that the financial statements are prepared on a going concern basis.

#### 1.3 Revenue

Revenue is recognised in accordance with IFRS 15 when the Company satisfies its performance obligations by transferring control of services to the customer. Our contracts generally contain a single performance obligation: the provision of engineering consultancy services under framework agreements or stand-alone purchase orders.

##### *Timing of revenue recognition*

- Time & Materials contracts: Revenue is recognised over time, as customers benefit as services are performed. Progress is measured using an input method based on hours worked at agreed rates.
- Outcomes-based or milestone contracts: Revenue is recognised at a point in time, when defined milestones are completed and control transfers to the customer.

### *Principal vs agent*

The Company acts as principal in all contracts, as it controls and is responsible for delivering the services. Revenue is therefore recognised on a gross basis.

### *Contract modifications*

Contract variations are assessed under IFRS 15 to determine whether they create a separate performance obligation or modify the existing one, with revenue adjusted prospectively or cumulatively as required.

### *Contract balances*

- Contract assets (accrued revenue): Arise when services have been delivered but invoicing is not yet unconditional.
- Trade receivables: Recognised when invoices are issued.
- Contract liabilities (deferred revenue): Arise when consideration is received in advance of providing services.

Movements between contract assets and liabilities primarily reflect timing differences between service delivery and billing.

## **1.4 Intangible assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Software assets are recognised as intangible assets and are amortised on a straight-line basis over their estimated useful economic lives, which range from three to five years.

## **1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over lease term
Fixtures and fittings	20% straight line
Computers	33.3% straight line
Motor vehicles	Over lease term

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

## **1.6 Impairment of tangible and intangible assets**

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the

extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### **1.8 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

#### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

#### ***Impairment of financial assets***

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### **1.9 Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 1.13 Leases

### *As lessee*

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently adjusted for remeasurements of the lease liability and applies the relevant cost model, fair value model or revaluation model as set out within the accounting policies for the applicable asset class. Where the cost model is applied, the asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, and is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is reassessed at each financial period end to reflect lease modifications and any changes to the factors considered at initial measurement, as set out above. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

### **1.14 Exceptional Items**

Exceptional items are material income or expenditure that, due to their nature or size, require separate disclosure in order to present a clearer understanding of the Company's financial performance.

Exceptional items are recognised within profit or loss but are disclosed separately on the face of the income statement or in the notes to the financial statements, as appropriate.

Items that may be classified as exceptional include significant settlement costs, legal expenses arising from one-off disputes, restructuring costs, impairment charges, or other non-recurring transactions that are not considered to form part of the ordinary activities of the business.

For the current financial year, exceptional items comprise the settlement and associated legal costs related to a dispute with a former director.

## **2. Adoption of new and revised standards and changes in accounting policies**

IFRS has been adopted by the business for the first time in the current period. This has been applied retrospectively so there has been restatements to the prior period figures. A full list of restatements is included in note 31.

## **3 Critical accounting estimates and judgements**

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 only significant estimate and judgement applied in preparing the FY25 financial statements relates to the provision recognised for property dilapidation costs associated with the Company's leased office in Bristol. The Directors have estimated a dilapidation obligation of £115,000, reflecting their best assessment of the costs expected to be incurred to restore the premises to the condition required under the lease at the end of the tenancy. This estimate involves judgement due to uncertainties regarding the scope of remedial works required and the timing of the lease exit. The provision will be reassessed annually as new information becomes available.

Additionally, the provision should also be discounted. Depending on the discount rate used, this amounts to between £70k and around £85k current for discount rates between 13% and 8% respectively.

## 4 Financial Risk Management

### *Credit risk*

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

### *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

## 5. Revenue

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Revenue analysed by class of business</b>		-
Service contracts	4,069,444	6,439,561
	<hr/>	<hr/>
<b>Major customers</b>		
Customer A	912,428	2,704,616
Customer B	1,380,841	2,060,660
Customer C	536,770	772,747
Customer D	883,608	-
	<hr/>	<hr/>
	<b>3,713,647</b>	<b>5,538,023</b>
	<hr/> <hr/>	<hr/> <hr/>

Above is a summary of the revenue generated from customers who accounted for more than 10% of total revenue.

## 6. Exceptional items

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Expenditure</b>		
Exceptional costs – staff settlements	124,000	
	<hr/> <hr/>	

During the year, the Company incurred a non-recurring legal settlement cost (including legal fees) of £124,000, relating to the resolution of a claim brought against the Company in respect of former employee litigation.

In accordance with IAS 1 Presentation of Financial Statements, the settlement cost has been recognised within administrative expenses in the consolidated statement of profit or loss, as it represents an item of expenditure arising from the Company’s operating activities. IFRS does not permit classification as “extraordinary”, and therefore the cost is included within ordinary operating expenses but disclosed separately due to its size, nature, and infrequency.

Consistent with IASB guidance on unusual or infrequent items, the Company provides separate disclosure of this item to assist users in understanding the Company’s underlying financial performance, while still attributing the item to the relevant line in the statement of profit or loss.

No further obligations remain in relation to this settlement, and the expense is considered fully resolved in the current period.

## 7. Operating (loss) / profit

	2025	2024
Operating (loss) / profit for the year is stated after charging / (crediting):	£	£
		-
Depreciation of property, plant and equipment	<u>174,955</u>	<u>31,540</u>

## 8. Auditor’s remuneration

	2025	2024
Fees payable to the Company’s auditor and associates:	£	£
<b>For audit services</b>		
Audit of the financial statements of the Company	<u>43,500</u>	<u>-</u>

## 9. Employees

The average monthly number of persons (including directors) employed by the Company during the year was:

	2025	2024
Total	<u>17</u>	<u>11</u>

Their aggregate remuneration comprised:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,233,156	361,445
Social security costs	129,725	30,769
Pension costs	12,041	6,476
	<u>1,374,922</u>	<u>398,690</u>

#### 10. Directors' remuneration

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>312,066</u>	<u>25,140</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>121,904</u>	<u>-</u>

There were no share-based payments during the period.

Taxable benefits comprise the provision of a company vehicle, private medical insurance and other minor benefits. A total of £19,456 was incurred during the period and is included in the total remuneration above.

#### 11. Investment income

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Financial instruments measured at amortised cost:		
Other interest income on financial assets	<u>374</u>	<u>-</u>

Income above relates to assets held at amortised cost, unless stated otherwise

## 12. Finance Costs

	2025	2024
	£	£
Interest on lease liabilities	27,541	7,255
Other interest payable	136,608	50,946
Total interest expense	<u>164,149</u>	<u>58,201</u>

## 13. Impairment of other financial assets

	2025	2024
	£	£
Amounts written off current loans	<u>(33,874)</u>	<u>-</u>

## 14. Taxation (income) / expense

The charge for the year can be reconciled to the (loss) / profit per the income statement as follows:

	2025	2024
	£	£
(Loss) / profit before taxation	(1,588,453)	724,113
Expected tax (credit) / charge based on a corporation tax rate of 25.00% (2024 25.00%)	(397,113)	181,028
Effect of expenses not deductible in determining taxable profit	9,505	7,549
Change in unrecognised deferred tax assets / liabilities	180,484	(645)
Adjustment in respect of prior years	-	19,192
Under / (over) provided in previous years	1,713	(1,713)
Taxation (credit) / charge for the year	<u>(205,411)</u>	<u>205,411</u>

## 15. Dividends

	2025	2024	2025	2024
	per share	per share	Total	Total
	£	£	£	£
Amounts recognised as distributions:				
<b>Ordinary shares</b>				
Interim dividend paid	136.35	470.47	163,625	564,565

The Company paid interim dividends on ordinary shares during the year amounting to £163,625 (2024: £564,565), equivalent to £136.35 per share (2024: £470.47 per share).

These interim dividends were declared by the founder directors prior to the Company's IPO. In determining the availability of reserves to support these distributions, the directors prepared and reviewed monthly management accounts which evidenced that the Company had positive distributable reserves at the time each interim dividend was approved.

During the month immediately preceding the IPO, and in the period following the IPO, the Company's reserves moved into a negative position. In line with the statutory requirement that distributions may only be made from accumulated realised profits, no further dividends were declared or paid once reserves were no longer positive.

## 16. Losses per share

Basic and diluted losses per share are calculated by dividing the losses attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period. At 31 August 2025, the total number of potentially dilutive shares under warrant agreements issued at the time of the IPO was 1,116,988 (2024: 0). The calculation of basic loss per share is based on the following data:

	31 August 2025	31 August 2024
<b>Number of shares</b>		
Weighted average number of ordinary shares for basic losses per share	34,289,358	685
Effect of dilutive potential ordinary shares (note – will not apply for losses):		
- Weighted average number of outstanding share options	3,836	-
Weighted average number of ordinary shares for diluted earnings per share	34,293,194	685
	<b>2025</b>	<b>2024</b>
	£	£
<b>Earnings</b>		
<b>Continuing operations</b>		
Loss/profit for the period from continued operations	(1,383,042)	518,702

	2025	2024
	£	£
<b>Earnings per share for continuing operations</b>		
Basic earnings per share	(0.04)	757.23
Diluted earnings per share	(0.04)	757.23

## 17. Intangible assets

	AI tool
	£
<b>Cost</b>	
Additions – purchased	62,041
At 31 August 2025	62,041
<b>Carrying amount</b>	
At 31 August 2025	62,041

Software assets are recognised as intangible assets and are amortised on a straight-line basis over their estimated useful economic lives, which range from three to five years. Useful lives are reviewed annually and adjusted where appropriate to reflect technological developments, system upgrade cycles, and the expected period of economic benefit.

## 18. Property, plant and equipment

	Leasehold land and buildings	Fixtures and fittings	Computers	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
As at 1 September 2023	-	-	10,583	25,814	36,397
Additions	39,525	6,177	65	35,185	80,952
As at 31 August 2024	39,525	6,177	10,648	60,999	117,349
Additions	371,077	794,870	53,412	30,307	1,258,884
As at 31 August 2025	410,602	801,047	64,060	91,306	1,367,015

	Leasehold land and buildings	Fixtures and fittings	Computers	Motor Vehicles	Total
	£	£	£	£	£
<b>Accumulated depreciation and impairment</b>					
As at 1 September 2023	-	-	7,335	717	8,052
Charge for the year	10,979	1,103	2,790	16,668	31,540
As at 31 August 2024	10,979	1,103	10,125	17,385	39,592
Charge for the year	63,081	81,495	8,712	21,667	174,955
As at 31 August 2025	74,060	82,598	18,837	39,052	214,547

#### Carrying amount analysed between owned assets and right-of-use assets

##### As at 31 August 2025

Owned assets	-	718,449	45,223	-	763,672
Right-of-use assets	336,542	-	-	52,254	388,796
	336,542	718,449	45,223	52,254	1,152,468

##### As at 31 August 2024

Owned assets	-	5,074	523	-	5,597
Right-of-use assets	28,546	-	-	43,614	72,160
	28,546	5,074	523	43,614	77,757

Property, plant and equipment includes right-of-use assets as follows:

Right-of-use assets	2025	2024
	£	£
<b>Net values at the year end</b>		
Property	336,542	28,546
Motor vehicles	52,254	43,614
	<u>388,796</u>	<u>72,160</u>
<b>Depreciation charge for the year</b>		
Property	63,081	10,979
Motor vehicles	21,667	16,668
	<u>84,748</u>	<u>27,647</u>

#### Charge over Assets

In 2021, the Company established an invoice discounting facility and, in connection with this arrangement, granted a fixed and floating charge over the Company's assets. The facility was

undrawn throughout the period and the balance outstanding at the year-end was £nil. The charge associated with the facility continues to remain in effect.

## 19. Contracts with customers

	2025	2024	2023
<b>Balances relating to contracts in progress</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contract assets included in trade and other receivables	-	19,541	141,390
Contract liabilities included in trade and other payables	15,602	-	-

The contract assets relate to the Company's rights to consideration for work completed but not billed at the reporting period end date. The contract assets are transferred to receivables when the rights become unconditional, which usually occurs when the company issues an invoice to the customer. No impairment losses were recognised on any contract assets in the reporting period.

The contract liabilities relate to the advanced consideration received from customers. The amount recognised as a contract liability will generally be utilised within the next reporting period.

## 20. Trade and other receivables

	2025	2024
	£	£
Trade receivables	815,083	732,470
VAT Recoverable	292,767	-
Other receivables	1,202	34,288
Prepayments	76,285	65,472
	<u>1,185,337</u>	<u>832,230</u>

## 21. Trade receivables – credit risk

### Fair value of trade receivables

The Director's consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

## Expected credit loss assessment

	2025			2024		
	Balance	Rate	Loss allowance	Balance	Rate	Loss allowance
Trade receivables	£	%	£	£	%	£
Not past due	712,901	-	-	595,248	-	-
Past due 1-30 days	16,128	-	-	15,718	-	-
Past due 31-60 days	34,264	-	-	15,718	-	-
More than 60 days	51,790	-	-	90,045	-	-
	<u>815,083</u>		<u>-</u>	<u>732,470</u>		<u>-</u>

Certain trade receivable balances were past due at the reporting date; however, all were subsequently recovered in full. Based on historical collection performance, the credit quality of customers and subsequent cash receipts, the Company assessed credit risk as low and determined that no expected credit loss allowance was required.

## 22. Borrowings

	2025	2024
	£	£
<b>Borrowings held at amortised cost:</b>		
Business finance loan	323,056	521,766

### Business Finance Loan

In February 2023, the Company entered into a business finance facility to support working capital needs. The loan is structured as a series of fixed monthly repayments of principal and interest and is scheduled to mature in September 2026.

As at 28 February 2026, the total principal to be repaid over the remaining term of the facility is approximately £189,000 with monthly repayments comprising a fixed principal component and a reducing interest charge. Based on the contractual repayment profile, the loan carries an implied Annual Equivalent Rate (AER) of approximately 39.6%, calculated using the effective interest method applied to the full schedule of expected cashflows, including all contractual interest payments.

Interest expense is recognised in the profit and loss account using the effective interest rate over the life of the loan. The outstanding balance at each reporting date represents the loan's amortised cost.

As a condition of the facility, the founder directors have provided personal guarantees and indemnities in favour of the lender in respect of the Company's obligations. These guarantees remain effective until all amounts due under the facility have been fully discharged.

The Company is required to meet all scheduled repayments over the term of the facility. The loan is unsecured at the Company level and does not contain financial covenants or early repayment

penalties (other than those contained in the lender’s standard terms, where applicable). Management expects to meet all obligations as they fall due.

### 23. Trade and other payables

	Current		Non-current	
	2025	2024	2025	2024
	£	£	£	£
Trade payables	427,795	387,748	-	-
Accruals	144,258	89,302	-	-
Social security and other taxation	280,183	29,478	-	-
Other payables	32,675	158,869	-	12,771
	<u>884,911</u>	<u>665,397</u>		<u>12,771</u>

### 24. Lease liabilities

	2025	2024
	£	£
<b>Net amounts due:</b>		
Within one year	135,800	31,512
After more than one year	290,754	37,963
	<u>426,554</u>	<u>69,475</u>
	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Maturity analysis of future lease payments</b>		
Within one year	135,800	31,512
In two to five years	290,754	37,963
Total undiscounted liabilities	<u>426,554</u>	<u>69,475</u>

Leases comprise of motor vehicles and property rental leases that have been recognised as right of use assets and liabilities under IFRS 16. The future lease payments have been discounted to present value, and the interest on which is to be unwound over the lease terms.

Interest of £27,541 (FY24: £7,255) has been recognised in the profit & loss in relation to the right-of-use assets.

In addition, the Company recognises a provision for dilapidation costs associated with its main office building. This represents the present value of the estimated costs required to restore the leased

premises to the condition specified in the lease agreement. The provision is recognised in accordance with IAS 37 and forms part of the initial measurement of the related right-of-use asset, with subsequent unwinding of the discount recognised as a finance cost.

## 25. Retirement benefit scheme

	2025	2024
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	12,041	6,476

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

## 26. Share capital

	2025	2024	2025	2024
	Number	Number	£	£
<b>Ordinary share capital issued and fully paid</b>				
0.0025p 2025 / 0.010p 2024	57,245,587	1,200	143,114	12

### Reconciliation of movements during the year:

	Ordinary Number
At 1 September 2024	1,200
Issue of fully paid shares	57,240,787
Subdivision of shares	3,600
At 31 August 2025	57,245,587

On 13 January 2025, there was a subdivision of existing shares from 1p per share to 0.35p per share, so shares in issue went from 1,200 to 4,800.

On 13 January 2025, there was an issue of 39,998,400 shares at 0.25p per share which increased share capital by £99,996.

On 5 February 2025, upon listing on AIM, there was an issue of 15,846,153 shares at 32.5p per share which increased share capital by £39,615 and share premium by £5,110,384. There were costs of £1,790,426 which were directly attributable to the share issue so this has been offset against the share premium account, leaving a net £3,319,958 in share premium.

On 20 March 2025, there was an exercise of warrants which led to an additional 1,396,234 shares issued at nominal value of 0.25p per share, so this increased share capital by £3,491.

## 27. Share premium account

	2025	2024
	£	£
At the beginning of the year	-	-
Issue of new shares	5,110,384	-
Costs of issue	(1,790,426)	-
At the end of the year	<u>3,319,958</u>	<u>-</u>

## 28. Options and Warrants

There is a total of 1,596,702 Warrants over Ordinary Shares in issue or outstanding, set out in the table below:

Number of Warrants	Percentage of Enlarged Share Capital	Exercise Price Per Warrant £
1,116,988	1.1%	0.325
479,714	0.5%	0.060
1,596,702	1.6%	

## 29. Capital risk management

### *Objectives*

The Company's objectives when managing capital are to:

- Safeguard the Company's ability to continue as a going concern.
- Maintain an optimal capital structure to support disciplined growth and investment.
- Provide a stable return to shareholders through a balanced approach to dividends and reinvestment.
- Comply with any externally imposed capital requirements (e.g., lender covenants).

### *Definition of capital*

For capital management purposes, the Company defines capital as equity (comprising issued share capital, share premium, retained earnings and other reserves) plus net debt, where net debt is borrowings less cash and cash equivalents.

### *Policies and processes*

Capital is managed through a combination of:

- Planning and forecasting: rolling 12–24-month cash flow forecasts and scenario analysis to assess funding needs and headroom.
- Funding mix: balancing equity and debt to minimise the overall cost of capital while preserving flexibility (e.g., revolving credit facilities for working capital and term debt for long-term assets).

- Dividend policy: distributions are considered after ensuring sufficient liquidity and investment capacity, with regard to covenant headroom and medium-term growth plans.
- Covenant discipline: ongoing monitoring of financial covenants and early engagement with lenders where appropriate.
- Liquidity buffers: maintaining minimum cash headroom and committed undrawn facilities against downside scenarios.

#### *Externally imposed capital requirements*

The Company is not subject to capital requirements under its financing arrangements.

#### *Changes during the year*

There were no changes in the Company's approach to capital management during the year.

### **30. Cash (absorbed by) / generated from operations**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
(Loss) / profit for the year before taxation	(1,588,453)	724,113
<b>Adjustments for:</b>		
Finance costs	163,775	58,201
Depreciation and impairment of property, plant and equipment	174,955	31,540
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(353,106)	(468,546)
Increase in trade and other payables	206,742	134,120
<b>Cash (absorbed by) / generated from operations</b>	<b>(1,396,087)</b>	<b>479,426</b>

### **31. Transition adjustments and prior year restatements**

		<b>1 September 2023</b>	<b>31 August 2024</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Equity as previously reported		96,610	129,515
Adjustments arising			
Restatement of leases	<b>1</b>	(96)	2,684
Restatement to include holiday accrual	<b>2</b>	(1,484)	(1,541)
Correction of share capital		-	2
Business loan omitted	<b>3</b>	(3,554)	(5,408)

Sales revenue incorrectly included	4	-	(14,950)
Closing invoice financing liability misstated	5	-	(62,687)
Equity as restated		<u>93,476</u>	<u>47,615</u>

## Reconciliation of profit for the financial period

	Notes	31 August 2024 £
Profit as previously reported		595,470
Adjustments arising		
Restatement of leases	1	2,780
Restatement to include holiday accrual	2	(57)
Business loan omitted	3	(1,854)
Sales revenue incorrectly included	4	(14,950)
Closing invoice financing liability misstated	5	(62,687)
Profit as restated		<u>518,702</u>

## Notes to reconciliations

### 1 Restatement of leases

The prior year financial statements were prepared on UK GAAP which meant that operating leases were expensed to the profit and loss account. This year the company transitioned to IFRS and under IFRS 16, certain leases are required to be presented on the balance sheet as a right of use asset with an accompanying lease liability. The comparatives have been restated as required.

### 2 Restatement to include holiday accrual

Under IAS 19, short-term employee benefits are recognised in the period in which the employee renders the service, and any unpaid benefit is recognised as a liability. As the business has transitioned to IFRS, the comparatives have been restated to include this liability.

### 3 Business loan omitted

A business loan was received in 2021 which was incorrectly classified as a director's loan, as were the loan repayments. The prior period figures have been restated to introduce this loan, the repayments and the interest charged to date. The balance of the loan has been allocated to the directors' loan account which corrects the cumulative position.

#### **4 Sales revenue incorrectly included**

A sales invoice was included in revenue and trade receivables in the prior year, but this invoice was credited so shouldn't have been included. The prior period figures have been restated so that revenue is accurate year on year.

#### **5 Closing invoice financing liability misstated**

The Company had invoice financing facilities in place during the previous year, and this account was closed during the current financial year. Upon completing the final reconciliations when the account was closed, it was noted that the closing liability was misstated in the previous financial year due to some sales invoices being incorrectly included. The prior period figures have been restated to remove those invoices and correct the closing financing position.

### **32. Subsequent Events**

#### **Fundraising**

Subsequent to the year end, the Company announced on 17 November 2025 the successful completion of a fundraising comprising a placing with institutional investors (the "**Placing**") and a retail offer via the RetailBook platform (the "**Retail Offer**"), as originally announced on 14 November 2025.

The fundraising raised gross proceeds of £2.25m from the Placing and £0.07m from the Retail Offer, all at an issue price of 6 pence per new ordinary share. Admission of the new ordinary shares to trading on AIM became effective on 8 December 2025, and the new ordinary shares rank pari passu with the existing ordinary shares of the Company.

The net proceeds of the fundraising are intended to be used to support the continued development of the Company's SME Procure and Smart Suite platforms and to provide working capital to support anticipated contract wins, as previously announced.

The fundraising occurred after the Company's balance sheet date of 31 August 2025 and represents a non-adjusting post balance sheet event in accordance with IAS 10. Accordingly, no adjustments have been made to the financial statements for the year ended 31 August 2025.

As described in Note 1.2 – Going Concern, the Directors have taken into account the successful completion of this fundraising when assessing the Company's liquidity position and the availability of committed funding over the going concern assessment period.

#### **New Subsidiary**

Subsequent to the year end, the Company incorporated SME Procure Ltd as a wholly owned subsidiary to advance the Company's AI marketplace initiative.

### **33. Related Party Transactions**

#### **Key Management Personnel Compensation**

Key Management Personnel ("**KMP**") are defined as those individuals who have authority and responsibility for planning, directing and controlling the activities of the Company. This includes the Executive Directors, Non-Executive Directors, and members of the senior leadership team.

The compensation of KMP for the year was as follows:

<b>Salary/Fees (£)</b>	<b>Benefits (£)</b>	<b>Pension (£)</b>	<b>Bonus (£)</b>	<b>LTIP/Options (£)</b>	<b>Total (£)</b>
448,984	21,182	2,201	21,375	-	472,076

Only one member of Key Management Personnel served at the Company during FY24, and this was under a contractual arrangement that differs from the current period. As such, no comparative disclosure has been presented, as a comparison to the prior year would not be meaningful.

#### **34. Directors' transactions**

During the year, advances were made to directors for £33,500, of which interest of £374 was charged. It was agreed that these loans would be waived before the period end so a total of £33,874 was written off.