

The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.

Aeorema Communications plc / Index: AIM / Epic: AEO / Sector: Media

11 November 2024

Aeorema Communications plc
('Aeorema', 'the Company' or 'the Group')

Final Results

Aeorema Communications plc (AIM: AEO), a leading strategic communications group, is pleased to announce its audited results for the year ended 30 June 2024 ("FY2024").

OVERVIEW

- Reported record revenue of £20.3m and a profit before tax ('PBT') of £437,000 for the financial year ending 30 June 2024 (FY2023: £20.2m and £1.0m respectively)
- Investments made in recent years have helped the Group respond to market shifts and strengthen client relationships.
- Expanded presence into Austin, Texas: a growing technology hub, targeting U.S. domestic events like SXSW.
- Maintained a strong cash position with £1.7m in the bank at the date of this announcement.
- Proposing a final dividend of 3 pence per share (FY2023: 3 pence per share), pending shareholder approval.

POST PERIOD END

- Began implementing a cost-reduction and rebalancing programme to create a more efficient and focused operating model.
- Secured foothold at the Global Economic Forum in Davos in January 2025, which is expected to open new opportunities and widen access to financial and professional service sectors.
- Continued growth at Cannes Lions International Festival of Creativity 2025 ("Cannes Lions"). Expecting exceptional project retention year on year, net new client wins and further embedding across client and local partnerships.

For further information on the Company please visit www.aeorema.com or contact:-

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CHAIRMAN'S STATEMENT

I am pleased to present my Chairman's Statement for the financial year ended 30 June 2024.

Despite a challenging economic climate, Aeorema has demonstrated resilience and agility, supported by the strong foundation we have built in recent years. This year, we report revenue of £20.3m and a profit before tax ('PBT') of £437,000, compared with £20.2m and £1.0m respectively for last year. This reduction in PBT reflects industry-wide margin pressures driven by a combination of high inflation on third-party costs, wage inflation, and talent shortages, with client budgets unable to absorb these increased costs in the short term. However, it should be noted that our final results show a slight improvement on the figures we forecast in our recent trading update, which reflects an improving trend observed towards the end of the financial year.

In response to the challenges faced during the year, we have undertaken necessary adjustments to align our operating model with current market realities. This includes developing a programme to reduce and rebalance costs between the first and second

with current market realities. This includes developing a programme to reduce and rebalance costs between the first and second halves of our financial year, and improve operational efficiency. We began implementing this programme after the year end and I am pleased to report that it is already delivering benefits and putting us in a stronger financial position with a more focused, efficient operating model. The full benefit of this programme is expected to be realised by the end of the financial year ending 30 June 2025.

During the year, our clients have faced difficult market conditions which have shifted their approach to project planning. Some have postponed projects, while others have experienced prolonged decision-making processes. Nonetheless, Aeorema's resilience and the investments made in recent years have allowed us to enhance efficiencies, respond to market shifts, offer more strategic and creative solutions, and deepen relationships with our loyal and growing client base. Throughout, we have maintained the high standards of service that our clients expect and trust which is a testament to the hard work and adaptability of our talented employees, and the strong and experienced leadership of our senior team. I would like to thank everyone for their support and contributions during the year.

Cannes Lions continues to be a cornerstone of our success. Early signs indicate that the 2025 event will once again see us delivering best-in-class creative activations in the South of France for multiple returning clients, further strengthening our leadership at this premier industry gathering. Building on our success at Cannes Lions, we are focused on expanding our strategic and creative offerings to other key events, which allow us to showcase our expertise on a global stage and deepen our impact within the industry.

Accordingly, we are excited to announce that, for the first time, we will have a presence at the Global Economic Forum in Davos in January 2025. Securing a foothold at this prestigious global event is a significant milestone for Aeorema, and we anticipate it will provide further opportunities.

The U.S. market is a continued priority for Aeorema and our U.S. team at Cheerful Twentyfirst Inc. works closely with our UK team. This has resulted in the Group securing an impressive roster of U.S. based clients which, we feel, fully justifies the cost of us entering the U.S market. In addition to our New York office, we have recently established a presence in Austin, Texas, a vibrant technology hub that aligns with our capabilities. Austin also hosts South by Southwest ('SXSW'), an annual conglomeration of parallel film, interactive media, music and conferences, and presents another growing global event where we see considerable opportunities.

As we approach the second half of the new financial year, we await the finalisation of several contracts and the scheduling of new opportunities. We will update the market as developments unfold.

Aeorema has maintained a strong cash position, with cash balances of £1.7m as of the date of this announcement. Consequently, I am delighted to propose a final dividend of 3 pence per share, reflecting the progress we've made in difficult markets and our confidence in the future. We also remain open to sensibly priced acquisition opportunities that align with our business and deliver value to our shareholders. Subject to shareholder approval at the upcoming Annual General Meeting ("AGM"), the dividend will be paid on 20 January 2025, with a record date of 27 December 2024 and an ex-dividend date of 24 December 2024.

As previously announced, Hannah Luffman, a Non-Executive Director of the Company, will also be stepping down from the Board ahead of the Company's 2024 AGM. Having originally joined the Company in May 2020, Hannah was appointed to the Board in December 2021, and it has been a pleasure working with her. On behalf of myself and the Board, I would like to thank Hannah for her hard work and contribution to Aeorema's growth over the last few years. We wish her all the best in her future endeavours.

In closing, while economic pressures persist for many of our clients, we anticipate greater stability in the near term, especially after key national elections in our biggest operating markets. We are therefore cautiously optimistic for FY2025 and believe that the most uncertain times may be behind us. Finally, I would like to thank our investors for their ongoing trust and support. We look forward to the year ahead with increased confidence as we continue to build on the strong platform we have established in recent years.

Mike Hale
Chairman

8 November 2024

CHIEF EXECUTIVE'S REPORT

As our Chairman noted, this has been a period of significant change, not only for our company but also for our clients. Many have faced economic challenges and uncertainties, resulting in adjustments to project planning and scheduling across the board including some postponements and prolonged decision-making processes. Despite this, we remain cautiously optimistic as we head into 2025, confident that our adaptability and innovation will allow us to thrive in this evolving environment.

Building on our successes in the UK and Europe, our North American division has made solid progress. Working in conjunction with our UK team, our presence in the U.S. has allowed us to add several new blue-chip clients to our portfolio and enable us to meet their requirements in both North America and Europe. I want to acknowledge the tenacity and creativity of our team during this period and express my sincere thanks for their outstanding contributions, which have been instrumental in driving this success.

Our unique offerings at the major industry event Cannes Lions continue to be a source of immense pride, and we see strong potential for growth in this space, not just for Cannes Lions but also for other major tentpole events in 2025 and beyond. These events allow us to showcase our creative capabilities on a global stage, and we expect to build on our successes with new and exciting opportunities on the horizon. One such opportunity is at Davos, which, although smaller in scale than Cannes Lions,

represents a significant milestone for us.

In the B2E (Business-to-Employee) conference space, we continue to deliver exceptional work for our clients. Although this market has seen some fluctuations, we anticipate a return to normal levels of activity by 2025/2026. Our ability to navigate these market shifts and consistently deliver high-quality experiences, positions us well for the future.

This year, we have also seen recognition for our achievements through winning several prestigious industry awards. Cheerful Twentyfirst was honoured to win the Experiential Agency Team of the Year award in the Experience category at the renowned Drum Awards Festival. In partnership with Stagwell Inc. (NASDAQ: STGW) and TEAM., Cheerful Twentyfirst was also awarded Best Outdoor Activation at the 22nd ExAwards in Las Vegas for our exceptional work on the Sport Beach activation at Cannes Lions 2023. These accolades underscore our commitment to excellence and innovation, and I am incredibly proud of all the work our team has accomplished.

Within our Group, our cross-agency offering continues to enrich projects and client relationships. Eventful, our boutique venue sourcing and events management agency, deserves recognition and thanks for a significant increase in collaboration and cross-pollination of client projects. Under its Managing Director Claire Gardner, our elevated collaboration has allowed both agencies to seamlessly blend insights and expertise, and supported the expansion of services within the Group. We recognise the Eventful team's hard work and dedication in making this synergy possible, which lays the foundation for continued success and mutual growth.

On the corporate responsibility front, we are equally proud of our ongoing sustainability initiatives, highlighted by achieving our Silver EcoVadis accreditation, which reflects our commitment to ethical and sustainable business practices. As part of our roadmap to Net Zero, we will be joining the Science Based Targets initiative ("SBTi") to support our development of a target-based carbon reduction strategy and look forward to sharing this with you. In 2025, we also plan to publish an update to our Corporate Social Responsibility ("CSR") charter to continue to share the CSR goals and guideposts that form our mission to operate in an environmentally and socially responsible way. As mentioned previously, our CSR strategy is not only a key focus internally but is also a critical part of decision making when our clients are awarding contracts.

In conclusion, our strong client partnerships, innovative event offerings, and commitment to sustainability place us in an excellent position for continued success in FY2025 and beyond. I would also like to thank our shareholders for their ongoing support and look forward to updating the market on our progress as FY2025 progresses.

Steve Quah

CEO

8 November 2024

STRATEGIC REPORT

The Board presents its Strategic Report on the Group for the year ended 30 June 2024.

Principal activities

Aeorema Communications plc does not trade but incurs professional fees associated with its listing on the London Stock Exchange's AIM Market. Aeorema Limited (trading as Cheerful Twentyfirst) and Cheerful Twentyfirst, Inc. are live events agencies with film capabilities that specialise in devising and delivering corporate communication solutions. Eventful Limited is a consultative, high-touch service, assisting clients with venue sourcing, event management and incentive travel. Collectively all of these businesses are referred to as the "Group".

Business review

The results for the year show revenue was £20,288,799 (2023: £20,230,231), operating profit was £440,748 (2023: £1,092,920) and profit before taxation was £436,928 (2023: £1,045,960).

The Group had net assets of £2,805,725 at the year-end (2023: £2,814,356) and net current assets of £1,875,372 (2023: £1,761,557).

The year ended 30 June 2024 was a challenging year, with the Group's revenue in line with the previous year, but profit before tax down significantly.

Aeorema Limited (t/a Cheerful Twentyfirst) had a successful year, achieving its highest revenue and profit before tax in its history. It delivered a record number of activations at Cannes Lions International Festival of Creativity ("Cannes Lions") in June 2024, including its largest ever brand activation for Stagwell and TEAM (refer to note 2), building upon the success in the previous year. It also delivered a number of events throughout the year for a range of new clients in the professional services, AdTech and marketing sectors. As a consequence of the growth in revenue, Aeorema Limited's profits before tax increased 12% to £877,486 compared with £781,754 in the previous year.

Cheerful Twentyfirst, Inc's revenue was down 57% (2023: 13% increase) compared with the previous year, not because of performance challenges but largely due to a shift in where revenue was recorded. Fewer events took place in the U.S. compared to the previous year, and for insurance reasons all Cannes Lions contracts for US clients were managed through Aeorema Limited (t/a Cheerful Twentyfirst) in 2024 (rather than Cheerful Twentyfirst Inc., as was the case in 2023). Due to these changes and continued investment in the US operation, including employing a US President, Cheerful Twentyfirst Inc. reported an overall loss before tax of £176,631 for the year, compared with a £317,467 profit before tax in the previous year.

Eventful Limited experienced a difficult year both in terms of revenue, which was down 12% (compared with the previous year (2023: 138% increase), and profits before tax of £13,139 (2023: £205,559). The year ended 30 June 2023 represented the first full

year that was unaffected by the global pandemic and associated travel and social distancing restrictions. Eventful Limited therefore experienced a surge in demand in 2023. However, for the year ended 30 June 2024 demand returned to 'normal' levels with a reduction in client spending.

The Group's gross profit margin has decreased from 21% in 2023 to 19% in 2024. As noted in the Chairman's Statement, the reduction in gross profit margin is a consequence of industry wide inflationary pressures on third party costs and wages, and pressure from clients on budgets. The Group also hired, on average, an additional eleven employees compared with the previous year, putting further pressure on the Groups margins.

Looking ahead, the Board has identified that it needs to reduce costs and has implemented an ongoing programme to significantly reduce and rebalance costs, including a reduction in headcount (both direct and indirect). The reduction in costs has been implemented to drive growth in profits and efficiencies, with its full benefit expected to materialise by the end of the financial year ending 30 June 2025.

Key performance indicators

Year	2024 £	2023 £	2022 £	2021 £
Revenue	20,288,799	20,230,231	12,207,253	5,094,518
Operating profit / (loss)	440,748	1,092,920	871,176	(188,105)
Profit / (loss) before taxation	436,928	1,045,960	843,564	(159,698)

The Group's revenue was in line with the previous year. During the year the Group's largest client accounted for 19% of revenue (2023: 12%), and its three largest clients accounted for 38% of revenue (2023: 38%). Please refer to note 2.

Event revenue increased by 2% when compared with the previous year (2023: 77% increase). The Group delivered a record number of activations at Cannes Lions in 2024, including the activation for Stagwell and TEAM. The Group also delivered a number of large events for both existing and new clients.

Film revenue decreased by 15% when compared with the previous year (2023: 6% decrease). This was due to a number of large projects in the previous year not being repeated in the current year.

Cashflows

Net cash inflow from operating activities was £1,205,470 compared with a net cash inflow of £1,456,588 for the year ended 30 June 2023. The cash position increased by £675,253 to £3,119,353 (2023: increase by £729,683 to £2,444,100).

Capital expenditure

Total capital expenditure, including expenditure on tangible assets, was £54,711 compared with £325,027 for the year ended 30 June 2023.

Employees

Our priority is to attract and retain talented employees and to harness their creativity to drive growth through development and delivery of services that bring value to our customers' business operations.

We continue to focus on ensuring that the performance of staff is measured against clear, business focused objectives and behavioural criteria through continual appraisals.

Reward

The Group benchmarks employee salaries against the market and reviews salaries annually to ensure that we are paying at a level to attract and retain high-quality employees.

Key employees are offered access to a share option scheme, further details of which are provided in note 23 to the financial statements.

Equal opportunities

We are committed to ensuring equal opportunities for our staff. We have introduced training which covers equal opportunities legislation and best practice. Our policy in respect of employment of disabled persons is the same as that relating to all other employees in matters of training, career development and promotion. Should employees become disabled during the course of their employment, we will make every effort to make reasonable adjustments to their working environment to enable their continued employment.

Safety, health and environment

The commitment and participation of all employees is vital to efficient and effective occupational risk control. In order to meet our responsibility to protect the environment, staff and the business, the Group continues to focus on maintaining a risk aware culture.

We believe the Group maintains a low environmental impact. We therefore continue to work on the potential environmental impacts of energy consumption, waste and travel.

Directors' policies for managing principal risks

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the business. Risk reviews are undertaken regularly by the respective business areas throughout the year to identify and assess the key risks associated with the achievement of our business objective.

Key risks of a financial nature

The principal risks and uncertainties facing the Group are linked to customer dependency. Though the Group has a very diverse customer base in certain market sectors, a key customer can represent a significant amount of revenue (see note 2). Key customer relationships are closely monitored but the loss of a key client could have an adverse effect on the Group's performance. Further details of risks, uncertainties and financial instruments are contained in note 26.

Key risks of a nonfinancial nature

The Group is operating in a highly competitive global market that is undergoing continual change. The Group's ability to respond to many competitive factors including, but not limited to technological innovations, product quality, customer service and employment of qualified personnel will be key in the achievement of its objectives, but its ultimate success will depend on the purchase spends of its customers and the buoyancy of the market.

On behalf of the Board

S Haffner

Director

8 November 2024

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2024

	Notes	2024 £	2023 £
Continuing operations			
Revenue	2	20,288,799	20,230,231
Cost of sales		(16,513,827)	(16,016,766)
Gross profit		3,774,972	4,213,465
Administrative expenses		(3,334,224)	(3,120,545)
Operating profit	3	440,748	1,092,920
Finance income	4	35,967	215
Finance costs	5	(39,787)	(47,175)
Profit before taxation		436,928	1,045,960
Taxation	6	(140,221)	(288,780)
Profit for the year		296,707	757,180
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign entities		(88,632)	(119,547)
Other comprehensive income for the year		(88,632)	(119,547)
Total comprehensive income for the year attributable to owners of the parent		208,075	637,633
Profit per ordinary share:			
Total basic earnings per share	9	3.11078p	8.04398p
Total diluted earnings per share	9	2.68976p	6.83499p

The notes on pages 30 to 57 are an integral part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2024

	Notes	Group		Company	
		2024 £	2023 £	2024 £	2023 £
Non-current assets					
Intangible assets	10	564,348	566,431	-	-
Property, plant and equipment	11	344,827	428,509	-	-
Right-of-use assets	12	570,182	696,986	-	-
Investments in subsidiaries	13	-	-	1,363,002	1,293,568
Deferred taxation	7	-	14,844	-	-
Total non-current assets		1,479,357	1,706,770	1,363,002	1,293,568
Current assets					
Trade and other receivables	14	4,422,020	3,502,522	832,531	713,588

Cash and cash equivalents	15	3,119,353	2,444,100	117,816	135,548
Total current assets		7,541,373	5,946,622	950,347	849,136
Total assets		9,020,730	7,653,392	2,313,349	2,142,704
Current liabilities					
Trade and other payables	16	(5,371,049)	(3,882,938)	(114,107)	(104,459)
Bank loans	17	(27,778)	(83,333)	-	-
Lease liabilities	18	(113,201)	(109,058)	-	-
Current tax payable		(118,973)	(74,736)	-	-
Provisions	19	(35,000)	(35,000)	-	-
Total current liabilities		(5,666,001)	(4,185,065)	(114,107)	(104,459)
Non-current liabilities					
Bank loans	17	-	(27,778)	-	-
Lease liabilities	18	(500,814)	(612,693)	-	-
Provisions	19	(22,500)	(13,500)	-	-
Deferred taxation	7	(25,690)	-	-	-
Total non-current liabilities		(549,004)	(653,971)	-	-
Total liabilities		(6,215,005)	(4,839,036)	(114,107)	(104,459)
Net assets		2,805,725	2,814,356	2,199,242	2,038,245
Equity					
Share capital	20	1,192,250	1,192,250	1,192,250	1,192,250
Share premium		21,876	21,876	21,876	21,876
Merger reserve		16,650	16,650	16,650	16,650
Other reserve		302,809	233,375	302,809	233,375
Capital redemption reserve		257,812	257,812	257,812	257,812
Foreign translation reserve		(176,876)	(88,244)	-	-
Retained earnings		1,191,204	1,180,637	407,845	316,282
Equity attributable to owners of the parent		2,805,725	2,814,356	2,199,242	2,038,245

The notes on pages 30 to 57 are an integral part of these financial statements.
The profit for the financial year of the holding company was £377,703 (2023: £338,795).

The financial statements were approved and authorised by the board of directors on 8 November 2024 and were signed on its behalf by

A Harvey
Director

S Haffner
Director

Company Registration No. 04314540

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

Group	Share capital	Share premium	Merger reserve	Other reserve	Capital redemption reserve	Foreign translation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
At 30 June 2022	1,154,750	9,876	16,650	168,956	257,812	31,303	614,217	2,253,564
Comprehensive income for the year, net of tax	-	-	-	-	-	-	757,180	757,180
Dividend paid	-	-	-	-	-	-	(190,760)	(190,760)
Foreign currency translation	-	-	-	-	-	(119,547)	-	(119,547)
Share-based payment	-	-	-	64,419	-	-	-	64,419
Share issue	37,500	12,000	-	-	-	-	-	49,500
At 30 June 2023	1,192,250	21,876	16,650	233,375	257,812	(88,244)	1,180,637	2,814,356
Comprehensive income for the year, net of tax	-	-	-	-	-	-	296,707	296,707
Dividend paid	-	-	-	-	-	-	(286,140)	(286,140)
Foreign currency translation	-	-	-	-	-	(88,632)	-	(88,632)
Share-based payment	-	-	-	69,434	-	-	-	69,434
At 30 June 2024	1,192,250	21,876	16,650	302,809	257,812	(176,876)	1,191,204	2,805,725

Share premium represents the value of shares issued in excess of their nominal value.

In accordance with section 612 of the Companies Act 2006, the premium on ordinary shares issued in relation to acquisitions is recorded as a merger reserve. The reserve is not distributable.

Other reserves represent equity settled share-based employee remuneration, as detailed in note 23.

Capital redemption reserve represents a statutory non-distributable reserve into which amounts are transferred following redemption or purchase of a company's own shares.

Foreign translation reserve represents the accumulated gain or loss resulting from the translation of financial statements denominated in a foreign currency into the Group's reporting currency.

The notes on pages 30 to 57 are an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 June 2024

Company	Share capital £	Share premium £	Merger reserve £	Other reserve £	Capital redemption reserve £	Retained earnings £	Total equity £
At 30 June 2022	1,154,750	9,876	16,650	168,956	257,812	168,247	1,776,291
Comprehensive income for the year, net of tax	-	-	-	-	-	338,795	338,795
Dividend paid	-	-	-	-	-	(190,760)	(190,760)
Share-based payment	-	-	-	64,419	-	-	64,419
Share issue	37,500	12,000	-	-	-	-	49,500
At 30 June 2023	1,192,250	21,876	16,650	233,375	257,812	316,282	2,038,245
Comprehensive income for the year, net of tax	-	-	-	-	-	377,703	377,703
Dividend paid	-	-	-	-	-	(286,140)	(286,140)
Share-based payment	-	-	-	69,434	-	-	69,434
At 30 June 2024	1,192,250	21,876	16,650	302,809	257,812	407,845	2,199,242

Share premium represents the value of shares issued in excess of their nominal value.

In accordance with section 612 of the Companies Act 2006, the premium on ordinary shares issued in relation to acquisitions is recorded as a merger reserve. The reserve is not distributable.

Other reserves represent equity settled share-based employee remuneration, as detailed in note 23.

Capital redemption reserve represents a statutory non-distributable reserve into which amounts are transferred following redemption or purchase of a company's own shares.

The notes on pages 30 to 57 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	Group	
		2024 £	2023 £
Net cash flow from operating activities	25	1,205,470	1,456,588
Cash flows from investing activities			
Finance income	4	35,967	215
Purchase of property, plant and equipment	11	(54,711)	(325,027)
Repayment of leasing liabilities		(142,000)	(177,500)
Cash used in investing activities		(160,744)	(502,312)
Cash flows from financing activities			
Repayment of borrowings		(83,333)	(83,333)
Dividends paid to owners of the company		(286,140)	(190,760)
Shares issued		-	49,500
Cash used in financing activities		(369,473)	(224,593)
Net increase in cash and cash equivalents		675,253	729,683
Cash and cash equivalents at beginning of year		2,444,100	1,714,417
Cash and cash equivalents at end of year		3,119,353	2,444,100

Cash and cash equivalents at end of year		3,119,353	2,444,100
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Debt analysis	At 1 July 2023 £	Cashflow £	At 30 June 2024 £
Net Cash			
Cash at bank and in hand	2,444,100	675,253	3,119,353
	2,444,100	675,253	3,119,353
Debt			
Debts falling due within one year	83,333	(55,555)	27,778
Debts falling due after one year	27,778	(27,778)	-
	111,111	(83,333)	27,778

The notes on pages 30 to 57 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2024

1 Accounting policies

Aeorema Communications plc is a public limited company incorporated in the United Kingdom and registered in England and Wales. The Company is domiciled in the United Kingdom and its principal place of business is 87 New Cavendish Street, London, W1W 6XD. The Company's Ordinary Shares are traded on the AIM Market.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The presentation currency is £ sterling.

Going concern

The Board has reviewed the Group's detailed forecasts for the next financial year, other medium term plans, the impact of the war in Ukraine and conflict in the Middle East, and economic and political uncertainties both in the UK and globally, as well as considering the risks outlined in note 26. After doing so, the Directors, at the time of approving the financial statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing the financial statements.

Basis of Preparation

The following new standards, amendments or interpretations to existing standards adopted in the United Kingdom, and are mandatory for the Group's accounting periods beginning on or after 1 January 2024 are as follows:

- Classification of Liabilities as Current or Non-current - Deferral of Effective Date (Amendment to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12); and
- Definition of Accounting Estimates (Amendments to IAS 8).

The Group did not early adopt the above new standards, amendments, or interpretations for 30 June 2024 year end.

Future standards in place but not yet effective

The following new standards, amendments or interpretations to existing standards adopted in the United Kingdom, and are mandatory for the Group's accounting periods beginning on or after 1 January 2025 are as follows:

- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)

The Group did not early adopt the above new standards, amendments, or interpretations for 30 June 2025 year end.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June 2024. Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are consolidated until the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

The merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006.

Revenue

Revenue represents amounts (excluding value added tax) derived from the provision of services to third party customers in the course of the Group's ordinary activities.

As a result of providing these services, the Group may from time to time receive commissions from other third parties. These commissions are included within revenue on the same basis as that arising from the contract with the underlying third party customer.

The revenue and profits recognised in any period are based on the satisfaction of performance obligations and an assessment of when control is transferred to the customer.

For most contracts with customers, there is a single distinct performance obligation and revenue is recognised when the event has taken place or control of the content or video has been transferred to the customer.

Where a contract contains more than one distinct performance obligation (multiple film productions, or a project involving both build construction and event production) revenue is recognised as each performance obligation is satisfied.

The transaction price is substantially agreed at the outset of the contract, along with a project brief and payment schedule (full payment in arrears for smaller contracts; part payment(s) in advance and final payment in arrears for significant contracts).

Due to the detailed nature of project briefs agreed in advance for significant contracts, management does not consider that significant estimates or judgements are required to distinguish the performance obligation(s) within a contract.

For contracts to prepare multiple film productions, the transaction price is allocated to constituent performance obligations using an output method in line with agreements with the customer.

For other contracts with multiple performance obligations, management's judgement is required to allocate the transaction price for the contract to constituent performance obligations using an input method using detailed budgets which are prepared at outset and subsequently revised for actual costs incurred and any changes to costs expected to be incurred.

The Group does not consider any disaggregation of revenue from contracts with customers necessary to depict how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

Where payments made are greater than the revenue recognised at the reporting date, the Group recognises deferred income (a contract liability) for this difference. Where payments made are less than the revenue recognised at the reporting date, the Group recognises accrued income (a contract asset) for this difference.

A receivable is recognised in relation to a contract for amounts invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At each reporting date, the Group assesses whether there is any indication that accrued income assets may be impaired by assessing whether it is possible that a revenue reversal will occur. Where an indicator of impairment exists, the Group makes a formal estimate of the asset's recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets - goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill acquired represents the excess of the fair value of the consideration and associated costs over the fair value of the identifiable net assets acquired.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. At the date of acquisition, the goodwill is allocated to cash generating units, usually at business segment level or statutory company level as the case may be, for the purpose of impairment testing and is tested at least annually for impairment. On subsequent disposal or termination of a business acquired, the profit or loss on termination is calculated after charging the carrying value of any related goodwill.

Intangible assets - other

Intangible assets are stated in the financial statements at cost less accumulated amortisation and any impairment value. Amortisation is provided to write off the cost less estimated residual value of intangible assets over its expected useful life (which is reviewed at least at each financial year end), as follows:

Intellectual property	25% straight line
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Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year that the asset is derecognised.

Fully amortised assets still in use are retained in the financial statements.

Property, plant and equipment

Property, plant and equipment is stated in the financial statements at cost less accumulated depreciation and any impairment value. Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment over its expected useful life (which is reviewed at least at each financial year end), as follows:

Leasehold land and buildings	Straight line over the life of the lease
Fixtures, fittings and equipment	Straight line over four years

Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year that the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

Impairment

The carrying amounts of the Group's assets are reviewed at each period end to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each annual period end date and whenever there is an indication of impairment.

recoverable amount is estimated at each annual period end date and whenever there is an indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Leases

In applying IFRS 16, for all leases (except as noted below), the Group:

- a) recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments;
- b) recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss; and
- c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

For short term leases (lease term of 12 months or less) and leases of low-value assets (such as photocopiers), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within administrative expenses in the consolidated statement of comprehensive income.

Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost less any provision for impairment.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Cash and cash equivalents

Cash comprises, for the purpose of the Statement of Cash Flows, cash in hand and deposits payable on demand. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash equivalents normally have a date of maturity of 3 months or less from the acquisition date.

Bank loans and overdrafts comprise amounts due on demand.

Finance income

Finance income consists of interest receivable on funds invested. It is recognised in the Statement of Comprehensive Income as it accrues.

Taxation

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; the differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets and liabilities are not discounted.

Pension costs

The Group operates a pension scheme for its employees. It also makes contributions to the private pension arrangements of certain employees. These arrangements are of the money purchase type and the amount charged to the Statement of Comprehensive Income represents the contributions payable by the Group for the period.

Financial instruments

The Group does not enter into derivative transactions and does not trade in financial instruments. Financial assets and liabilities are recognised on the Statement of Financial Position when the Group becomes a party to the contractual provision of the instrument.

Equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group's equity instruments comprise 'share capital' in the Statement of Financial Position.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the reporting period. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Comprehensive Income.

Share-based awards

The Group issues equity settled payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant.

The fair value is estimated using option pricing models and is dependent on factors such as the exercise price, expected volatility, option price and risk free interest rate. The fair value is then amortised through the Statement of Comprehensive Income on a straight-line basis over the vesting period. Expected volatility is determined based on the historical share price volatility for the Company. Further information is given in note 23 to the financial statements.

Significant judgements and estimates

The preparation of the Group's financial statements in conforming with IFRS required management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimation is contained in the accounting policies and / or notes to the financial statements. For critical judgements that the directors have made in the process of applying the Group's accounting policies, see note 10 on goodwill impairment and note 12 on discount rate used to calculate right of use assets and lease liability.

2 Revenue and segment information

The Group uses several factors in identifying and analysing reportable segments, including the basis of organisation, such as differences in products and geographical areas. The Board of directors, being the Chief Operating Decision Makers, have determined that for the year ending 30 June 2024 there is only a single reportable segment.

All revenue represents sales to external customers. One customer (2023: three) is defined as major customers by revenue, contributing more than 10% of the Group revenue.

	2024 £	2023 £
Customer One	3,833,237	2,474,089
Major customers in the current year	3,833,237	2,474,089
Major customers in the prior year		5,274,833
		7,748,922

The geographical analysis of revenue from continuing operations by geographical location of customer is as follows:

Geographical market	2024 £	2023 £
United Kingdom	8,905,513	11,491,547
United States	3,580,432	6,821,433
Rest of the World	7,802,854	1,917,251
	20,288,799	20,230,231

	2024 £	2023 £
Revenue from contracts with customers - Events	18,360,490	17,915,369
Revenue from contracts with customers - Film	1,418,029	1,675,186
Other revenue	510,280	639,676
Total revenue	20,288,799	20,230,231

Contract assets and liabilities from contracts with customers have been recognised as follows:

	2024 £	2023 £
Deferred income	1,500,546	809,774
Accrued income	1,672,081	1,350,233

Deferred income at the beginning of the period has been recognised as revenue during the period. Deferred income carried forward at the year end will be recognised within the next year.

3 Operating profit

Operating profit is stated after charging or crediting:	2024 £	2023 £
Cost of sales		
Depreciation of fixtures, fittings and equipment	97,891	75,521
Amortisation of intangible assets	2,083	2,500
Staff costs (see note 22)	3,432,192	3,181,251
Administrative expenses		
Depreciation of right-of-use assets	126,804	126,786
Depreciation of leasehold land and buildings	39,214	34,243
(Profit) / loss on foreign exchange differences	73,171	31,888
Fees payable to the Company's auditor in respect of:		

Audit of the Company's annual accounts	14,000	12,600
Audit of the Company's subsidiaries	33,163	23,366
Interest on lease liabilities	34,264	39,212
Staff costs (see note 22)	1,605,180	1,201,148

4 Finance income

Finance income	2024 £	2023 £
Bank interest received	35,967	215

5 Finance costs

Finance costs	2024 £	2023 £
Coronavirus business interruption loan interest	5,523	7,963
Lease interest	34,264	39,212
	39,787	47,175

6 Taxation

	2024 £	2023 £
The tax charge comprises:		
Current tax		
Current year	99,687	277,699
	99,687	277,699
Deferred tax (see note 7)		
Current year	40,534	11,081
	40,534	11,081
Total tax charge in the statement of comprehensive income	140,221	288,780
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation from continuing operations	436,928	1,045,960
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25% (2023: 20.5%)	109,232	214,422
Effects of:		
Non-deductible expenses	30,989	74,358
	30,989	74,358
Total tax charge	140,221	288,780

The Group has estimated losses of £375,762 (2023: £375,762) available to carry forward against future trading profits. Losses totalling £375,762 are in Aeorema Communications plc which is not currently making taxable profits, as all trading is undertaken by its subsidiaries Aeorema Limited, Eventful Limited and Cheerful Twentyfirst, Inc., therefore no deferred tax asset has been recognised in respect of this amount.

Effective 1 April 2023, the enacted tax rate increased to 25%.

7 Deferred taxation

Group	2024 £	2023 £
Property, plant and equipment temporary differences	59,613	(83,481)
Temporary differences	(85,303)	98,325
	(25,690)	14,844
At 1 July	14,844	25,925
Transfer to Statement of Comprehensive Income	(40,534)	(11,081)
At 30 June	(25,690)	14,844

8 Profit attributable to members of the parent company

As permitted by section 408 of the Companies Act 2006, the parent Company's Statement of Comprehensive Income has not been included in these financial statements. The profit for the financial year of the holding company was £377,703 (2023: £338,795).

9 Earnings per ordinary share

Basic earnings per share are calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used and dilutive earnings per share computations:

	2024 £	2023 £
Basic earnings per share		
Profit for the year attributable to owners of the Company	296,707	757,180
Basic weighted average number of shares	9,538,000	9,413,000
Dilutive potential ordinary shares:		
Employee share options	1,493,000	1,665,000
Diluted weighted average number of shares	11,031,000	11,078,000

10 Intangible fixed assets

Group	Goodwill £	Intellectual Property £	Total £
Cost			
At 30 June 2022	2,927,486	10,000	2,937,486
At 30 June 2023	2,927,486	10,000	2,937,486
At 30 June 2024	2,927,486	10,000	2,937,486
Impairments and amortisation			
At 30 June 2022	2,363,138	5,417	2,368,555
Charge for the year	-	2,500	2,500
At 30 June 2023	2,363,138	7,917	2,371,055
Charge for the year	-	2,083	2,083
At 30 June 2024	2,363,138	10,000	2,373,138
Net book value			
At 30 June 2022	564,348	4,583	568,931
At 30 June 2023	564,348	2,083	566,431
At 30 June 2024	564,348	-	564,348

Goodwill arose for the Group on consolidation of its subsidiaries, Aeorema Limited and Eventful Limited.

Impairment - Aeorema Limited and Eventful Limited

Goodwill arises on acquisition of a business combination and represents the difference between the fair value of the consideration paid and the aggregate fair value of identifiable assets and liabilities acquired. Goodwill is tested annually for impairment, goodwill is impaired when the value in use exceeds the net asset value of the group's cash generating units (CGUs). The CGUs represent Aeorema Limited and Eventful Limited, being the lowest level within the group at which goodwill is monitored for internal management purposes.

The value in use has been calculated on a discounted cash flow basis using the 2024-25 budgeted figures as approved by the Board of directors, extended in perpetuity to calculate the terminal value and discounted at a rate of 10%. It is assumed that future growth will be 1% for venue sourcing activities and 3% for event and moving image production activities. Using these assumptions, which are based on past experience and future expectations, the recoverable amount of goodwill of £12,975,301 was determined to be higher than its carrying value, hence no impairment in the year.

Sensitivity Analysis

If the assumptions used in the impairment review were changed to greater extent than as presented in the following table, the changes would, in isolation, lead to impairment loss being recognised for 0% growth rate.

Aeorema Limited	3% Growth	0% Growth	Discount Rate of 5%	Discount Rate of 15%
	£	£	£	£
Value in use calculations	12,269,423	9,621,639	22,102,599	8,560,433
Carrying amount in financial statements	365,154	365,154	365,154	365,154
Difference	11,904,269	9,256,485	21,737,445	8,195,279

Eventful Limited	1% Growth	0% Growth	Discount Rate of 5%	Discount Rate of 15%
	£	£	£	£
Value in use calculations	705,878	622,209	1,180,557	513,486
Carrying amount in financial statements	199,194	199,194	199,194	199,194
Difference	506,684	423,015	981,363	314,292

Combined	4% Growth	0% Growth	Discount Rate of 5%	Discount Rate of 15%
	£	£	£	£
Value in use calculations	12,975,301	10,243,848	23,283,156	9,073,919
Carrying amount in financial statements	564,348	564,348	564,348	564,348
Difference	12,410,953	9,679,500	22,718,808	8,509,571

11 Property, plant and equipment

Group	Leasehold land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 30 June 2022	98,821	304,895	403,716
Additions	154,068	170,959	325,027
Disposals	-	(72,449)	(72,449)
Foreign exchange movement	-	(143)	(143)
At 30 June 2023	252,889	403,262	656,151
Additions	4,524	50,187	54,711
Disposals	-	(1,344)	(1,344)
At 30 June 2024	257,413	452,105	709,518
Depreciation			
At 30 June 2022	1,935	179,302	181,237
Charge for the year	34,243	75,521	109,764
Eliminated on disposal	-	(63,308)	(63,308)
Foreign exchange movement	-	(51)	(51)
At 30 June 2023	36,178	191,464	227,642
Charge for the year	39,214	97,891	137,105
Eliminated on disposal	-	(56)	(56)
At 30 June 2024	75,392	289,299	364,691
Net book value			
At 30 June 2022	96,886	125,593	222,479
At 30 June 2023	216,711	211,798	428,509
At 30 June 2024	182,021	162,806	344,827

12 Right-of-use assets

Group	Leasehold
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Group	Leasehold Property £
Cost	
At 30 June 2022	887,138
At 30 June 2023	887,138
At 30 June 2024	887,138
Depreciation	
At 30 June 2022	63,366
Charge for the year	126,786
At 30 June 2023	190,152
Charge for the year	126,804
At 30 June 2024	316,956
Net book value	
At 30 June 2022	823,772
At 30 June 2023	696,986
At 30 June 2024	570,182

The right-of-use asset addition during the year relates to the Group's leasehold property at 87 New Cavendish Street, London, W1W 6XD. The Group entered the new leasehold in January 2022.

The right-of-use asset is calculated on the assumption that the Group will remain in the premises for the duration of the 7 year lease agreement. A discount rate of 5% was used to calculate the right-of-use asset. 5% was considered an appropriate rate based on the Group's weighted average cost of capital.

13 Non-current assets - Investments

Company	Shares in subsidiary £
Cost	
At 30 June 2022	3,923,361
Increase in respect of share-based payments	64,419
Incorporation of subsidiary	1
At 30 June 2023	3,987,781
Increase in respect of share-based payments	69,434
At 30 June 2024	4,057,215
Provision	
At 30 June 2022	2,694,213
At 30 June 2023	2,694,213
At 30 June 2024	2,694,213
Net book value	
At 30 June 2022	1,229,148
At 30 June 2023	1,293,568
At 30 June 2024	1,363,002

Holdings of more than 20%

The Company holds more than 20% of the share capital of the following companies:

Subsidiary undertakings	Country of Registration	Shares held	Profit / (loss) before tax for the year ended 30 June 2024	Net assets at year ended 30 June 2024

	or incorporation	Class	%	2024 £	£
Aeorema Limited	England and Wales	Ordinary	100	877,486	1,253,042
Eventful Limited	England and Wales	Ordinary	100	13,139	101,788
Twentyfirst Limited (Dormant)	England and Wales	Ordinary	100	-	1,362
Cheerful Twentyfirst, Inc.	United States of America	Ordinary	100	(176,631)	296,666
Cheerful Twentyfirst B.V.	The Netherlands	Ordinary	100	(4,767)	(13,949)

The registered address of Aeorema Limited, Eventful Limited and Twentyfirst Limited is 64 New Cavendish Street, London, W1G 8TB. The registered address of Cheerful Twentyfirst, Inc. is 85 Broad Street, Floor 16, New York, NY, 10004. The registered address of Cheerful Twentyfirst B.V. is Strawinskylaan 569, 1077 XX, Amsterdam.

14 Trade and other receivables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade receivables	1,608,713	1,649,905	-	-
Related party receivables	-	-	811,427	689,087
Other receivables	413,560	170,188	5,951	8,819
Prepayments and accrued income	2,399,747	1,682,429	15,153	15,682
	4,422,020	3,502,522	832,531	713,588

All trade and other receivables are expected to be recovered within 12 months of the end of the reporting period. The fair value of trade and other receivables is the same as the carrying values shown above.

Trade and other receivables are assessed for impairment based upon the expected credit losses model. The credit losses historically incurred have been immaterial and as such the risk profile of the trade receivables has not been presented.

At the year end, trade receivables of £139,047 (2023: £308,531) were past due but not impaired. These amounts are still considered recoverable. The ageing of these trade receivables is as follows:

	Group	
	2024 £	2023 £
Less than 90 days overdue	4,892	160,286
More than 90 days overdue	134,155	148,245
	139,047	308,531

15 Cash at bank and in hand

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Bank balances	3,119,353	2,444,100	117,816	135,548
	3,119,353	2,444,100	117,816	135,548

16 Trade and other payables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade payables	2,127,981	1,587,052	27,203	21,604
Related party payables	-	-	67,355	67,355
Taxes and social security costs	3,316	36,528	-	-
Other payables	118,158	121,581	-	-
Accruals and deferred income	3,121,594	2,137,777	19,549	15,500
	5,371,049	3,882,938	114,107	104,459

All trade and other payables are expected to be settled within 12 months of the end of the reporting period. The fair value of trade and other payables is the same as the carrying values shown above.

17 Bank Loans

	2024 £	2023 £
Bank Loan		
Current	27,778	83,333
Non-current	-	27,778
	27,778	111,111

On 15 October 2020 the company received a Floating Rate Basis Coronavirus Business Interruption Loan (CBIL) of £250,000 from Barclays Bank UK PLC to cover the company's working capital commitments during the COVID-19 pandemic. For the first twelve months interest on the loan is paid by the UK government, after this point interest will be paid at a margin of 2.28%, in addition to monthly capital repayments of £6,944 to the final repayment date of 15 October 2024.

Under IFRS 9, the loan should be initially recognised at fair value and subsequently accounted for at amortised cost. However, the difference between the nominal value and fair value is not material, therefore the full nominal value of the loan is recognised with the interest charge for the period of £7,963 being charged to profit and loss. This is offset by the equal amount of government grant income being recognised.

The bank loan is secured by a fixed and floating charge over the company's present and future assets.

18 Leases

The balance sheet shows the following amounts relating to leases:

Group	2024 £	2023 £
Right-of-use assets		
Buildings	570,182	696,986
	570,182	696,986

Group	2024 £	2023 £
Lease liabilities		
Current	113,201	109,058
Non-current	500,814	612,693
	614,015	721,751

Group	2024 £	2023 £
Maturity analysis - contractual undiscounted cash flows		
Less than one year	142,000	142,000
One to five years	497,000	639,000
More than five years	-	-
	639,000	781,000

Group	2024 £	2023 £
Interest on lease liabilities	34,264	39,212
	34,264	39,212

19 Provisions

Group	Leasehold dilapidations £	Total £
At 1 July 2022	39,500	39,500
Charged to statement of comprehensive income	9,000	9,000
At 30 June 2023	48,500	48,500
Charged to statement of comprehensive income	9,000	9,000
At 30 June 2024	57,500	57,500

Group	Leasehold dilapidations £	Total £
Current	35,000	35,000
Non-current	22,500	22,500
	57,500	57,500

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

at the end of the lease.

20 Share capital

	2024 £	2023 £
Authorised 28,000,000 Ordinary shares of 12.5p each	3,500,000	3,500,000

Allotted, called up and fully paid	Number	Ordinary shares £
At 30 June 2022	9,238,000	1,154,750
Shares issued during the year	300,000	37,500
At 30 June 2023	9,538,000	1,192,250
At 30 June 2024	9,538,000	1,192,250

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

See note 23 for details of share options outstanding.

21 Directors' emoluments

The remuneration of directors of the Company is set out below.

	Salary, fees, bonuses and benefits in kind 2024 £	Salary, fees, bonuses and benefits in kind 2023 £	Pensions 2024 £	Pensions 2023 £	Total 2024 £	Total 2023 £
M Hale	-	-	-	-	-	-
S Haffner	20,000	16,250	-	-	20,000	16,250
R Owen	20,000	20,000	-	-	20,000	20,000
S Quah	243,231	219,375	10,000	9,375	253,231	228,750
A Harvey	179,487	165,000	8,000	7,657	187,487	172,657
H Luffman	20,000	16,250	-	-	20,000	16,250
	482,718	436,875	18,000	17,032	500,718	453,907

During the year M Hale waived his right to fees of £20,000 (2023: £15,000)

The share options held by directors who served during the year are summarised below:

Name	Grant date	Number awarded	Exercise price	Earliest exercise date	Expiry date
S Quah	22 August 2018	300,000	29.00p	17 November 2020	22 August 2028
A Harvey	22 August 2018	300,000	29.00p	17 November 2020	22 August 2028
S Quah	29 April 2021	100,000	31.00p	5 November 2023	29 April 2031
A Harvey	29 April 2021	100,000	31.00p	5 November 2023	29 April 2031
S Quah	29 April 2021	100,000	50.00p	5 November 2023	29 April 2031
A Harvey	29 April 2021	100,000	50.00p	5 November 2023	29 April 2031
S Quah	29 April 2021	100,000	70.00p	5 November 2023	29 April 2031
A Harvey	29 April 2021	100,000	70.00p	5 November 2023	29 April 2031

Fees for S Haffner are charged by Harris & Trotter LLP, a firm in which he is a member (see note 24).

22 Employee information

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

Number of employees	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Administration and production	74	63	5	5

The aggregate payroll costs of these employees charged in the Statement of Comprehensive Income was as follows:

Employment costs	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Wages and salaries	4,272,587	3,759,340	60,000	52,500
Social security costs	524,751	429,412	-	-
Pension costs	170,600	129,228	-	-

Share-based payments	69,434	64,419	-	-
	5,037,372	4,382,399	60,000	52,500

23 Share-based payments

The Group operates an EMI share option scheme for key employees. Options are granted to key employees at an exercise price equal to the market price of the Company's shares at the date of grant. Options are exercisable from the third anniversary of the date of grant and lapse if they remain unexercised at the tenth anniversary or upon cessation of employment. The following option arrangements exist over the Company's shares:

Date of grant	Exercise price	Exercise period		Number of options 2024	Number of options 2023
		From	To		
22 August 2018	29.0p	17 November 2020	22 August 2028	600,000	600,000
14 June 2019	26.0p	14 June 2022	14 June 2029	120,000	120,000
29 April 2021	31.0p	5 November 2023	29 April 2031	200,000	200,000
29 April 2021	50.0p	5 November 2023	29 April 2031	200,000	200,000
29 April 2021	70.0p	5 November 2023	29 April 2031	200,000	200,000
23 May 2022	60.0p	23 May 2025	23 May 2032	100,000	100,000
19 October 2022	71.0p	19 October 2025	19 October 2032	110,000	110,000
11 October 2023	78.5p	11 October 2026	11 October 2033	240,000	-
				1,770,000	1,530,000

Details of the number of share options and the weighted average exercise price outstanding during the year are as follows:

	Number of options 2024	Weighted average exercise price 2024 £	Number of options 2023	Weighted average exercise price 2023 £
Outstanding at beginning of the year	1,530,000	0.48	1,770,000	0.40
Granted during the year	240,000	0.79	110,000	0.71
Cancelled during the year	-	-	(50,000)	(0.60)
Exercised during the year	-	-	(300,000)	(0.17)
Outstanding at end of the year	1,770,000	0.52	1,530,000	0.48
Exercisable at the end of the year	1,320,000	0.41	720,000	0.28

The exercise price of options outstanding at the year-end was £0.519 (2023: £0.481) and their weighted average contractual life was 6.3 years (2023: 6.8 years).

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value as determined at the grant date of equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The estimated fair value of the options is measured using an option pricing model. The inputs into the model are as follows:

Grant date	22 August 2018
Model used	Black-Scholes
Share price at grant date	29.0p
Exercise price	29.0p
Contractual life	10 years
Risk free rate	0.75%
Expected volatility	40.33%
Expected dividend rate	0.00%
Fair value option	14.800p

Grant date	14 June 2019
Model used	Black-Scholes
Share price at grant date	26.0p
Exercise price	26.0p
Contractual life	10 years
Risk free rate	0.75%
Expected volatility	40.33%
Expected dividend rate	0.00%
Fair value option	12.894p

Grant date	29 April 2021
Model used	Black-Scholes
Share price at grant date	30.5p
Exercise price	31.0p
Contractual life	10 years
Risk free rate	0.940%

Risk free rate	0.04%
Expected volatility	153.96%
Expected dividend rate	0.00%
Fair value option	30.060p

Grant date	29 April 2021
Model used	Black-Scholes
Share price at grant date	30.5p
Exercise price	50.0p
Contractual life	10 years
Risk free rate	0.84%
Expected volatility	153.96%
Expected dividend rate	0.00%
Fair value option	29.943p

Grant date	29 April 2021
Model used	Black-Scholes
Share price at grant date	30.5p
Exercise price	70.0p
Contractual life	10 years
Risk free rate	0.84%
Expected volatility	153.96%
Expected dividend rate	0.00%
Fair value option	29.845p

Grant date	23 May 2022
Model used	Black-Scholes
Share price at grant date	60.0p
Exercise price	60.0p
Contractual life	10 years
Risk free rate	2.31%
Expected volatility	175.63%
Expected dividend rate	0.00%
Fair value option	59.707p

Grant date	19 October 2022
Model used	Black-Scholes
Share price at grant date	71.0p
Exercise price	71.0p
Contractual life	10 years
Risk free rate	3.87%
Expected volatility	177.03%
Expected dividend rate	0.00%
Fair value option	26.581p

Grant date	11 October 2023
Model used	Black-Scholes
Share price at grant date	78.5p
Exercise price	78.5p
Contractual life	10 years
Risk free rate	4.33%
Expected volatility	146.09%
Expected dividend rate	3.00%
Fair value option	77.184p

The expected volatility is determined by calculating the historical volatility of the parent company's share price. For the share options issued prior to the year ended 30 June 2021 the historical volatility of the parent company's share price is calculated over the last three years. For share options issued after 1 July 2021 the historical volatility is calculated over the last 10 years. The method used to determine the historical volatility of the parent company's share price changed in the prior year as a consequence of the COVID-19 pandemic. The impact of the COVID-19 pandemic on the parent company's share price was significant and not considered an appropriate measure of the parent company's share price volatility. The extension of the period to 10 years was considered appropriate. The risk free-rate is based on the yield from gilt strip government bonds with a similar life to the expected life of the options.

The Group recognised the following charges in the Statement of Comprehensive Income in respect of its share-based payment plans:

	2024 £	2023 £
Share-based payment charge	69,434	64,419

24 Related party transactions

The Group has a related party relationship with its subsidiaries and its key management personnel (including

The Group has a related party relationship with its subsidiaries and its key management personnel (including directors). Details of transactions between the Company and its subsidiaries are as follows:

	2024 £	2023 £
Amounts owed by subsidiaries		
Total amount owed by subsidiaries	811,427	689,087
Amounts owed to subsidiaries		
Total amount owed to subsidiaries	67,355	67,355

Aeorema Limited

The company received dividends totalling £550,000 during the year (2023: £350,000) from its subsidiary, Aeorema Limited. The company transferred a VAT receivable of £42,088 (2023: £33,245) to Aeorema Limited due to being part of a common VAT group.

Aeorema Limited transferred a net amount of expenses to Aeorema Communications plc during the year of £40,000 (2023: £36,250).

Aeorema Limited paid expenses totalling £242,634 (2023: £237,135) on behalf of Aeorema Communications plc during the year.

During the year, Aeorema Limited made a net transfer of cash of £37,113 to Aeorema Communications plc (2023: £186,800).

Cheerful Twentyfirst, Inc.

The company received dividends totalling £50,000 during the year (2023: £150,000) from its subsidiary, Cheerful Twentyfirst, Inc.

Eventful Limited

The company received dividends totalling £50,000 during the year (2023: £100,000) from its subsidiary, Eventful Limited.

Compensation of key management

The compensation of key management (including directors) of the Group is as follows:

	2024 £	2023 £
Short-term employee benefits	482,718	442,158
Post-employment benefits	18,000	17,032
	500,718	459,190

The share options held by directors of the Company are disclosed in note 23. During the year, a charge of £17,501 (2023: £49,905) was recognised in the Consolidated Statement of Comprehensive Income in respect of these share options.

During the previous year S Quah received an interest-free loan of £50,000. At the year end £10,000 was outstanding (2023: £10,000).

Harris and Trotter LLP is a firm in which S Haffner is a member. The amounts charged to the Group for professional services are as follows:

Harris and Trotter LLP - charged during the year	2024 £	2023 £
Aeorema Communications plc	20,000	16,250
Aeorema Limited	14,400	11,450
	34,400	27,700

At the year end, the Group had an outstanding trade payable balance to Harris and Trotter LLP of £6,000 (2023: £5,000).

25 Cash flows

	Group	
	2024 £	2023 £
Cash flows from operating activities		
Profit / (loss) before taxation	436,928	1,045,960
Depreciation of property, plant and equipment	137,105	109,764
Depreciation of right-of-use assets	126,804	126,786
Amortisation of intangible fixed assets	2,083	2,500
Loss on disposal of fixed assets	1,288	9,141
Share-based payment expense	69,434	64,419
Finance income	(35,967)	(215)
Interest on lease liabilities	34,264	39,212

Exchange rate differences on translation	(88,632)	(119,455)
	683,307	1,278,112
Increase in trade and other payables	1,497,111	931,716
Increase in trade and other receivables	(919,497)	(372,487)
Taxation paid	(55,451)	(380,753)
Cash generated from operating activities	1,205,470	1,456,588

26 Financial instruments

Financial instruments recognised in the consolidated statement of financial position

All financial instruments are recognised initially at their transaction cost and subsequently measured at amortised cost.

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Financial Assets				
Trade and other receivables	3,694,354	3,170,326	811,428	589,087
Cash and cash equivalents	3,119,353	2,444,100	117,816	135,548
Investments in subsidiaries	-	-	1,363,002	1,293,567
Total	6,813,707	5,614,426	2,292,246	2,018,202
Financial Liabilities				
Trade and other payables	2,273,917	1,819,744	94,557	88,959
Accruals	1,621,048	1,328,001	19,550	17,000
Total	3,894,965	3,147,745	114,107	105,959

The Group is exposed to risks that arise from its use of financial instruments. There have been no significant changes in the Group's exposure to financial instrument risk, its objectives, policies and processes for managing those from previous periods. The principal financial instruments used by the Group, from which financial instrument risk arises, are trade receivables, cash and cash equivalents and trade and other payables.

Credit risk

Credit risk arises principally from the Group's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The maximum exposure to credit risk at 30 June 2024 was £1,608,713 (2023: £1,649,905). Trade receivables are managed by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The credit risk associated with trade receivables is minimal as invoices are based on contractual agreements with long-standing customers. Credit losses historically incurred by the Group have consequently been immaterial.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to meet its liabilities when they fall due. The Group monitors cash flow on a regular basis. At the year end, the Group has sufficient liquid resources to meet its obligations of £3,989,476 (2023: £3,147,899).

Market risk

Market risk arises from the Group's use of interest bearing financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate. At the year end, the cash and cash equivalents of the Group net of bank overdrafts was £3,119,353 (2023: £2,444,100). The Group ensures that its cash deposits earn interest at a reasonable rate.

Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to stakeholders. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity. At the year end, total equity was £2,805,725 (2023: £2,814,356).

28 Pension costs defined contribution

The Group makes pre-defined contributions to employees' personal pension plans. Contributions payable by the Group for the year were £170,429 (2023: £129,228). At the end of the reporting period £8,779 (2023: £17,475) of contributions were due in respect of the period.

29 Dividends

In respect of the current year, the directors propose that a final dividend of 3 pence per share (2023: 3 pence) be paid to shareholders on 20 January 2025. The dividends are subject to approval by shareholders at the Annual General Meeting and have not been included as liabilities in these consolidated financial statements. The proposed dividends are payable to all shareholders on the Register of Members on 27 December 2024. The total estimated dividend to be paid is £286,140. The payment of this dividend will not have any tax consequences for the Group.

30 Contingent liability

Company

The Company is a member of a group VAT registration with all other companies in the Aeorema Communications group and, under the terms of the registration, is jointly and severally liable for the VAT payable by all members of the group. At 30 June 2024 the Company had no potential liability under the terms of the registration.

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