

Advancing the future through solutions and innovation

Carclo plc

Annual report and accounts 2025



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www.carclo-plc.com



Our business

Precision that powers progress

Carclo is a trusted global partner delivering high-performance components for life sciences, aerospace, and advanced industries. Our solutions support life-critical applications where reliability is essential and innovation defines success. Built on Technology, Trust, and Transformation, Carclo enables precision where it matters most.

Our precision components and engineered solutions are integrated into complex assemblies and systems, playing a crucial role in ensuring reliability, functionality, and performance in our customers' products. We combine deep engineering expertise with advanced manufacturing processes and cutting-edge technology to develop new solutions and optimise existing ones, making products more precise, efficient and effective.

Precision manufacturing sounds straightforward, but it is significantly more complex than simply producing components to specification.

Tolerances, material properties, assembly requirements, and long-term reliability must all be considered carefully, especially across our global network of design and production facilities.

Requirements vary across regions and industries. That's why we adapt our solutions to different markets and applications, always delivering the same high standards of performance.

Through our three value drivers: Pioneering Precision Engineering, Perfecting Global Manufacturing, and Creating Specialised Solutions combined with our capabilities in injection moulding, assembly and decoration, we serve customers across life sciences, precision technology, and aerospace and optical systems.

What we do and how we create value



We're driven by our business model...

Read more on page 14



In expanding global markets.....

Read more on pages 16 to 18



...CTP's Manufacturing Solutions...

Read more on page 20



...to deliver sustainable value across our ecosystem.

Read more on page 15



.....we meet this demand through three core capabilities: CTP's Design & Engineering...

Read more on page 19



...Speciality Division.

Read more on page 21



Where failure is not an option, precision defines performance

We deliver breakthroughs in the most demanding environments, across life-saving diagnostics, self-administered drug delivery, and mission-critical aerospace. Carclo is trusted by global leaders for one reason: our ability to engineer precision where it matters most.



Key facts

Sites

11

Employees

958

Revenue

£121.2m

CTP Division

Design & Engineering excellence network

Where ideas become reality through collaborative design, tooling innovation, and rapid prototyping.

£13.6m¹

Manufacturing Solutions

Global production sites delivering high-precision moulding, multi-component assembly, premium decoration, and scalable supply chain solutions.

£93.4m1

Speciality Division

Expertise locations

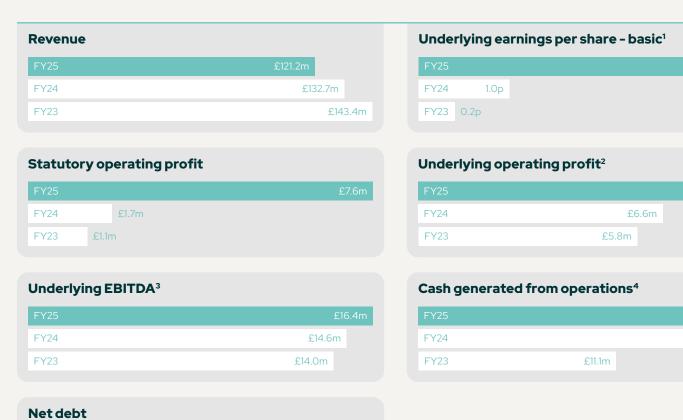
Precision machining centres of excellence serving aerospace and high-performance light & motion systems.

£14.2m1

We drive organic growth through trusted client partnerships and deep expertise in life sciences and precision engineering.

Our performance

Strong platform for sustained value creation



Highlights

- Health and safety: 73.9% reduction in incident rates: Incident Frequency Ratio ("IFR") 0.6 (FY24: 2.3) (see page 8)
- Return on Sales ("ROS") increased to 8.1% (FY24: 4.9%) and Return on Capital Employed ("ROCE") increased to 24.4% (FY24: 13.1%) (see page 8)
- New financing arrangements with BZ Commercial Finance DAC (see page 7)
- Agreement with Pension Trustees to address actuarial deficit (see page 10)
- CO₂e intensity: a reduction of 9.4% to 87.3 tCO₂e/ £1m revenue (FY24: 96.4 tCO₂e) (see pages 30 to 31)
- 98% of UK electricity now from renewable sources (see page 30)

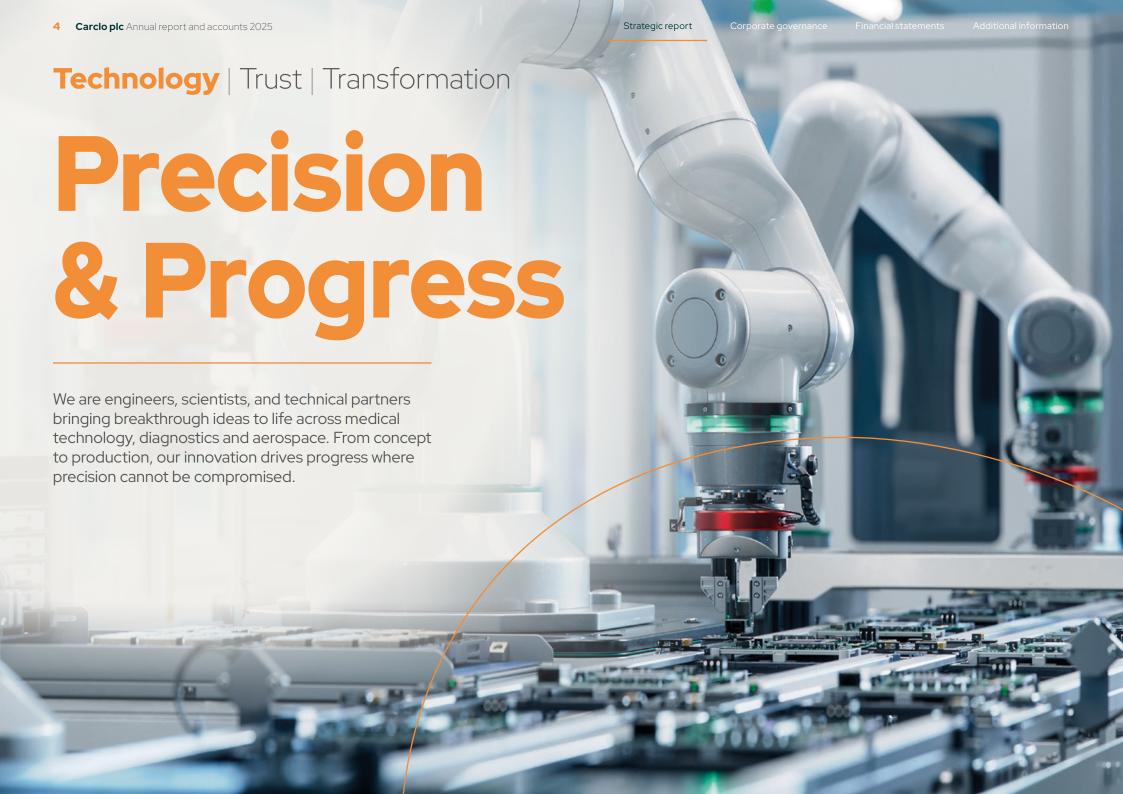
£18.6m

 Project Zelda Phase II deployed across all regions

- FY25
 £19.2m

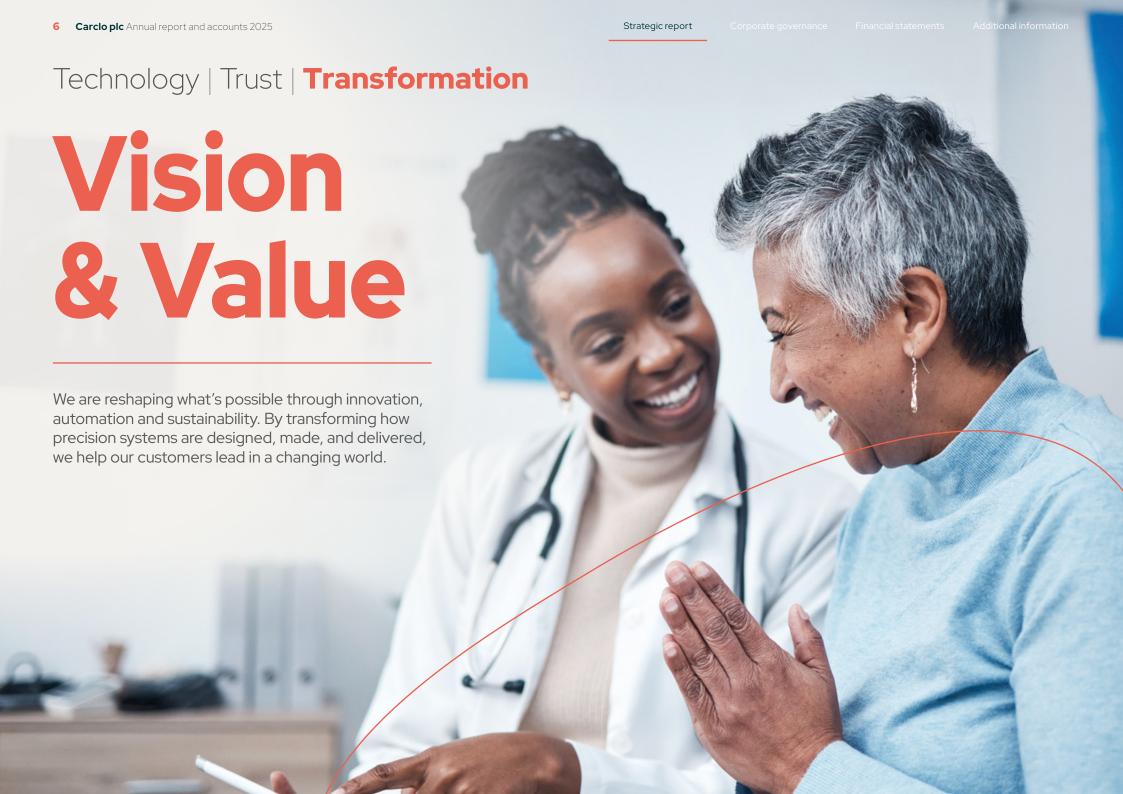
 FY24
 £29.5m

 FY23
 £34.4m
- 1. Underlying earnings per share is defined as earnings per share adjusted to exclude all non-underlying items. A reconciliation between the Group's profit/(loss) to underlying profit used in the numerator to calculate underlying earnings per share can be found in note 11.
- 2. Underlying operating profit is defined as operating profit before non-underlying items. A reconciliation to statutory figures is given on pages 190 to 193.
- 3. Underlying earnings before interest, taxation, depreciation and amortisation ("uEBITDA") is defined as EBITDA before non-underlying items. A reconciliation to statutory figures is given on pages 190 to 193.
- 4. Restated to be presented gross of defined benefit pension contributions but excluding Company settled administration costs. These administration costs are now presented within the consolidated statement of cash flows as part of net cash from operating activities.



Performance & Partnership

We are not just suppliers, we are trusted partners. Through consistent performance, deep expertise, and delivery discipline, we earn customer confidence and build long-term success together.



Chair's statement

A year of strong progress



We have taken a big step forward in improving our operational and financial performance, and established a stable platform from which we can grow.

Dear shareholder

I am delighted with the progress the team has made in transforming Carclo through the last year. We have achieved our key strategic goals for the year: to drive margin expansion through improved operational performance and efficiency whilst strengthening the Group's balance sheet through a focus on cash generation and targeted investment. We have also achieved a significant improvement in our safety performance across the Group, with our safety incident rate falling by over 70%. Our rationalisation plan in the CTP US business was delivered on time and to budget whilst our businesses in EMEA and Asia-Pacific have continued to perform strongly. Our revenues reduced compared to the prior year as we exited low-volume, low-margin business in the US and alongside this, we have made significant progress towards our medium-term financial goals of 10% Return on Sales and 25% Return on Capital Employed, achieving 8.1% and 24.4% respectively for the year. You can read more about the actions we have taken to deliver this improvement in the Chief Executive Officer's business review on pages 8 to 12.

We now have a business with stable foundations and are in a position from which we can grow in the years ahead. We deliver solutions that are critical to the success of our customers and our strategy of delivering operational excellence is not only beneficial to our own performance, but also to delivering an outstanding service to our customers

We are positioned in markets with structural growth characteristics and, as outlined in more detail in our strategy on pages 22 to 24, our focus now turns to expanding in those markets with both existing and new customers.

The Board

During the year, we have recruited a new Chief Financial Officer ("CFO"), after Eric Hutchinson advised us of his intention to retire at the end of the financial year. I would like to express my sincere thanks to Eric for his significant contribution to Carclo both as a Board member and, latterly, as CFO. Eric stepped up to be CFO from his position as a Non-Executive Director when the Group was at a critical point and he has been an integral part of driving the turnaround, bringing both stability and improved performance to the Group. We wish Eric well in his retirement.

We welcomed Ian Tichias as CFO from 1 April 2025, and I am delighted with the speed at which Ian has assimilated his understanding of the Group and the positive impact he has already made to the organisation. This change is discussed in more detail in the corporate governance report on pages 58 and 62.

I would like to thank all of my Board colleagues for their contribution during the year. We have made significant progress and every Board member has played a key part in driving the transformation in the Group's performance.

Refinancing and triennial valuation of the Group pension scheme

We achieved the significant milestone of agreeing refinancing arrangements with BZ Commercial Finance DAC ("BZ") on 24 April 2025. I am delighted to have BZ as our strategic financing partner and I believe they are a good match for our needs as we move into a growth period for the Group.

In parallel, we reached agreement with the Trustees of the pension scheme in respect the actuarial deficit as at 31 March 2024 and the associated deficit repair contributions. We recognise the Group's defined benefit pension scheme as a key stakeholder for the business and continue to make good progress in steadily reducing the actuarial deficit relating to it. More details of the new financing arrangements can be found in the Chief Financial Officer's review on pages 43 to 48.

Our people

Our people throughout the business continue to work incredibly hard to address challenges and drive the performance of Carclo. We have achieved great success during the year which has only been possible through the contribution of every single member of the team. I am proud to be able to lead this talented group of people and, on behalf of the Board, I would like to thank all of our employees for their continued hard work and commitment.

Joe Oatley

Chair

28 August 2025



Chief Executive Officer's business review

Advancing the future through solutions and innovation



Despite continued external volatility, we stayed disciplined, focused and fast-moving. The measures we took were bold by design and they are working.
Our stronger second-half performance is not coincidence but consequence. It reflects sharper execution, better decisions, and the early impact of our transformation agenda now gaining momentum across the Group.

Dear shareholders, employees and partners

FY25 has been a year of remarkable transformation for Carclo, where strategic clarity has translated into measurable financial results.

Through decisive action and disciplined execution, we have successfully reset the business with both greater stability and increased agility amidst geopolitical uncertainty and shifting global market demands. Across regions and divisions, our targeted strategies have delivered tangible impact:

- Volume growth in APAC, particularly India
- Operational gains and site specialisation in CTP's EMEA region
- Strong volume growth in Speciality, following strategic portfolio refocus
- Strong margin expansion in the CTP US business, driven by restructuring and a focus on operational excellence

The seamless integration of Tucson into our Pennsylvania operations under unified leadership exemplifies the scale and pace of our transformation.

These initiatives are already delivering results. Our ROS increased from 4.9% to 8.1%, and ROCE surged from 13.1% to 24.4%. The platform we have built is resilient, scalable and aligned with long-term value creation.

For those who share our vision – investors, customers, employees, and partners alike – Carclo now presents a compelling opportunity.

Powered by our integrated edge

Technology

Our ability to engineer precision into life-critical applications

Trust

The dependable delivery and operational excellence that customers and investors rely on

Transformation

Our ongoing evolution – reshaping systems, partnerships and products for tomorrow

Together, these strengths define who we are and how we deliver results, creating long-term value through innovation, discipline and scalable performance.

Health and safety: Safety champions shaping our culture

At Carclo, we are safety champions who place the wellbeing of every colleague at the heart of our identity. Our culture is one where safety is not just a priority – it's who we are. Through rigorous training programmes, proactive hazard identification, and an environment where everyone has "stop work" authority, we have transformed into an organisation with a 73.9% reduction in overall incident rates. Our IFR decreased from 2.3 to 0.6, reflecting our evolution into a company where safety excellence is embedded in our DNA.

Our third annual Safety Week saw unprecedented participation across all regions, reinforcing our identity as a company that values human potential above all else. This safety-first mindset does not just protect our people; it defines us as operational excellence leaders who create long-term value through reduced disruptions and enhanced productivity.



Resetting and reshaping our organisation

We have reshaped Carclo around two distinct yet complementary engines of growth: the CTP Division and the Speciality Division. This dual structure positions us uniquely, combining project-driven innovation with process-driven efficiency to meet diverse customer needs and scale with confidence.

In FY25, we completed the planned closure of our Tucson site on time and within budget, successfully consolidating all our US operations into our Pennsylvania facilities. This was not just an exercise in efficiency, it was a strategic transformation. The result: improved asset utilisation, reduced complexity and greater responsiveness. Our new 3,000 sq ft welding and assembly facility in Greensburg, equipped with 16 state-of-the-art machines, stands as proof.

We also concluded our factory specialisation programme within CTP, establishing a globally scalable model built for margin resilience and market responsiveness. This evolution strengthens our identity as a performance-led business focused on long-term value creation, capable of thriving in today's volatile world.

Our dual engines of growth

CTP Division: Driving scalable growth through innovation

Design & Engineering

Our D&E business delivers bespoke, project-focused solutions that redefine capabilities in life sciences and advanced manufacturing. During the year, we delivered a standout High-Throughput Electroporation Consumables Co-Development Project with a leading Asia-Pacific biopharmaceutical company which showcased our ability to innovate scalable solutions for gene therapy breakthroughs. The platform increases throughput for our customers by 300% while reducing cost-per-sample by 40%.

We also made a number of strategic investments in asset revitalisation and automation are setting the foundation for long-term growth. New design verification protocols have reduced time-to-market by 18% for complex medical components, while enhanced simulation capabilities have cut physical prototyping iterations by nearly half. Our specialised upskilling programmes for engineering teams focus on advanced simulation techniques and next-generation materials.

Manufacturing Solutions

Our Manufacturing Solutions business now comprises streamlined global operations delivering world-class quality and efficiency. Integration of Tucson's volume into Pennsylvania operations has achieved significant cost efficiencies and brought US operations to the same excellence standards as our EMEA and APAC facilities.

Key FY25 breakthroughs include our Quick Mould Change initiative reducing changeover time by 67%, adding over 450 hours of saleable capacity per machine annually. Assembly, decoration, and supply chain investments increased throughput by 22% while maintaining quality standards. Real-time production monitoring across global facilities improved Overall Equipment Effectiveness ("OEE") by 8.5 percentage points. Our largest medical device customer awarded us their "Supplier Excellence Award" for the second consecutive year.

LifeTech Solutions

Our CEO-led innovation incubator developing proprietary technology, materials and breakthrough products for next-generation applications. This dedicated R&D arm focuses on creating intellectual property and pioneering solutions that will drive future growth, leveraging our deep expertise in precision manufacturing and life sciences to develop tomorrow's technologies today.

Speciality Division: High-value innovation in niche markets

Aerospace

The Division achieved record-high sales and near-record profits driven by strategic portfolio refocusing and strong market demand. Our precision machining solutions have grown from 27% of division output three years ago to 62% today, delivering exceptional results, with 33% Compound Annual Growth Rate ("CAGR") in this segment.

Major achievements include securing £4.2m in precision component orders for next-generation commercial aircraft engines over three years, and successful launch of air force defence solutions opening fresh revenue streams with initial orders from three major defence contractors. Our continued focus on RMO (Repair, Maintenance and Overhaul) and strategic expansion of machining capabilities in the UK and France have been particularly notable in civil aviation, where airlines' focus on extending equipment lifecycles creates significant opportunities.

Light & Motion

Advanced LED optics delivering breakthrough innovations for emergency and automotive markets. Our new-generation high-efficiency LED optics for emergency vehicle lighting feature enhanced visibility, improved beam angles and superior light management. These innovations have created new applications for our technology and secured contracts with leading automotive lighting manufacturers, opening fresh revenue streams in high-growth segments.

Financial and operational resilience

We are focused on robust financial stewardship and ensuring we have a solid platform for long-term growth. Our financial discipline, even taking into account £2.3m in non-underlying costs, has delivered solid performance, demonstrating the effectiveness of our strategic reset. We've driven ROS to 8.1% and ROCE to 24.4%, reflecting our identity as a company committed to disciplined execution and enhanced margins. With these results, we are well en route to reach our strategic targets of 10% ROS and 25% ROCE. While we are confident in our trajectory, we remain prudently committed to sustainable profitable growth rather than short-term high-risk gains.

Our relentless focus on cash generation and working capital management has stabilised our position and built resilience with a significant reduction in net debt during the year.

On 24 April 2025, we secured new financing arrangements with BZ Commercial Finance DAC and reached an agreement with our Pension Trustees to address our actuarial pension deficit. The new facilities include a term loan of £27.0m and a revolving credit facility of up to £9.0m. In parallel, we paid £5.1m into the pension Scheme on completion of the triennial pension scheme valuation, and agreed a gross annual contribution of £3.5m over the next five years. The triennial valuation as of 31 March 2024 was at a technical provisions deficit of £64.5m, down from £82.8m in 2021.

This refinancing is not merely a technical transaction; it is the embodiment of Carclo as a company reborn. It confirms that we aren't just survivors who weathered past challenges, but we have laid the groundwork to accelerate our growth trajectory with confidence.

Strategic expansion

Our geographical expansion strategy is one of our key levers for future growth. We are investing in complex precision injection moulding and fully automated assembly for in vitro diagnostic solutions within our CTP business, while scaling regional capabilities to meet rising demand in India and South Asia. Our strategy goes beyond replication; we are aligning each new facility to specialised local requirements, targeting opportunities in aerospace, optics, and medical diagnostics.



How strategy becomes performance

Technology: **Precision & Progress**

At Carclo, we are more than contract manufacturers: we are precision engineers and innovation partners. Our teams of scientists, engineers, and technical specialists bring ideas from concept to production, powering life-critical solutions in diagnostics, drug delivery and advanced manufacturing.

A key milestone in this transformation is the creation of **LifeTech Solutions**, our CEO-led innovation incubator. Designed to operate independently of daily operations, LifeTech ensures strategic innovation receives the focus and investment it needs. Its mission is to develop proprietary technologies and materials that solve real-world market challenges and deliver long-term competitive advantage.

Three major initiatives are already underway: ConnectedCare, which provides real-time chain visibility to enable data-driven decisions; next-generation polymer alternatives that meet regulatory needs without compromising performance; and external innovation partnerships that leverage our global platform to bring breakthrough technologies efficiently to market.

These are not short-term wins, they are strategic, multi-year investments that will drive margin enhancement and differentiation.

Alongside this long-term pipeline, we are also delivering operational innovations that create value today. Our Carclo Insight digital platform provides a unified dashboard of performance data, enabling teams to focus on improvement rather than reporting. We've introduced 3D-printed moulds to enhance cooling and product quality, advanced C-Mould for faster sampling and tooling time, and expanded Al-driven automation with real-time data to optimise production scheduling, quality control and inventory management.

By turning promising innovation into tangible results, we are strengthening our role as a technology-led partner; one that delivers both manufacturing excellence and proprietary solutions that unlock distinctive value for our customers

Trust: Performance & Partnership

At Carclo, trust is earned through performance. We are partners, not just suppliers, combining precision engineering expertise with consistent delivery to enable our customers' success.

In FY25, our focus on execution translated into measurable outcomes: On-Time, In-Full ("OTIF") delivery improved, and customer satisfaction rose across regions. The highlight was securing a new five-year contract with our largest customer, a clear endorsement of our reliability, quality and long-term value.

We also expanded strategic partnerships in APAC, supporting regional manufacturing and integrated supply chain solutions. In animal health, we are co-developing innovative offerings from PFAS-free rubber replacements to connected components that bring data intelligence into life science platforms.

These growing partnerships are more than commercial; they are collaborative. They build stable, long-term revenue streams while opening new innovation pathways. In an increasingly competitive market, Carclo stands out by being a trusted, capable partner; one who delivers, adapts and grows alongside its customers.

Transformation: Vision & Value

Transformation at Carclo is not just a strategy, it's a discipline. We have evolved from a traditional product supplier into a precision partner that creates integrated, high-performance solutions across life sciences and advanced manufacturing.

This shift is anchored in our One Carclo approach: aligning global operations, standardising systems, and building a unified culture focused on long-term value creation.

In FY25, this transformation delivered tangible outcomes across three key areas:

- Factory specialisation: We consolidated our US operations by closing Tucson and scaling Pennsylvania, unlocking efficiencies, streamlining automation, and enhancing quality through shared global systems.
- Material and process innovation: Advancing new materials and processing methods across APAC, EMEA and the US, increasing productivity while supporting sustainability and compliance goals.
- **Back-end automation:** Our APAC-led initiatives in digital and mechanical automation are reducing manual bottlenecks, addressing talent shortages, and improving output across alobal sites.

These changes are more than operational – they are strategic. They have improved asset utilisation, increased equipment effectiveness and reduced cost-to-serve. As a result. Carclo is now a leaner, more resilient, and margin-focused organisation built not just for today, but for sustainable growth in FY26 and beyond.

Advancing sustainability

We are environmental custodians who translate our commitment to sustainability into tangible actions. UK operations are now 98% CO₂ neutral on electricity due to new energy contracts, and as efficiency champions, we've achieved a 9.4% reduction in CO₂e emissions per £1m of revenue and reductions in total energy consumption across the Group. Our APAC facilities are progressing towards CO₂ neutrality, with the US market next on our roadmap.

Our goal to reduce waste by 50% in our self-help Zelda project, and the enhanced yield is well on track, supporting both our environmental commitments and operational efficiency objectives.

These initiatives don't just reduce our environmental impact - they cement our position as cost-efficiency leaders and responsive partners in a marketplace increasingly defined by sustainable manufacturing values.

Positioned for value creation

The strategic reset we have implemented over the past year has fundamentally strengthened Carclo's market position and growth potential. Our improved financial metrics - from enhanced margins to stronger returns - provide a solid foundation for future investment. The dual-engine structure of our business enables us to capitalise on both high-value, project-driven innovation and scalable, process-driven efficiency.

From facility consolidation to digital automation,

we continuously refine our operations, unlock

efficiency, and invest for resilience and margin

Our technological leadership, particularly through the establishment of our LifeTech Solutions incubator and digital transformation initiatives, is developing proprietary capabilities that will drive our next wave of breakthrough solutions and long-term value enhancement. Meanwhile, our investments in automation, process optimisation, and regional manufacturing have enhanced our competitive advantage in high-value secular growth markets.

Long-term partnerships with key customers and our expanding presence in high-growth regions position us well to capture emerging market opportunities. Our commitment to environmental responsibility and operational efficiency further enhances our appeal to customers and partners who increasingly value sustainable business practices.

Carclo has transitioned from a company of promises without delivery to one that delivers results. This fundamental shift in our approach to business execution creates meaningful value for all our stakeholders.

Conclusion and outlook

The strategic actions taken in recent years to turn the business around are bearing fruit and their success is evident in the improved operational and financial performance reported for FY25. The Group is well positioned to build upon this positive trajectory, notwithstanding an increasingly complex global backdrop. The ongoing operational excellence programme and maintenance of the disciplined approach to cash management and the ongoing operational excellence programme are expected to drive sustained financial resilience and strategic flexibility.

Growth in the medium term will focus on accelerating expansion in the Life Sciences sector, where demand for high-precision solutions continues to grow and continued momentum in our Speciality Division, particularly in the aerospace sector. Strong cash flow performance, an improving net debt position and the new borrowing facility with BZ provide a solid financial platform for this growth.

We have long-term strategic partnerships with our key clients and the markets for our products are growing. The strategic changes that have been made have built a strong foundation for sustained performance improvement and we remain on track to achieve our long-term strategic goals. We are confident in delivering sustainable profitable growth and enduring value for all our stakeholders.

The best of Carclo lies ahead, and I invite you to stay with us on this shared journey delivering precision, creating value, and advancing the future together.

Yours faithfully,

Frank Doorenbosch

Chief Executive Officer 28 August 2025

Why choose Carclo?



X,

Trusted partners

We build enduring relationships through consistent delivery, transparency and a long-term view.

Our growing customer base and multi-year contracts reflect our reputation as a dependable, value-adding partner not a transactional supplier.



Precision engineers with innovation DNA

Our heritage is rooted in precision engineering, but our mindset is future-focused.

We develop solutions that push boundaries - combining proven expertise with curiosity, creativity and technical depth.

expansion.

Technology-led

Transformation-driven

We don't just adapt - we lead.

Technology is embedded in everything we do – from Al-powered production analytics to next-generation materials.

We invest in what matters: tools and platforms that deliver speed, reliability and sustainable performance.

Our competitive edge

Advancing the future through solutions and innovation

At the heart of this transformation is our competitive edge - Technology, Trust and Transformation – which defines how we operate, innovate and lead. These strengths are driving performance today and shaping the Carclo of tomorrow.

Technology:

Precision & Progress

From engineering excellence to proprietary solutions, we enable life-critical innovation.

We continue to strengthen our core in diagnostics, drug delivery and medical devices, while expanding into aerospace and precision industries.

Strategic investments in automation and next-generation materials drive faster development, smarter production, and the innovation edge our customers rely on.



Trust:

Performance & Partnership

From delivery discipline to long-term partnerships, we build momentum through results.

We are deepening strategic customer relationships to co-develop breakthrough solutions, expanding regional manufacturing to enable localised production, and leveraging our global platform for scalable, high-performance output.

Trust is earned and our performance continues to prove why Carclo is a partner of choice.



Transformation:

Vision & Value

From operational strength to strategic growth, we are evolving how Carclo competes and scales.

We are expanding in high-growth markets across North America, EMEA and APAC, advancing our innovation incubator, and developing sustainable manufacturing solutions.

This transformation makes Carclo leaner, faster, and better positioned to lead in precision-critical global industries.



We turn precision into performance, and strategy into value, with Technology, Trust and Transformation.

We're driven by our business model...

Embracing a global mindset and implementing local strategies, we serve our partners with exceptional standards and innovation facilitated by our global manufacturing platform.

Our purpose

Advancing the future through solutions and innovation

Our vision Our drivers Our solutions

Technology

We envision a world advanced by precision innovation in life-critical technologies and manufacturing.

Technical excellence, engineering rigour, next-generation materials and automation fuel our innovation edge.

High-precision components, complex assemblies, and digitalised manufacturing systems for mission-critical applications.

Trust

We are dedicated to producing consistently high-precision components that meet rigorous customer standards, ensuring operational excellence at every step.

Consistent delivery, transparent collaboration, and customer-first responsiveness drive our performance.

Scalable, reliable solutions built through regional platforms and performance-led partnerships.

Transformation

We believe transformative thinking and bold engineering improve lives and shape a sustainable future. Agile execution, forward-looking strategies, and market-responsive innovation propel our transformation.

Breakthrough products and proprietary technologies that redefine standards in diagnostics, aerospace and sustainability.

Our key capabilities



Design & Engineering

See more on page 19.



Manufacturing Solutions

See more on page 20.



See more on page 21.

Driven by our core values



We seek a better way



We operate as "One Carclo"



We are always open and honest



We drive long-term sustainable growth



We always act responsibly

Business model continued

...to deliver sustainable value across our ecosystem.

Creating value for all stakeholders

Our approach

Carclo's business model is designed to create lasting value for all stakeholders, balancing short-term performance with long-term sustainability. Our structured approach to stakeholder engagement ensures we understand and address the needs of everyone in our ecosystem.

Shareholder value

We focus on maximising sustainable returns through:

- Strategic capital deployment and disciplined resource management
- Increasing Return on Sales and Return on Capital Employed
- · Enhanced cash generation and effective debt management
- Long-term growth through targeted innovation and market expansion

Customer success

Delivering exceptional quality and innovative solutions for customer success:

- Collaborative engineering partnerships addressing complex challenges
- Consistent quality standards across global operations
- Responsive service tailored to specific market requirements
- End-to-end support from design through to production and supply chain

Supplier and partner relationships

Our partnerships are built on:

- · Mutual trust and shared objectives that benefit all participants
- · Collaborative approach to innovation and problem-solving
- Resilient supply chains that withstand market volatility
- Long-term relationships based on fairness and transparency

Employee development

We are committed to creating a rewarding, inclusive environment:

- Unwavering focus on health and safety across all operations
- · Professional growth opportunities and skills development
- Recognition of excellence and contribution at all levels
- Engaged workforce guided by our "One Carclo" principle

Community and environmental responsibility

Our commitment to responsible operations includes:

- · Targeted reduction in environmental impact across all facilities
- · Progress on carbon emissions reduction, with UK operations already carbon neutral for electricity
- · Active engagement with local communities where we operate
- Sustainable manufacturing practices reducing waste and energy consumption

Our success is measured not just by our financial performance, but by the value we create for all our stakeholders.





Our markets

In expanding global markets ...



Life Sciences

Precision, Care, Innovation

At Carclo, we leverage precision engineering and innovative technologies to support the life sciences sector. Our advanced solutions for diagnostics and drug delivery systems improve patient care and allow medical innovations, ensuring reliability and accuracy.

The global life sciences market presents significant opportunities. The in-vitro diagnostics ("IVD") market is projected to have a 5.6% CAGR to 2030¹, while drug delivery systems are expected to reach a CAGR of 7.5%², driven by biologics and personalised medicine.

Market trend

There is an increasing demand for rapid and accurate diagnostics solutions and convenient drug delivery systems, with point-of-care testing growing in importance for improved healthcare accessibility, particularly in emerging markets. The trend towards personalised medicine and self-administered care continues to accelerate, requiring ever-more precise components and systems. These trends are driving revenue acceleration as customers seek integrated, end-to-end solutions from concept to commercialisation

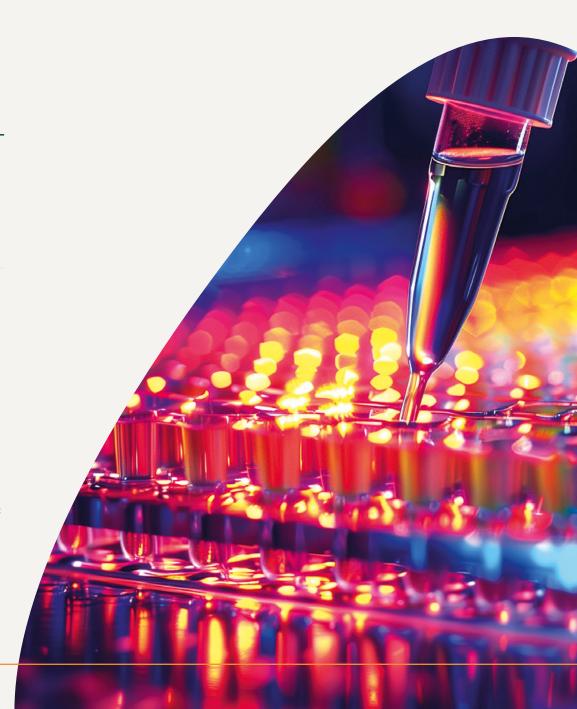
Market drivers

Growth in personalised medicine, the rise of chronic diseases and increasing self-care are pushing innovation in diagnostic and delivery technologies. Post-pandemic emphasis on diagnostic testing infrastructure and regulatory requirements for safer, more effective drug delivery systems are driving market expansion. Our global manufacturing footprint and regulatory expertise position us to capture this growth across multiple regions simultaneously.

Carclo's response

We are expanding our range of precision components to enhance the accuracy and reliability of diagnostic devices and more sustainable drug delivery solutions. Our **value differentiator** lies in our LifeTech Solutions incubator, where we develop proprietary technologies including PFAS-free polymer alternatives and connected care solutions for data-driven healthcare applications. Through our ISO 13485 certified facilities, cleanroom capabilities, and co-development partnerships, we deliver components that meet the exacting standards required for life-critical applications while providing comprehensive regulatory support from FDA to CE marking.

- 1. Grand View Research IVD Market Report 2025-2030.
- 2. Grand View Research Drug Delivery Devices Market Report 2025-2030.



Our markets continued



Precision Technology

Reliability, Efficiency, Technology

Carclo stands at the forefront of high precision engineering with components that redefine reliability and efficiency. From high-end automation systems and protective equipment to critical financial transaction mechanisms, our products are essential to the seamless operation of sophisticated technology across multiple sectors.

The global precision engineering market demonstrates robust growth, with industrial automation components projected to grow at 10.8% CAGR from 2025 to 2030¹. High-precision manufacturing for financial systems, protective equipment, and automated machinery requires components that withstand millions of cycles while maintaining consistently high performance and security standards.

Market trend

The surge in industrial automation and digital security systems creates demand for ultra-precise, reliable components that can withstand continuous operation while maintaining consistent performance. As manufacturing becomes more sophisticated, and security requirements intensify, the need for precision-engineered parts rises correspondingly. This trend drives revenue acceleration through long-term partnerships with equipment manufacturers seeking reliable, high-performance component suppliers.

Market drivers

Technological advancements and increasing consumer expectation for efficiency and security are transforming requirements across industrial, financial, and safety sectors. Growing emphasis on automation reliability, enhanced security protocols, and equipment longevity creates sustained demand for precision components. The acceleration of automation adoption assists in mitigating rising labour costs, while regulatory requirements for safety equipment drive quality standards higher.

Carclo's response

We design and produce ultra-precise and reliable components that enhance the performance and durability of automated systems, protective equipment and secure transaction mechanisms. Our value differentiator lies in our ability to engineer components for extreme reliability requirements - supporting millions of operational cycles with consistent performance. Through advanced materials expertise, precision moulding capabilities and rigorous quality systems, we deliver components that meet the exacting standards required for mission-critical applications while helping customers transition to next-generation technologies and enhanced operational efficiency.

1. Grand View Research Industrial Automation and Control Systems Market 2025-2030.



Our markets continued



Speciality

Safety, Precision, Exploration

Carclo elevates industry standards through exceptionally precise components crucial for aerospace safety and advanced LED optical solutions. Our commitment to precision and innovation drives performance across both aerospace and light and motion markets.

Within our Speciality Division, our Aerospace business supplies critical systems with strategic focus on the growing repair, maintenance and overhaul ("RMO") market, expected to reach US\$120.96bn by 2030 at 4.7% CAGR¹. Our Light & Motion business delivers pioneering LED light management solutions spanning automotive lighting to specialised optical applications.

Market trend

Growing aviation activity boosts demand in traditional markets while emerging South Asian opportunities align with our recent business wins. The aerospace sector's focus on quality, safety, and supply chain resilience creates revenue acceleration through long-term partnerships and precision machining growth now 57% of division output compared to 27% three years ago. Simultaneously, energy efficiency demands drive innovation across automotive and specialised lighting applications.

Market drivers

Increased expectations for aerospace quality and reliability, coupled with commercial air travel resurgence, drive market growth. Post-pandemic supply chain diversification creates opportunities for trusted partners. Environmental regulations and LED technological innovations generate new demand for precision-engineered optical components requiring higher accuracy in increasingly miniaturised designs.

Carclo's response

We capitalise on precision machined components growth by providing cutting-edge aerospace-grade parts while expanding our geographical reach, particularly in South Asia. Our value differentiator lies in our specialised certifications, delivering a 33% CAGR growth in our precision machining, and unique combination of aerospace expertise with advanced optical capabilities. Through strategic expansion of UK and France machining capabilities and developing plans for a centre of excellence in Bangalore, we deliver bespoke solutions that redefine standards in these demanding industries while capturing emerging opportunities in high-growth markets.



Our capabilities

...we meet this demand through three core capabilities: CTP's Design & Engineering...



Transforming complex challenges into breakthrough solutions

Project - one-off custom solutions

Our Approach

Design & Engineering ("D&E") sits at the heart of Carclo's Technology pillar, where we transform market and customer requirements into engineered solutions that set new industry standards. Our project-focused teams ensure exemplary service delivery from conceptualisation to final validation.

Key Capabilities

- End-to-end project management from concept to validation
- Advanced mould and automation design expertise
- Technical innovation focused on life-critical applications
- · Digital integration enabling operational excellence

Value Creation

As a project-driven organisation, we deliver unparalleled global support across all phases of product development. Our commitment extends beyond mere execution to encompass groundbreaking innovations in both processes and products.

Strategic Progress

- · Investments in asset revitalisation and back-end automation
- · Automation projects addressing growing labour scarcity challenges
- Expansion of design capabilities tailored to life science applications
- Enhanced digital tools improving design efficiency and effectiveness

Forward Focus

manufacturing capabilities in the medium to long term, establishing a compelling operational template that we are deploying across the wider Group. This strategic direction supports our commitment to Technology leadership and continuous innovation.

Percentage of Group Revenue



Our collaborative design approach is tailored to unique customer challenges, creating solutions that others cannot.



Our capabilities continued

...CTP's Manufacturing Solutions...



Delivering consistent quality across continents

Process – scalable volume production

Our Approach

Manufacturing Solutions embodies Carclo's Trust pillar, where our global production platform delivers reliable, high-precision components. Our standardised processes ensure exceptional quality regardless of geographic location.

Key Capabilities

- · Precision injection moulding and multi-component assembly
- · Automated production systems for consistent quality
- · Regional manufacturing across Americas, EMEA and APAC
- Full service supply chain solution

Value Creation

Our global manufacturing platform spans three continents with specialised facilities providing extensive technical support. We offer precision solutions, through injection moulding, complex assemblies, and integrated supply chain solutions that cater to the diverse needs of our customers worldwide.

Strategic Progress

- US operations transformation to match **FMFA** standards
- Medium-run business successfully relocated to Central Europe
- UK operations implementing automation for long-run production
- · Successful integration of Tucson volumes, enhancing operational efficiency in the US

Forward Focus

through back-end automation, data analytics and regional optimisation. Our focus on standard responsive, flexible production platforms ensures we can adapt quickly to market changes while maintaining the high-quality standards our customers depend on.

Percentage of Group Revenue



We don't just manufacture products – we build trust through consistent quality, responsive service, and performance-driven partnerships.



Our capabilities continued

... Speciality Division.



Expertise that transforms industries

Precision - specialised high-value components

Our Approach

The Speciality Division exemplifies Carclo's Transformation pillar, pushing boundaries in aerospace and optical applications. By combining precision engineering with deep sector knowledge, we create solutions that enable innovation in demanding environments.

Key Capabilities

- · Precision cable systems, components, and assemblies for original equipment manufacturer ("OEM") and MRO applications
- · Certified specialist processes: thread rolling, rotary swaging, Computer Numerical Control ("CNC") machine, and testing
- Full lifecycle support from prototype to serial build and aftermarket spares

Value Creation

Our Speciality facilities combine deep heritage with advanced, certified processes to deliver critical components and systems with zero-failure tolerance. Trusted across civil, defence, light aircraft and vintage platforms, our solutions meet the most demanding standards of safety, quality and performance.

Strategic Progress

- · Record-high sales and near-record profits in Aerospace
- Growth in precision machining from 27% to 57% of division output
- Expansion of machining capabilities

Forward Focus

We are capitalising on the growth of precision machined components and expanding our geographical footprint to capture emerging opportunities. Our deep expertise in niche markets, backed by long-standing industry relationships, positions us to create lasting value in specialised, high-growth sectors.

Percentage of Group Revenue



Our specialised capabilities turn complexity into precision, delivering products that enhance performance and reliability in the world's most demanding environments.



Our strategy

Our balanced strategy is built for future growth...

2. Expansion

Capturing high-value opportunities, deepening customer relationships, and strategically growing our global presence.

1. Financial resilience

Building sustainable growth through disciplined cash management, debt reduction and improved returns on capital.



3. Innovation incubator

Driving the future through proprietary technology, breakthrough materials and innovative solutions.

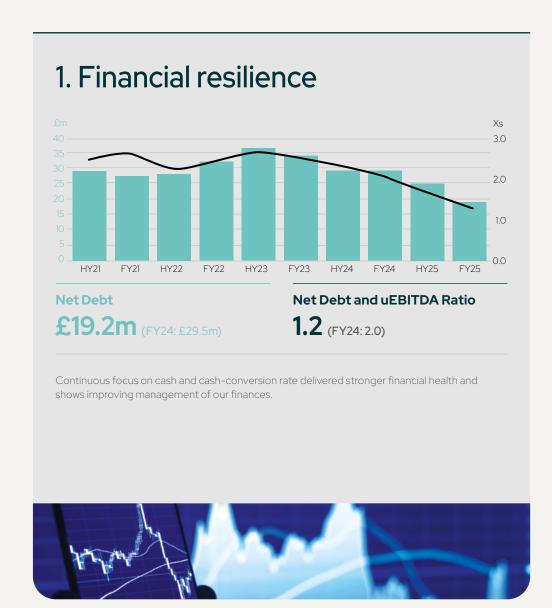
1. Operational excellence

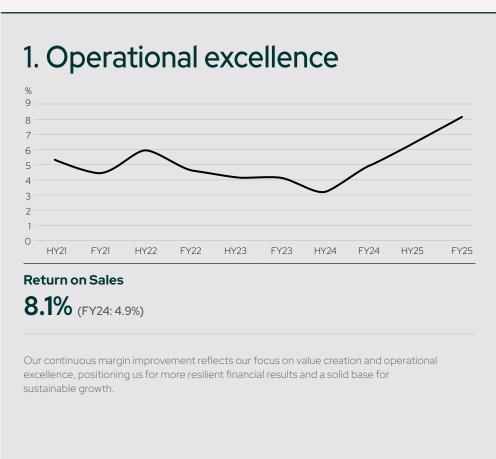
Maximising efficiency through specialised manufacturing, optimised processes and advanced automation.





...by delivering strong financial resilience and operational excellence...





...while accelerating growth through expansion and innovation...





Key Performance Indicators

...with progress towards our growth targets...

To enable our performance to be tracked against our organic growth strategy, we have focused on the following Key Performance Indicators ("KPIs").

For further information in relation to the Financial KPIs detailed below, please refer to pages 105 to 109, and in relation to the non-Financial KPIs, please refer to Responsible operations on pages 27 to 33

Financial KPIs



Significant progress towards our strategic ROCE target of 25% with the increasing ROCE directly related to the actions taken to restructure our businesses, focusing on process optimisation, increased asset utilisation and efficiency, improved pricing and cost control.



Further progress towards our strategic Return on Sales target of 10% with both the CTP Division and the Speciality Division delivering an increase in Return on Sales driven by their focus on higher-margin products, operational efficiencies and long-term strategic customers.



The increase in cash generated from operations and careful management of capital expenditure focused on achieving enhanced asset utilisation has driven the significant reduction in net debt.



The continued focus on cash generation via operational improvements, capital expenditure management and robust working capital control shows a strong cash conversion rate.



The increase in the absolute amount of underlying operating profit from a lower revenue base is a result of the progress made on margin enhancement to deliver our strategic target of a 10% Return on Sales.



Increased asset utilisation and machine efficiency are at the heart of our focus on driving continued operational improvements.

...and performance measured by our strategic KPIs.

Non-financial KPIs

Incider	t freq	uency ratio		√73.9 %
FY25	0.6			
FY24				2.3
FY23			1.5	

The health and safety of our employees is paramount. The reduction in the incident frequency ratio (number of incidents per 100,000 hours worked) demonstrates our success in operating a safe working environment. In FY24, we introduced a more vigorous reporting process which encourages employees to report any and all incidents, regardless of severity. This explains the significant increase between FY23 and FY24.

Energy intensity ratio	9.4 %
FY25	87.3 tCO ₂ e
FY24	96.4 tCO ₂ e
FY23	101.5 tCO ₂ e

Enables us to monitor tonnes of carbon dioxide emissions per £1m of revenue. Reducing our energy intensity ratio demonstrates our commitment to an environmentally conscious and responsible culture, and energy efficiency improves our margins and may reduce dependency on volatile energy prices.

Women in positions	senior manageme	ent	↑8.0pps
FY25			30.0%
FY24		22.0%	
FY23	13.0%		

A more diverse organisation leads to better decision-making. The increase in women in senior management positions demonstrates progress to a more diverse workforce.



Responsible operations

The Board considers that it is paramount that the Group maintains the highest ethical and professional standards in all its undertakings.

What's in this section

People	27
Health, safety and wellbeing	28
Corporate responsibility	28
Environment	30

• Women in senior management positions rose from 22% (31 March 2024) to 30% at 31 March 2025. At 31 March 2025. 31.4% of our employees identified as female

FY25 highlights:

(31 March 2024: 26.7%).

 We launched new site-led Diversity & Inclusion initiatives, helping ensure that every Carclo employee, no matter where they are, can thrive and be themselves.

Corporate social responsibility is a critical element of operations and decision-making. The Group understands the importance of ensuring that the business positively impacts employees, customers, suppliers and other stakeholders, which in turn supports the long-term performance and sustainability of the Company.

Our philosophy is to embed corporate social responsibility and the management of these areas into our business operations, both managing risk and delivering opportunities that can positively influence our business. In other words, corporate social responsibility should be part of our DNA and not something we do alongside our business operation. We recognise that a responsible culture must be founded on clear principles and standards. These are embedded in our suite of policies and underpinned by our values.

We also recognise that the expectations of all our stakeholders are constantly increasing, and we aim to meet and, wherever possible, exceed these expectations.

People

We recognise that our people are our greatest asset and the foundation of our success. We place a high value on their involvement. We have continued to keep our people informed on matters affecting them and various financial and economic factors affecting the performance of the Group.

Diversity and inclusion

We operate, and are committed to, a global policy of equality that provides a working environment that maintains a culture of respect and celebrates the diversity of our employees.

Our diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking style, experience and education. We believe that the vast array of perspectives that result from such diversity promotes innovation and business success. We operate an Equal Opportunities Policy and provide a healthy environment which will encourage excellent and productive working relationships within the organisation. A gender breakdown for the Board, executive management, senior management and employees of the Company is included in the Nomination Committee report on page 71.

We encourage recruitment, training, career development and promotion on the basis of aptitude and ability, without regard to disability. We are also committed to retaining employees who become disabled during the course of their employment. We endeavour to make reasonable adjustments to the duties and working environment to support any employee suffering a disablement during their employment, including providing retraining as necessary.

We believe all employees should be able to work safely in a healthy workplace without fear of discrimination, bullying or harassment. We maintain a Dignity at Work Policy and during the year we developed and have now adopted a Sexual Harassment Policy.

Development and reward

We continue to invest in developing all our employees through informal and formal routes. Training needs are assessed and training is delivered both on a Group and on an individual basis in order to meet not only the needs of the business but also to develop employees for the present and the future.

Our approach to rewarding our people supports our purpose and priorities. We aim for internally consistent outcomes, setting pay with reference to internal relativity and external and local market benchmarks and aligning reward to our performance.

Ethical Policies

We know that a responsible culture is founded on clear principles and standards. At Carclo, these are embedded in our suite of ethical policies (Anti-Bribery and Corruption Policy, Gifts and Hospitality Policy and Conflicts of Interest Policy) which are reviewed annually. We are committed to ensuring every decision and relationship reflects those principles and standards.

Our commitment to a responsible culture is supported by our Whistleblowing Policy and Whistleblowing Investigation Procedure which set out how matters of concern can be reported and explains the protection and support that will be given. The Audit & Risk Committee oversees the effectiveness of the Group's whistleblowing arrangements.

Modern Slavery Act 2015

Carclo's most recent Modern Slavery Statement can be found at www.carclo-plc.com.

Health, safety and wellbeing

We believe that health and safety is paramount. The wellbeing of our people is our greatest responsibility. It is more than a KPI: it is a mindset embedded into every action, meeting and decision. Our commitment to zero harm is lived through visible leadership, personal accountability and a culture where speaking up is encouraged and valued.

Our Health and Safety Policy Statement is maintained to promote a safe working environment at all times and demonstrates our responsibility to customers, suppliers and contractors. We communicate the policy at all levels throughout the Group.

The Group's Health and Wellbeing Programme, "Carclo Cares", offers every employee access to an Employee Assistance Programme ("EAP") helpline. "Carclo Cares" ensures comprehensive emotional, financial or legal support. We also maintain a Stress, Mental Health and Wellbeing Policy and appoint Health and Wellbeing Champion volunteers at each site.

FY25 highlights:

- We continued our **Safety First** approach: health and safety is top of the agenda at meetings, regardless of department or function.
- We achieved a **73.9% reduction in total** incident rates, driven by rigorous training, proactive hazard identification, and shared responsibility at all levels.
- The rollout of **QR-based real-time** reporting at our UK site enabled faster response and deeper insights, making safety part of everyone's daily routine.
- Carclo Safety Week, now an annual tradition across the Group, delivered record participation and inspired new site-level safety initiatives.
- We embedded our **Ten Golden Rules** of Safety across the Group, creating a clear behavioural framework for decision-making at every level of the organisation. And with every incident now directly reported to the CEO, we reinforced a culture where safety is visible, serious, and personal.
- Through our Carclo Cares wellbeing platform, we expanded access to mental health support and embedded wellbeing into everyday operations. We maintained our Stress, Mental Health and Wellbeing Policy and ensured that Health and Wellbeing Champion volunteers were appointed at each of our sites.

Corporate responsibility

Global social responsibility

We believe that business success and social value are not separate goals: they are fundamentally connected. We uphold our commitment to ethical supply chain practices across all the communities in which we operate. With direct oversight of all our manufacturing facilities, we pledge to serve as a responsible producer, ensuring transparency and accountability throughout all our operations.

Community involvement

We empower our businesses to actively contribute to their local communities through charitable endeavours and educational initiatives. Responsibility for these efforts is delegated to local management, ensuring direct and meaningful impact at the grassroots level. The following efforts highlight our contribution to the wellbeing of our local communities.

Charitable donations

Carclo employees participate in a variety of activities to support both local and national

We also make charitable donations in support of local communities. In FY25, the Group donated £1.2k to charity (FY24: £4k).

It is the Group's policy not to make political donations and no such donations were made in the year (FY24: £nil).

FY25 highlights:

- We maintained our record of **zero prosecutions** or fines for health, safety or environmental non-compliance across all jurisdictions.
- Our local teams led community programmes ranging from STEM education partnerships and college scholarships to food drives, charity walks and public space revitalisation.
- We continued our contribution to the costs of the schools we have built in India in previous years.
- Our US and UK sites ran **employee-led** volunteering weeks, empowering teams to give back to their communities with Company-supported time and resources.
- **Scholarships** were launched in Latrobe, US and Central Europe and Bruntons continued to support the management of local apprentices.

H&S: Personal perspectives



Hollie Evans Quality/Health & Safety Manager

Health and safety at the Aylesbury premises plays a pivotal role in every element from shop floor to management. It allows our staff to work freely and return home safely to their loved ones every day.

We are now well on our way to two years incident free, which is a true testament to the dedication of every single member of the Aylesbury team.



Hana Petrovska **EHS Specialist**

Carclo Brno is dedicated to upholding the highest standards of health and safety.

Our ISO 45001 and ISO 14001 certifications reflect our commitment to providing a secure and supportive workplace. We will continue to strive for excellence in safety management, ensuring that our employees can work confidently and safely every day.



Alan Morgan Facilities/Maintenance Manager

The Mitcham site's successful achievement of BSI ISO 45001:2018 demonstrates our strong commitment to Occupational Health and Safety standards. The team plays a central role in developing and implementing initiatives, including reviewing the use of VR solutions to enhance training and awareness. An action log is actively maintained to track QR codes, near-misses, accidents, external reports, and internal audits, ensuring all hazards are addressed promptly.



Peter Gillan Norks Technician

At Bruntons Aero Products, we strive to maintain our safety record with vigilance and innovation while continuing to improve in line with Carclo aims and policies. This year we surpassed 2,200 days free from lost-time accidents and were proud to receive the Carclo "award of excellence" in recognition of our achievements. We aim to build on these successes and continue to prioritise safety in our workplace as a cornerstone of our activities.



Ricky Yin **Group H&S Coordinator**

From operational excellence to financial growth, we are delivering on our commitments and building momentum for tomorrow. We will further develop strategic customer relationships for co-development of breakthrough solutions, expand regional manufacturing to support localised production, and leverage our global platform for scalable, high-performance manufacturing.



Kavitha S Senior Manager HR and Admin

At Carclo Bangalore, the health and safety of our team is not just a policy – it's a promise. We are committed to creating a workplace where every individual feels protected, valued and empowered to thrive. Safety is everyone's responsibility, and together we build a culture of care, vigilance, and continuous improvement through our adherence to ISO 45001 and ISO 14001 and guided by the principles of the ZED initiative.



Isabelle Guedoc System Quality Manager

At Jacottet Industrie, we wanted to add ISO 45001 and ISO 14001 certifications to our aeronautics certifications, EN 9100. This was to demonstrate our commitment to health and safety, as well as to the environment, in order to meet the needs of our stakeholders and for the benefit of our employees.



Julie Huppman Manufacturing Manager

Carclo US is dedicated to ensuring our employees have a safe and healthy workplace that complies with local, state, and federal regulations, as well as Carclo's global health and safety policies and procedures. Continuous health and safety training and regular safety inspections are iust some of the best practices we use to identify and mitigate workplace hazards, leading to a safer environment for our employees.

Environment

Environmental Policy

Our guiding philosophy, which underpins our Environmental Policy, involves an ongoing commitment to mitigating and, where feasible, completely eradicating adverse environmental effects arising from our diverse commercial pursuits, while still delivering high-grade products that meet the unique requirements of our clientele.

Sustainability is not an afterthought. It is engineered into the heart of how we work — from tooling design and material selection to how we power our facilities and manage waste. We aim not only to comply with all environmental laws and regulations but also to surpass the benchmarks set by local regulatory bodies. This drive is part of our ambitious goal to create an environmentally conscious and responsible culture. We aim to involve all stakeholders — employees, clients and suppliers — in this endeavour, and we proactively engage and communicate with regulatory authorities.

Implementation actions for our Environmental Policy

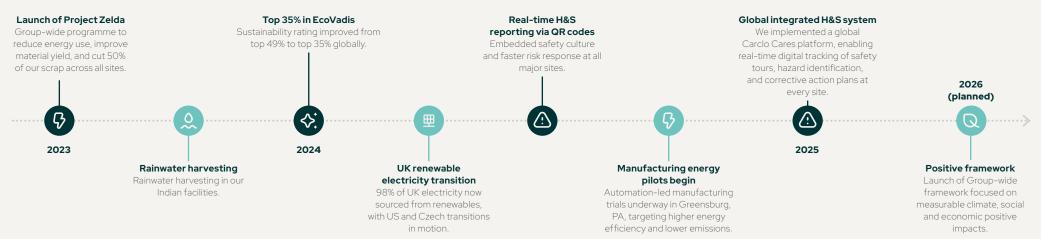
Project Zelda, now in its third year, is Carclo's flagship sustainability initiative. Focused on research and development, it aims to reduce waste, enhance energy efficiency, and champion sustainable resource management. While specific details are confidential, the project underscores our commitment to environmental responsibility and innovation. We have previously set ambitious targets, aiming to cut our external waste by 50% between 1 April 2023 and 31 March 2026 and reduce the energy consumed in creating quality products by 5% annually.

EcoVadis, with its comprehensive rating system, aids us in maintaining and elevating our responsible business practices and we incorporate these into the very heart of our supply chain operations. In April 2024 we secured a bronze EcoVadis rating.

FY25 highlights:

- We reduced our tCO₂e emissions per £1m of revenue for a fourth consecutive yeardown from 96.4 to 87.3 tCO₂e.
- Project Zelda, our flagship waste and energy initiative, was expanded to cover material efficiency cross all sites.
- In the UK, 98% of electricity now comes from renewable sources, and further transitions are underway in our US and Czech operations.
- We moved into the top 35% globally on the EcoVadis sustainability benchmark, up from 49% a year ago.

Sustainability milestones timeline



Environment continued

Noteworthy CO₂ footprint factors Energy consumption:

We measure the energy intensity ratio of tCO₂e per £1m of revenue from operations, as this covers all the activities of the Group, which reported a decrease of 9.4%. In FY24 we set an ambitious 5% reduction per annum target for the following three years ending in FY26. We have now achieved 5% and 9.4% reductions in the past two years.

Material waste:

This refers to the percentage of materials procured that end up as waste material outside of Carclo. Our goal is to cut this figure by half within three years up to the end of FY26. We have implemented waste reducing measures across our operations. We are improving our waste reduction data collection and will provide more information on our progress against the target in next year's annual report.

Water usage:

We measure our water consumption in absolute litres per annum. We are implementing water-saving measures throughout our operations. We are improving our consumption data collection and will provide more information on the impact of the measures adopted and water-saving targets in next year's annual report.

Greenhouse gas emissions and energy consumption

The Group is required to report its annual greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("Regulations"). The 2018 Regulations, known as Streamlined Energy and Carbon Reporting, came into effect on 1 April 2019. We have collated data during the year to 31 March 2025 and are reporting emissions and energy consumption for this period to coincide with the Group's financial reporting period.

We have restated the FY23 and FY24 emissions data in order to apply the latest conversion factors to this year's collated data and to the FY23 and FY24 data so that the reported emissions are more accurate and comparable. Further, we noted that the US data conversion was previously based on lbs per kWh rather than kg per kWh and therefore the tCO₂e was overstated by approximately 2.2 times. The restatement corrects this error. The tables below include the previously reported data and the restated data.

Greenhouse gas emissions

Year-on-year GHG emissions: location-based methodology

Emissions from:	FY25	FY24	FY24 as previously reported	FY23	FY23 as previously reported	Percentage change (FY24 restated to FY25)
Scope 1 (tCO ₂ e) Gas, fuel and industrial emissions	467	566	520	608	559	(17.5)%
Scope 2 (tCO ₂ e) Electricity	10,115	12,228	18,806	13,950	21,711	(17.3)%
Total (tCO ₂ e)	10,582	12,794	19,326	14,558	22,270	(17.3)%
Group revenue (£m)	121.2	132.7	132.7	143.4	143.4	(8.7)%
Intensity ratio (tCO ₂ e per £1m of revenue)	87.3	96.4	145.7	101.5	155.3	(9.4)%

Intensity ratio (tCO₂e per £1m of revenue)



Greenhouse gas emissions and energy consumption continued

Energy consumption

						rercentage
			FY24		FY23	change
			as previously		as previously	FY24 restated
MWh	FY25	FY24	reported	FY23	reported	to FY25
By region						
UK	16,563	16,697	16,697	15,458	15,458	(0.8)%
Rest of world	24,487	26,419	26,419	31,988	31,988	(7.3)%
Carclo Group	41,050	43,116	43,116	47,446	47,446	(4.8)%
tCO ₂ e						
By region						
UK	1,870	3,463	3,426	3,200	3,272	(46.0)%
Rest of world	8,712	9,331	15,900	11,358	18,998	(6.6)%
Carclo Group	10,582	12,794	19,326	14,558	22,270	(17.3)%

Total energy consumed 41,050 MWh

= 338.6 MWh/£m of revenue

Total revenue £121.2m

The intensity ratio of energy consumption has decreased this year by 9.4% due to energy-saving initiatives implemented around the Group.

Energy performance - electricity (MWh):

From April 2024 to March 2025 the total electricity consumption was 39,155 MWh: it has been calculated that FY25 electricity consumption is 3.5% lower than in the same period in FY24 (40,569 MWh).

Energy performance – natural gas (MWh):

From April 2024 to March 2025 the total natural gas consumption was 1,472 MWh: it has been calculated that FY25 natural gas consumption is 28.6% lower than in the same period in FY24 (2,061 MWh).

Energy performance – direct transport (MWh):

From April 2024 to March 2025 the total direct transport consumption was 423 MWh: it has been calculated that FY25 transport energy consumption is 13% lower than in the same period in FY24 (486 MWh).

Over the past year, we have continued to be proactive in implementing a diverse portfolio of energy management initiatives, underscoring our commitment to environmental sustainability.

Percentage

The significant ongoing energy conservation project reported last year involving joint investment with our customers to transition production from high-energy-consuming hydraulic machines to fully electric alternatives continues. The first two phases of divesting hydraulic machines were successfully completed in FY24 and during the year, 95% and 80% completion was achieved in the EMEA and India sites respectively, with replacements planned in the forthcoming financial year. The project in the US manufacturing site is complete.

As a result of these improvements and enhancing our operational efficiency, we have built on our energy intensity ratio reduction of 5% in FY24 and achieved a reduction of 9.4% in FY25.

Across the Group, a number of initiatives took place to reduce energy consumption and/or limit greenhouse gas emissions:

- The continuing energy conservation project noted above has led to more or complete reliance on more efficient electrical machines at the Czech, UK, India and US sites and we are planning to replace inefficient HVAC/ compressors at the US and Czech sites in the coming year.
- Our Taicang site adhered to energy conservation programmes, new device investment and facilities modifications. ECO-version air compressors were upgraded to reduce annual energy consumption. In addition, the site continues to maintain an environment treatment system (including a level-two activated carbon filtration device, which improves waste air). Companies which have a similar eco system in place remain the site's preferred partners.
- In line with our Group-wide transition to LED lighting, a number of our sites (including India and the UK) continued to successfully transition to LED lamps, facilitating improved illumination and lower energy consumption.
- The facility in India installed motion sensors for certain equipment (lamps, fans) which reduced unnecessary electricity consumption.
- Negotiations are substantially advanced in order to improve insulation in our French facility.
- At our Mitcham, India and Bruntons sites, we sourced 100% renewable zero carbon electricity.

Greenhouse gas emissions and energy consumption continued

Methodology and exclusions

We have reported on all the emission sources required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our consolidated statement, other than those highlighted below.

This report is aligned with the GHG Protocol methodology. The GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains and mitigation actions. The framework has been in use since 2001, and forms a recognised structured format, to calculate a carbon footprint.

The total electricity conversion to $\mathrm{CO}_2\mathrm{e}$ is on a location-based basis. Energy consumption is expressed in kilowatt hours ("kWh"), as this is the unit specified by SECR legislation. Defra 2024 emissions factors have been utilised for UK sites and appropriate country-specific emissions factors have been utilised for overseas operations, using published emissions factors by the United States Environmental Protection Agency and the International Energy Agency.

Data has been collated from source documentation or, where this has been impracticable, using estimates.

Non-financial reporting and sustainability statement

We comply with the non-financial reporting requirements in Sections 414CA and 414CB of the Companies Act 2006.

The table below, and information to which it refers, is intended to help stakeholders understand our position on key non-financial matters.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	Environmental Policy	Responsible operations report (page 30)
Employees	Health and Safety Policy Stress, Mental Health and Wellbeing Policy Dignity at Work Policy Sexual Harassment Policy Equal Opportunities and Diversity and Inclusion Policy	Responsible operations report (pages 27 and 29)
Human rights	Modern Slavery Policy and Statement Ethical Policy	Responsible operations report (page 27)
Anti-corruption and anti-bribery	Anti-Bribery and Corruption Policy Gifts and Hospitality Policy Conflicts of Interest Policy Whistleblowing Policy	Responsible operations report (page 27) Statement of corporate governance (page 59)
Policy embedding, due diligence and outcomes		Principal risks and uncertainties (page 49)
Description of principal risks and impact of business activity		Principal risks and uncertainties (pages 49 to 55)
Description of the business model		Our business model and strategy (pages 14 to 24)
Non-financial KPIs		Key Performance Indicators (page 25 to 26)

Task Force on Climate-related Financial Disclosures ("TCFD")

Recommended disclosures for climate-related risks and opportunities



Governance

70

Strategy

Describe the Board's oversight of climate-related risks and opportunities.

Describe management's role in assessing and managing climate-related risks and opportunities.

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.



Risk management

Metrics and targets Describe the organisation's processes for identifying and assessing climate-related risks.

Describe the organisation's processes for managing climate-related risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions, and the related risks.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Compliance

Full

Full

Partial – Carclo plans to complete a full climate scenario analysis assessment of its climate-related risks and opportunities across different time horizons.

Partial – Carclo plans to embed climate considerations into its financial planning process and provide a clear methodology for prioritising risks and opportunities.

Partial – Carclo's resilience to the risks has not been assessed against climate scenarios; however, mitigation actions have been put in place to minimise financial risk.

Full

Full

Full

Full

Partial – Carclo has plans to calculate its Scope 3 emissions in the near future.

Full

Reference

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pages 37 to 38

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We have reviewed our TCFD disclosures and identified specific actions that Carclo will undertake in the near future to enhance compliance and alignment with the framework's recommendations

Overall governance of climate change at Carclo:

The Board sets the Group's overall strategy and risk appetite, including in relation to sustainability and the environment. The Board informs the business, through the CEO and CFO, who collaborate with the heads of business units and functional management to identify, assess, and manage climate-related risks and opportunities. Climate change and sustainability-related risks and opportunities are reviewed by the Executive Committee and by the Audit & Risk Committee. The Audit & Risk Committee ensures that the risks are managed in accordance with the Group risk management framework.

Climate-related matters are regularly discussed by the Board and the Executive Committee, framed within our broader sustainability strategy. Oversight spans from strategic updates to performance reviews, including the CEO reporting progress against climate targets and sustainability projects to all senior management. It is the CEO and CFO's responsibility to allocate financial resources to the business units to help reduce their exposure to climate risk and maximise their resilience.

Informing

Task Force on Climate-related Financial Disclosures ("TCFD") continued

The Board Audit & Risk Committee

Oversees all aspects of TCFD and ESG, with ultimate responsibility for determining future ESG and climate strategy and prioritisation of key focus areas. Ensures the Group maintains an effective risk management framework, which includes climate-related risks and opportunities.

 In FY25, the CEO provided multiple updates on the reduction of energy usage per product and waste, baseload efficiency, and other key metrics. Oversees the Group's financial statements and non-financial disclosures, including ESG and climate matters. Supports the climate and ESG strategy by ensuring the risks, including ESG and climate risks and opportunities, people, health and safety, are effectively managed.

Oversees Carclo's risk management framework, ensuring that risks are managed in accordance with the Group Risk Management Policy, receiving reports from the Executive Committee and reporting to the Board.

 In FY25, the Audit & Risk Committee has ensured the completion of work to identify climate-related risks and concluded there are relatively few related to the Group.

Chief Executive Officer

Informs senior management and employees of the Group's climate and ESG strategy and ensures that individuals have the resources they need to implement it.

 In FY25, the CEO informed the Board and the Executive Committee on Project Zelda and Carclo's energy initiatives.

Chief Financial Officer

Delegated responsibility for climate-related matters. Responsible for the implementation of our climate change management strategy. Owner of our climate-related risks and opportunities.

Executive Committee

Oversees the implementation of the Group's ESG and climate strategy.

• In FY25, the Executive Committee began a comprehensive review and assessment of the Group Risk Register to validate and confirm the Group's key risks, including climate risks.

Heads of Business Units and Functional Management

Identify, assess and manage climate-related risks and opportunities. Monitor and report progress against set metrics.

Environmental, Health and Safety and Sustainability

Procurement Group Risk

Implement strategy. Report to the Group Executive Committee on climate and wider ESG matters. Development of initiatives to reduce energy and Carclo's impact on the environment.

Implement strategy in all relevant activities, including assessment of potential suppliers. Development of initiatives to reduce energy and Carclo's impact on the environment.

Monitor and report progress against set metrics.

Recommended disclosures for climate-related risks and opportunities continued

Our climate strategy

We have identified key climate-related risks and opportunities that could impact our operations, strategy and financial planning. These have been identified and assessed by the Executive Committee, who reflected on the potential financial impact individual risks may pose to Carclo over varying time horizons. The Board and the Executive Committee are committed to developing a structured approach to assess and manage climate-related factors, ensuring alignment with the Group's long-term sustainability goals and enhancing resilience across business units.

As part of our Group Risk strategy, we will refresh and review the list of climate-related risks and opportunities, incorporating climate scenario analysis to assess the potential financial impact over the selected time horizons. The current risks and opportunities remain significant, as they are a principal risk to Carclo and are therefore managed by the Audit & Risk Committee.

Our climate resilience

We recognise that climate change presents strategic risks and opportunities across the global value chain, from petrochemical-based materials and energy-intensive manufacturing to international logistics. While we have not yet experienced material climate-related impacts. by embedding climate considerations into our strategic planning and Group risk management, we aim to reduce future risk exposure and ensure the continued delivery of critical medical diagnostics and therapies.

We consider the impact of climate change in our going concern assessment. The current conclusion is that there is no significant risk of climate change causing a downturn in cash flows across the Group.

Our Environmental Policy and Project Zelda, Carclo's flagship sustainability programme, embed sustainability at the core of business unit operations, focusing on waste reduction, energy efficiency, and sustainable product design. For more information, please see page 30.

Our time horizons when identifying and assessing climate change risk:

- **Short term** (0-3 years) plans developed to decarbonise our business and realise change.
- **Medium term** (3-10 years) to meet our 2030 ESG targets. Each business division develops strategic plans to achieve the targets.
- Long term (10-25 years) we expect to see a significant development in technology to allow decarbonisation of the business, realising that there are significant uncertainties.



Climate-related materiality reflects the broader financial implications and is as follows:

- **Low impact** potential to be notified by regulatory notices
- M Moderate impact potential to be reported with a damage to reputation
- High impact potential to impact customer confidence and significant reputational damage

Material risks and opportunities

Climate-related trend and potential financial impact

Transitional risks

Switching to renewable energy tariffs,

which could potentially increase the cost of energy and investment for renewable energy at sites.

Reduced availability of high-demand key raw materials, such as petrochemicals,

may result in shortages and increase competition.

Expected time and materiality

Short to medium term



Medium to long term



Strategic

Financial: Direct increased costs for energy tariffs and investment in green technology at key operational sites.

Planning: As a result of Project Zelda, we incorporated plans in our annual budget to enhance the energy efficiency of our operations and transition to renewable energy.

Current and planned mitigation: Our operational excellence team focuses on increasing profitability and competitiveness through energy and operational efficiency improvements. We have and will continue to invest in migrating to more efficient presses operating in our warehouses, which use less power and water. For example, our UK and India sites are close to 100% powered by renewable electricity, and we are actively working towards using renewable energy tariffs in our US and Czech sites.

Opportunity: Reduce our emissions to help meet our climate targets (see pages 30 to 31) and remain competitive in the industry, while also meeting the expectations of stakeholders and customers to increase profitability.

Metric: Carclo monitors total energy consumption and renewable energy procurement to help understand the exposure to energy price volatility.

Financial: We rely on key materials for production that are created through oil products. Reduced availability would increase the direct cost of the material and intensify competition for it.

Planning: Research into the development of new and existing products that use alternative materials to help reduce the reliance on petrochemicals. The Executive Committee will discuss the investment required for using "edge of change" technology. For example, in production we use a material called polyethylene vinyl acetate ("PEVA") and we are reviewing alternative materials that can help reduce the need for this petrochemical.

Current and planned mitigation: We are implementing operational efficiency initiatives aimed at reducing material usage in production and reassessing the sustainability of current materials. Additionally, we plan to invest in new equipment to support growth in emerging market sectors that favour alternatives to traditional plastics.

Opportunity: Diversifying material options by developing alternatives to high-demand resources will enhance Carclo's supply chain resilience, reduce operational risks, and ensure uninterrupted delivery of products to customers.

Metric: Carclo tracks water usage and product waste to evaluate material efficiency and identify opportunities to substitute with more sustainable alternatives

Material risks and opportunities continued

Climate-related trend and potential financial impact

Expected time and materiality Strategic

Transitional risks continued

A change in customer and stakeholder expectations and behaviour could cause an increase in new product development.

Medium to long term



Financial: Customer and stakeholder behaviour may shift towards more digitalised and environmentally conscious medical solutions. This would result in new product development with our product teams to meet new expectations and remain competitive.

Planning: Industry initiatives are necessary to adopt new technology and remain competitive in the market.

Current and planned mitigation: Our strategy supports the utilisation of alternative materials and processes to meet the anticipated changes in customer and stakeholder expectations.

Opportunity: Developing innovative low-carbon products presents a strategic opportunity to enhance brand reputation, build trust with stakeholders, and strengthen customer loyalty. By leading on sustainability, the business can attract positive recognition, foster long-term relationships, and drive repeat business in an increasingly climate-conscious market.

Metric: Carclo monitors the energy efficiency of selected products to ensure alignment with stakeholder expectations and evolving sustainability standards.

Physical risks

Increase in global temperature, resulting in reduced production impacts on the workforce and equipment.

Short, medium and long term



Financial: The reduction in workforce productivity and disruption of direct production resulting from the rise in heat would lead to increased energy and cooling costs to ensure our workforce remains safe. Water scarcity in high-temperature areas may also result in increased water costs associated with water cooling systems.

Planning: Working with the Health and Safety team, we continue to monitor heat levels at our sites, with a particular focus on the US and India, to allow for additional energy costs for air conditioning during the summer months. Heat stress-related incidents have been added to our employee health metrics to ensure that we are protecting our workforce. Action has been taken in FY25 in India to mitigate the impact on our employees from the use of air conditioning.

Current and planned mitigation: As part of Project Zelda, we are working towards 100% renewable energy tariffs across all sites. This would mean that all additional energy used for cooling would be sourced from renewable energy.

Increased annual precipitation, directly impacting sites, logistics and transport links. Medium to long term



Financial: Some of our sites would be more heavily impacted due to their geographical location and may be subject to flooding of the site or the local area, which can restrict access, leading to a reduced workforce and unworkable conditions. Logistic routes may also be impacted, resulting in delayed material and product deliveries.

Planning: Working with the Health and Safety team, we have flood risk assessments for the sites located in EMEA and India to ensure employees are safe and the site receives the least damage.

Current and planned mitigation: We are exploring material locality to minimise reliance on worldwide delivery, increase material security and maintain product output. Carclo currently uses the harvested rainwater at the India site to be used in production to reduce the amount of water required.

Risk management

Integration into Carclo's overall risk management

Climate change is recorded as a principal risk on the Group risk register (see page 54). Climate change includes both transition and physical risks and is assessed in the same way as all other principal risks. Throughout FY25, the Board reviewed the Company's preparedness to address all known principal risks with a significant potential impact at the Group level. Additionally, the CFO, in conjunction with members of the Executive Committee, carried out risk reviews. These reviews included an analysis of the principal risks, and the controls, monitoring and assurance processes established to mitigate those risks to acceptable levels. The risk from climate change was assessed to have a high severity rating. Further details on our procedures for identifying, assessing and managing risk can be found in the principal risks and uncertainties section of the annual report on pages 49 to 55.

Risk identification

The Board is responsible for approving and overseeing the risk management framework and ensuring its alignment with Carclo's strategic objectives. The risks are identified both "top down" by the Board and the Executive Committee, and "bottom up" through the business units to ensure all appropriate and relevant risks are captured.

Risk assessment

The severity of each risk is evaluated by considering its inherent impact and the likelihood of occurrence, alongside the effectiveness of existing controls. This approach ensures that residual risk exposure is clearly understood, prioritised, and appropriately managed across the Group. Business unit heads and functional management provide feedback from their respective units, enabling Executive Committee members to understand how risks and opportunities impact the Group as a whole. Any material changes, concerns or matters are escalated to the Audit & Risk Committee and/or the Board.

The output of the future scenario analyses will be integrated into the risk register using this approach. These registers identify internal and external factors that could pose threats and opportunities to each business.

Risk management

Senior executives are responsible for the strategic management of the Group's principal risks, including climate-related risk. Our Executive Committee, chaired by the CEO, meets monthly to oversee matters including the management of our most significant environmental and climate risks. The senior management teams for each business unit and function are responsible for developing risk mitigation and management strategies to address the risks they have identified for their respective businesses.

Metrics and targets

Greenhouse gas emissions

- · Carclo reports Scope 1 and Scope 2 GHG emissions, which are disclosed on page 31. Our current targets are on page 31.
- We acknowledge that Scope 3 emissions represent a significant component of our overall carbon footprint. While we do not currently report Scope 3 emissions, we recognise this as a gap in our climate impact assessment. We are actively working towards measuring and disclosing these emissions in the near future.
- · Carclo monitors renewable energy procurement across global operations to support the transition to low-carbon energy sources and assess progress against climate-related targets.

Water and waste

• We currently measure water consumption and material waste to improve operational efficiency and maximise production utilisation across our facilities. For more information. see page 31.

Energy intensity

- · Carclo also reports an emissions intensity ratio, which provides insight into our operational efficiency and is available on page 31.
- · To support our decarbonisation efforts, we monitor the energy intensity of our operations. In particular, the CTP Division, which utilises energy intensive equipment in manufacturing, has initiated tracking of energy consumption per standard unit of output. For more insight, please refer to page 31.

Our stakeholders

At Carclo, we understand that strong relationships with our stakeholders are essential for our success. Every action and initiative is grounded in our commitment to open collaboration and meaningful engagement with each stakeholder group. Both the Board and the entire Carclo team are dedicated to maintaining and enhancing these vital connections.

Section 172

At Carclo plc, our core mission is to be the preferred and trusted partner for our global customers, delivering high-precision critical solutions and supporting our customers throughout the development and assembly processes. We recognise that our mission can only be achieved by working with our stakeholders. Robust engagement with all our stakeholders shapes how we set and execute our strategic objectives.

As Directors, we recognise and embrace our duty under Section 172 of the Companies Act 2006, which guides us in promoting the success of the Company.

This duty compels us to consider various factors, including the interests of our stakeholders, when making decisions.

We are committed to diligent oversight of stakeholder engagement and to conducting our roles in accordance with the principles of good corporate governance.

\bigcap Employees

At Carclo, we understand that our employees are crucial to our success. Their perspectives shape our direction and our ongoing commitment to creating an outstanding work environment.

Material issues

- Ensuring effective communication of our core values.
- Fostering an entrepreneurial spirit and high performing culture.
- · Attracting and retaining diverse talent.
- Promoting a culture of ethics, openness, transparency, respect and inclusivity.
- · Ensuring the health and safety of all our employees.

Current engagement

- Quarterly CEO town hall meetings to facilitate interaction and information sharing across all levels of Carclo.
- Site visits by the whole Board including sessions with a cross-section of employees enabling employees to engage directly with Board members.
- Continuing development and rollout of wellbeing projects including Carclo Safety Week and Carclo Cares.

Planned improvements

- Training and education: Further development of training and education programmes to support employee career growth and skills development.
- Succession planning: Further development of our structured succession planning process to ensure leadership continuity and prepare employees for future roles within Carclo.
- Wellbeing initiatives: Extension of the scope and reach of wellbeing initiatives to further support our employees' mental and physical health.

Shareholders

We acknowledge the profound impact that our shareholders have on our trajectory. Their insights are crucial to shaping our strategies and decisions, driving our commitment to sustainable and responsible growth.

Material issues

- Maintaining transparent and timely communication of financial performance and business developments.
- Ensuring sustainable and responsible growth that delivers long-term value to our shareholders.
- Aligning corporate strategy with shareholder interests and expectations.
- Upholding strong corporate governance and rigorous risk management practices.

Current engagement

- Financial reports and regular updates to the market via press releases and presentations following full-year and half-year results.
- Meetings between the Chair, the CEO and the CFO with investors.
- · Updates on our website and LinkedIn.

Planned improvements

- Further improvement of our digital communication channels to make shareholder information more accessible and interactive.
- Expansion of virtual events beyond standard presentations to include more comprehensive investor engagement opportunities.
- Strengthening dialogue with institutional investors and proxy advisors to ensure alignment between corporate strategies and shareholder expectations.

Our stakeholders continued

} € Customers

Customer insights are central to our decision-making processes, driving our commitment to meet and exceed their expectations. This focus ensures we continually enhance our offerings, particularly in high-precision critical components, aligning closely with our customers' evolving needs.

Material issues

- Ensuring the quality and reliability of our products and services.
- Strengthening customer relationships and maintaining high levels of satisfaction.
- Proactively identifying and addressing emerging customer needs and market trends.

Current engagement

- Customer surveys guiding our improvement projects in all aspects of customer service.
- Organisational reset to enhance our customer service focus, facilitating open and frank conversations.
- Regular engagement across the Group through meetings and feedback sessions to assess performance, pinpoint improvement areas, and seize new opportunities.

Planned improvements

- Development of customer portals to streamline communication and enhance service accessibility.
- Continued expansion of digital capabilities to improve customer engagement, streamline processes and boost responsiveness.
- Support for customer initiatives aimed at achieving climate neutrality and enhancing sustainability, demonstrating our commitment to their environmental and social goals.
- Formalising our due diligence process prior to onboarding new customers.

Suppliers

Suppliers are a vital component of our stakeholder ecosystem, contributing significantly to our production capabilities, product quality and sustainability standards. Our goal is to cultivate strong, collaborative relationships with suppliers who share our commitment to quality and ethical practices.

Material issues

- Ensuring responsible sourcing and strict adherence to ethical and environmental standards.
- Developing long-term relationships with suppliers which promote trust and innovation.
- Encouraging continuous improvement and leveraging supplier expertise beyond mere component supply.

Current engagement

- Procurement is now a central function providing a single point of contact if preferred by suppliers.
- Regular interactions and strategic discussions with suppliers to evaluate performance, resolve concerns and identify improvement opportunities.
- Expansion of our supplier diversity programme to include a broader spectrum of enterprises, enriching our supply chain.

Planned improvements

- Further development and integration of digital tools to enhance collaboration and increase transparency within our supply chain.
- Continuous expansion of our supplier diversity programme to ensure a more inclusive supply chain.
- Initiating joint sustainability programmes with suppliers to tackle environmental challenges and enhance resource efficiency collectively.
- Formalising our due diligence process prior to onboarding new suppliers.

Lenders

Our lending partner plays an important role in supporting Carclo's financial stability, providing support that enables the Group to invest for the future whilst serving the current customer base. The maintenance of this robust relationship is vital in ensuring our stakeholders' continued confidence in Carclo's sound financial management.

Material issues

- Generating sufficient cash flow to meet our long-term commitments to the lender.
- Keeping the lender well-informed of our progress towards achieving the Group's objectives and financial performance.

Current engagement

- Regular reporting to the lender on performance and adherence to covenants.
- Regular tripartite meetings involving the lender, the pension scheme and Carclo to discuss financial performance and strategic alignment.
- Collaborative reviews of the Group's budget and strategic plans, with adjustments to interest covenant rulings as necessary to sustain the lender's support.

Planned improvements

 Further improving information flows about Carclo's financial status and key developments, including through the regular quarterly meetings between the CEO, CFO and the lender to ensure continuous dialogue and address any emerging concerns promptly.

Our stakeholders continued

{\$ Pension fund

The UK defined benefit pension scheme's health is crucial to our commitments to both past and current employees. We prioritise timely contributions to ensure the fund remains robust, effectively serving our employees' interests and securing their futures.

Material issues

- · Adhering to the agreed schedule of deficit repair contributions, carefully balancing the needs of the Scheme with the operational and investment demands of the business.
- Ensuring the appropriate management of the Scheme's assets and liabilities.

Current engagement

- Periodic tripartite meetings with the lender and Trustees to align on financial performance and strategic direction.
- Regular engagement between the Chair, CEO and CFO and the Trustees, maintaining continuous dialogue.
- Collaborative efforts with the Trustees to ensure the Scheme's long-term funding is sustainable and optimally structured.
- Close co-operation and open communication with the Trustees to ensure a unified approach to managing the Scheme

Planned improvements

• Exploring future enhancements to the pension Scheme's investment strategy with the Trustees, focusing on long-term sustainability and maximised value for retirees.

Local community

We deeply value the input of local communities in shaping our corporate citizenship initiatives. We are committed to creating positive and sustainable impacts, making decisions that not only meet community needs but also contribute to their growth.

Material issues

- · Identifying opportunities where Carclo can make significant, sustainable contributions to local communities.
- Encouraging and enabling our employees to actively participate in community support activities.

Current engagement

- · Integration of community engagement topics in our quarterly town hall meetings, led by the Executive Committee.
- Active promotion of our community efforts on our public LinkedIn page, increasing visibility and transparency.
- · Continuous demonstration of high engagement in addressing local community issues.

Planned improvements

- Continued expansion of community engagement activities to all regions, with strategic alignment from the Executive team.
- Enhanced visibility of our community engagement through regular updates on our website and across all social media channels.



Chief Financial Officer's review



We are delighted to have a new lending partner in BZ Commercial Finance. This is an important step for the Group enabling it to continue to invest in the business and deliver on its strategy.

Dear shareholder

I am delighted to have been appointed as Chief Financial Officer and have great pleasure in providing this Financial Review for the year ended 31 March 2025. Firstly, I would like to pass on my thanks to Eric Hutchinson who, as Chief Financial Officer in the period up to his retirement on 31 March 2025 played a key role in delivering financial stability and improved performance across the Group.

We use a range of KPIs to manage performance of the business and to measure progress against our strategic goals, these are highlighted and discussed throughout this report. These KPIs are set out on pages 25 to 26. A reconciliation of statutory results to other non-GAAP financial measures is provided on pages 190 to 193.

Financial performance

Revenue

Revenue in the year of £121.2m was £11.5m lower than the prior year revenues (FY24: £132.7m) or 7.4% lower on a constant currency basis.

The reduction in revenue is attributable to the CTP Division which reported revenue of £107.0m (FY24: £120.8m) following restructuring of the US CTP business that was completed in the prior year, resulting in the planned exit from small series, non-scalable business and the closure of the sites at Derry, New Hampshire and Tucson, Arizona.

The Speciality Division reported full year revenue of £14.2m (FY24: £11.9m) reflecting increased demand in the Aerospace business and growth of the precision machining business line.

Underlying operating profit

Despite the reduction in revenue, full year underlying operating profit increased substantially to £9.8m (FY24: £6.6m). Our key measure of Return on Sales was 8.1% showing a significant increase from 4.9% in FY24. The Return on Sales during the second half of the year of 10.7% was also up on the 5.6% from the first half.

The increase in both absolute profitability and the percentage Return on Sales is directly related to the actions taken over the past two years to restructure our businesses, focussing on advanced process optimisation, increased asset utilisation and efficiency, improved pricing, better purchasing and a drive to reduce waste whilst demonstrating robust cost management.

Statutory operating profit and non-underlying items

The statutory operating profit for the year of £7.6m was significantly better than the prior year (FY24: £1.7m) as a result of the increased underlying operating profit and reduced non-underlying charges.

Non-underlying items for the year were a net charge of £2.3m with a cash cost of £3.3m comprising net restructuring costs of £0.1m, and £2.2m of costs associated with the refinancing of the Group's borrowing facilities.

The cash cost was greater than the net non-underlying expense as the net expense includes the release of £1.0m of balance sheet provisions. Prior year non-underlying items of £4.9m comprise rationalisation costs of £3.4m for site closures and related asset impairments, as well as other employee-related costs of £1.0m, refinancing costs of £0.4m, other costs of £0.4m and a £0.3m credit from the release of a legacy health-related provision that was settled in the prior year.

Net finance expense

Net finance expense of £4.9m (FY24: £5.6m), including the imputed net interest on the defined benefit pension liability of £1.7m (FY24: £1.8m), reduced by £0.7m, as a result of the lower average net debt in the year. The average UK base rate in FY25 remained virtually unchanged at 4.9% compared to 5.0% in FY24. Pension interest, which is largely non-cash, reduced by £0.1m in the year.

Taxation, profit after tax and earnings per share

The corporation tax charge for the year was £1.8m (FY24: £0.5m credit), representing an effective tax rate of 67.1% (FY24: 12.8%). The effective tax rate varies depending upon the geographical source of profits, corporation tax rates in the countries where profits are generated as well as the availability of local allowances including the carry forward of prior year losses. The Group's effective tax rate in FY25 is higher than the UK corporation tax rate of 25% due to unprovided deferred tax assets and withholding tax incurred on the repatriation of funds to the UK from certain overseas jurisdictions.

Statutory profit after tax was £0.9m (FY24: loss £3.4m) on continuing operations, giving a statutory earnings per share on all operations of 1.2 pence (FY24: loss 4.6 pence). Underlying profit after tax was £3.1m (FY24: £0.7m), giving an underlying earnings per share of 4.3 pence (FY24: 1.0 pence).

Financial performance continued

Cash flow

Cash generated from operations was £19.1m (FY24: £18.6m) reflecting the continued focus on cash generation via operational improvements, capital expenditure management and robust working capital control. The full year cash conversion rate was 135.0% (FY24: 191.2%).

Cash flow benefited from a reduction in working capital of £5.8m (FY24: £4.4m) with improvements in the year end position across receivables, inventory and payables. We expect working capital to return to a level of 5-7% of revenue during FY26. Net cash outflow from investing activities during the year was £0.4m (FY24: £2.4m). We have continued to carefully control capital expenditure, focusing on those investments that deliver a rapid payback and support both asset performance and asset utilisation. Additions to tangible fixed assets in the year were £2.4m (FY24: £7.5m) of which £1.4m (FY24: £4.6m) was through right-of-use leased assets.

Substantial capital expenditure in previous years and more efficient use of assets, driven by operational improvements, has reduced the level of investment in FY25. This is reflected in the year-on-year reduction in the value of tangible fixed assets and increased asset utilisation rate of 3.4x (FY24: 3.3x).

Net cash outflow from financing activities during the year was £7.0m (FY24: £12.1m), comprising £4.2m repayment of lease liabilities (FY24: £3.7m) and net repayment of other borrowings of £2.6m (FY24: £8.4m). There was an overall £4.0m increase in cash and cash equivalents during the year (FY24: decrease of £4.4m).

Cash generated by the Group was principally utilised to make capital investment and lease repayments, pension deficit repair contributions, scheduled and unscheduled bank loan repayments and interest payments. The Group's full cash flow statement is set out on page 109.

Financial position

Net debt

Net debt at 31 March 2025 was £19.2m, a reduction of £10.3m compared to the prior year (FY24: £29.5m) reflecting the continued strategic focus on operational improvements, cash generation and prudent management of borrowings.

Net debt comprised gross debt, from borrowings and leases, of £29.9m (2024: £39.9m) less cash and cash equivalents of £10.7m (2024: £10.5m). The £10.0m reduction in gross borrowings was a result of lease capital repayments of £4.2m, the repayment of borrowings of £2.6m and the repayment of the overdraft £3.7m offset by the amortisation of capitalised borrowing costs, foreign exchange and other movements.

Borrowing facilities

At 31 March 2025 the Group had in place with HSBC a multi-currency borrowing facility agreement of £27.5m, comprising a term loan of £24.0m and a revolving credit facility of £3.5m with both elements due to expire on 31 December 2025.

At the end of the financial year there were amounts outstanding of £21.4m (2024; £24.0m) under the term loan and £nil (2024: £0.3m) under the revolving credit facility. With the borrowing facilities due to expire within nine months of the balance sheet date, all amounts drawn at 31 March 2025 have been classified within current liabilities.

On 24 April 2025, the Group completed refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ") comprising a term loan of £27.0m and a revolving credit facility of up to £9.0m.

At that date £29.9m was drawn under the BZ facility of which £26.8m was drawn under the term loan and £3.1m was drawn under the revolving credit facility to discharge all amounts due under the previous borrowing arrangement with HSBC, make a £5.1m one–off payments to the Group's defined benefit pension scheme and provide funding to support operations.

The BZ facility includes an asset-based lending arrangement with drawings permitted against the value of various classes of assets held by the UK and US businesses. Of the £27.0m term loan element £8.0m is designated against the value of owned land and buildings, £5.0m is designated against the value of owned plant and machinery and the balance of £14.0m is designated a cash flow loan that is non-asset specific. Of the £9.0m revolving credit facility, up to £7.0m is designated against the value of trade receivables and up to £2.0m against the value of inventory.

The facility permits borrowings in GBP, EUR and USD. There are three named Group companies that are currently permitted to borrow under the facility, namely Carclo plc, Carclo Technical Plastics Limited and Bruntons Aero Products Limited. Group companies that are subject to cross guarantees under the BZ facility are the named borrowing companies and material subsidiaries as defined in the agreement that underpins the BZ facilities.

Securing the BZ facility is an important step for the Group enabling it to continue to invest in the business and allow the Group to deliver on its strategy.

Defined benefit pension scheme

The triennial actuarial valuation of the Group's UK defined benefit pension scheme at 31 March 2024 was completed during April 2025. The valuation, prepared by the Scheme Trustees on a technical provisions basis, reported a deficit of £64.5m, a significant reduction from the £82.8m liability reported as part of the previous triennial valuation of 31 March 2021.

On a technical provisions basis, the estimated net liability has fallen steadily each year from 2021 as a result of the Company settled cash contributions and the gross liabilities falling by more than the change in pension scheme asset values. The technical provisions net liability at 31 March 2022 and 2023 has been calculated as £79.7m and £71.4m respectively. The 31 March 2024 valuation reflected higher government bond yield rates, driving up the discount rate and reducing scheme liabilities, partially offset by an increase in assumed member life expectancy, which increased Scheme liabilities.

A deficit recovery plan was agreed with the Trustees in parallel with the refinancing arrangements finalised in April 2025. This includes a lump sum one off payment into the Scheme of £5.1m made at the time of finalisation of refinancing in April 2025 and annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037, being 2 years shorter than the deficit recovery plan from the 31 March 2021 valuation. During FY25, contributions paid into the Scheme were £3.2m (FY24: £3.5m).

Since the completion of the 2024 triennial valuation, the estimated technical provisions deficit has fallen further to £61.2m at 31 March 2025 and £55.0m at 31 May 2025, including the £5.1m lump sum contribution.

Financial position continued

Defined benefit pension scheme

The IAS 19 valuation of the Scheme liabilities at 31 March 2025 resulted in a net liability of £51.7m, a £14.5m increase from the net liability at 31 March 2024 (FY24: £37.2m). The principal driver of the increase in the IAS 19 net liability was a change in assumption of member life expectancy resulting in an increase in Scheme liabilities of £11.1m. This change brought the IAS 19 assumption closer in line with the technical provisions basis adopted by the Scheme Trustees. Further changes in assumptions resulted in an experience loss of £5.8m arising from assumptions on member retirements, deaths and take up of Scheme options. Had the IAS 19 valuation at 31 March 2024 included these assumptions, the net liability would have been £54.0m, an increase of £16.8m on the £37.2m liability reported at that time, giving a net reduction in the IAS 19 net liability between FY24 and FY25, more in keeping with movements in the Trustees' technical provisions deficit.

The IAS 19 valuations are adopted for statutory reporting purposes and do not form part of the ongoing management of the pension schemes. IAS 19 actuarial calculations can be volatile from year-to-year because the liabilities are measured by reference to corporate bond yields, whereas the majority of the pension scheme's assets are invested across a variety of asset classes that may not move in the same way. Loss on scheme assets in excess of interest income during FY25 totalled £8.7m and was mostly driven by the decrease in the value of the Scheme's liability-driven investment funds ("LDI").

These LDI funds are designed to hedge movements in liabilities due to changes in interest rates and inflation expectations. As interest rates have increased across the accounting period, the value of the LDI funds have decreased accordingly. The liability calculated under technical provisions includes more prudent assumptions, but at any time, provides a more accurate reflection of the longer term cash commitment required to settle the member liabilities. The actuarial gains and losses arising from variances against previous actuarial assumptions are recognised in the statement of financial position with corresponding movements in reserves.

The Company and the Scheme Trustees are committed to working collaboratively towards reducing the Scheme deficit.

Segmental overview

CTP Division

CTP revenue of £107.0m was down by £13.8m compared to prior year (FY24: £120.8m), a reduction of 10.1% on a constant currency basis with reduced revenue from Design and Engineering ("D&E") sales and, following restructuring activity in our US business, reduced Manufacturing Solutions ("MS") revenues. Excluding the impact of the US restructuring, there was underlying MS revenue growth across all regions within CTP.

The restructuring of our US business, driven by the strategic exit from short-run, low-margin business, resulted in the closure of facilities in Derry, New Hampshire and Tucson, Arizona. All US manufacturing activity is now consolidated into our sites in Pennsylvania. The year-on-year reduction in US MS revenues from the rationalisation of both the customer base and product lines was £8.4m, with ongoing MS revenues in the US growing by £2.6m or 4.5% on a constant currency basis.

MS revenues grew in the APAC region by £1.9m or 18.7% on a constant currency basis with strong volume growth in India, driven by increased demand from a key customer following a period of subdued levels during FY24. In the EMEA region, MS revenues also grew, by £1.2m or 4.0% on a constant currency basis as a result of a small increase in demand in the Life Sciences sector.

D&E remains at the heart of the CTP business, transforming customer requirements into industry leading engineering solutions. D&E revenues are derived from customer led projects and, as such, D&E revenue is more volatile than MS revenue. We work with our customers on both new products and projects to improve automation and expand capabilities, on our journey towards lights out manufacturing.

CTP D&E revenue was down by £8.0m to £13.6m (FY24: £21.6m), a reduction of 36.3% on a constant currency basis as the prior year benefited from a large number of asset revitalisation and back end automation projects that were not repeated during FY25. The nature of D&E revenue is such that fluctuations in the level of annual revenues are not unusual

Despite the lower divisional revenues, underlying operating profit for the CTP Division increased by £3.4m to £12.3m, an increase of 40.6% on a constant currency basis. Return on Sales also increased, to 11.5% up 4.1pps (FY24: 7.4%).

The improved divisional profitability, both in absolute value and as a Return on Sales, is testament to the success of the strategic actions taken in recent years to drive a higher margin business. The improved US profitability was driven by the focus on higher margin business and increased operational efficiency including the consolidation of US manufacturing in our Pennsylvania sites, aligned with EMEA standards.

Within the EMEA region, medium-run production has been relocated from the UK to the Czech Republic, enabling the UK to focus on highly automated solutions for long-run production.

The Division continues to pursue efficiency improvements in raw materials, energy, and labour usage, with further benefits expected.

Speciality Division

Revenue from the Speciality Division, combining our Aerospace and Light & Motion businesses, increased by £2.3m to £14.2m, an increase of 20.6% on a constant currency basis.

Continued growth in Aerospace revenues, driven by increased demand as well as expanded precision machining capabilities, delivered a second consecutive year of record Aerospace sales. Demand in our traditional Optics market of eye care and after-market car-lighting significantly reduced, reflecting the constraints that consumers have seen from cost of living increases. However, the products maintain a high contribution margin on the lowered activity level.

Underlying operating profit for the Speciality Division increased by £0.7m to £2.8m, an increase of 34.1% on a constant currency basis, with a Return on Sales of 19.7% (FY24: 17.8%).

Our Speciality businesses will seek to capitalise on the growth of precision machined components and expansion of our geographical footprint to capture emerging opportunities.

Treasury

The Group faces currency exposure on its overseas subsidiaries and on its foreign currency transactions. In addition, as set out in the principal risks and uncertainties section of the annual report and accounts, the Group is reliant on regular funding flows from the overseas subsidiaries to meet banking, pension and administrative commitments.

Treasury continued

To manage this complexity, we have a centralised Treasury function that manages the Group's cash, debt and foreign exchange risks.

The Group reports trading results of overseas subsidiaries based on average rates of exchange compared with sterling over the year. This income statement translation exposure is not hedged as this is an accounting rather than cash exposure and, as a result, the income statement is exposed to movements in the US dollar, euro, renminbi, Czech koruna and Indian rupee. In terms of sensitivity, based on the FY25 results, a 10% increase in the value of sterling against these currencies would have decreased reported profit before tax by £0.4m.

Dividend

Under the terms of the previous HSBC borrowing facility agreement, in place up to the BZ refinancing completed in April 2025, the Company was not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025. Under the BZ borrowing facility agreement, dividend payments are permitted, but they require prior approval of the lender.

The current focus is on cash flow generation to support strategic growth and with the Company currently having insufficient distributable reserves, no dividend is permitted in respect of the year ended 31 March 2025. The Board will continue to review the Group financial performance, capital allocation and reserves regularly to determine the appropriate time for dividend payments.

Alternative performance measures

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

This results statement includes both statutory and adjusted non-GAAP financial measures, the latter of which the Directors believe better reflect the underlying performance of the business and provides a more meaningful comparison of how the business is managed and measured on a day-to-day basis. The Group's alternative performance measures and KPIs are aligned to the Group's strategy and together are used to measure the performance of the business and form the basis of the performance measures for remuneration. Underlying results exclude certain items because, if included, these items could distort the understanding of the performance for the year and the comparability between the periods.

A reconciliation of the Group's non-GAAP financial measures is shown on pages 190 to 193.

Comparatives are provided alongside all current year figures. The term "underlying" is not defined under IFRS and, as such, the underlying measures reported may not be comparable with similarly titled measures used by other companies.

All profit and earnings per share figures relate to underlying business performance, as defined above, unless otherwise stated. A reconciliation of underlying measures to statutory measures for FY25 is provided below:

£000	Non-underlying		
Continuing operations	Underlying	items	Statutory
CTP operating profit	12,328	45	12,373
Speciality operating profit	2,801	_	2,801
Central costs	(5,291)	(2,303)	(7,594)
Group operating profit	9,838	(2,258)	7,580
Net finance expense	(4,928)	_	(4,928)
Group profit/(loss) before taxation	4,910	(2,258)	2,652
Taxation expense	(1,770)	(10)	(1,780)
Group profit/(loss) for the year	3,140	(2,268)	872
Basic profit/(loss) per share (pence)	4.3p	(3.1)p	1.2p

The non-underlying items reported in the Group profit/(loss) before taxation comprise:

Total non-underlying items	(2,258)
Settlement of legacy health claims	1
Rationalisation costs	(122)
Refinancing costs	(2,137)
0000	Group ¹

^{1.} There were no non-underlying items in respect to discontinued operations in the year to 31 March 2025.

Post balance sheet events and going concern

Post balance sheet events

As noted above, on 24 April 2025, the Group completed refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ and the repayment of all amounts owing under the previous HSBC borrowing facility, which was scheduled to expire at 31 December 2025.

At the same time, the triennial actuarial valuation of the Group's UK defined benefit pension scheme at 31 March 2024 was completed, confirming net liabilities on a technical provisions basis of £64.5m. The associated deficit recovery plan included a lump sum one off payment made into the Scheme of £5.1m during April 2025, annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037.

Goina concern

The financial statements are prepared on the going concern basis.

The £36.0m borrowing facility with BZ that was announced on 24 April 2025 provides available borrowings for a three-year term out to April 2028. The facility includes an element of asset based lending and the level of borrowings are contingent upon the value of certain classes of non-current and current assets held by the Group's UK and US trading subsidiaries.

There are three primary financial covenants required to be tested under the BZ facility agreement, as follows:

Covenant	Definition	Threshold
Minimum EBITDA	Underlying ¹ Group EBITDA calculated on a last six months basis	No less than 75% of budget
Fixed Charge Cover Ratio (FCCR)	Underlying ¹ Group EBITDA divided by the sum of fixed charges comprising debt service costs, debt repayments, pension	Until 31 March 2027 no less than 1:1
	scheme contributions, tax payments, capital expenditure and dividends or other capital distributions calculated on a last twelve months basis	After 31 March 2027 no less than 1.05:1
CAPEX	Cash paid on tangible and intangible fixed assets measured annually for the twelve months to 31 March	No more than 120% of the annual budget
1 Castha dassari	107	

^{1.} See the glossary on page 197.

The Minimum EBITDA and FCCR covenants are required to be tested monthly from May 2025. If after twelve months of the start of the facility agreement, testing has been compliant with covenants in the two previous quarters then covenant testing will only be required on a quarterly basis. The CAPEX covenant is required to be tested annually from 31 March 2026. The Group has complied with the minimum EBITDA and FCCR financial covenants for the testing periods up to the date of signing the financial statements, being May, June and July 2025.

The deficit recovery plan agreed with the Trustees of the UK defined benefit pension scheme as part of the triennial valuation to 31 March 2024 includes an annual schedule of contributions of £3.5m through to 31 March 2029 and thereafter annual contributions of £5.8m indexed at 3.5% through to 31 March 2037. Contributions are funded from cash generated by operations and have been reflected in the cash flow and covenant forecasts reviewed by the Directors.

The Group is subject to a number of key risks and uncertainties, as detailed in the principal risks and uncertainties section on pages 49 to 55. Mitigation actions to address the risks are also set out in that section of the report. These risks and uncertainties have been considered in the base case and downside sensitivities and have been modelled accordingly. The specific climate-related matters set out in the TCFD section on pages 34 to 39 have been considered and they are not expected to have a significant impact on the Group's going concern assessment.

The Group has prepared a forecast of financial projections for the three-year period to 31 March 2028. The forecast underpins the going concern assessment, which has been made for the period through to December 2026, being 21 months after the year end, consistent with the previous going concern assessment and 16 months from when the financial statements are authorised for issue. The Directors have reviewed cash flow and covenant forecasts over this period considering the Group's available borrowing facilities and the terms of the arrangements with the Group's lender and the UK defined benefit pension scheme.

The base case reflects the forecast of financial projections prepared by the Group for the three-year period to 31 March 2028 and includes assumptions around revenue growth, modest improvement in margins, consistent working capital trends and stable interest rates. The forecast shows adequate headroom and supports the position that the Group can operate within its available borrowing facilities and covenants throughout this period.

Post balance sheet events and going concern continued

Going concern continued

Sensitivity analysis has considered the risks facing the Group and has modelled the impact of each in turn, as well as considering the impact of aggregating certain risk types, and shows that the Group is able to operate within its available facilities and meet its agreed covenants as they arise. Furthermore, the Directors have reviewed sensitivity testing, modelling a range of severe but plausible downside scenarios.

These sensitivities incorporate identified risks set out in the principal risks and uncertainties section of this report.

Plausible downside sensitivities include a range of scenarios modelling the financial effects of a reduction in forecast revenue of 3% with a consistent percentage decline in variable costs, a reduction in gross margin of 1% and a 1% increase in interest rates. At the point at which the underlying operating target is not achieved, management bonuses are not payable. The downside scenario modelling factors this in but did not allow for the benefit of any other action that could be taken by management to mitigate the impact of the downside scenarios. Under the three plausible downside scenarios modelled, the Group continues to meet minimum covenant requirements in the next 16 months, although with reduced headroom.

The Directors also assessed, as part of its reverse stress testing, what level of downside impact the Group could sustain on these three scenarios, before it breaches its financial covenants. A reduction in forecast revenue of 7% with a consistent percentage decline in variable costs or a reduction in gross margin of 3%, again without any mitigations beyond the non-payment of management bonuses, would lead to covenant breaches. Two additional severe but plausible downside scenarios have also been modelled, reflecting a reduction in forecast revenue of 10% with a consistent percentage decline in variable costs and a reduction in gross margin of 5%. These scenarios result in breaches of both the FCCR and Minimum FBITDA covenants. In such circumstances, mitigating actions available to the Group are the deferral or cancellation of capital expenditure and the reduction in non-variable costs. A combination of these actions, at levels that the Directors believe is attainable, offset the impact of the severe but plausible downside scenarios to bring both covenants back within threshold. The increase in interest rates required to breach the FCCR covenant is so significant that it is not considered plausible.

The Group is not exposed to high-risk sectors or countries but is dependent on certain key customers, which create risks and uncertainties. These risks and uncertainties are documented, and the mitigating actions being taken are covered in detail in the principal risks and uncertainties section on pages 49 to 55.

It should be noted that the Group is operating in a period of material geopolitical and macroeconomic uncertainty. The Directors continue to monitor these risks and their impact, however, their potential severity is dependent upon many external factors and is difficult to predict. Accordingly, the actual financial impact of these risks may materially differ from the Directors' current view of their impact.

At 31 March 2025, the Group reports net liabilities of £11.8m (31 March 2024: net assets £3.1m). The decrease is largely attributable to the £14.6m increase in the IAS 19 valuation of the UK defined benefit pension liability. The Group also reports a net current liability position of £10.0m at that date (31 March 2024: net current assets £9.3m).

At 31 March 2025, the Company reports net liabilities of £130.0m (FY24: 105.8m (restated)) and net current liabilities of £92.4m (FY24: 63.0m (restated)). At 31 March 2025 creditors falling due within one year include the full HSBC loan referred to below and £109.3m due to Group undertakings. Creditors falling due in more than one year include the IAS 19 pension liability of £51.7m and £9.9m of inter-company creditors.

The presentation of current and non-current liabilities is affected by the requirement to show at 31 March 2025 the full £21.2m HSBC term loan owing at that time within current liabilities as, at that date, the facility had an expiry date of 31 December 2025.

On the basis that the HSBC facility was fully extinguished in April 2025 by drawings made on the BZ facility and that future pension contribution payments to the UK defined benefit pension scheme are defined by the 2024 deficit recovery plan, established at the time of the triennial Scheme valuation, at amounts that are considered manageable by the Directors, rather than by the IAS 19 valuation, and the fact that the Company can control the timing of payment of the amounts owed to Group undertakings and will not make payments until it has sufficient funds to do so, the balance sheet presentation of net liabilities and net current liabilities at 31 March 2025 does not affect the Group or Company's ability to meet their third party liabilities over the going concern period.

On the basis of the base case forecast and the severe but plausible downside sensitivity testing, the Directors have determined that it is reasonable to assume that the Group and the Company will continue to operate within available borrowing facilities and adhere to the covenant tests to which it is subject throughout at least the 16 month period from the date of signing the financial statements through to December 2026.

Accordingly, these financial statements are prepared on a going concern basis.

Ian Tichias

Chief Financial Officer

28 August 2025

Principal risks and uncertainties

Effective risk management is fundamental to the execution of our strategy and the resilience of our operations. Our focus is on the responsible operation of our business while making risk-informed decisions based on the risk appetite set by the Board when responding to opportunities or threats that present themselves.

During the year the Board instituted a review of our risk management processes, following which we strengthened our risk management framework and our processes for identifying, assessing, mitigating, monitoring and reporting our most significant risks and emerging risk themes. The framework continues to be embedded throughout the organisation.

Risk management framework

The diagram below provides an overview of our framework defining our risk management process and governance. It is based on a three lines of defence model which provides appropriate segregation of duties and clear roles and responsibilities across the organisation. Leadership and a strong risk-aware culture are central to our framework.

The Board is responsible for approving and overseeing the risk management framework and ensuring its alignment with the Group's strategic objectives. The Audit & Risk Committee is responsible for reviewing risk management policies and procedures, monitoring the effectiveness of risk mitigation strategies, and reporting to and advising the Board on risk-related matters. The Executive Committee and senior management are responsible for implementing the framework, ensuring that risk management practices are integrated into daily operations and for promoting a risk-aware culture across the Carclo Group.

Heads of business units and functional management identify, assess and monitor material risks within their areas of responsibility and report to the Executive Committee on the risks and mitigation. This supports the calibration of risk assessment across the business and functional units, the identification, assessment and prioritisation of risk at a Group level, and the ongoing reporting to the Audit & Risk Committee and the Board

Risk categories and risk appetite

Our appetite for risk is determined by the Board. In so doing, the Board recognises that a prudent and robust approach to risk assessment and mitigation must be carefully balanced with a degree of flexibility so that the entrepreneurial spirit and innovation which contribute to the success of the Carclo Group are not inhibited.

Risk appetite is categorised across the Strategic, Operational, Financial and Compliance risk categories of the business and is set out below. This operates as a guide to management as to appetite levels in approaching risk to help set priorities and levels of focus. The Board has carried out an assessment of the principal risks facing Carclo plc, including those that would threaten its business model, future performance and overall viability. This report sets out these risks and explains how they are being managed or mitigated. These risks and uncertainties do not comprise all of the risks that the Group may face and are not necessarily listed in any order of priority.

Additional risks and uncertainties not presently known to the Board, or which are considered to be remote or are deemed to be less material at the date of this annual report, may also have an adverse effect on the Group.

Principal risks

The Board has identified nine Group principal risks. In FY24 there were eight Group principal risks; the previously identified principal risk of "Future global pandemics" has been retired as a self-standing principal risk but has been included in the "Geopolitical and macroeconomic uncertainty and other global events" below.

The work arising from the Board-instituted review of our risk management processes has led to the identification of two new principal risks; "Compliance" and "People" risks. These are not necessarily considered emerging risks but a better articulation of the principal risks and uncertainties facing the Group.

The Board considers that overall, the risks facing the Company have decreased since FY24. Whilst the Board has assessed that external risks e.g. geopolitical and macroeconomic uncertainties and the threat of cyber crime, have increased, they have also assessed that our work in FY25 has had the effect of strengthening the Company's resilience to risk. This includes the new finance arrangements with BZ, the agreement with the Pension Scheme Trustees in respect of the actuarial deficit and the investment in our operational and financial performance.

Risk management Risk categories and risk appetite Governance **Risk process** Risk appetite Risk category **Board** Identification Strategic Moderate **Audit & Risk Committee** A We are prepared to accept a moderate level of risk in pursuit of innovation and market expansion whilst maintaining a **Assessment** balance between our socio-economic **Internal Audit** role (low risk acceptance) and our commercial targets (higher risk 3rd line of defence acceptance). **Culture and** Leadership **Operational Very low Executive Committee** We avoid risks that could put our 0 and Senior Management customers, internal and external employees or visitors in danger. Mitigation Therefore, our risk appetite in this Monitoring / regard is very low. 2nd line of defence Reporting Financial Low **Business Management** We seek to maintain a solid financial £ position in order to provide stability and value to all our stakeholders. We are not **Operational Teams** prepared to take risks that could harm our key financial relationships. 1st line of defence Compliance Zero We strive to comply with all applicable laws and regulations, with a particular focus on safety and security, environmental, competition, tendering and privacy/information security laws.

There has been no change in our assessment of the severity of two of the principal risks. We have noted that the treasury, operational execution and pensions risks have decreased and the technology and cyber security and geopolitical and macroeconomic uncertainty risks have increased compared to the previous year for the reasons set out below.

In accordance with the provisions of the Financial Reporting Council's 2018 UK Corporate Governance Code (the "Code"), the Board has taken into consideration the principal risks and uncertainties in the context of determining whether to adopt the going concern basis of preparation and when assessing the future prospects of the Group.

01. Treasury risk 🕢 🗈







Risk

Failure to sufficiently and effectively manage the financial position of the Group, resulting in a restriction of available funds and preventing investment in growth opportunities; breach of lender covenant tests resulting in the withdrawal of access to funds under the Group's primary borrowing facility; and the failure of tests demonstrating that the Group remains a going concern.

Mitigation

The Group Treasury function plays an active role in the monitoring and escalation of Treasury risks.

Liquidity is monitored across all regions through a rolling 13-week cash forecast that is managed by the central Treasury function. Near-term and medium-term cash flows are projected through in-year forecasts and annual budgets that extend out over a three-year timeframe. Subsidiary companies remit excess cash by way of dividends and other means, ensuring effective cash management across the Group and the central settlement of amounts owing under the Group's principal borrowing facility and the UK defined benefit pension scheme deficit recovery plan.

On 24 April 2025, the Group completed refinancing of its primary borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ") comprising a term loan of £27.0m and a revolving credit facility of up to £9.0m. As part of the refinancing project, extensive modelling, including the overlay of severe downside scenarios, was completed to ensure that, over the life of the facility, covenant tests were complied with and the facility provided sufficient liquidity to support the cash flow requirements of the Group, including amounts due under the UK defined benefit pension scheme deficit recovery plan, also agreed at the time.

Lender covenant compliance is reported each month and we maintain an active dialogue with BZ through the reporting requirements of the borrowing facility as well as meetings with the CEO and CFO.

We maintain Group foreign exchange hedging policies and subsidiary level foreign exchange risk is managed through the natural hedging of assets and liabilities or, where required, forward contracts. We use forward yield curves to forecast future interest rates as part of our planning process.

On the basis that the refinancing completed in April 2025 provides an increase in borrowing facilities that is available until April 2028, subject to compliance with financial covenants and other operational and legal conditions, the Treasury risk is assessed to have declined from FY24.

















02. Operational execution risk (2) 💋 🗈







Risk

Operational failure that results in the manufacture and supply of product that does not meet customer or quality requirements, manufacturing cost escalation or other operational issues resulting in reputational damage, loss of customer confidence and a deterioration in profit and cash flow performance.

Mitigation

We are maintaining our increased focus on operational excellence with investment in both people and systems, building on significant progress over the last two years to ensure that we meet the needs of our customers and maximise the effectiveness of our assets.

Delivery of key investment projects is regularly monitored and the Board is kept appraised on progress to ensure projects are delivered on time and on budget.

Our business units focus on performance execution and preventative maintenance and the management of risk at a local level with operational KPI reporting and regular risk management reviews.

During the year a plan to strengthen execution capabilities and improve succession planning and talent pipelining was instituted. Work is ongoing to take on strategic hires to take the implementation work forward.

In view of the investment in operational execution over the last two years, we have assessed this risk as decreased compared to the previous year.

03. Geopolitical and macroeconomic uncertainty and other global events 🕢 🗈





Risk

Failure to respond to geopolitical uncertainty due to conflict, civil unrest, terrorism, elections, government restrictions and risk of potential future pandemics or to respond to macroeconomic uncertainties such as inflationary pressures, government and monetary policies, including tariffs, and labour market conditions may cause supply chain disruption, increased input costs and extended lead times with a significant impact on operating costs, profitability and customer service.

Mitigation

Our business units closely monitor and review relevant supply chain risks and political and trade developments regularly, using input from advisors as appropriate, and establish action plans and strategies accordingly.

Using our global manufacturing presence, not only are we able to respond with more agility than previously, but we also continue to work tactically and specifically with priority areas of the supply chain and customer delivery to minimise supply disruption, net cost impact, and customer shortfalls in delivery.

We are continuing our increased focus on operational effectiveness and efficiency to mitigate the effects of these challenges.

In view of the escalation of global tariffs during 2025 and the ongoing conflicts in Palestine and the Ukraine, we have assessed this risk as increased compared to the previous year.













04. Technology and cyber security 2 🕢 🐼





Risk

Inadequate operation and maintenance of resilient IT systems and infrastructure, coupled with insufficient security measures, may result in a loss of operational capabilities and increased vulnerability to unauthorised access to our systems or data. Such incidents could compromise our operations, resulting in significant financial loss and reputational damage.

Mitigation

We have put in place a roadmap to enhance our infrastructure and systems to improve resilience.

We employ security specialists and maintain a suite of cyber protection software firewalls. Cyber controls are monitored closely and cyber security training is carried out across the Group. Multi-factor authentication has been implemented across all Group sites.

We undertake regular risk reviews to keep data secure and construct a layered environment that provides a countermeasure to the varying forms of cyber-attacks. Multiple security applications, layers of back-up, limiting access to core systems and deploying IT in-house skill to proactively respond to emerging cyber threats are some of the countermeasures activated. In the event of a successful attack, we respond rapidly to minimise impact and focus on ensuring that future attacks cannot be successful.

Whilst we continue to invest in this area, given the growing sophistication and scale of cyber-attacks and previous successful attacks including one during the year (see the Audit & Risk Committee report on page 66) we have assessed this risk as increasing.

05. Customer concentration 🕢 🔕







Risk

A substantial part of the Group's revenue is concentrated in a relatively small number of large customers such that any underperformance, increased market competition or changes in customer behaviour may result in the loss of existing or future business with that customer which could have a significant impact on financial performance.

Mitigation

Our focus on operational excellence (class-leading cost, quality and delivery) and on customer care is aimed at retaining key customers and nurturing our relationships with them. We have also invested in production equipment and process know-how to help preserve the longevity of those relationships.

We are seeking diversification of business in the longer term, particularly where concentration levels are most high, such as India.

We have focused on major customers who are blue-chip multi-nationals operating in the medical, electronics and aerospace markets. Whilst this may increase concentration risk, it does provide a degree of credit protection from customer strength, size and reputation.















06. Pensions 🕢 🗈







Change (-

Risk

A deterioration in the Group's financial performance or decline in cash generation may prevent payments due to our UK defined benefit pension scheme under the deficit recovery plan, triggering the Pensions Regulator to impose additional financial conditions that constrain operational or financial activity.

Mitigation

The 31 March 2024 triennial valuation of the UK defined benefit pension liability was finalised in April 2025. The valuation, prepared on a technical provisions basis, reported a deficit of £64.5m, a significant reduction from the £82.8m liability reported as part of the previous triennial valuation at 31 March 2021.

The deficit recovery plan agreed alongside the valuation includes a lump sum one-off payment into the scheme of £5.1m, paid in April 2025, and annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037. At 31 May 2025, the technical provisions liability had reduced further to £55.0m.

We fully engage with the Trustees of the Scheme, who are responsible for the proactive management of assets, liabilities and administrative costs of the Scheme and we work with them on liability management initiatives, Pension Protection Fund levy issues and the Scheme investment strategy.

With the support of the Scheme Trustees and our lender, we also focus on growing Group enterprise value to reduce the deficit relative to the size of the Group. We present our budget and long-term plans to the Scheme Trustees.

On the basis of the agreement of the 2024 deficit recovery plan in April 2025 that locks in contributions at least until the completion of the 2027 valuation and the decline in the value of Scheme liabilities on a technical provisions basis, the pensions risk is assessed to have decreased from FY24.

07. Climate change 💋 🗈 🕥







Mitigation

Failure to consider and effectively respond to climate change may have an adverse impact on our operational and financial performance and our reputation.

We engage with stakeholders to understand how the risks and opportunities manifest themselves in our everyday operations and how best we might deal with them. We have also appointed an external climate consultancy to undertake a thorough risks and opportunities assessment to ensure that we align with regulatory requirements and take steps to de-risk our business.

The risk of climate change to our operations is underpinned by the risks identified through our TCFD-aligned assessment process, which provides a structured framework for evaluating both transitional and physical climate-related risks. For more information of the risks identified, please see pages 37 to 38.

Carclo is a relatively large user of energy, with its associated climate connotations. The appointed external climate consultancy has also been engaged to define appropriate metrics and targets for each area of the Group to help meet climate obligations. The Board will review the consultancy's work and seek to implement their recommendations to significantly improve our intensity ratios over a period of time.

Our business units identify local risks and opportunities associated with climate change. These risks and opportunities are considered centrally to ensure a complete and uniform approach to climate change risks and opportunities management across the Group. For further details of our sustainability aims and achievements, see the environment section of Responsible operations on pages 30 to 32.

Risk

Key: (↑) Increase























08. Compliance



Risk

Failure to comply with legal and regulatory requirements may result in fines, criminal penalties or litigation which may lead to adverse financial, legal or reputational consequences.

Mitigation

Wherever we operate, we aim to comply with all applicable requirements and we monitor the controls implemented across the Group which support the business to demonstrate compliance with those requirements.

Our whistleblowing procedures are aimed at promoting a strong culture of integrity throughout the Group as well as encouraging employees to speak up.

Our risk management assessments help identify emerging regulatory and compliance risks and planning to address those risks. Regulation and compliance risk is also considered as part of our annual business planning process.

Whilst operating across more than one jurisdiction does elevate this risk due to the variation in laws and regulation, this is mitigated through the knowledge and experience of our local management and, where appropriate, through the use of external professional advisors.

09. People **2 3 4**











Risk

Failure to attract, retain and develop the required talent and capabilities, and to embed our values in our culture, could impact on the effectiveness of our operations and the delivery of our purpose, leading to non-compliance with applicable legislation and regulation, financial losses and reputational damage.

Mitigation

During the year, the Remuneration Committee instituted a review of our "total reward" offering across our global business units which will be taken forward in FY26. This is aimed at attracting and retaining high-calibre people to and within the Group.

We continue to roll out measures to ensure the overall wellbeing of our colleagues, including a suite of wellbeing policies, our Carclo Cares platform and an Employee Assistance Programme.

Our established Group diversity and inclusion strategy helps to ensure that everyone is welcomed and that we provide all our colleagues with equal opportunities for growth and development. Our commitment to maintaining a diverse and inclusive workplace is embedded in our values.

For further details of the mitigating measures taken or developed during FY25, see the People section of Responsible Operations on pages 27 to 29.

1. As noted on page 49, these are not considered emerging risks but a better articulation of the principal risks and uncertainties facing the Group.



















Viability statement

The Board has assessed the viability of the Group over a three-year period to 31 March 2028 taking account of the Group's current position and the potential impact of the principal risks as documented in the previous pages.

A robust assessment of the principal risks facing the business was conducted, including those that would threaten its business model, future performance, solvency or liquidity, along with a detailed review of financial projections in the budget for the year ending 31 March 2026 and the forecast for years ending 31 March 2027 and 31 March 2028.

In developing the viability statement, it was determined that a three-year period should be used, consistent with the period of the Group's business planning processes and reflecting a reasonable approximation of the time taken from procuring a project to completion.

On 24 April 2025, the Group completed refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ") comprising a term loan of £27.0m and a revolving credit facility of up to £9.0m. At that time, all amounts due under the Group's previous principal borrowing facility with HSBC were settled.

The BZ facility includes an asset-based lending arrangement with drawings permitted against the value of various classes of assets held by the UK and US businesses. Of the £27.0m term loan element, £8.0m is designated against the value of owned land and buildings, £5.0m is designated against the value of owned plant and machinery and the balance of £14.0m is designated a cash flow loan that is non-asset specific. Of the £9.0m revolving credit facility, up to £7.0m is designated against the value of trade receivables and up to £2.0m against the value of inventory. The facility permits borrowings in GBP, EUR and USD. The viability assessment assumes that the Group is able to secure refinancing in April 2028 to replace the BZ facility, which is due to expire at that time.

Net debt at 31 March 2025 was £19.2m, showing a significant reduction from £29.5m at 31 March 2024 and further progress from £34.4m at 31 March 2023. The turnaround in the Group's financial performance and improved cash generation are evidence of the success of the Group achieving its strategic goals and have been critical drivers in the reduction in net debt.

Key to the Group's viability, in addition to having access to sufficient borrowing facilities, is that the Group agrees with the Trustees of the UK defined benefit pension scheme a schedule of contributions which reduces the pension deficit at a rate deemed acceptable by the Trustees and at the same time is considered affordable with the expected future cash flow generation of the Group.

In April 2025, the triennial valuation prepared as at 31 March 2024 was finalised in accordance with the requirements of the Pensions Act 2024. The valuation reported a deficit of £64.5m, a significant reduction from the £82.8m liability reported by the last triennial valuation at 31 March 2021 and a further reduction in value of the liability from the £90.4m reported in the previous valuation at 31 March 2018. The next triennial valuation is due to be calculated at 31 March 2027.

In the context of the profitability and the cash generation of the Group, the amounts owing in respect of the UK defined benefit pension scheme remain a major liability. The Board continues to work closely with the Trustees of the UK defined benefit pension scheme to monitor and mitigate risks associated with the defined benefit pension scheme and, where appropriate, actively manage the Scheme liabilities.

The deficit recovery plan that was agreed with the Trustees at the time of the 2024 triennial valuation provided for a lump sum one-off payment into the Scheme of £5.1m in April 2025, at the time of finalisation of the Group's refinancing of its principal borrowing facilities, annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m for a further eight years to 31 March 2037.

The Directors have assessed that all contributions due to the UK defined benefit pension scheme under the 2024 deficit recovery plan, along with repayments due under the BZ borrowing facility, are affordable throughout the three-year period and are appropriately reflected in the financial projections and underlying covenants that cover this period.

There are three primary financial covenants required to be tested under the BZ facility agreement, as follows:

Covenant	Definition	Threshold
Minimum EBITDA	Underlying Group EBITDA calculated on a last six months basis	No less than 75% of budget
Fixed Charge Cover Ratio (FCCR)	Underlying Group EBITDA divided by the sum of fixed charges comprising debt service costs, debt repayments, pension scheme contributions, tax payments, capital expenditure and dividends or other capital distributions calculated on a last twelve months basis	Until 31 March 2027 no less than 1:1 After 31 March 2027 no less than 1.05:1
CAPEX	Cash paid on tangible and intangible fixed assets measured annually for the twelve months to 31 March	No more than 120% of the annual budget.

The minimum EBITDA and FCCR are required to be tested monthly from May 2025. If after twelve months of the start of the facility agreement, testing has been compliant with covenants in the two previous quarters, then covenant testing will be extended to testing on a quarterly basis. The CAPEX covenant is required to be tested annually from 31 March 2026.

Viability statement continued

The Directors have considered whether they are aware of any specific relevant factors, other than more foreseeable risks that any business may face, beyond the three-year time horizon. Aside from the risk relating to the level of future pension scheme deficit repair contributions and the availability of funding beyond the three-year term of the BZ facility and consideration of the Group's principal risks and uncertainties, including those related to climate-related matters, the Directors have concluded that there are no others of a significantly material nature.

The review included the assessment of cash flows and other key financial ratios, including the BZ covenants, over the three-year period. These metrics were subject to sensitivity analysis which involved flexing a number of the main assumptions underlying the forecasts. Sensitivity testing has been based on a number of potential downside scenarios taking into account the current view of impacts on supply chain disruption and unmitigated cost inflation, particularly from geopolitical uncertainty including the global tariffs and the risks arising from customer concentration.

Plausible downside sensitivity testing was performed under a range of scenarios modelling a reduction in forecast revenue of 3% with a consistent percentage decline in variable costs, a reduction in gross margin of 1% and a 1% increase in interest rates. These sensitivities attempt to incorporate the risks arising from impacts on manufacturing and supply chain and other potential increases to direct and indirect costs as well as treasury risk.

The Directors also assessed, as part of its reverse stress testing, what level of downside impact the Group could sustain on these three scenarios, before it breaches its financial covenants. A reduction in forecast revenue of 7% with a consistent percentage decline in variable costs or a reduction in gross margin of 3%, again without any mitigations beyond the non-payment of management bonuses, would lead to covenant breaches. Two additional severe but plausible downside scenarios have also been modelled. reflecting a reduction in forecast revenue of 10% with a consistent percentage decline in variable costs and a reduction in gross margin of 5%. These scenarios result in breaches of both the FCCR and Minimum EBITDA covenants. In such circumstances, mitigating actions available to the Group are the deferral or cancellation of capital expenditure and the reduction in non-variable costs. A combination of these actions, at levels that the Directors believe is attainable, offset the impact of the severe but plausible downside scenarios to bring both covenants back within threshold. The increase in interest rates required to breach the FCCR covenant is so significant that it is not considered plausible.

The Directors consider that the Group has the capacity to take mitigating actions to ensure that the Group remains financially viable. In terms of monitoring the current commercial environment for risk, there are no indications of any significant deterioration in EBIT, and no material capital spend commitments outstanding which would appear to be at risk of longer-term material financial loss.

On the basis of the above and other matters considered and reviewed by the Board during the year, the Board has reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years. In doing so, it is recognised that such future assessments are subject to many external factors and a level of uncertainty that increases with time and, therefore, future outcomes cannot be guaranteed or predicted with certainty. The actual outcomes of this uncertainty may materially vary from the Directors' current view of their plausible impact.

The strategic report was approved by the Board on 28 August 2025 and signed on its behalf by:

Frank Doorenbosch

Chief Executive Officer 28 August 2025

Ian Tichias

Chief Financial Officer 28 August 2025

Chair's introduction to governance

The statement of corporate governance practices set out on the following pages, including the reports of Board Committees and any information incorporated by reference, constitutes the corporate governance report of Carclo plc.

Dear shareholder

On behalf of the Board, I am pleased to present Carclo plc's corporate governance report for the year ended 31 March 2025. This report seeks to provide shareholders and other stakeholders with a clear understanding of how we discharge our governance duties and apply the principles of good governance set down in the UK Corporate Governance Code 2018 (the "2018 Code").

The Board aims to maintain and, where appropriate, strengthen standards of corporate governance throughout the Group. The Board supports the principles laid down in the 2018 Code and continues to monitor the Group's governance practices. This includes regular review of key policies and procedures to ensure they remain fit for purpose.

Good governance is fundamental to the success of the Group and is woven into the strategy and decision-making processes throughout the business. The tone from the top is cascaded from the Board to the Executive Committee and out to the business.

The composition of the Board is routinely assessed to ensure we have the right balance of skills, experience and knowledge required to achieve our strategic goals. Within this assessment the Board gives due consideration to the benefits of widening Board diversity in terms of skills, knowledge, ethnicity, age, experience, gender and perspective. All appointments are made on merit alone.

During the year our Nomination Committee oversaw an externally facilitated evaluation of the Board and each of its Committees. The conclusion of this evaluation was that whilst the Board and its Committees function effectively and all Directors properly discharge their duties, there are some areas where there is an opportunity for improvement, including further development of management succession planning, continuing work to strengthen the control environment and developing the risk management framework. The Board is now working on an action plan to address the issues raised. A full report of the activities and the outcomes of the evaluation can be found on pages 63 to 64.

We remain cognisant of the strong relationship between ethics and governance and the role the Board plays in demonstrating ethical leadership. Further information on ethics is contained in our responsible operations report on pages 27 to 33.

As explained on pages 40 to 42, the Directors consider various factors when making decisions, including the interests of our stakeholders. The Board undertakes stakeholder engagement directly with the workforce (see page 64) and with shareholders (see page 64). During the year, the Board has also supported management in the refinancing of the Group's debt facilities, engaging with the Pension Trustee, the existing facility provider HSBC and the new financing provider BZ Commercial Finance DAC, and the triennial revaluation of the Group Pension Scheme. engaging with the Pension Trustee. More details regarding stakeholder engagement by the Group can be found on pages 40 to 42.

We were pleased to maintain a stable Board during the year, following Natalia Kozmina joining the Board as a Non-Executive Director on 22 April 2024. Natalia was appointed as Chair of the Remuneration Committee from 1 May 2024. She has a wealth of cross-functional experience, most recently in human resources and ESG, gained in large multi-national organisations across a number of industries.

Following the announcement in December 2024 of Eric Hutchinson's intention to retire as CFO in 2025, on 13 February 2025, we announced the appointment of Ian Tichias as CFO from 1 April 2025. lan brings strong experience as a finance leader in both listed and private businesses, including at Xaar plc where, as CFO, he drove a financial turnaround and significant systems and controls improvements.

I am confident in the continued strength of the Board, with members bringing a wealth of relevant experience to guide the business forward.

Our statement of compliance with the UK Corporate Governance Code is set out on page 59. The UK Corporate Governance Code 2024 (the "2024 Code") will apply to the Company from 1 April 2025 with the exception of Provision 29, which will apply to the Company from 1 April 2026. Work to ensure compliance with the 2024 Code is underway and we expect to comply fully with the 2024 Code, with the exception of Provision 29. from 1 April 2025.

Joe Oatley

Non-Executive Chair 28 August 2025



Statement of corporate governance

UK Corporate Governance Code

The Company remains committed to the highest standards of corporate governance, for which the Board is accountable. The Company complied throughout the year with the main principles and provisions of the 2018 Code, with the exception of Provisions 11, 24 and 32 for part of the year. The Company continues to maintain and review its systems, processes and policies to support its sustainability and governance practices. This statement, together with the Board activities, Audit & Risk Committee report, Nomination Committee report and Directors' remuneration report, describes how the Company has applied the main principles and provisions of the 2018 Code.

A copy of the 2018 Code is available on the website of the Financial Reporting Council (the "FRC"): https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance

The Board did not comply with the requirements of Provisions 11 and 24 of the 2018 Code from 1 to 21 April 2024 and with the requirements of Provision 32 of the 2018 Code from 1 to 30 April 2024:

Provision	Requirement	Explanation	
11	At least half the Board, excluding the Chair, should be independent Non-Executive Directors.	As a result of Eric Hutchinson agreeing to move from his non-executive role into the role of CFO, this provision was not met temporarily. Whilst search was already underway for an additional Non-Executive Director, this was accelerated in order to identify an independent Non-Executive Director who would take on the roles of Senior Independent Director and Chair of the Remuneration Committee following Eric Hutchinson's rochange. In the interim, Rachel Amey agreed to fulfil both roles. While the search was conducted, less than half the Board, excluding the Chair, comprised independent Non-Executive Directors.	
		Natalia Kozmina joined the Board as a Non-Executive Director after the year end, on 22 April 2024. She was determined to be independent on appointment.	
		At the date of this report, the Board meets the requirement that at least half the Board, excluding the Chair, are independent Non-Executive Directors.	
24	The Board should establish an audit committee of independent Non-Executive Directors, with a minimum membership of two.	Eric Hutchinson's move to the role of CFO also led to the membership of the Audit & Risk Committee falling to a single independent Non-Executive Director for a brief period. While the search for an additional independent Non-Executive Director was conducted, the Board fulfilled the responsibilities of the Audit & Risk Committee.	
		On her appointment to the Board on 22 April 2024, Natalia Kozmina was also appointed as a member of the Audit & Risk Committee, which then met the requirement to have a minimum membership of two independent Non-Executive Directors.	
32	Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least twelve months.	Eric Hutchinson's move to the role of CFO also required the appointment of a new Chair of the Remuneration Committee. Rachel Amey agreed to fulfil this role in the interim while the search for a successor was conducted. On her appointment, she had not served on a remuneration committee for at least twelve months.	
		Natalia Kozmina joined the Remuneration Committee on her appointment to the Board on 22 April 2024 and took over the role of Chair of the Remuneration Committee on 1 May 2024. On her appointment, she had not served on a remuneration committee for at least twelve months. Nevertheless, on appointment she had extensive experience in human resources, most recently in her executive role where she regularly attended remuneration committee meetings and worked with both the remuneration committee chair and management to shape executive leadership remuneration and policy changes. The Board believes this gives her the requisite skills and knowledge to perform the role.	

Our Board

The Board

The Board is collectively responsible for the management of the Company. The Board's main role is to create long-term value for shareholders by providing entrepreneurial and prudent leadership of the Company. It does this by setting the Company's strategic aims and overseeing their delivery, ensuring that the necessary financial and other resources are available, and by maintaining a balanced approach to risk within a framework of effective controls.

Audit & Risk Committee

Monitors and reviews financial reporting, supporting the Board in observing its responsibility for ensuring the Group's financial systems provide accurate information which is properly reflected in the published accounts.

Reviews the effectiveness of the Group's internal control and risk management system, the need for an internal audit function and the work undertaken by the external auditor.

Reviews whistleblowing arrangements.

Nomination Committee

Monitors and reviews the composition and balance of the Board and its Committees to ensure Carclo has the right structure, skills, diversity and experience in place for the effective management of the Group. Where an additional appointment is considered appropriate, in light of its monitoring and review, the Committee develops a description of the role and capabilities required and proposes candidates for appointment to the Board.

Manages Board effectiveness reviews.

Reviews management training and succession planning in respect of the Company's senior executives.

Remuneration Committee

Oversees and, where appropriate, recommends to the Board Carclo's overall remuneration policy, strategy and implementation including the alignment of incentives with reward and culture, taking into account employees' pay and rewards when setting the policy for Directors' remuneration.

Determines the remuneration for the Executive Directors and certain senior executives

Each Committee plays a vital role in helping the Board ensure that high standards of corporate governance are maintained throughout the Group. Only the Committee Chair and members of the Committees are entitled to be present at Committee meetings, but others may attend by invitation.

The authorities and duties of the Board and its Committees, as well as the roles and responsibilities of key individuals on the Board, are clearly set out in writing. These documents are reviewed and approved by the Board on an annual basis and are available on the Company's website.



Our Directors



Joe Oatley Non-Executive Chair

Joe was appointed a Non-Executive Director of the Company from July 2018 and served as Chair of the Remuneration Committee from that date until April 2020. He served as interim Non-Executive Chair from April to September 2020 and was appointed as the Senior Independent Director on 30 September 2020. Joe was appointed Non-Executive Chair on 6 November 2022.

Skills and experience

Joe is currently the Deputy Chair at Wates Group Limited and a Non-Executive Director at Centurion Group Limited. From 2012 to 2018 he was Group Chief Executive of Cape plc, a global FTSE-listed company specialising in the provision of critical industrial services to the energy and natural resources sectors. Prior to joining Cape he was Chief Executive of Hamworthy plc, a global oil and gas engineering business, which he joined in 2007 and led until its takeover by Wärtsilä in 2012. Joe spent the early part of his career in the engineering sector in a broad range of roles, including Managing Director of a number of different businesses, strategy development and M&A.

External appointments

Wates Group Limited - Deputy Chair Centurion Group Limited - Non-Executive Director



Frank Doorenbosch **Chief Executive Officer**

Frank was appointed a Non-Executive Director of the Company on 1 February 2021 and Chair of the Remuneration Committee from 30 April 2021.

After a short period acting as a consultant to the CTP Division, Frank was appointed as CEO of Carclo plc on 6 October 2022.

Skills and experience

Frank has devoted the majority of his career to spearheading initiatives within the plastics industry, primarily at RPC Group plc, a leading supplier of film and packaging solutions. His comprehensive experience encompasses senior roles in operations, finance, sales and marketing, along with substantial enhancements in business practices, managing expansive operations throughout the EMEA and APAC regions. From 2016 to 2019, he held the position of CEO at RPC bpi group, where he was instrumental in driving significant turnarounds and strategic reorientations in the plastic packaging sector. An ardent proponent of environmental sustainability, Frank consistently champions the adoption of alternative processes and materials that minimise ecological footprints.

External appointments

Thingtrax Limited - Non-Executive Director Impact Recycling Limited - Non-Executive Director Plastic Science by Design - Managing Partner



Rachel Amev Independent Non-Executive and Senior Independent Director

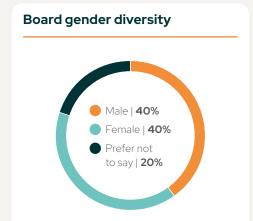
Rachel was appointed a Non-Executive Director of the Company on 1 March 2023 and was appointed Chair of the Audit & Risk Committee on 21 August 2023. She was appointed as interim Senior Independent Director from 21 August 2023 to 31 January 2024 and was re-appointed to this position permanently on 28 February 2024. From 21 August 2023 to 30 April 2024 she acted as interim Chair of the Remuneration Committee.

Skills and experience

Rachel trained as a chemical engineer and subsequently qualified as a Chartered Management Accountant. Rachel currently works as COO at British Engines Limited. a global engineering group based in Newcastle upon Tyne, and previously held a variety of financial positions with Smiths Group plc from 2000 to 2008 and Cape plc from 2008 to 2015, including Group Financial Controller from August 2008 to March 2014 and interim Chief Finance Officer from September 2012 to December 2012. Rachel was Group Financial Controller for LSL Property Services plc from 2016 to 2020 and Director of Finance & Operations at the Newcastle upon Tyne Royal Grammar School from October 2020 to April 2025. She is an experienced finance professional with substantial listed company experience as well as having IPO and M&A experience both in the UK and internationally.

External appointments

British Engines Limited - COO Director of various subsidiaries with the British Engines Group





Committee membership key

- Audit & Risk Committee
- Nomination Committee
- R Remuneration Committee
- Committee Chair

Our Directors continued



Natalia Kozmina

Independent Non-Executive Director

Natalia was appointed a Non-Executive Director of the Company on 22 April 2024. She was appointed Chair of the Remuneration Committee from 1 May 2024.

Skills and experience

Natalia is a global business executive with a proven track record of leadership across medical devices. life sciences and technology sectors with a particular focus on HR and remuneration matters. She brings extensive US, UK and international operational and strategic experience, which she gained from a range of FTSE and Fortune 100 companies. Currently, Natalia is Chief Human Resources Officer for LivaNova plc, a global medical devices business that focuses on neuromodulation and cardiac surgery technologies. Prior to this role Natalia was Executive Vice President and Chief Human Resources Officer for Convatec Group plc, a FTSE 100 global medical technologies business, where she also led the ESG strategy. Natalia's executive career also includes significant tenure across general management, sales and marketing roles leading global customer-centric businesses through rapid scale up, large-scale M&A and spin-offs, and operating in complex, highly regulated industries.

External appointments

Chief Human Resources Officer – LivaNova plc



Ian Tichias

Chief Financial Officer

lan was appointed Chief Financial Officer on 1 April 2025.

Skills and experience

lan was previously the Chief Financial Officer at Xaar plc where he drove a financial turnaround and significant systems and controls improvements over a period of more than four years. He brings strong experience as a finance leader in both listed and private businesses. His experience spans both small, agile, international multi-site manufacturing operations and larger companies with best-in-class systems and processes. Ian is a fellow of the Institute of Chartered Accountants in England and Wales having qualified with MacIntyre Hudson in 1996.

External appointments

Board membership

As at 31 March 2025, the Board comprised the Non-Executive Chair, the CEO, the CFO and two independent Non-Executive Directors.

The Chair and each Non-Executive Director were independent on appointment and the Board considers the Non-Executive Directors to be independent in accordance with the 2018 Code.

Roles and responsibilities

The Chair has primary responsibility for leading the Board and ensuring its effectiveness. They set the Board's agenda and ensure, together with the Senior Independent Non-Executive Director, that all Directors can make an effective contribution.

The CEO has responsibility for all operational matters and the development and implementation of Group strategy approved by the Board.

Board and Committee changes

Natalia Kozmina was appointed as a Non-Executive Director effective 22 April 2024. She also joined the Audit & Risk, Nomination and Remuneration Committees on this date. She took over as Chair of the Remuneration Committee on 1 May 2024.

Eric Hutchinson stepped down as Chief Financial Officer and a Director effective 31 March 2025.

Conflicts of interest

Under the requirements of the Companies Act 2006, each Director must seek authorisation before taking up any position that may conflict with the interests of the Company. The Board routinely considers actual and potential conflicts and a register is maintained by the Company Secretary and reviewed on an annual basis.



Committee membership key

Audit & Risk Committee

Nomination Committee

R Remuneration Committee

Committee Chair

Board activities

The Board meets regularly, at least seven times each year, and there is contact between meetings to progress the Company's business. Senior executives below Board level are invited to attend meetings, as required, to present and discuss matters relating to their business areas and functions.

The Board aims to hold at least one Board meeting at a manufacturing facility during the year. These visits typically include meeting with staff and attending presentations from management, which enables particular focus on the regional considerations associated with implementation of the Group's strategy. In the financial year, one Board meeting was held at the CTP manufacturing site at Latrobe in Pennsylvania, US.

The Board has a formal schedule of matters specifically reserved to it for decision, which includes the development of corporate strategy and the approval of annual budgets, major capital expenditure and potential acquisitions and disposals. Briefing papers are distributed to Directors in advance of Board meetings. Directors participate in a full induction process on joining the Board and subsequently receive training and briefings, as appropriate. The Directors are authorised to obtain independent advice as required. The Board evaluation process also considers specific training or development needs.

During the year, attendance by Directors at scheduled meetings of the Board and its various Committees was as follows:

	Board meetings	Audit & Risk Committee	Nomination Committee	Remuneration Committee
	Scheduled meetings attended	Scheduled meetings attended	Scheduled meetings attended	Scheduled meetings attended
J Oatley	8/8	_	5/5	5/5
F Doorenbosch	8/8	_	_	_
E Hutchinson	7/8	_	_	_
R Amey	8/8	6/6	5/5	5/5
N Kozmina	8/8	6/6	5/5	5/5

^{1.} As lan Tichias joined the Board after the year end, he is not included in the table.

The full Board also meets when necessary to discuss important ad hoc emerging issues that require consideration between scheduled Board meetings. In the year ended 31 March 2025, the Board held a further ten ad hoc Board meetings at which not all Directors were required to be present. In addition, one ad hoc Audit & Risk Committee meeting, one ad hoc Nomination Committee meeting and one ad hoc Remuneration Committee meeting were held.

At the end of each Board meeting, time is scheduled for the Non-Executive Directors to meet without executive management present if they wish. In addition, the Non-Executive Directors met once without the Chair present, mainly to discuss the Chair's performance and remuneration.

Board evaluation

In accordance with Provision 21 of the 2018 Code, an external evaluation of the Board's performance and that of its principal Committees was undertaken by BoardClic, an independent third-party consultant, and supervised by the Non-Executive Chair. The Nomination Committee also uses BoardClic's tool to support its evaluation of skills and experience on the Board.

The 2018 Code requires that the Board of a FTSE 350 company should hold an externally facilitated evaluation at least every three years. Although not a requirement for a company the size of Carclo, the Board feels that holding an externally facilitated Board evaluation provides meaningful results and provides the Board with an identification of its strengths and any opportunities for improvement, as well as highlighting any training and development needs. The Board carried out externally facilitated evaluations in 2023 and 2024, and considered that repeating an independent review process with the same provider would provide continued opportunity for comparison and ensure objectivity within the evaluation process.

The Board therefore re-engaged BoardClic to undertake the external Board evaluation exercise which took place towards the end of the financial year.

The process involved a review of a broad range of matters by the Directors and Company Secretary including: the assessment and monitoring of the Company's strategy, the monthly Board meeting agenda and information flow, the conduct of Board meetings and the effectiveness of the discussion and decision making within them, and governance. There was also a review of the role and performance of the Board Committees. The results of the evaluation were collated by BoardClic including the provision of external benchmarking. The review identified a number of areas of strength including the integrity of and quality of the contribution from Board members, the inclusivity of debate, and leveraging the Board's collective knowledge and experience.

Nonetheless, the review also identified some areas where improvement was needed. The Board agreed the need for further work to develop management succession plans, to continue work to strengthen the control environment and to develop the risk management framework, and to further improve Board and Committee materials. These areas will form the basis of objectives for improving the effectiveness of the Board in the vear ahead.

Good progress was made on the areas identified for improvement in the prior year, including in relation to the control environments, both financial and commercial (see page 66 in the Audit & Risk Committee report), and people, where the business faces challenges in recruitment, retention and succession (see page 27).

Board activities continued

Engagement with the workforce

During the year, the Board revisited its approach to workforce engagement. Recognising the critical importance of the voice of the Group's employees as the Group continues its transformation, it chose to appoint Natalia Kozmina as the designated Non-Executive Director to provide Board-level engagement opportunities for employees. Following her appointment, Natalia participated in "town hall" meetings and facilitated employee engagement sessions at the manufacturing site in Latrobe, Pennsylvania (US) and reported back to the Board. The issues discussed at the engagement sessions were also fed back to the CEO. This was augmented by insights gained by direct interaction with the wider workforce by the Board during their Latrobe site visit.

Culture

The Board assesses and monitors culture through reports from management and through insights gained from direct interaction with the workforce whenever Directors visit manufacturing sites. Where it identifies that corrective action is required, it sets this as a task for management to undertake and then monitors progress through updates and management reporting to the Board.

Accountability and audit

Internal control

The Board confirms that it has a process for identifying, evaluating and managing the principal material business risks faced by the Group. This has been in place throughout the year under review and up to the date of approval of the annual report and accounts. The process has been reviewed by the Board. For the year ended 31 March 2025, the Board has reviewed the effectiveness of the Group's system of internal control and risk management, for which it retains overall responsibility.

The Audit & Risk Committee reviews the effectiveness of the Group's internal control system, the need for an internal auditor and, if one is appointed, the scope of work undertaken by the internal auditor and its findings, the Group's accounts and the scope of work undertaken by the external auditor. Reviews are undertaken regularly and cover each accounting year and the period up to the date of approval of the accounts.

The internal control system is designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The principal features of the Group's internal control structures can be summarised as follows:

a) Matters reserved for the Board

The Board holds regular meetings and has a number of matters reserved for its approval, including major capital expenditure and dividend policy. The Board is responsible for overall Group strategy and for approving all Group budgets and plans. Certain key areas are subject to regular reporting to the Board. The Audit & Risk Committee assists the Board in its duties regarding the Group's financial statements and liaises with the external auditor.

b) Organisational structure

There is a clearly defined organisational structure with lines of responsibility and delegation of authority to divisional executive management. Divisional responsibility is supplemented by Group delegation of authorities and a finance manual which dictates policies and practices applicable across the Group and includes accounting, purchasing, capital expenditure and a code of business conduct. These internal controls are monitored by the Audit & Risk Committee as part of its review of the effectiveness of the Group's system of internal control.

c) Financial control and reporting

There is a comprehensive Group-wide system of planning and budgeting with frequent, appropriate reporting of results to each level of management, including regular reporting to the Board. Reviews involving Executive Directors and Divisional Executives include the annual identification and assessment of business and financial risks inherent in each division

d) Internal auditor

In the context of our programme of internal control improvement (described on page 66) and a developing assurance framework reflecting the Group's transformation, the Audit & Risk Committee undertakes activities to monitor the internal control environment throughout the year. An internal control function supports the Committee. The need for an internal audit function is kept under regular review.

Relations with shareholders

The Company recognises the importance of communication with its shareholders. Regular meetings are ordinarily held between Directors of the Company and major institutional shareholders including presentations after the Company's preliminary announcements of the half-year and full-year results and discussions on performance and strategy. Major shareholders have been advised that the Non-Executive Chair and the Non-Executive Directors are available for separate discussions if required.

The Board uses the Annual General Meeting ("AGM") to communicate with private and institutional investors and welcomes their participation. The Board uses the Investor Meet Company platform to broadcast the AGM and other key presentations online, which enables shareholders to watch remotely, facilitating broader engagement with the Company's shareholder base. Shareholders are also provided with the opportunity to raise questions with the Board during the meeting. Directors also make themselves available before and after the AGM to talk informally to shareholders who are present in person, should they wish to do so. Voting is by poll of those present in person/by proxy.

By order of the Board

Anne McArthur

Company Secretary 28 August 2025

Audit & Risk Committee report



Rachel Amey Chair of the Audit & Risk Committee

Dear shareholder

I am pleased to present our Audit & Risk Committee report for the year ended 31 March 2025. For a short period during the year, from 1 to 21 April 2024, the Committee did not have sufficient members and so the Board fulfilled the Committee's responsibilities during this time. Had a meeting been required, I would have chaired those parts of the Board's meetings that addressed the Committee's responsibilities. References to the Committee in this report are to the Board for the short period it was fulfilling the Committee's responsibilities.

The report provides an overview of the Committee's role and shows how our work contributes to the success of the Group.

Annual statement by the Chair of the Audit & Risk Committee

The Committee has continued its scrutiny of the Group's system of risk management and internal controls, the robustness and integrity of the Group's financial reporting and the scope, effectiveness and results of both the internal and external audit processes.

The key responsibilities of the Committee are to:

- review the appropriateness and application of accounting policies and practices;
- · review financial statements, taking account of accounting policies adopted and applicable reporting requirements;
- monitor the integrity, clarity and completeness of the financial statements (half-yearly and annual);

- · advise the Board on whether the content of the annual report and accounts give a fair, balanced and understandable explanation of the Group's performance, business model and strategy over the relevant period;
- · oversee the internal controls of the Group and the effectiveness of those controls;
- · monitor and review the effectiveness of any internal audit function;
- oversee and review the Company's risk management systems and the effectiveness of those systems;
- · review and challenge judgements of management in relation to the financial statements:
- review all matters associated with the appointment, terms, remuneration. independence, objectivity and effectiveness of the external auditor, including the provision of non-audit services, and review the scope and results of the audit:
- review the Group's systems and controls for the prevention of bribery;
- review whistleblowing arrangements;
- review the Committee's terms of reference and carry out an annual review of the performance of the Committee; and
- · report to the Board on how the Committee has discharged the aforementioned responsibilities.

The Committee will continue to keep its activities under review in the light of developing regulations and best practice.

Composition

The Committee comprises all the Non-Executive Directors excluding the Non-Executive Chair and usually meets at least four times annually.

During the year, the Committee was chaired by Rachel Amey. Rachel is a Chartered Management Accountant and is currently Chief Operating Officer at British Engines Limited, having previously held a variety of senior financial positions with Smiths Group plc, Cape plc, LSL Property Services plc and the Newcastle upon Tyne Royal Grammar School. As such, the Board considers that Rachel has recent and relevant financial experience. The Board is also satisfied that the Committee as a whole has relevant sectoral competence as required by the 2018 Code.

Meetings

Only Committee members are entitled to attend a meeting. However, the Non-Executive Chair, CEO and CFO are normally invited to attend meetings.

Six scheduled meetings and one ad hoc meeting were held during the year, two of which were scheduled to coincide with the Board's review and approval of the Group's half-year results statement and of its full-year results announcement.

Committee effectiveness

The Committee's effectiveness was considered as part of the Board evaluation process, described on page 63.

Audit & Risk Committee report continued

Internal control and risk management

The Group has an existing system of internal controls and a risk management framework; however, having identified certain internal control weaknesses during the prior year, we continued with a programme of internal control improvement. This includes the appointment of an Internal Control Manager and the building of a continuous review process, at both Executive and Board level, of all material areas including, but not limited to, financial, operational and compliance controls. All these activities are periodically reviewed by the Committee and their effectiveness assessed through oral and written reports from the internal control function and external auditor as well as management.

In terms of risk management, the Committee and the Board considered the risk management framework and identified improvements which led to the executive team refreshing the framework policy and improving the identification, assessment and treatment of risk. This work is reflected in the Group's principal risks and uncertainties on page 49.

The Committee maintains a focus on continually improving both the internal control and risk management environment.

Internal control procedures have been strengthened to ensure segregation of duties and implement additional internal checks and reviews. We continue to enhance our approach to cyber security, which is identified as a key risk; this includes active 24/7 international monitoring by external expert providers, penetration testing and updating our networks. The frequency of cyber awareness training has been increased and enhanced.

As part of due diligence to prepare for the refinancing which was completed in April 2025, management identified that in its stand-alone legal entity accounting records, Carclo plc had continued to report a liability of £52.2m owing to a subsidiary undertaking, CTP Finance NV, that had been liquidated in 2020. In addition, the Company identified the need to impair the carrying value of investments in dormant subsidiaries and certain receivables from Group companies in order to correct a prior year error. The failure to record the subsidiary undertaking liquidation is not considered to be indicative of a wider failing of internal controls in the Group's risk management and internal control framework.

Carclo plc has continued to report the £52.2m liability at 31 March 2025 as the requirements of IFRS 9 concerning the derecognition of the liability have not been met. Subsequent to 31 March 2025 a project has been launched with the objective of streamlining the Group legal entity structure, reducing the number of dormant and non-trading entities and mitigating the risk of future errors in this area. The project will also address the requirements of IFRS 9 to enable Carclo plc to derecognise this liability.

Details of the Group's emerging and principal risks and uncertainties, together with the mitigating actions, are set out on pages 49 to 55 of the annual report and accounts.

Internal audit

The Committee reviews annually the arrangements for internal audit. In the prior year, reflecting the programme of internal control improvement described above and the developing assurance framework in response to the Group's transformation, the requirement for an internal audit function was considered and, on recommendation of the Chief Financial Officer, it was agreed internal audit activities should be paused in favour of investment in an internal control function to ensure that internal controls were firmly embedded throughout the Group. This decision remains under review.

External audit

The Committee has responsibility for recommending the appointment, re-appointment and removal of the external auditor. The external auditor's appointment is reviewed periodically, and the lead audit partner is rotated at least once every five years.

The Committee last conducted a tender process in December 2019 and shareholders formally approved Forvis Mazars LLP's appointment at the 2020 AGM. Gavin Barclay, who was lead audit partner on the Carclo plc audit since the year ended 31 March 2022, has been replaced by Richard Metcalfe for the FY25 audit.

During the year, Forvis Mazars LLP indicated their desire to step down as external auditor following the conclusion of the audit for the year for commercial reasons. The Committee therefore initiated a tender process to appoint a new external auditor. A number of firms were approached to ascertain their interest in the appointment and their independence. From these, a shortlist of firms was identified, who were invited to submit requests for information ahead of submission of their formal proposal.

The Committee engaged with those eligible firms who chose not to tender, to understand their reasons.

The tender process involved meetings with key stakeholders, including management and Directors, as well as a visit to the manufacturing site at Mitcham. Each firm submitted a formal tender proposal and presented to a selection panel appointed by the Audit & Risk Committee and comprising the Committee Chair, Board members and senior executives. The firms' submissions and presentations were assessed by the panel against pre-defined criteria, covering matters such as quality, independence, challenge and technical competence.

Following completion of this process, the panel reported to the Committee that the preferred firm was HaysMac LLP and the Committee recommended their appointment as the new Group external auditor to the Board. The recommendation was accepted and the appointment of HaysMac LLP will be proposed to shareholders at the 2025 AGM.

The Committee confirms that the recommendation to appoint HaysMac LLP was free from influence by a third party and no contractual term of the kind mentioned in section 489B Companies Act 2006 will be imposed on the Company.

The Carclo plc company only audit opinion includes a limitation of scope qualification because Forvis Mazars LLP determined that they were unable to obtain sufficient appropriate audit evidence to support the existence and valuation of the intercompany liability of £52.2m recorded as owing by the Company to CTP Finance NV. As the liability is an intercompany transaction that is eliminated on consolidation, this limitation of scope does not affect the Group audit opinion issued by the auditors.

Audit & Risk Committee report continued

External audit continued

The Committee reviews reports from the external auditor as part of the annual audit process. These cover the scope, approach and results of the external audit and include the procedures adopted for safeguarding the firm's independence and objectivity. The quality and content of these reports, together with the performance and behaviour of the audit teams during the exercise of their duties, inform the Committee's assessment of audit effectiveness.

During the year, the FRC's Audit Quality Review team ("AQR") completed an inspection of Forvis Mazars LLP's audit of the Company's financial statements for the year ended 31 March 2024. The AQR inspections of individual audits focus on the quality of the audit work performed in the areas selected for review, the appropriateness of key audit judgments made and the sufficiency and appropriateness of the audit evidence obtained. The AQR reviews do not assess compliance with all relevant requirements of standards and regulations, either by using checklists or otherwise.

The AQR's findings and observations related mainly to the audit strategy and approach to the US component audit, the adequacy of audit evidence over the US component including US revenue, and the assembly and archiving of the UK component file. In response, Forvis Mazars LLP put more focus on the US component FY25 audit and moved the US audit from their New York to Pittsburgh offices. In addition, Forvis Mazars LLP worked to ensure that the US audit team worked to the required standards for the Group audit and that this was appropriately evidenced.

In terms of the assembly and archiving of the UK component file, this was built into the audit plan and dealt with alongside the audit work. The Committee is satisfied that the auditor has taken appropriate actions in response to the findings. The Committee also noted that the AQR expressed no concerns in relation to the Company's accounting or management.

The Committee has an established policy for determining the non-audit services that the external auditor can provide where justified on grounds of cost and related expertise and where not impacted by potential conflicts of interest. This prohibits the engagement of the external auditor for certain non-audit services and requires the approval of the Committee for any permitted non-audit services. No approval shall be given to any non-audit services prohibited under the amendments to the Companies Act 2006 and the FRC Revised Ethical Standard 2019. The Committee has also adopted a policy regarding the employment of former employees of the external auditor. This allows the Committee to satisfy itself that auditor objectivity and independence are safeguarded.

The analysis of audit and non-audit fees for the year ended 31 March 2025, and the nature of the non-audit services provided, appear in note 6 to the accounts. Non-audit fees totalled £46.000 (FY24: £42,000).

Significant issues related to the financial statements

The Committee reviews accounting papers prepared by management that provide details of significant financial reporting issues, together with reports from the external auditor prepared in conjunction with the interim and full-year results, and assesses the following, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- · material areas in which significant judgements or estimates have been applied or there has been discussion with the external auditor;
- · whether the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to our financial reporting.

These matters are also discussed with the external auditor together with any other matters that the auditor brings to the Committee's attention which, in the year to 31 March 2025, included the impact of changes in accounting standards and other financial reporting disclosures, impairment, goodwill, going concern and reviewing the appropriateness of accounting policies.

As part of the Committee's oversight of financial reporting, we reviewed how management had considered a letter received during the year from the Financial Reporting Council ("FRC") regarding its Corporate Reporting Review of the Carclo plc annual report and accounts for the year ended 31 March 2024. In particular, the FRC challenged whether the conditions regarding offset of financial assets and liabilities had been met in respect of the period-end overdraft of £4.5m, which was netted within cash and cash deposits in the 31 March 2024 Group balance sheet. Having considered the point on right of offset raised by the FRC, we agree with management's conclusion to re-present the prior year comparatives for FY24 showing cash and overdrafts on a gross basis, as this more appropriately meets the requirements of IAS 32.

See note 1ii) Basis of preparation: prior year restatement for further information. Other observations made by the FRC in their letter have also been considered in preparing this annual report and accounts. The FRC's review does not provide assurance that the FY24 annual report and accounts was correct in all material respects.

In addition, the Committee supports the Board in completing its assessment of the adoption of the going concern basis of preparing the financial statements. The Directors prepare a Viability Statement concerning the prospects of the Company, as required by the 2018 Code. During the financial year, the Committee reviewed the approach taken by the Directors in preparing the Viability Statement with due regard for wider market practice and developing guidance. As a result of that review, the Committee was satisfied that the approach adopted was appropriate. The Viability Statement for the financial year is included on pages 56 and 57.

Audit & Risk Committee report continued

Significant issues related to the financial statements continued

The significant judgements considered by the Committee where there was potential risk of material misstatement were:

- IAS 19 pensions liability. The Company has a defined benefit pension scheme with liabilities of £133.1m and assets of £81.4m as at 31 March 2025, resulting in a net retirement benefit obligation of £51.7m. These numbers are sensitive to the main assumptions used to calculate the deficit or surplus on the scheme and the Committee seeks confirmation that these assumptions are appropriate:
- Carrying value of goodwill. The balance of goodwill on the Group balance sheet as at 31 March 2025 is £21.7m. The Committee seeks to gain assurance through management's review of "recoverable amount" being the higher of "value in use" and "fair value less costs of disposal" as the approved and selected method in testing goodwill valuation for impairment and that there are no potential impairment or recoverability issues;
- Asset impairment. Where there has been an "indicator" of impairment, the Committee seeks to gain assurance through the work undertaken by Group management when determining the level of impairment and estimates therein;
- Revenue recognition. The Committee has supported management's methodology and application of revenue recognition applying IFRS 15 guidelines across its portfolio of contracts;

- Parent company investment carrying
 values. Investments in subsidiary undertakings
 total £23.6m in the Company balance sheet.
 The Committee seeks to gain assurance
 through management's review of "recoverable
 amount" being the higher of "value in use" and
 "fair value less costs to sell" as the approved
 and selected method in testing investments in
 subsidiary undertakings for impairment;
 - The Company has recognised an impairment charge of £54.0m against the carrying value of its direct investment in non-trading dormant undertakings and £5.5m against the carrying value of certain dormant company intercompany receivables. The impairment has been recorded as a prior year adjustment to correct an accounting error relating to the application of IAS 36 (investments) and IFRS 9 (receivables). Details of the prior year adjustment are provided in note 32, which sets out the Company only basis of preparation. The legal entity streamlining project, launched after 31 March 2025, is expected to address specific requirements of IFRS 9 concerning the derecognition of offsetting intercompany liabilities that will, in future periods, result in a profit to the Company profit and loss account in excess of the £59.5m impairment charge recorded by the Company.
- Going concern. The Committee supported the Board in its assessment of the adoption of the going concern basis of preparing the financial statements. As a result of that review, the Board was satisfied that the approach adopted was appropriate. A summary of the approach and work undertaken by management is disclosed in note 1;

- Non-underlying items. Certain items
 during the period have been presented as
 non-underlying as defined in the Group
 accounting policy. Alternative performance
 measures such as "underlying operating
 profit" have been defined and applied to
 identify a clear distinction between underlying
 performance and financial performance after
 accounting for non-underlying items; and
- Lease accountings. Judgement has been applied by management when determining the level of expected certainty that a break option within a lease will, or will not, be exercised and when determining the imputed interest rate in the calculation of lease liability at inception. The Committee seeks to gain assurance from management's review and agrees with the judgement applied.

Other areas of judgement reviewed and agreed by the Committee, where it concluded there was not a risk of material misstatement. included:

- Recognition of deferred tax assets.
 Deferred tax assets are only recognised to the extent that it is considered there are sufficient taxable profits against which to offset future tax deductions. No deferred tax assets have been recognised in the UK entities due to insufficient future profitability in the short term. The Committee agreed with this approach;
- Effective interest rate. Judgement has been applied by management to determine that interest payable on borrowings using an approximation of the effective interest rate was not materially different from that if the effective interest rate had been applied. This view is supported by the Committee; and

• **Dilapidation provisions.** The Committee supports the level of provisions for dilapidations determined appropriate by management, which was supported by external advice where necessary. In the current year a dilapidation provision for £0.9m was recognised on a UK property, which has been accounted for as a prior year adjustment to correct an accounting error, as set out in note lii).

The Committee considered whether the FY25 annual report, taken as a whole, was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Company's position, performance, business model and strategy. The Committee is satisfied that, taken as a whole, the annual report is fair, balanced and understandable.

Rachel Amey

Chair of the Audit & Risk Committee 28 August 2025

Nomination Committee report



Joe Oatley Chair of the Nomination Committee

Dear shareholder

I am pleased to present our Nomination Committee report for the year ended 31 March 2025. The report provides an overview of the Committee's role and shows how our work contributes to the success of the Group.

Composition

The Committee comprises all of the Non-Executive Directors. It is chaired by the Non-Executive Chair, Joe Oatley.

Role of the Committee

The Committee is responsible for regularly reviewing the composition of the Board including its structure, size and diversity. It is also responsible for succession planning for the Board and it provides oversight and guidance to the executive for succession planning for senior management positions. The Committee is also responsible for identifying and recommending appropriate candidates for membership of the Board when vacancies arise. The Committee has applied the 2018 Code provisions in developing the Group's policies on succession planning and appointments.

In considering an appointment, the Committee evaluates the balance of skills, knowledge. independence and experience of the Board and prepares a description of the role and capabilities required for a particular appointment. Internal candidates are considered where appropriate.

The Committee also reviews the time required from each Non-Executive Director and any other significant commitments they may have. The FY25 review found the Non-Executives' time commitments to be sufficient to discharge their responsibilities effectively. Based on recommendations from the Committee, Directors submit themselves for election at the AGM following their appointment and thereafter annually for re-election in accordance with good governance.

Nomination Committee activities in FY25

The Committee had five scheduled meetings and one ad hoc meeting during the year. The key deliverables of the Committee, some of which are discussed further below were:

- · review of the skills, knowledge and composition of the Board:
- recruitment of a new CFO:
- oversight of the external Board evaluation process, including evaluation of the Committee's performance;
- a review of the Committee's terms of reference;
- · Board succession planning; and
- review of the Nomination Committee report for inclusion in the annual report and accounts.

Board skills, composition and succession planning

A key responsibility of the Committee is to ensure that the Board maintains a balance of skills, knowledge and experience appropriate to the long-term operation of the business and delivery of the strategy. As in past years, the Committee has kept under review the composition of the Board, including considering whether:

- · the Board contains the right mix of skills, experience and diversity;
- the Board has an appropriate balance of Executive Directors and Non-Executive
- the composition of each Board Committee is appropriate in terms of skills, experience and applicable governance requirements;
- the skills and experience which may be lost when a Non-Executive Director retires from the Board: and
- the Non-Executive Directors are able to commit sufficient time to the Company to discharge their responsibilities effectively.

Natalia Kozmina joined the Board on 22 April 2024, following a recruitment process for a new Non-Executive Director conducted in the prior year. Details of the process followed can be found in the Company's annual report and accounts for the year ended 31 March 2024.

Following Eric Hutchinson's indication that he intended to retire in 2025, the Committee supported the appointment of Ian Tichias as CFO with effect from 1 April 2025. More detail on the process followed is provided below.

All the Directors have many years of experience, gained from a broad range of organisations. They collectively bring a range of expertise and knowledge of different business sectors to Board deliberations, which encourages constructive. challenging and innovative discussions.

Selection of new **Directors - process**

The Committee follows a formal process for the recruitment of new Directors, both Executive and Non-Executive. When considering candidates for appointment as Directors of the Company, the Committee, in conjunction with the Board. drafts a detailed job specification and candidate profile. In drafting this, consideration is given to the existing skills, experience, knowledge and background of Board members as well as the strategic and business objectives of the Group. Once a detailed specification has been agreed with the Board, the Committee then works with an appropriate external search and selection agency to identify candidates of the appropriate calibre. An initial candidate shortlist is agreed with the selected agency.

Nomination Committee report continued

Selection of new **Directors - process** continued

The agency is required to work to a specification that includes the strong desirability of producing a full list of candidates who meet the essential criteria, whilst reflecting the benefits of diversity.

Appointment of new CFO

Eric Hutchinson's stated intention to retire as CFO in 2025 triggered a recruitment process during the year for a new CFO. Following the submission of proposals from a number of external search consultancies, the Committee selected and engaged Korn Ferry to support the process.

A role specification was drawn up by the Committee. Korn Ferry was then tasked to identify potential candidates with the skills and experience sought while also having in mind the diversity of the Board. From the initial list of potential candidates, shortlists were identified for interview. Preferred candidates were met first by the Chair of the Board and CFO, and then the other members of the Board before an offer was made

Korn Ferry is signed up to the UK Government Standard Voluntary Code of Conduct for Executive Search Firms in line with the Board Diversity Policy. Korn Ferry has no other connection with the Company, the Board or any individual Director beyond that ordinarily expected through recruitment processes.

Ian Tichias joined the Board as CFO after the year end, on 1 April 2025.

Appointment of new Non-Executive Director

We previously identified through our ongoing succession planning that it would be desirable to appoint and onboard an additional Non-Executive Director and we advised in the Company's annual report and accounts for the prior year that we intended to take this forward. The decision was taken in the year to postpone this until the refinancing was completed and this process will commence in the second half of 2025

Induction of new Directors

All new Directors go through a tailored induction process. Following appointment, each Director receives a formal induction, linked to their individual experience and role on the Board, to familiarise them with their duties and our business operations, risk and governance arrangements. The induction programme, which is co-ordinated by the Company Secretarial team, may include briefings on regulatory matters, our strategy and business model, our history, as well as meetings with senior management in key areas of the business. These are supplemented by induction materials such as recent Board papers and minutes, governance matters, and relevant

Newly appointed Directors may also meet the Company's external auditor, brokers and advisors. It is usual, as part of a Director's induction, for comprehensive site visits to be undertaken.

Board and Committee evaluation

The Board recognises that it needs to monitor performance of both the Board and its Committees. This is achieved through the annual performance evaluation, full induction of new Board members and ongoing Board development activities. The Committee oversaw a review of the Board's performance, the details and conclusions of which are described on page 63.

The process included a review of the performance of the Non-Executive Chair and other Non-Executive Directors. The Senior Independent Director reviewed and considered those parts of the Board evaluation associated with the Chair's performance.

Renewal and re-election

If the Board appoints a Director, that Director must retire at the first AGM following their appointment. That Director may, if they so wish, put themselves forward for election. In accordance with the 2018 Code and the Company's articles of association, the Company will continue its practice to propose all Directors for annual re-election. Accordingly, all Directors will retire at the forthcoming AGM and, being eligible, will offer themselves up for re-election.

The Committee is satisfied that, following the evaluation and review of the Board described above, the Directors offering themselves for re-election continue to demonstrate commitment, management and business expertise in their particular role and continue to perform effectively.

The re-election of each Director is recommended by the Board. Further information on the service contracts for the Executive Directors and letters of appointment for the Non-Executive Directors are set out in the Directors' remuneration report on pages 81 and 82.

Diversity

The Board recognises the importance of diversity in its broadest sense as an important element in maintaining both the effectiveness of the Board and its Committees and a competitive advantage. Diversity of skills, background, knowledge and experience, alongside other characteristics, will be taken into consideration when seeking to make new appointments to the Board and its Committees. Other characteristics that may be considered include, for example, age, gender, ethnicity, religion, sexual orientation, disability or educational, professional and socio-economic backgrounds.

All appointments will be made on merit, taking into account suitability for the role, composition and balance of the Board and its Committees to ensure that the Company has the appropriate mix of skills, experience, independence and knowledge. The Board will always consider suitably qualified applicants from as wide a range as possible, with no restrictions on age, gender, ethnicity, religion, sexual orientation, disability or educational, professional and socio-economic backgrounds but whose competencies and knowledge will enhance

The link between diversity and performance will always be proactively considered when taking decisions regarding appointments and in succession planning.

The approach to diversity demonstrated by the Board in relation to Board and Committee appointments applies equally to the wider workforce

Nomination Committee report continued

Diversity continued

The Nomination Committee and the Board carefully considered the diversity-related reporting requirements set out in the Listing Rules and recommended by the FTSE Women Leaders Review. In relation to the Listing Rules targets set out under LR 6.6.6R (9), the position for the Company as at 31 March 2025 was as follows:

Target	Met?	Company position
At least 40% of the individuals on the Board are women	Yes	40%
At least one of the following senior positions on the Board is held by a woman:	Yes	Senior Independent Director
• Chair		
Chiof Executive Officer		

- Chief Executive Officer
- · Senior Independent Director
- · Chief Financial Officer

At least one individual on the Board is from a minority ethnic	No	0
background		

Following the retirement of Eric Hutchinson and the appointment of Ian Tichias, the position as at the date of this report remains unchanged.

While the Directors are committed to a diverse organisation, which includes the Board, we will continue to appoint on merit, based on the skills and experience required, while considering all forms of diversity, as well as independence. The lack of an individual from a minority ethnic background was taken into account during the recruitment processes undertaken during the year and the prior year but no suitable candidates from a minority ethnic background were identified. It continues to be a focus when new appointments are made to the Board and we ask that search firms present a diverse pool of candidates throughout the search process.

Committee priorities for FY26

Looking to the year ahead, the Committee will:

- continue to oversee the annual Board evaluation process;
- · place further focus on succession planning, particularly in relation to diversity;
- · look to appoint and onboard a new Non-Executive Director: and
- start the search process for a new Chair with a view to appointment by July 2027.

Board, management and employee gender representation (as at 31 March 2025)1

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ²	Percentage of executive management	Number in senior management ³	Percentage of senior management	Number of employees	Percentage of employees
Men	2	40	2	5	62.5	6	60	685	72
Women	2	40	1	3	37.5	3	30	273	28
Other categories	_	_	_	_	_	_	_	_	_
Not specified/prefer not to say	1	20	1	_	_	1	10	_	_

- 1. Gender data is collected from the Board and the Executive Committee through annual declaration forms. Gender data for employees is collected through the Group's payroll system.
- 2. Executive management comprises members of the Executive Committee but does not include the CEO or CFO, as they are included as Board members.
- 3. Senior management comprises members of the Executive Committee including the CEO and CFO.

Nomination Committee report continued

Ethnicity representation (as at 31 March 2025)1

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ²	Percentage of executive management
White British or other White (including minority-white groups)	2	40	1	6	75
Mixed/multiple ethnic groups	_	_	_	_	_
Asian/Asian British	_	_	_	2	25
Black/African/ Caribbean/Black British	_	_	_	_	_
Other ethnic group, including Arab	_	_	_	_	_
Not specified/prefer not to say	3	60	3	_	_

^{1.} Ethnicity data is collected from the Board and the Executive Committee through annual declaration forms.

Joe Oatley

Chair of the Nomination Committee

28 August 2025



^{2.} Executive management relates to members of the Executive Committee but does not include the CEO or CFO, as they are included as Board members.

Directors' remuneration report



Natalia Kozmina Chair of the Remuneration Committee

Annual Statement

Dear shareholder

I am pleased to present the Directors' remuneration report (the "Report") for the year ended 31 March 2025.

The Report has three sections:

- · the Annual Statement, which summarises and explains the major decisions and changes in respect of Directors' remuneration;
- the Directors' Remuneration Policy (the "Policy"), which will be submitted for shareholder approval at the 2025 AGM in order to accommodate potential future changes to the maximum annual bonus opportunity for Executive Directors other than the CEO and to adopt a Deferred Bonus Plan ("DBP") to allow deferred bonus to be paid in cash or Company shares and to allow dividends to accrue on such payments; and
- the Annual Report on Remuneration, providing details of the remuneration earned by the Company's Directors in relation to the year ended 31 March 2025 and how the Policy will be operated for the year to 31 March 2026.

Composition

The Committee comprises all of the Non-Executive Directors. Each of the current serving Non-Executive Directors was a member of the Committee when Directors' remuneration was considered.

Leadership changes

The Committee supported the work associated with the planned changes in Group leadership, in particular Eric Hutchinson stepping down as Chief Financial Officer at the year end and the appointment of Ian Tichias in his place from 1 April 2025.

The remuneration package for lan Tichias approved by the Remuneration Committee is consistent with the Policy and broadly comparable to the package previously awarded to Eric Hutchinson and the salary benchmarking undertaken by Ellason LLP on the instruction of the Remuneration Committee.

FY25 – performance and pay

Remuneration alignment to strategy

The remuneration framework implemented by the Remuneration Committee is aligned to Group strategy and aims to reward Carclo's executives based on performance, including the value created for the Group's shareholders.

Salary

An internal review concluded that basic salary for Executive Directors would not be increased during FY25.

Annual bonus

Frank Doorenbosch and Eric Hutchinson participated in the FY25 annual bonus scheme which was based primarily on Group underlying EBIT performance. Performance for the financial year resulted in a total bonus pool of £1.7m to be split between all short-term incentive scheme ("STI") participants, with no formulaic reductions applied in respect of secondary metrics. Both Frank Doorenbosch and Eric Hutchinson received an annual bonus amounting to 99.2% of their maximum bonus opportunities for the year (equivalent to 99.2% and 74.4% of salary respectively). The Committee satisfied itself that these outcomes were a fair reflection of the Group's overall performance for the year and, accordingly, did not apply any discretion to these outcomes. Further details are set out on pages 86 to 87

Long-Term Incentive Plan ("LTIP")

As explained in prior years, the current LTIP scheme, the Carclo plc Performance Share Plan 2017 ("PSP"), was reviewed in 2021 and it was determined that it continued to meet the current needs of the Company.

The PSP is designed to reward delivery of the Company's strategy and long-term goals, and to help align the interests of executives and shareholders. Specifically, awards granted in FY24 to the Executive Directors and other senior management are intended to motivate and reward the leadership team for the execution of a successful turnaround for the Group. These awards were intended to cover a three-year period and, accordingly, no awards were made in FY25.

Operation of the Remuneration Policy

The Remuneration Policy operated as intended, reflecting Company performance with appropriate remuneration outcomes.

Implementation of the **Remuneration Policy for FY26**

The current Policy was approved by a significant majority of shareholders at the 2024 AGM. The Committee is resubmitting the Policy for shareholder approval at the 2025 AGM to facilitate possible future increases to the CFO's maximum annual bonus opportunity from 75% of salary up to 100% of salary. This change is intended to provide flexibility to align the Carclo annual bonus opportunity of both Executive Directors and is within the absolute maximum available under the current Policy, For FY26, the CFO's maximum annual bonus opportunity will, however, remain at 75% of salary. The Policy will also be updated to reflect the proposed adoption of a Deferred Bonus Plan ("DBP"), which will provide flexibility to pay the deferred element of a bonus in cash or in Company shares and to pay dividend equivalents on DBP awards. In both cases, as the changes are minor, the Committee did not undertake any specific engagement with shareholders. The DBP will be submitted for shareholder approval at the 2025 AGM

The following is the proposed implementation of the Policy for FY26:

• there will be an increase in base salary for the CFO from £370,000 to £400,000. The increase reflects benchmarking undertaken by Ellason LLP on the instructions of the Committee and the fact that there was no increase in base salary last year. The increase is in line with the increases to the wider workforce over the last two years;

- there will be an increase in the base fees for the Non-Executive Directors from £38.000 to £50,000. The increase is in line with benchmarking undertaken by Ellason LLP on the instructions of the Committee and reflects the time commitment required of the Non-Executive Directors and the complexity of the role. There will be no change to the Senior Independent Director ("SID") or Committee Chair fees:
- there will be an increase in the fees for the Chair of the Board from £90,000 to £135,000. The increase is in line with benchmarking undertaken by Ellason LLP on the instructions of the Committee and also reflects the time commitment required of the Chair, the complexity of the role and the fact that there has been no increase in fees since the Chair's appointment on 6 November 2022. In addition, the Committee was mindful that it will be necessary to commence the search for the Chair's successor within the next year and determined an increase in fees with that in mind:
- the maximum annual bonus for the CEO will be 100% of salary and for the CFO will be 75% of salary. For FY26 the annual bonus will continue to be based on demanding financial targets and will be subject to formulaic reductions based on in-year safety and cash conversion performance: and

• there will not be any LTIP awards granted to Executive Directors under the PSP, except to lan Tichias. As a new key hire, to incentivise performance and align his interests with those of his fellow management, lan Tichias will be granted a FY26 LTIP award of 750,000 shares which will vest subject to performance conditions based on three-year absolute TSR and FY28 EPS. Incorporating this anticipated award, and taking into account the treatment of Eric Hutchinson's outstanding award as a result of his departure, this equates to an effective annual dilution of around 4.3%. The total award level respects dilution limits, and the individual award levels are considered to be motivational across the relevant three-year vesting periods given the potential value at the maximum vesting level.

Alignment with shareholders

The Remuneration Committee is mindful of the interests of the Group's shareholders and is keen to ensure a demonstrable link between reward and value creation. In addition to the matters set out in this Report, alignment with shareholder interests is further demonstrated by the operation of share ownership guidelines and the inclusion of malus and clawback provisions for both annual bonus and I TIP awards

Most important, however, is the clear link between executive remuneration and the performance of the business as a whole. The Committee seeks to ensure the executive remuneration "mix" is in line with the Policy and in the best interests of the shareholders and the Company.

The Group acknowledges the support it has received in the past from its shareholders and hopes that this will continue.

Compliance statement

This Report has been prepared in accordance with the requirements of the Companies Act 2006 (as amended), the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the UK Listing Authority Listing Rules and applies the principles set out in the 2018 Code.

The following parts of the Annual Report on Remuneration are audited: the single total figure of remuneration for Directors, including annual bonus and LTIP outcomes for FY25: scheme interests awarded during the year; and Directors' shareholdings and share interests.

Remuneration payments and payments for loss of office can only be made to Directors if they are consistent with the approved Policy or otherwise approved by ordinary resolution of the Company's shareholders.

Natalia Kozmina

Chair of the Remuneration Committee 28 August 2025

N/A

Performance targets

Directors' Remuneration Policy

The Remuneration Policy for Directors is detailed below and is subject to approval by shareholders at the 2025 AGM on 26 September 2025. The only change to the prior Policy, which was approved at the 2024 AGM, is to simplify the maximum annual bonus opportunity to be up to 100% of salary for all Executive Directors.

2025 Policy table Element of remuneration	Summary
Salary	
Purpose and link to strategy	To provide an appropriate, competitive level of basic fixed income avoiding excessive risk arising from over-reliance on variable income. To attract and retain Executive Directors of suitable calibre to deliver business performance. Reflects individual skills and experience and role.
Operation	Reviewed annually by the Committee, normally effective 1 April. The review is informed by individual experience and performance, Company performance, wider pay levels and salary increases across the Group, and relevant pay data for similar roles at companies with similar characteristics and at sector comparators.
Maximum	No prescribed maximum annual increase, but will normally be no higher than the general increase for the wider workforce. In exceptional circumstances, the Committee may decide to award a higher increase for Executive Directors, for example, an increase in the scale, scope or responsibility of the role, development of the individual within the role, to take account of relevant market movements, and/or on the appointment of new Executive Directors.
Performance targets	N/A
Other benefits	
Purpose and link to strategy	Provides market-competitive benefits as part of the overall remuneration package, supporting the attraction and retention of Executive Directors of suitable calibre to deliver business performance. Provides insured benefits to support the individual and their family during periods of ill health, accident or death.
Operation	Benefits provided through third-party providers on a market-related basis. May include car allowance, life insurance, private medical insurance and permanent disability insurance. Other benefits may be provided where appropriate, for example, in line with local market practice where an Executive Director is outside the UK.
Maximum	Benefits may vary by role and individual circumstance and are reviewed periodically. Benefits are not anticipated to exceed 10% of salary over the next three financial years. The Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation) or in circumstances where factors outside of the Company's control have materially changed (e.g. increases in medical premiums).

Element of remuneration

Summary

Pension

Purpose and link to strategy

Operation

Maximum

Performance targets

Provides market-competitive post-retirement benefits.

Executive Directors may receive a contribution to an HMRC-approved personal pension arrangement or a payment in lieu of pension contributions.

Executive Directors may receive a maximum employer contribution to pension in line with that offered to the UK general workforce.

N/A

Bonus

Purpose and link to strategy

Incentivises annual delivery of short-term financial and strategic business goals and business strategy.

Maximum bonus is payable only for achieving demanding targets.

Operation

Performance measures, targets and weightings are set for the financial year. Payments are calculated based on an assessment of performance against those targets by the Committee.

At least 33% of any bonus earned will be deferred for two years. Where bonus deferral is in the form of Company shares (under the Deferred Bonus Plan ("DBP")), the Committee has flexibility to allow dividends to accrue on such shares and for these amounts to be paid at the time the shares are released to the Executive Director.

Not pensionable.

Clawback and malus provisions apply. Details of when these may be applied are set out in the notes below.

Maximum

Performance targets

100% of salary.

Performance is assessed on an annual basis against relevant financial and, where relevant, personal or strategic objectives. The Committee sets the performance measures and weightings each year according to strategic priorities, although the weighting on financial measures will be at least 75%.

Any bonus for personal or strategic performance is payable only if, in the opinion of the Committee, there was an improvement in the underlying financial and operational performance of the Group during that financial year.

The Committee has discretion to adjust the performance conditions to ensure that payments accurately reflect business conditions over the performance period. However, such discretion may be used only in circumstances where the Committee considers the amended performance conditions to be:

- · fair and reasonable in the circumstances; and
- · a more appropriate measure of performance and not materially less challenging than the original condition would have been.

The Committee also has discretion to adjust (including to nil) the formulaic outcome where it considers that:

- the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period;
- the outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the award date;
- there exists any other reason why an adjustment is appropriate; and/or
- it is appropriate to do so, taking into account a range of factors, including the management of risk and good governance and, in all cases, the experience of shareholders.

Element of remuneration

Summary

Long-Term Incentive Plan ("LTIP")

Purpose and link to strategy

Incentivises delivery of longer-term financial and strategic objectives.

To reward and retain successful leadership, reward delivery of the Company strategy and long-term goals, and to align executive and shareholder interests.

Operation

Nil cost options or conditional awards usually granted annually, which normally vest after three years subject to continued service and performance targets. The Committee sets performance targets for each performance cycle that it considers to be appropriately stretching.

Awards made to Executive Directors will be subject to a "holding period", which prohibits them from selling the shares subject to the awards (other than to fund any exercise price payable or pay any tax liability arising on vesting and limited exceptional circumstances, such as death) for five years following the date of grant.

Clawback and malus provisions apply. Details of when these may be applied are set out in the notes below.

Maximum

100% of salary normal limit.

200% of salary exceptional limit - e.g. recruitment, "buyout" awards.

Performance targets

Performance is measured over three years. The Committee sets the performance measures and weightings for each grant to ensure they are linked to the delivery of Company strategy.

The Committee has discretion to adjust the performance conditions to ensure that payments accurately reflect business conditions over the performance period. However, such discretion may only be used in circumstances where the Committee considers the amended performance conditions to be:

- fair and reasonable in the circumstances; and
- · a more appropriate measure of performance and not materially less challenging than the original condition would have been.

The Committee also has discretion to adjust (including to nil) the formulaic outcome where it considers that:

- the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period;
- · the outcome is not appropriate in the context of circumstances that were unexpected or unforeseen at the award date;
- · there exists any other reason why an adjustment is appropriate; and/or
- it is appropriate to do so, taking into account a range of factors, including the management of risk and good governance and, in all cases, the experience of shareholders.

Element of remuneration

Summary

Share ownership guidelines

Purpose and link to strategy

To align the interests of executives with those of shareholders.

Operation

Executive Directors are required to build and maintain a shareholding equivalent to one year's base salary through the retention of vested share awards or through open market purchases until the quideline is met.

The Committee will monitor progress against this requirement on an annual basis.

A reasonable time limit to achieve the required shareholding is normally considered to be five years from appointment as an Executive Director (subject to the Committee's discretion where personal circumstances dictate).

Until such time as the shareholding guideline is met, Executive Directors will usually be required to retain:

- 50% of any shares received (post-tax deductions) by them following the vesting of any equity-settled incentive for the first five years of their appointment; and
- · 75% of any shares received (post-tax deductions) by them following the vesting of any equity-settled incentive thereafter.

Departing Executive Directors are required to hold shares received following vesting of any share-based incentive award up to 100% of salary, or their actual shareholding so arising if lower, for two years after leaving.

Performance targets

N/A

Non-Executive Directors' fees and expenses

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Purbos	ie and II	ink to s	strategy

To attract individuals with the required range of skills and experience.

Reflects time commitments and responsibilities of each role.

Reflects market-competitive fees.

Operation

Non-Executive Directors receive a basic fee for their respective roles. Additional fees are paid to Non-Executive Directors for chairing the Audit & Risk Committee and Remuneration Committee, as well as for performing the role of Senior Independent Director.

Reviewed annually by the Board, normally effective 1 April. The review is informed by the required time commitment and responsibilities, and relevant fee data for sector comparators and FTSE-listed companies of similar size and complexity. Additional fees may be paid on an exceptional basis if the time commitment in any one year is significantly in excess of that normally expected.

All fees are paid in cash.

Non-Executive Directors are reimbursed for reasonable expenses, for example, travel and accommodation for business purposes. Any tax arising on those expenses is settled directly by the Company. To the extent that these are deemed taxable benefits, they will be included in the Annual Report on Remuneration, as required.

Maximum

No prescribed maximum annual increase, but it is expected that fee increases will normally be no higher than general salary increase for the wider workforce. However, in the event that there is a material misalignment with the market or change in complexity, responsibility or time commitment required to fulfil a Non-Executive Director role, the Board has discretion to make an appropriate adjustment to the fee level.

The Company's articles of association stipulate the maximum amount that may be paid in fees to Directors, specifically excluding any salary, remuneration or other amount payable pursuant to other provisions within the articles of association.

Performance targets

N/A

Notes to the Policy table

Performance measurement selection

For the annual bonus, performance measures are chosen to link performance to strategy and the business plan. Targets for the annual bonus are typically set with reference to Carclo's near-term strategy and internal budget, as well as taking into account relevant external reference points (e.g. broker consensus, market outlook). This approach aims to ensure that the target range set is appropriately challenging, without encouraging excessive risk-taking.

Performance conditions for the LTIP are selected by the Committee to reward the delivery of long-term returns to shareholders and the Group's financial growth and be consistent with the Company's objective of delivering superior levels of long-term value to shareholders. Target-setting for the LTIP follows a similar approach to that used for the annual bonus, as detailed above.

The LTIP is operated in accordance with the rules of the plan, the Listing Rules, company law and relevant tax legislation. The Committee retains discretion over certain areas relating to the operation and administration of the LTIP, consistent with market practice.

Remuneration policy for other employees

The following differences exist between the Policy for the remuneration of Executive Directors as set out above and the approach to the payment of employees generally:

i. benefits offered to other employees generally comprise provision of healthcare and company car benefits only where required for the role or to meet market norms:

- ii. a lower level of maximum annual bonus opportunity generally applies to employees below Board level;
- iii. participation in the LTIP is limited to the Executive Directors and certain selected senior managers; and
- iv. only Executive Directors, and not other employees, are expected to build and maintain a sizeable share-ownership position.

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals and for the diverse international employment settings in which we operate. This is of great importance given the highly cost competitive demands of the business sectors within which Carclo competes. They also reflect the fact that, in the case of the Executive Directors and senior executives, a greater emphasis tends to be placed on performance-related pay.

Policy for the Non-Executive Directors

The Board determines the Policy and level of fees for the Non-Executive Directors, within the limits set out in the articles of association. No individual is allowed to participate in discussions relating to their own remuneration

The Policy table summarises the key components of remuneration for the Non-Executive Directors.

Non-Executive Directors do not participate in variable pay arrangements or receive any pension provision. They are not subject to any share ownership guideline.

Legacy payments

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the Policy in force at the time they were agreed, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes, "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Pay scenario charts

The graphs below provide estimates of the potential future reward opportunity for the two Executive Director positions for FY26, and the potential split between different elements of remuneration under four different scenarios: "Minimum", "On target", "Maximum" and "Maximum with share price increase" performance.



Pay scenario charts continued

Assumptions underlying each element of pay are provided in the table below.

Minimum

Fixed pay comprising base salary, benefits and pension

Base salary is the current base salary effective 1 April 2025

Benefits are the current benefits projected for the financial year ahead

No annual bonus and no vesting of the LTIP

On target

Based on remuneration if performance is in line with expectations

As for minimum, plus:

- Annual bonus 50% of base salary for the CEO and 40% of base salary for the CFO
- No LTIP award to be granted to the CEO in FY26, as explained in the Annual Statement from the Chair of the Remuneration Committee, so no value is included for LTIP awards
- LTIP award granted to the CFO assumes threshold PSP vesting (25% for TSR, 25% for EPS)

The Remuneration Committee has agreed in principle to award 750,000 shares to lan Tichias under the terms of the LTIP. The face value of this award will not be known until the date of grant, which will be within 42 days of the announcement of the FY25 results. For the purposes of this graph, a share price of 47.4 pence has been used to calculate the full face value of the award, being the mid-market closing price on 31 July 2025. The value of the LTIP is then adjusted for performance as stated above

The projected value of the LTIP excludes the impact of share price growth and dividend accrual

Maximum

Based on maximum remuneration receivable

As for minimum, plus:

- Annual bonus 100% of base salary for the CEO and 75% of base salary for the CFO
- No LTIP award to be granted to the CEO in FY26, as explained in the Annual Statement from the Chair of the Remuneration Committee, so no value is included for LTIP awards
- LTIP award granted to the CFO assumes PSP vesting (100% for TSR, 100% for EPS)

The projected value of the LTIP excludes the impact of share price growth and dividend accrual

Maximum with share price increase

Based on maximum remuneration receivable including the impact of share price growth

As for maximum, but including share price appreciation of 50% during the performance period of the LTIP, although as no LTIP award is to be granted to the CEO in FY26, as explained in the Annual Statement from the Chair of the Remuneration Committee, no value is included for LTIP awards for the CEO

FY26 fixed pay

	Base salary £000	Benefits £000	Pension £000	Total fixed £000
F Doorenbosch	400	111	_	411
l Tichias	280	12	17	309

^{1.} Based on the figure from FY25.

Approach to remuneration on recruitment

The remuneration package for any new permanent Executive Director would be set in accordance with the terms of the Company's prevailing approved Policy at the time of appointment and would reflect the experience of the individual.

In addition to normal remuneration elements. the Committee may offer additional cash and/or share-based remuneration when it considers these to be in the best interests of the Company (and therefore shareholders).

This will usually be to take account of remuneration relinquished by a new Executive Director as a result of them leaving their former employer ("buyout"

In making any "buyout" award, the Committee would take account of, where possible, the nature, time horizons and performance conditions (including the likelihood of those conditions being met) of the forfeited awards. Any "buyout" award will typically be made under the prevailing annual bonus and LTIP scheme at the time of appointment, although in exceptional circumstances the Committee may exercise the discretion available under Listing Rule 9.3.2R to make awards using a different structure.

Any "buyout" award would usually have a fair value no higher than the awards forfeited. Shareholders will be informed of any such payments at the time of appointment.

The Committee will adopt a consistent approach, as detailed above, for both internal and external Executive Director appointments. Any variable pay element awarded in respect of a prior internal role will usually be allowed to pay out according to its original terms, without amendment.

Where a promoted individual has contractual commitments made prior to their promotion to Executive Director, the Company will continue to honour these arrangements.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

In the case of hiring a new Non-Executive Director, a base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for additional services, such as chairing a Board Committee or being the Senior Independent Director.

Service contracts

The Executive Directors are employed under contracts of employment with Carclo. The principal terms of the Executive Directors' service contracts are as follows:

Term	Summary
Notice period	From the Company: six months.
	From the Executive Director: six months.
Termination payments	Pay in lieu of notice subject to normal tax and other statutory deductions.
	No notice or payment in lieu of notice where the Company terminates for cause.
	Any payment may be paid in one lump sum or in instalments. If paid in instalments, an Executive Director is required to mitigate their losses and any payments in lieu of notice may be reduced, potentially to zero, by any income received through such mitigation.
Remuneration and benefits	Operation of the annual bonus scheme and LTIP is at the Company's discretion and is non-contractual.
Expenses	Reimbursement of expenses reasonably incurred in the proper performance of their duties.
Holiday entitlement	Chief Executive Officer: 25 working days plus public holidays.
	Chief Financial Officer: 26 working days plus public holidays.
Private medical insurance	Private medical insurance cover is at the Company's discretion and is non-contractual.
Other benefits	Other benefits may include car allowance, life insurance, private medical insurance and permanent disability insurance, all of which are non-contractual.
	Executive Directors are eligible for other paid leave including adoption leave, maternity/paternity leave (as applicable), parental leave shared parental leave and bereavement leave in accordance with the Company's then current policies.

Service contracts continued

Sickness Payment for any period of sickness is at the Company's discretion and subject to set-off in respect of any statutory sick pay/social security sickness benefit or other benefits to which the Executive Director may be entitled. Restrictive covenants Chief Executive Officer: six months.

Chief Financial Officer:

- six months in relation to the Group's business; and
- twelve months in relation to the Group's customers, key employees and products.

Effective date of contract Chief Executive C

Chief Executive Officer: Frank Doorenbosch, 6 October 2022.

Chief Financial Officer: Ian Tichias, 1 April 2025.

Non-Executive Directors are appointed under arrangements that may generally be terminated at will by either party without compensation and their appointment is reviewed annually.

Letters of appointment are provided to the Non-Executive Directors, which are effective for a period of three years. Non-Executive Directors are subject to annual re-election at the AGM.

The principal terms of the Non-Executive Directors' letters of appointment are as follows:

Term	Summary
Termination	At the end of their latest term of office unless (i) terminated earlier by and at the discretion of either party or (ii) not re-elected by shareholders at an AGM during their term of office.
Fees	As set out in the Annual Report on Remuneration on page 88.
Expenses	Reimbursement of expenses reasonably incurred in the proper performance of their duties.
Time commitment	Each Non-Executive Director must be able to devote sufficient time to the role to fulfil their duties.

Directors' letters of appointment and the unexpired period of their appointments (where appropriate after extension by re-election) at 28 August 2025 are set out below:

Non-Executive Director	Date of most recent letter	Unexpired term as at 31 March 2025 ¹	Date of appointment	Last re-appointment at AGM
J Oatley	21 June 2024	To 19 July 2027	20 July 2018	5 September 2024
RAmey	21 February 2023	To 28 February 2026	1 March 2023	5 September 2024
N Kozmina	15 April 2024	To 21 April 2027	22 April 2024	5 September 2024

^{1.} Unless not elected/re-elected by shareholders at an AGM before this date.

Directors' service contracts and letters of appointment are available for inspection at the Company's registered office.

Policy on payment for loss of office

The Company's policy is to limit any payment made to a departing Director to contractual arrangements and to honour any pre-established commitments. As part of this process, the Committee will take into consideration the Executive Director's duty to mitigate their loss.

It is Company policy that Executive Directors' service contracts should not normally contain notice periods of more than twelve months.

There are no provisions within contracts to provide automatic payments in excess of payment in lieu of notice upon termination by the Company and no predetermined compensation package exists in the event of termination of employment. Payment in lieu of notice would include basic salary, pension contributions and benefits. There are no provisions for the payment of liquidated damages.

For individuals categorised by the Committee as "good leavers", an annual bonus may be payable with respect to the period of the financial year served by the departing Executive Director with the Committee ordinarily providing that such bonus will be adjusted pro rata for time served and paid at the normal payout date and subject to the usual assessment of the extent to which the relevant performance conditions have been satisfied. The Committee has the ability to exercise its discretion on the final amount actually paid and to waive the deferral requirement for such bonus

Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules.

Under the DBP, outstanding awards will normally lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury or disability or other circumstances at the discretion of the Committee, "good leaver" status may be applied.

For a "good leaver", outstanding DBP awards will normally vest in full on the normal vesting date, save that the Committee may allow such awards to vest earlier (e.g. in the event of death). The default treatment under the LTIP is similarly that any outstanding awards lapse on cessation of employment. However, in the same prescribed circumstances as for the DBP, "good leaver" status may be applied. For a "good leaver", awards will normally vest on the normal vesting date, although the Committee has discretion to determine that the awards may vest at an earlier date and to reduce the holding period. In determining the extent of any such vesting, the Committee will take account of the extent to which the relevant performance conditions have been satisfied and the proportion of the performance period served. The Committee has the ability to exercise its discretion on the final amount actually paid.

Malus and clawback

Awards granted under the Company's annual bonus and LTIP schemes are subject to malus and clawback provisions, enabling an adjustment to an employee's variable pay awards if warranted by the occurrence of a "trigger event". The type of events that may constitute a "trigger event" are as follows:

- · circumstances justifying the summary dismissal of an employee from his office or employment with any member of the Group including, but not limited to, dishonesty, fraud, misrepresentation or breach of trust;
- circumstances where an employee has participated in or is responsible for conduct which resulted in significant losses to any member of the Group;
- the Company has become aware of any material wrongdoing on the part of an employee;

- · an employee has acted in a manner which in the opinion of the Board has brought or is likely to bring any member of the Group into material dispute or is materially adverse to the interests of any member of the Group;
- · any material breach of an employee's terms and conditions of employment, or material breach of a fiduciary duty owed to any member of
- · any material violation of Company policy, rules or regulation, or a failure to meet appropriate standards of fitness and propriety;
- · any material failure of risk management;
- · any other conduct which is considered to be misconduct: or
- · the inaccurate reporting of any accounts, financial data or such other information resulting in such accounts, financial data or other information being, in the opinion of the Committee (acting fairly and reasonably), either materially corrected and/or requiring any future accounts, financial data or information having to include write-downs, adjustments or other corrective items in order to address the inaccuracy.

The above list is not exhaustive and other circumstances may also lead to the application of malus or clawback.

The application of malus (i.e. partial or full lapse of an unvested incentive opportunity) will be possible during the relevant performance period and holding period. The application of clawback (i.e. the partial or full repayment of a vested-and-paid incentive award) will be possible for a period of 18 months from the end of the relevant performance period.

The Committee will consider the most appropriate method through which to apply an adjustment to pay at its absolute discretion. In most cases, the simplest approach would be in the following sequence:

- 1. reduction of in-flight annual bonus and/or LTIP awards not yet performance-tested (i.e. malus);
- 2. reduction of deferred bonus or vested but not vet exercised/transferred LTIP award (i.e. malus); and
- 3. request for the repayment of an already-paid annual bonus and/or LTIP award (i.e. clawback).

An employee not in role at the time of the trigger event should normally be excluded from an adjustment except in the instance where the severity of the event warrants a collective adjustment across the entire business area or Company regardless of responsibility.

Consideration of employment conditions elsewhere in the Company

When determining the Policy and arrangements for Executive Directors, the Committee considers pay and employment conditions elsewhere in the Group to ensure that pay structures are suitably aligned and that levels of remuneration remain appropriate. The Committee reviews levels of basic salary increases for other employees and executives based on their respective locations. It approves participation in the annual bonus scheme and the LTIP. It also considers benefits offered throughout the workforce.

Consideration of shareholder views

In its ongoing dialogue with shareholders, the Committee seeks shareholder views and takes them into account when any significant changes are being proposed to remuneration arrangements and when formulating and implementing the Policy. For example, shareholders were consulted ahead of the granting of the LTIP awards under the PSP in FY24.

Annual Report on Remuneration

The following section provides details of how the Policy was implemented during the financial year ended 31 March 2025.

Remuneration Committee membership in FY25

The Remuneration Committee currently comprises Natalia Kozmina, Rachel Amey and Joe Oatley, and is chaired by Natalia Kozmina.

The Committee had five scheduled meetings and one ad hoc meeting during FY25 and Committee members attended all meetings during the year under review.

During the year, the Committee sought internal support from the Chief Executive Officer and Chief Financial Officer, who attended Committee meetings by invitation from the Committee Chair, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of senior managers. The Chief Executive Officer and Chief Financial Officer were not involved in any decisions that related directly to their own remuneration.

Independent advice

In undertaking its responsibilities, the Committee seeks independent external advice as necessary. During the year, the Committee engaged Ellason LLP to provide such advice, having been originally appointed by the Committee in 2021. Ellason LLP has no connection with any individual Director and provides no other services to the Company, so satisfying the Committee of its objectivity and independence. During the year, fees of £14,748 were paid to Ellason LLP in respect of general advice around levels of executive remuneration.

Summary of shareholder voting on remuneration matters

The following table shows the results of the shareholder vote on the FY24 remuneration report at the 2024 AGM:

	Total number of votes	% of votes cast
For (including discretionary)	23,846,822	99.11
Against	213,411	0.89
Total votes cast (excluding withheld votes)	24,060,233	100.00
Votes withheld	597,055	
Total votes cast (including withheld votes)	24,657,288	

The following table shows the results of the shareholder vote on the Policy at the 2024 AGM:

	Total number of votes	% of votes cast
For (including discretionary)	23,037,862	95.75
Against	1,021,466	4.25
Total votes cast (excluding withheld votes)	24,059,328	100.00
Votes withheld	597,960	
Total votes cast (including withheld votes)	24,657,288	

Single total figure of remuneration for Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Executive Director for the year ended 31 March 2025 and the prior year:

Name		Salary £000	Benefits ^l £000	Annual bonus £000	LTIP and other share-based payments ² £000	Pension £000	Total fixed £000	Total variable £000	Total £000
F Doorenbosch	FY25	370	11	367	0	0	381	367	748
	FY24	370	8	0	0	0	378	0	378
D Bedford ³	FY25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY24	84	18	0	0	4	106	0	106
E Hutchinson ⁴	FY25	240	10	178	0	0	250	178	428
	FY24	148	0	0	0	0	148	0	148

^{1.} Benefits comprise private medical cover, car allowance and business expenses chargeable to income tax in the UK.

lan Tichias was appointed as a Director and Chief Financial Officer from 1 April 2025. There is therefore no remuneration information to disclose for him in relation to FY25.

Payments to former Directors

There were no payments to former Directors during FY25.

Payments for loss of office

There were no payments to Directors for loss of office during FY25.

CFO leaving arrangements

The Committee agreed to apply the good leaver provisions set out in the Remuneration Policy to Eric Hutchinson's outstanding STI and LTIP awards so that he was entitled to an FY25 annual bonus subject to meeting applicable performance conditions and the FY24 LTIP award vesting on a pro rata basis reflecting the time from the award to the date of his leaving the Group, subject to meeting the applicable vesting criteria. The LTIP award was for 750,000 shares and, based on the pro rata calculation, 375,000 shares will vest on 21 September 2026 if the applicable criteria are met.

^{2.} F Doorenbosch and E Hutchinson both received an LTIP award in September 2023. The performance periods for the performance conditions attached to their awards are set out in the footnotes to the table disclosing Directors' interests in shares in Carclo long-term incentive plans on page 93. None of the performance periods ended in either FY24 or FY25, and so no value is required to be included in the table.

^{3.} D Bedford was appointed as a Director and Chief Financial Officer on 14 November 2022 and stepped down on 21 August 2023. His remuneration in the year ended 31 March 2024 relates to the period 1 April 2023 to 21 August 2023. D Bedford received a payment in lieu of notice ("PILON").

^{4.} E Hutchinson's remuneration in the year ended 31 March 2024 relates to the period 21 August 2023 to 31 March 2024.

Single total figure of remuneration for Non-Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2025 and the prior year:

					LTIP and other share-based				
Name		Fees £000	Benefits £000	Annual bonus £000	payments £000	Pension £000	Total fixed £000	Total variable £000	Total £000
J Oatley	FY25	90	0	0	0	0	90	0	90
	FY24	90	0	0	0	0	90	0	90
R Amey ⁱ	FY25	48	0	0	0	0	48	0	48
	FY24	44	0	0	0	0	44	0	44
E Hutchinson ²	FY25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY24	46	0	0	0	0	46	0	46
N Kozmina³	FY25	42	0	0	0	0	42	0	42
	FY24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
J Templeman ⁴	FY25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY24	4	0	0	0	0	4	0	4

^{1.} R Amey was appointed as a Non-Executive Director on 1 March 2023. She was appointed as interim Senior Independent Director from 21 August 2023 to 31 January 2024 and on a permanent basis from 28 February 2024. She was appointed Chair of the Audit & Risk Committee from 21 August 2023. She was interim Chair of the Remuneration Committee from 21 August 2023 until 30 April 2024. In recognition of the fact that R Amey held multiple Committee Chair roles and was supporting J Templeman as he took on the role of Senior Independent Director, she continued to be paid an enhanced fee during the month of February 2024.

Incentive outcomes for the year ended 31 March 2025 (audited)

Annual performance bonus outcome FY25

The FY25 annual bonus was based primarily on Group underlying EBIT. An overall bonus pool is calculated with reference to a share of the surplus generated above an underlying EBIT threshold, which for FY25 was set at £9.0m (before Target bonus). Actual Group underlying EBIT (before Target bonus) for the year was £11.8m which resulted in a total bonus pool of £1.7m to be split between all STI participants.

Payments under the FY25 annual bonus were subject to two additional performance criteria relating to the Group's operating cash conversion rate and the Group's health and safety incident frequency rate. In both cases, payments under the annual bonus would have been reduced by 10% if the Group did not achieve a year-on-year improvement in outcomes. Following an assessment of performance, no formulaic reductions to the FY25 bonus were applied.

Based on actual performance, both Frank Doorenbosch and Eric Hutchinson received annual bonuses amounting to 99.2% of their maximum bonus opportunities for the year (equivalent to 99.2% and 74.4% of salary respectively). The Committee satisfied itself that the formulaic bonus outcomes were a fair reflection of the Group's overall performance for the year and that an affordability underpin had been achieved, with no discretion applied to these outcomes.

^{2.} E Hutchinson acted as a Non-Executive Director and Audit & Risk Committee Chair until 6 November 2022, when he was also appointed as the Senior Independent Director. He became an Executive Director from 21 August 2023. His remuneration in the year ended 31 March 2024 relates to the period 1 April 2023 to 20 August 2023.

^{3.} N Kozmina was appointed as a Non-Executive Director on 22 April 2024 and as Chair of the Remuneration Committee from 1 May 2024.

^{4.} J Templeman was appointed as a Non-Executive Director and Senior Independent Director on 1 February 2024 and stepped down on 27 February 2024.

Incentive outcomes for the year ended 31 March 2025 (audited) continued

Annual performance bonus outcome FY25 continued

Name	Maximum potential % of salary	Outcome % of salary
F Doorenbosch	100	99.2
E Hutchinson ¹	75	74.4

^{1.} E Hutchinson was determined by the Committee to be a "good leaver" and, in view of his contribution to the Group, was awarded a bonus payment in relation to FY25.

Scheme interests awarded in the year ended 31 March 2025 (audited) FY25 LTIP

As explained in the Annual Statement from the Chair of the Remuneration Committee, no scheme interests were awarded in FY25.

Implementation of Remuneration Policy for the year ending 31 March 2026

A summary of how the Policy will be applied during the year ending 31 March 2026 is set out below:

Basic salary

Executive Directors' base salaries:

Name	FY26	FY25	% increase
F Doorenbosch	£400,000	£370,000	8.1
l Tichias ⁱ	£280,000	N/A	N/A

^{1.} I Tichias was appointed as a Director and Chief Financial Officer from 1 April 2025. An explanation of how his remuneration was set is provided in the Annual Statement from the Chair of the Remuneration Committee.

Below Executive Director level, base pay increases are limited to cost-of-living adjustments, typically in the range 4% to 10%, apart from cases where local statutory requirements require a different approach, promotions, increases in scope or other exceptional reasons. The increase in base salary for the CEO reflects benchmarking undertaken by Ellason LLP on the instructions of the Committee and the lack of increase in base salary last year. It is in line with the increases to the wider workforce over the last two years. The Board is mindful of the pressures during the current economic climate, particularly increases in cost of living, and is working hard to ensure support is provided to employees throughout this difficult period.

Pension arrangements

As agreed with Frank Doorenbosch, he does not receive employer pension contributions. Ian Tichias receives a pension contribution of 6% of base salary.

Annual bonus

The maximum bonus potential for the year ending 31 March 2026 will be 100% of salary for the CEO and 75% of salary for the CFO. The bonus will operate on a consistent basis to FY25, with a bonus pool calculated with reference to Group underlying EBIT generated above a threshold.

In continued recognition of the importance of safety to the business, the Company has also included an automatic reduction for any drop in safety performance compared with the prior financial year. An automatic reduction will also be applied for any drop in cash conversion performance compared with the prior financial year. Finally, an overall affordability underpin will be applied to all formulaic outcomes. The Remuneration Committee reserves discretion over agreeing some element of personal objective should that be deemed to be in the best interests of the Company and shareholders. Maximum bonus will only be payable when the financial results of the Group significantly exceed expectations and the Remuneration Committee retains the discretion to adjust awards where appropriate to reflect underlying financial and operating performance of the Group. Clawback and malus provisions will apply for all Executive Directors. Payment of 33% of any bonus earned by an Executive Director is subject to deferral for two years.

Proposed target levels have been set to be challenging relative to the FY26 business plan, although specific targets are deemed to be commercially sensitive and will not be published until such time as the Committee is confident there will be no adverse impact on the Company of such disclosure. At this time the Committee believes that the disclosure of targets in the year following the determination of bonuses is appropriate, as disclosed above.

Implementation of Remuneration Policy for the year ending 31 March 2026 continued

Long-term incentives

As explained in the Annual Statement from the Chair of the Remuneration Committee, it is anticipated that an LTIP award of 750,000 shares will be granted to lan Tichias, as a new key hire, to incentivise performance and align his interests with those of his fellow management. To the extent that the face value of this award exceeds 100% of salary, it will be granted using the exceptional limits permitted under the Policy in respect of recruitment. If an award is considered necessary for any other new key hire, it will be granted in line with the Policy.

Awards granted to lan Tichias will vest dependent on two performance conditions, with 50% determined by reference to the Company's absolute TSR and 50% determined by reference to the Company's PSP, as set out in the table below:

Measure	Performance period	Weighting	Vesting
Absolute TSR	The performance period is the period commencing on the grant date and ending on the	50%	0% vesting if TSR is at or below 65 pence
	vesting date, which will be the third anniversary of the grant date.		100% vesting if TSR is at or above 125 pence
		Straight-line vesting between 65 pence and	
EPS	The performance period is the period of three financial years of the Company between 1	50%	0% vesting if EPS is at or below 7.5 pence
	April 2025 and 31 March 2028. The performance condition will be based on the Company's EPS for the last financial year of the performance period (the financial year ending 31		100% vesting if EPS is at or above at 11.5 pence
	March 2028).		Straight-line vesting between 7.5 pence and 11.5 pence

Following its review of the Policy, the Committee has determined that the LTIP is currently fit for purpose.

The Committee believes the scheme works by closely aligning Executive Directors' long-term interests with those of the Company and its shareholders. As set out in the Policy, awards will be subject to malus and clawback provisions, and to a requirement to hold the shares subject to awards for five years from date of grant except in exceptional circumstances or to pay any tax liability arising on vesting.

Non-Executive Directors

The Company's approach to Non-Executive Directors' remuneration is set by the Board with account taken of the time and responsibility involved in each role, including, where applicable, the chairing of Board Committees. A summary of current fees is shown in the table below. The Chair is paid a single fee for all of their responsibilities. The Senior Independent Director is also not entitled to receive any remuneration for chairing any Committees.

Fee levels for FY26 can be summarised as follows:

Provision	FY26	FY25	% increase
Non-Executive Chair base fee	£135,000	£90,000	50.0
Non-Executive Director base fee	£50,000	£38,000	31.6
Senior Independent Director fee	£10,000	£10,000	0
Committee Chair fees	£7,000	£7,000	0

The increase in the Non-Executive Director base fees is in line with benchmarking undertaken by Ellason LLP on the instructions of the Committee and reflects the time commitment required of the Non-Executive Directors and the complexity of the role.

The increase in the Non-Executive Chair base fee is in line with benchmarking undertaken by Ellason LLP on the instructions of the Committee and also reflects the time commitment required of the Chair, the complexity of the role and the fact that there has been no increase in fees since the Chair's appointment on 6 November 2022. In addition, the Committee was mindful that it will be necessary to commence the search for the Chair's successor within the next year and determined an increase in fees with that in mind.

Percentage change in Directors' remuneration

The table below shows the percentage change in each Director's salary/fees, bonus and benefits between the financial year ended 31 March 2024 and 31 March 2025 compared to that of the total amounts for all UK employees of the Group for each of these elements of pay. The figures used to calculate the percentage changes for Directors are annualised salary/fees, benefits and bonus on a comparable basis. Prior year figures have been restated to ensure all figures are presented on a consistent basis. Over time, a five-year comparison will be built up.

	FY24 to FY25		F	Y23 to FY24		F	Y22 to FY23		F	Y21 to FY22	FY20 to FY21				
	Base salary/fee %	Benefits %	Bonus %												
Executive Chair															
N Sanders ¹	_	_	_	_	_	_	50.0	_	_	_	_	_	_	_	_
Chief Executive Officer															
F Doorenbosch ²	_	37.5	100.0	_	(4.8)	_	_	_	_	_	_	_	_	_	_
Executive Directors															
D Bedford ³	_	_	_	_	102.5	_	_	_	_	_	_	_	_	_	_
A Collins (interim CEO) ⁴	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
M Durkin-Jones ⁵	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
E Hutchinson ⁶	_	100.0	100.0	_	_	_	_	_	_	_	_	_	_	_	_
I Tichias ⁷	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
P White ⁸	_	_	_	_	_	_	3.0	1.8	(100.0)	_	(8.3)	(71.2)	_	_	_
Non-Executive Directors	3														
J Oatley ⁹	_	_	_	_	_	_	_	_	_	22.2	_	_	_	_	_
R Amey ¹⁰	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
F Doorenbosch ²	_	_	_	_	_	_	_	_	_	3.4	_	_	_	_	_
E Hutchinson ⁶	_	_	_	_	_	_	_	_	_	4.8	_	_	_	_	_
N Kozmina ¹¹	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
P Slabbert ¹²	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_
J Templeman ¹³	_	_	_	_	_	_	_	_	_	_	-	-	_	-	_
D Toohey ¹⁴	_	_	_	-	_	_	-	_	_	-	-	-	-	-	_
Average percentage change for UK employees ^{15, 16}	(4.4)	(0.7)	689.5	4.8	20.4	(42.5)	5.4	1.3	(19.3)	2.9	19.4	(54.1)	3.4	_	720.0

Percentage change in Directors' remuneration continued

- 1. Stepped down on 5 November 2022.
- Non-Executive Director from 1 April 2022 to 6 June 2022. Appointed as an Executive Director from 7 June 2022. Appointed as CEO on 6 October 2022.
- 3. Appointed as CFO on 14 November 2022. Stepped down on 21 August 2023.
- 4. Stepped down on 5 October 2020.
- 5. Stepped down on 17 December 2020.
- 6. Non-Executive Director from 6 November 2022 to 20 August 2023. Appointed as CFO from 21 August 2023.
- 7. CFO from 1 April 2025.
- 8. Stepped down on 14 November 2022.
- 9. Non-Executive Director to 5 November 2022. Appointed as Non-Executive Chair from 6 November 2022.
- 10.Non-Executive Director to 20 August 2023. Senior Independent Director from 21 August 2023 to 31 January 2024 and from 28 February 2024.
- 11. Non-Executive Director from 22 April 2024.
- 12. Stepped down on 31 March 2021.
- 13. Non-Executive Director from 1 February 2024. Stepped down on 27 February 2024.
- 14. Stepped down on 31 March 2021.
- 15. UK employees have been selected as the most appropriate comparator pool, given the largest number of Group employees and the Group's headquarters are located in the UK.
- 16. Changes in benefits largely reflect changes in business expenses chargeable to income tax.

Relative importance of spend on pay

The table below shows the Group's actual expenditure on pay (for all employees) relative to the losses/profits for FY24 and FY25.

	FY25 £000	FY24 £000	% change
Staff costs	36,142	38,642	(6.5)%
Profit/(loss) for the period	872	(3,389)	125.7%

Relative performance

The graph below compares the value of £100 invested in Carclo shares, including reinvested dividends, with the FTSE Small Cap index over the last ten years. This index was selected because it is considered to be the most appropriate against which the total shareholder return of Carclo plc should be measured.

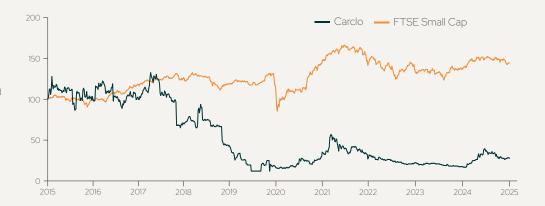


Table of historical data (Chief Executive Officer/Executive Chair)

	FY25	FY24	FY23	FY22 ³	FY21 ²	FY201	FY19	FY18	FY17	FY16
Chief Executive/Executive Chair single figure of remuneration (£000)	748	378	458 ⁴	150	321	270	325	449	836	462
Annual bonus payout (as % of maximum)	99.2	_	_	_	_	-	_	_	96	21
PSP vesting (as % of maximum)	_	_	_	_	_	_	_	32.5	50	50

- 1. C Malley was appointed Chief Executive on 27 March 2013 and resigned as Chief Executive and stood down from the Board on 11 January 2019. M Rollins assumed the role of Executive Chair until A Collins was appointed as new interim Chief Executive on 1 October 2019. Consequently, the full-year data for FY20 is a combination of both, reflecting the period in which M Rollins acted as Executive Chair and A Collins acted as Chief Executive.
- 2. A Collins left the Group on 5 November 2020, however acted as CEO until 5 October 2020, and N Sanders assumed the role of Executive Chair on 5 October 2020. Consequently, the full-year data for FY21 is a combination of both, reflecting the period in which A Collins acted as CEO and N Sanders acted as Executive Chair.
- 3. N Sanders stepped down as Executive Chair on 6 October 2022 and F Doorenbosch was appointed as CEO effective 6 October 2022. Consequently, the full-year data for FY23 is a combination of both, reflecting the period in which N Sanders acted as Executive Chair and F Doorenbosch acted as CEO.
- 4. Restated to exclude payment for loss of office for N Sanders and to include tax paid on behalf of the relevant Director on expenses chargeable to income tax in the UK.

CEO pay ratio reporting

Outlined below is the ratio of the CEO's single figure of total remuneration for FY25 expressed as a multiple of total remuneration for UK employees. The ratios provided for prior years use a combination of the CEO's and the Executive Chair's single figure of total remuneration, as explained above under the table of historical data (Chief Executive Officer/Executive Chair), reflecting the period each role undertook the role of CEO or its equivalent.

The three ratios referenced below are calculated by reference to the employees at the 25th, 50th and 75th percentile. We additionally disclose the total pay and benefits and base salary of the employees used to calculate the ratios.

Of the three options set out in the new legislation for calculating the Chief Executive/Executive Chair pay ratio, we have opted to use Option A to calculate the pay ratio. We have chosen to use Option A because we do not have to calculate gender pay gap information for our whole UK workforce and so do not have the required data available to use Options B or C.

In time, the table below will build to represent ten years of data:

Financial year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY25	Option A	28:1	22:1	15:1
FY24	Option A	18 : 1	13 : 1	9:1
FY23	Option A	19 : 1	15 : 1	11 : 1
FY22	Option A	7:1	6:1	4:1
FY21	Option A	15 : 1	13 : 1	8:1
FY20	Option A	12 : 1	10 : 1	7:1

CEO pay ratio reporting continued

Full-year pay data for the FY25 financial year has been used to calculate the ratios. The full-year pay data for part-time employees was adjusted by an appropriate multiple to include their data on a full-time equivalent basis.

The employee data used to calculate the ratios is as follows:

	25th percentile	Median	75th percentile
Total pay and benefits	£26,896	£34,674	£49,633
Base salary	£25,204	£31,544	£41,351

The increase in the ratios against all percentiles is primarily as a result of the CEO earning a bonus for FY25 for the first time in several years.

We confirm our belief that the median pay ratio for the year is consistent with the Company's wider pay, reward and progression policies affecting our employees. Our pay reflects the key market in which we operate.

Directors' interests (audited)

The interests of the Directors and their connected persons in the ordinary shares of the Company as at 31 March 2025 and the date of this report were as follows:

	28 Augus	st 2025	31 March 2025		31 March	2024
	Ordinary shares	Vested options	Ordinary shares	Vested options	Ordinary shares	Vested options
J Oatley	400,000	N/A	400,000	N/A	400,000	N/A
R Amey	5,000	N/A	5,000	N/A	0	N/A
N Kozmina	0	N/A	0	N/A	N/A	N/A
F Doorenbosch	403,958	0	403,958	0	403,958	0
E Hutchinson	N/A	N/A	192,118	0	192,118	0
l Tichias	0	0	N/A	N/A	N/A	N/A

Directors' shareholding requirement (audited)

The table below shows the shareholding of each Executive Director against their respective shareholding requirement as at 31 March 2025:

		Shares held		_		
Director	Owned outright or vested		· ·	Shareholding requirement (% salary)	Current shareholding Prio	r year shareholding (% salary)²
F Doorenbosch	403,958	0	1,250,000	100	25.88	8.13
E Hutchinson	192,118	0	375,000	100	18.97	5.96

- 1. Based on a share price of 23.7 pence per share (being the closing price on 31 March 2025).
- 2. Based on a share price of 7.45 pence per share (being the closing price on 31 March 2024).

Ian Tichias was appointed as CFO from 1 April 2025. On appointment he owned no shares outright.

There have been no changes in Frank Doorenbosch's interests since the year end or in lan Tichias' interests since appointment.

Eric Hutchinson's interests in unvested shares subject to vesting conditions have been reduced pro rata to reflect the part of the vesting period for which he was employed, leading to the lapse of 375,000 unvested shares. The remainder of the unvested shares remain subject to performance conditions and will vest on the normal vesting date.

Directors' interests in shares in Carclo long-term incentive plans (audited)

Director	Grant date	Award type	At 1 April 2024	Granted during FY25	Vested during FY25	Lapsed during FY25	At 31 March 2025	per share at date of grant	per share at vesting	Vesting date	Performance conditions
F Doorenbosch	21/09/2023	Conditional share award	1,250,000	-	-	-	1,250,000	12.725p	N/A	21/09/2026	50%: TSR ¹ 50%: EPS ²
E Hutchinson	21/09/2023	Conditional share award	750,000	-	-	375,000	375,000	12.725p	N/A	21/09/2026	50%: TSR ¹ 50%: EPS ²

- 1. Performance period: grant date to vesting date. Measurement period: the period of 60 days preceding the third anniversary of the grant date, using the average daily closing share price calculated from that date and ending on the last dealing. day before the vesting date, including gross dividends paid. The TSR performance condition will be based on the Company's TSR as at the end of the performance period, as follows: (i) if TSR is 40 pence or less, the TSR Award will not vest to any extent; (ii) if TSR is 100 pence or above, the TSR Award will vest in full; and (iii) if TSR falls between 40 pence and 100 pence, a proportion of the TSR Award will vest, calculated by straight-line apportionment.
- 2. Performance period: the period of three financial years of the Company between 01/04/2023 and 31/03/2026. The EPS performance condition will be based on the Company's EPS for the last financial year of the performance period (the financial year ending 31 March 2026), as follows: (i) if EPS is 6.0 pence or less, the EPS Award will not vest to any extent; (ii) if EPS is 10.0 pence or above, the EPS Award will vest in full; and (iii) if EPS falls between 6.0 pence and 10.0 pence, a proportion of the EPS Award will vest, calculated by straight-line apportionment.

Approval of the Directors' remuneration report

The Directors' remuneration report set out on pages 73 to 93 was approved by the Board of Directors on 28 August 2025 and signed on its behalf by Natalia Kozmina, Chair of the Remuneration Committee.

Natalia Kozmina

Chair of the Remuneration Committee

28 August 2025

Directors' report

Pages 94 to 96 inclusive (together with the sections of the annual report incorporated into these pages by reference) constitute the Directors' report that has been drawn up and presented in accordance with applicable law. The Directors' report also includes certain disclosures that the Company is required to make by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and Listing Rules.

Strategic report

The strategic report required by the Companies Act 2006 can be found on pages 1 to 57. This report sets out the Company's business model and strategy, contains a review of the business and describes the development and performance of the Group's business during the financial year and its position at the end of the year. It also contains, on pages 49 to 55, a description of the principal risks and uncertainties facing the Group.

The Directors who served during the year are set out below:

J Oatley

F Doorenbosch

F Hutchinson

R Amev

N Kozmina - appointed 22 April 2024

FCA's Disclosure Guidance and **Transparency Rules**

For the purposes of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR 4.1.5R (2) and DTR 4.1.8R), this Directors' report and the strategic report on pages 1 to 57 together comprise the "management report".

Going concern

As described in the viability statement on pages 56 and 57, the Directors have assessed the prospects and viability of the Company over a three-year period to March 2028.

The Board has maintained its rigorous approach to cash forecasting and continued to manage both working capital and capital expenditure tightly to drive cash generation and reduce net debt. This has ensured that the Group is in a stronger position to achieve results that result in sufficient headroom on covenant tests. The Company has now put in place financing with BZ Commercial Finance DAC that provides sufficient funds to allow the Company to invest appropriately in the pursuit of its strategy. The Board has performed a robust assessment of the principal risks facing the Company, including those risks that would threaten the business model, future performance, solvency or liquidity. The Board is satisfied that it is appropriate to adopt the going concern basis in the preparation of this annual report and accounts.

Dividend

Under the terms of the HSBC borrowing facility, which was in place up until 24 April 2025, the Company was not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025. Under the BZ borrowing facility agreement, which replaced the HSBC facility and came into effect on 24 April 2025, dividend payments are permitted but require the prior approval of the lender.

The current focus is on cash flow generation to support strategic growth and, with the Company currently having insufficient distributable reserves, no dividend is proposed in respect of the year ended 31 March 2025. The Board will continue to review the Group financial performance, capital allocation and Company reserves regularly to determine the appropriate time for dividend payments.

Post balance sheet events

On 24 April 2025, the Group completed refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ and the repayment of all amounts owing under the previous HSBC borrowing facility, which was scheduled to expire on 31 December 2025.

The new facilities with BZ comprise a term loan of £27.0m and a revolving credit facility of up to £9.0m.

The BZ facility includes an asset-based lending arrangement with drawings permitted against the value of various classes of assets held by the Group's UK and US businesses. Of the £27.0m term loan element. £8.0m is designated against the value of owned land and buildings, £5.0m is designated against the value of owned plant and machinery and the balance of £14.0m is designated a cash flow loan that is non-asset specific. Of the £9.0m revolving credit facility, up to £7.0m is designated against the value of trade receivables and up to £2.0m against the value of inventory. Further information regarding the refinancing with BZ can be found on page 56.

In parallel to the completion of the refinancing, the Group reached agreement with the Trustees of the pension scheme in respect of both the actuarial deficit and the resultant deficit repair contributions to be made in accordance with a recovery plan that details the contributions due over the term of the new financing arrangement with BZ and for a period beyond, to meet the statutory funding objective.

A sum of £5.1m was paid to the pension scheme on completion of the refinancing, with an additional £3.5m (in line with previous years) gross annual contribution to be paid in each of the three subsequent years. The technical provisions actuarial deficit, as at 31 March 2024, was £64.5m (31 March: 2021 £82.8m).

Further information regarding the pension scheme actuarial deficit and repair contributions can be found on pages 7 and 10.

Share capital

At 31 March 2025, the Company's issued share capital comprised 73,419,193 ordinary shares of 5 pence each.

Each share carries equal rights to dividends, voting and return of capital on the winding up of the Company as set out in the Company's articles of association.

There are no restrictions on the transfer of securities in the Company and there are no restrictions on voting rights or deadlines, other than those prescribed by law or by the articles of association, nor is the Company aware of any arrangement between holders of its shares which may result in restrictions on the transfer of securities or voting rights.

Share capital authorities

The Directors were granted a general authority at the 2024 AGM to allot shares in the capital of the Company up to an aggregate nominal value of £1,211,417 (representing approximately 33% of the issued share capital prior to the 2024 AGM). This authority is due to lapse at the 2025 AGM.

At the 2024 AGM, the Directors also requested authority to allot shares for cash on a non-pre-emptive basis in any circumstances up to a maximum aggregate nominal amount of £183,548 (representing approximately 5% of the issued share capital prior to the 2024 AGM) and to purchase up to 10% of the Company's issued ordinary shares in the market. This authority is also due to lapse at the 2025 AGM.

We intend to seek renewal of the authorities described above at the 2025 AGM.

Directors' report continued

Change of control

The financing agreement with BZ includes a change of control clause that, on its occurrence, would result in the cancellation of the facilities and all amounts outstanding would be immediately due and repayable. There are no other significant agreements to which the Company is a party that take effect, alter or terminate on a change of control following a takeover bid, nor are there any agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Amendment of articles of association

The Company's articles of association may only be amended by special resolution of the shareholders at a general meeting.

Appointment and replacement of Directors

The Company's articles of association provide that the number of Directors shall be not more than twelve and not fewer than four, unless otherwise determined by the Company by ordinary resolution. Directors may be appointed by an ordinary resolution of the shareholders or by a resolution of the Board.

A Director appointed by the Board during the year must retire at the first AGM following their appointment and such Director is eligible to offer themself for election by the Company's shareholders.

Additionally, the Company's articles of association provide that every Director shall retire from office at each AGM. A Director who retires at an AGM may be re-elected by the shareholders.



In line with the Company's articles of association and the UK Corporate Governance Code, all Directors in office at the date of the 2024 AGM retired and presented themselves for re-election at the 2024 AGM.

In addition to the statutory power, a Director may be removed by ordinary resolution of the shareholders. The articles also set out the circumstances when a Director must leave office. These include where a Director resigns, becomes bankrupt, is absent from the business without permission or where a Director is removed by notice signed by a requisite number of remaining Directors.

Powers of Directors

The Directors may exercise all the powers of the Company, in accordance with, and subject to, the Company's articles of incorporation.

Political donations and expenditure

No political donations were made, nor was any political expenditure incurred during the financial year.

Substantial shareholdings

Pursuant to the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the Company received notification of the following shareholdings in its issued share capital as at 31 March 2025 and 31 July 2025:

	As at 31 July 2025 ⁵	As at 31 March 2025 ⁵
Schroder Investment Management Limited ¹	19.88%	19.92%
Henderson Global Investors Limited ²	6.43%	6.43%
First Equity Limited ³	1.42%	4.08%
IG Markets Limited ⁴	4.57%	0.60%

- 1. Whose ultimate controlling person is Schroders plc.
- 2. Whose ultimate controlling person is Janus Henderson Group plc.
- 3. As Investment Manager of Armstrong Investments Limited, whose ultimate controlling person is the estate of William Black.
- 4. Whose ultimate controlling person is IG Group Holdings plc.
- 5. The percentage referenced in this table is the percentage as at the date of notification.

Directors' indemnities

The Company's articles of association permit the Company to indemnify any Director or any Director of any associated company against any liability pursuant to any qualifying third-party indemnity provision or any qualifying pension scheme indemnity provision, or on any other lawful basis.

The indemnity provisions entered into by the Company in favour of all the Directors were in force during the year and continue to be in force at the date the Directors' report is approved. The Company also takes out insurance covering claims against the Directors or officers of the Company and any associated company and this insurance provides cover in respect of some of the Company's liabilities under the indemnity provisions.

Directors' report continued

Disclosure of information to auditor

In accordance with Section 418(2) of the Companies Act 2006, each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

In accordance with section 414C(11) of the Companies Act 2006, the following information is incorporated into this Directors' report by reference and is deemed to form part of this report:

Disclosure	Section
Corporate governance statement	Statem
The Group's business activities, together with the factors likely to affect its future development	Strateg
The Group's research and development activities	Strateg
The financial position of the Group, its cash flows, liquidity position and borrowing facilities	Strateg CFO re ^o Note 19
The profit/(loss) from continuing operations of the Group before taxation	Consoli
The statutory result of the Group	Consoli
Details of the changes in issued share capital during the year	Note 24

Section of report	Page(s)
Statement of corporate governance	59
Strategic report	1 to 57
Strategic report	8 to 21
Strategic report – CFO review	43 to 48
Note 19	138 to 141
Consolidated income statement	105
Consolidated income statement	105
Note 24	152 to 154

Disclosure	Section of report	Page(s)
Information on the Group's financial risk management objectives and policies and its exposure to credit risk, interest risk, liquidity risk and foreign currency risk	Note 26	154 to 160
The Group's internal control and risk management systems	Audit & Risk Committee report	66
The Group's policies as regards the employment of disabled persons and a description of actions the Group has taken to encourage greater employee involvement in the business	Strategic report – Responsible operations – People	27
Information on greenhouse gas emissions and energy consumption	Strategic report – Responsible operations – Environment	30 to 32
Information on engagement with employees, suppliers and customers	Strategic report – section 172 statement	40 to 42

Information required by LR 6.6.1R

There is no additional $\overline{}$ information required to be disclosed under LR 6.6.1R other than that disclosed in the Directors' remuneration report.

By order of the Board

Anne McArthur

Company Secretary

28 August 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected to prepare the parent company financial statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- · make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the UK;
- · for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- · use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and statement of corporate governance that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

The Directors as at the date of this report, whose names and functions are set out on pages 61 and 62, confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- · the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. By order of the Board

Frank Doorenbosch

Chief Executive Officer

28 August 2025

Independent auditor's report

to the members of Carclo plc

Opinion

We have audited the Group financial statements of Carclo plc (the 'Group') for the year ended 31 March 2025 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and notes to the consolidated financial statements, including material accounting policy information.

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

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2025 and of the Group's profit 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In addition to those matters set out in the "Key audit matters" section below, we identified going concern of the Group as a key audit matter. The Group is dependent on debt facilities from its lender, which have a number of financial covenants, and has significant funding commitments in relation to the UK defined benefit pension scheme. Therefore, there is a risk that the going concern basis of preparation is not appropriate for the financial statements.

On 24 April 2025, the Group secured new financing arrangements with BZ Commercial Finance DAC and agreed a deficit recovery plan with the Pension Trustees of the UK defined benefit pension scheme. The new facilities, which cover the whole Group, include a Term Loan of £27 million and a Revolving Credit Facility of up to £9 million. Concurrently, the Group paid £5.1 million to the UK pension scheme, with a further commitment to make contributions of £3.5 million per annum for five years to 31 March 2029 and indexed annual contributions of £5.75m until 31 March 2037). The Triennial actuarial valuation as at 31 March 2025 reported a funding deficit of £64.5 million.

The Group's accounting policy in respect of going concern is set out in note 1'Basis of preparation' on page 110. Going concern has also been identified as a key judgement in note 2 on page 118.

Our audit procedures to evaluate the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- · Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment:
- · Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Group's future financial performance:
- · Challenging the appropriateness of the directors' key assumptions in their cash flow forecasts, as described in note 1, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of severe but not implausible scenarios. This included assessing the viability of mitigating actions within the directors' control;
- · Testing the accuracy and functionality of the model used to prepare the directors' forecasts;
- · Assessing the historical accuracy of forecasts prepared by the directors;
- · Assessing and challenging key assumptions and mitigating actions put in place in response to wider global economic conditions;
- · Considering the consistency of the directors' forecasts with other areas of the financial statements and
- · Examining the facility headroom under the debt facilities and evaluating the reasonableness of the directors' conclusion that sufficient headroom exists across all scenarios modelled, including the severe but plausible downside scenarios when modelled with mitigations;
- · Independently evaluating management's forecasts and the associated stress testing;
- · Reviewing the financial covenants associated with the debt facility agreed with BZ Commercial Finance DAC and verifying the accuracy of the covenant calculations and projected compliance through to December 2026 being the period of 16 months assessed by management; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's 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.

In relation to Carclo plc's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

to the members of Carclo plc

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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 in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to our Conclusions relating to going concern, noted above, we summarise below the other key audit matters identified as part of our audit, together with an overview of the principal audit procedures performed to address each matter and our observations arising from those procedures.

These matters, together with our observations, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter

Revenue recognition

There is a presumed significant risk of fraud in revenue recognition due to the potential to inappropriately shift the timing and basis of revenue recognition, as well as the potential to record fictitious revenues or fail to record actual revenues.

We assessed the revenue recognition significant risk as being principally in relation to the following:

1) Design & Engineering revenue:

- · Revenue may not be recognised on an appropriate basis and in line with the terms of underlying contracts or agreements with customers; and
- · Contract modifications or amendments may not be accounted for on an appropriate basis, including in line with the requirements of IFRS 15.

2) Manufacturing Solutions revenue:

There is a risk that revenue maybe recognised in the incorrect accounting period due to inappropriate adjustments to the timing or basis of revenue recognition. This includes recognising revenue before goods or services have been delivered to customers, particularly around the year-end which presents a cut-off risk.

As revenue is a key benchmark in a user's assessment of the performance of the Group and given the judgement involved in determining the amount of revenue to be recognised on Design & Engineering contracts is significant. Furthermore, due to the potential to inappropriately shift the timing and basis of Manufacturing Solutions revenue recognition as well and the potential to record fictitious revenues or fail to record actual revenues, we have identified revenue recognition as a key audit matter with regards to both the Design & Engineering and Manufacturing Solutions revenue.

How our scope addressed this matter

Our response:

Our audit procedures included, but were not limited to:

- Performing testing of the design and implementation of controls around revenue recognition;
- · In relation to the Design & Engineering revenue:
 - ° Reviewing management's IFRS 15 assessment for Design & Engineering contracts detailing the identification of performance obligations and assessment of point in time versus over time revenue recognition, together with considerations of input versus output method;
 - ° For a sample of Design & Engineering contracts reviewing the basis of revenue recognition and testing the revenue recognised in the year;
 - ° Reviewing contract modifications or cancelations and the associated accounting treatment for changes in contract revenue; and
 - o Reviewing the audit work completed on Design & Engineering revenue by the component audit teams in accordance with our Group Audit Instructions, and the additional work performed by the Group engagement team around the judgements made on performance obligations by testing additional samples of Design & Engineering contracts.
- In relation to Manufacturing Solutions revenue, which is recognised at a point in time:
 - o Performing substantive testing on a sample of transactions, agreeing these back to underlying documentation, to verify their validity, ensure accuracy of posting and confirm whether they were recorded in the correct accounting period.
 - O Reviewing the audit work completed on Manufacturing Solutions revenue by the component audit teams in accordance with our Group Audit Instructions, and the additional work performed by the Group engagement team around the Manufacturing Solutions revenue, mainly around the completeness of the Manufacturing Solutions contracts.

Our observations:

The methodology used in determining the recognition of the Group's revenue was appropriate.

to the members of Carclo plc

Key Audit Matter

Valuation and impairment Goodwill

Included in the Consolidated Statement of Financial Position on page 107 is £21.8m of intangible assets, of which £21.7m relates to goodwill allocated to the Technical Plastics cash generating unit (CGU).

The Group's accounting policies for goodwill are set out in note 1(c) 'Goodwill' on page 112 and note 1(v) 'Impairment' on pages 116 and 117. Additionally, the impairment of goodwill is identified as a key judgement in note 2 on page 118.

In accordance with accounting standards, the directors are required to perform an annual impairment review of goodwill, or more frequently if indicators of impairment exist. This involves determining the recoverable amount of the CGU to which goodwill is allocated and comparing it to its carrying value. Any impairment loss is first applied to reduce the carrying value of goodwill, and subsequently to other assets within the CGU on a pro-rata basis.

 $As \ disclosed \ in \ note \ 13 \ on \ page \ 134, \ the \ recoverable \ amount \ is \ determined \ using \ a \ value \ in \ use \ calculation.$

The calculation of value in use is subjective and involves significant judgement and estimation, particularly in relation to cash flow projections and the discount rate applied.

Therefore, there is a risk that the assumptions used in the calculation of value in use are not appropriate, resulting in an overstatement of the recoverable amount of the CGU and an unrecognised impairment of intangible assets.

Accordingly, we have identified the valuation and impairment of intangible assets as a key audit matter.

How our scope addressed this matter

Our response:

Our audit procedures included, but were not limited to:

- Performing testing of the design and implementation of controls around the valuation and impairment of intangible assets;
- Obtaining and reviewing management's impairment review and conducting interviews with them to understand the basis and process for assessing impairment;
- Reviewing and evaluating the rationale for grouping entities together as a CGU in the impairment review;
- Testing the arithmetic accuracy of the impairment model, including verifying the integrity of the data inputs used in the calculation;
- Challenging the appropriateness of the key assumptions used in the calculation of value in use, being
 the cash flow projections, estimated growth rates and discount rates. This included engaging an
 internal expert to evaluate the discount rates applied by management;
- · Reviewing the sensitivity analysis performed by management in their assessment;
- Challenging management on the achievability of the cash flow forecasts and assessing the
 appropriateness of the projected financial information against original forecasts and other market data
 to assess the robustness of management's forecasting process;
- Analysing the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable based on past experience;
- Assessing whether the disclosures in the financial statements are reasonable, including around the key assumptions, key sources of estimation uncertainty and sensitivity of the key assumptions in the impairment assessment.

Our observations:

The methodology used for the valuation and for the impairment review of intangible assets, including the carrying value of the goodwill balance was appropriate.

to the members of Carclo plc

Our application of materiality and an overview of the scope of our audit

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 evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality

How we determined it

Rationale for benchmark applied

Performance materiality

Reporting threshold

£1.200k

We determined overall materiality to be 1% of the Group's revenue.

Revenue has been identified as the principal benchmark within the Group's financial statements as we consider that the Group's revenue remains a key measure of the performance of the Group and is a more stable benchmark on which to set materiality compared to other measures. For example, profit or loss before taxation has fluctuated significantly in recent accounting periods and has been impacted by a number of non-recurring items, such as the restructuring in the US.

Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

Having considered factors such as the Group's control environment and that it is the sixth year of our audit engagement, we set performance materiality at £780k which is 65% of overall materiality.

We agreed with the directors that we would report to them misstatements identified during our audit above £34k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Group, its environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

The Group financial statements are a consolidation of the Parent Company, Carclo plc, seven trading subsidiaries, and a non-trading holding entity. Based on our risk assessment, we identified four key components, including the Parent Company, Carclo plc, four material components and one non-material component. Six components were subject to full scope audits, two components were subject to a specific scope and one was subject to specified risk-focused audit procedures.

The components within the scope of our audit work accounted for the following percentages of the Group's results:

	Number of components	Total Group revenue	Group profit before tax	Total Group assets
Full scope	6	93%	95%	95%
Specific scope/Risk based audit				
procedures	3	7%	5%	5%
Total	9	100%	100%	100%

The audit of the UK components, including the audit of the Group, were undertaken by the Group audit team. The Group audit team instructed component auditors to carry out audit procedures in relation to components not based in the UK, covering the US, China, India, the Czech Republic and France. The instructions covered the significant areas of audit focus including, where relevant, the key audit matters detailed above and the information to be reported back to the Group audit team. Additionally, key areas of audit work completed by component auditors was reviewed by the Group audit team. In respect of the Group's most significant component based in the Latrobe, Pennsylvania, members of the group audit team visited the Group's facility and reviewed the work of the component auditor at both the planning and group reporting phases of the audit. With the exception of France, all other components were audited by the Forvis Mazars network.

As part of the process, the Group audit team held meetings with all the component auditors at both the planning and completion stage, as well as during the audit fieldwork as required. At these meetings, the Group audit team discussed the audit strategy and the findings reported to the Group audit team by the component auditors, with any further work required by the Group audit team then being performed by the component auditor or directly by the Group audit team.

to the members of Carclo plc

Our application of materiality and an overview of the scope of our audit continued

Component materiality applied in our Group audit ranged from £168,000 to £475,000.

At the Group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

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. 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 those reports have
 been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting
 processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the
 Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority
 (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with
 applicable legal requirements; and
- information about the Group's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the:

- · strategic report or the directors' report; or
- information about internal control and risk management systems in relation to financial reporting
 processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of
 the FCA Rules.

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

- certain disclosures of directors' remuneration specified by law are not made; or
- · we have not received all the information and explanations we require for our audit.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to Carclo plc's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 97;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on pages 56 and 57;
- Directors' statement on fair, balanced and understandable, set out on page 97;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on pages 49 to 55;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 64; and;
- The section describing the work of the Audit & Risk Committee, set out on pages 65 to 68.

We draw attention to the Audit & Risk Committee section of the Annual report and accounts where the board has reviewed the effectiveness of risk management and internal controls systems in relation to the intercompany related party liability balance matter that gave rise to the qualified opinion in the Parent Company only audit report.

to the members of Carclo plc

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 97, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-bribery, corruption and fraud, anti-money laundering regulation, modern slavery and GDPR.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Group, the industry in
 which it operates, the structure of the Group, and considering the risk of acts by the Group which were
 contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as
 to whether the Group is in compliance with laws and regulations, and discussing their policies and
 procedures regarding compliance with laws and regulations;
- · Inspecting correspondence with relevant licensing or regulatory authorities;
- · Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and breaches of the regulatory requirements of the FCA pertaining to listed companies.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation and impairment of Intangible assets and revenue recognition (which we pinpointed to judgement involved in assessing the fulfilment of the performance obligations by determining the percentage of completion (POC) for Design & Engineering revenue and the cut-off risk related to the Manufacturing Solutions revenue and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- · Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- · Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing, including consolidation journals;
- · Reviewing accounting estimates and financial statement disclosures for management bias; and
- · Reviewing transactions outside of normal course of business.

to the members of Carclo plc

Auditor's responsibilities for the audit of the financial statements continued

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit & Risk Committee, we were appointed by Board of Directors on 14 April 2020 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is six years, covering the years ended 31 March 2020 to 31 March 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.

Our audit opinion is consistent with our reporting to the Audit & Risk Committee.

We have reported separately on the Parent Company financial statements of Carclo plc for the year ended 31 March 2025. That report includes details of the Parent Company key audit matters; how we applied the concept of materiality in planning and performing our audit; and an overview of the scope of our audit. The opinion in that report is qualified.

Use of the audit report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules, these financial statements form part of the electronic reporting format prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor's report provides no assurance over whether the annual financial report has been prepared using the correct electronic reporting format.

Richard Metcalfe (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP Chartered Accountants and Statutory Auditor

30 Old Bailey London EC4M 7AU

28 August 2025

Consolidated income statement

for the year ended 31 March 2025

			Restated ¹
		2025	2024
	Notes	£000	£000
Continuing operations:			
Revenue	5	121,219	132,672
Underlying ² operating profit	3	9,838	6,557
Non-underlying² items	8	(2,258)	(4,857)
Operating profit	3, 6	7,580	1,700
Finance revenue	9	571	424
Finance expense	9	(5,499)	(6,011)
Profit/(loss) before tax		2,652	(3,887)
Income tax (expense)/credit	10	(1,780)	498
Profit/(loss) for the year		872	(3,389)
Attributable to:			
Equity holders of the Company		872	(3,389)
Earnings/(loss) per ordinary share	11		
Basic		1.2p	(4.6)p
Diluted		1.2p	(4.6)p

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

^{2.} See the glossary on page 197.

Consolidated statement of comprehensive income

for the year ended 31 March 2025

			Restated ¹
	Al .	2025	2024
	Notes	£000	£000
Profit/(loss) for the year		872	(3,389)
Other comprehensive (expense)/income			
Items that will not be reclassified to the income statement			
Remeasurement losses on defined benefit pension scheme	21	(15,253)	(2,668)
Deferred tax arising		_	_
Total items that will not be reclassified to the income statement		(15,253)	(2,668)
Items that may in the future be reclassified to the income statement			
Foreign exchange translation differences		(955)	(2,387)
Net investment hedge	19, 26	371	332
Deferred tax arising	20	13	33
Total items that may in the future be reclassified to the income statement		(571)	(2,022)
Other comprehensive expense, net of tax		(15,824)	(4,690)
Total comprehensive expense for the year		(14,952)	(8,079)
Attributable to:			
Equity holders of the Company		(14,952)	(8,079)
		-	

 $^{1. \ \} See \ note \ 1 ii) \ Basis \ of \ preparation: \ prior \ year \ restatement, for the \ nature \ of \ the \ prior \ year \ restatement.$

Consolidated statement of financial position

as at 31 March 2025

		2025	Restated ¹ 2024
	Notes	£000	£000
Non-current assets			
Intangible assets	13	21,801	22,197
Property, plant and equipment	14	35,842	40,401
Deferred tax assets	20	641	864
Contract assets	16	170	_
Trade and other receivables	17	594	_
Total non-current assets		59,048	63,462
Current assets			
Inventories	15	9,928	11,289
Contract assets	16	1,551	1,663
Trade and other receivables	17	15,659	18,800
Cash and cash deposits	18	10,745	10,453
Current tax assets		104	82
Total current assets		37,987	42,287
Total assets		97,035	105,749
Current liabilities			
Loans and borrowings	19	24,844	11,232
Trade payables	23	9,697	10,005
All other payables	23	11,094	7,485
Current tax liabilities		752	564
Contract liabilities	5	1,624	2,998
Provisions	22	_	721
Total current liabilities		48,011	33,005

		2025	Restated ¹ 2024
	Notes	£000	£000
Non-current liabilities			
Loans and borrowings	19	5,105	28,678
Deferred tax liabilities	20	3,041	2,890
Provisions	22	975	900
Retirement benefit obligations	21	51,743	37,186
Total non-current liabilities		60,864	69,654
Total liabilities		108,875	102,659
Net (liabilities)/assets		(11,840)	3,090
Equity			
Ordinary share capital issued	24	3,671	3,671
Share premium		7,359	7,359
Translation reserve	25	6,650	7,221
Retained earnings	25	(29,494)	(15,135)
Total equity attributable to equity			
holders of the Company		(11,814)	3,116
Non-controlling interests		(26)	(26)
Total equity		(11,840)	3,090

^{1.} See note lii) Basis of preparation: prior year restatement, for the nature of the prior year restatement. Approved by the Board of Directors on 28 August 2025 and signed on its behalf by:

Frank Doorenbosch Chief Executive Officer Registered Number 00196249 lan Tichias
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 31 March 2025

		Attributable to equity holders of the Company						
	Notes	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
Balance at 1 April 2023		3,671	7,359	9,243	(8,641)	11,632	(26)	11,606
Prior year restatement ¹		_	_	_	(480)	(480)	_	(480)
Balance at 1 April 2023 restated		3,671	7,359	9,243	(9,121)	11,152	(26)	11,126
Loss for the year ¹		_	_	_	(3,389)	(3,389)	_	(3,389)
Other comprehensive (expense)/income:								
Foreign exchange translation differences		_	_	(2,387)	_	(2,387)	_	(2,387)
Net investment hedge	19, 26	_	_	332	_	332	_	332
Remeasurement losses on defined benefit pension scheme	21	_	_	_	(2,668)	(2,668)	_	(2,668)
Taxation on items above	20	_	_	33	_	33	_	33
Total comprehensive expense for the year ¹		_	_	(2,022)	(6,057)	(8,079)	_	(8,079)
Transactions with owners recorded directly in equity:								
Share-based payments	24	_	_	_	43	43	_	43
Balance at 31 March¹ and 1 April 2024		3,671	7,359	7,221	(15,135)	3,116	(26)	3,090
Profit for the year		_	_	_	872	872	_	872
Other comprehensive (expense)/income:								
Foreign exchange translation differences		_	_	(955)	_	(955)	_	(955)
Net investment hedge	19, 26	_	_	371	_	371	_	371
Remeasurement losses on defined benefit pension scheme	21	_	_	_	(15,253)	(15,253)	_	(15,253)
Taxation on items above	20	_	_	13	_	13	_	13
Total comprehensive expense for the year		_	_	(571)	(14,381)	(14,952)	_	(14,952)
Transactions with owners recorded directly in equity:								
Share-based payments	24	_	_	_	22	22	_	22
Balance at 31 March 2025		3,671	7,359	6,650	(29,494)	(11,814)	(26)	(11,840)

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Consolidated statement of cash flows

for the year ended 31 March 2025

		2025	Restated ¹ 2024
Cash generated from operations	Notes 27	£000 19,066	£000 18,587
	Z/	•	
Interest paid		(3,694)	(4,193)
Tax paid		(1,259)	(1,056)
Defined benefit pension scheme contributions net of Company settled administration costs		(2,633)	(2,972)
Net cash from operating activities		11,480	10,366
Cash flows from/(used in) investing activities			
Proceeds from sale of property, plant and equipment		85	212
Interest received		571	424
Purchase of property, plant and equipment		(1,054)	(2,937)
Purchase of intangible assets		(49)	(95)
Net cash used in investing activities		(447)	(2,396)
Cash flows used in financing activities	19		
Refinancing costs associated with the existing facility		(150)	(100)
Repayment of borrowings excluding lease liabilities		(2,525)	(8,190)
Repayment of other loan facilities		(95)	(192)
Repayment of lease liabilities		(4,228)	(3,659)
Net cash used in financing activities		(6,998)	(12,141)
Net increase/(decrease) in cash and cash equivalents		4,035	(4,171)
Cash and cash equivalents at beginning of year		5,974	10,354
Effect of exchange rate fluctuations on cash and cash equivalents		(29)	(209)
Cash and cash equivalents at end of year		9,980	5,974
Cash and cash equivalents comprise:			
Cash and cash deposits	18	10,745	10,453
Bank overdrafts	19	(765)	(4,479)
		9,980	5,974

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

1 Basis of preparation

The accounting policies have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

i) Compliance with IFRS

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards. The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 105 to 109. The financial statements are presented in GBP which is Carclo plc's functional and presentational currency. All amounts disclosed in the financial statements and notes have been rounded to the nearest thousand pounds unless otherwise stated.

ii) Prior year restatement

In this annual report there have been two corrections made to the prior year comparatives for the year ended 31 March 2024:

a. During the year ended 31 March 2025, the FRC conducted a Corporate Reporting Review of the Carclo plc annual report and accounts for the year ended 31 March 2024. At the time, the UK Group companies were part of a multi-party, multi-currency net overdraft facility with a £nil net limit and a £12.5m gross limit. The annual report and accounts for the year ended 31 March 2024 recognised Carclo plc's overdraft of £4.5m within cash and cash deposits when consolidated due to a right of set-off within the net overdraft facility. Having considered the points raised by the FRC, we have re-presented the prior year comparatives for the year ended 31 March 2024 for cash and overdrafts on a gross basis, as on reflection, we agree that this more appropriately meets the off-setting requirements of IAS 32.

The impact of the restatement on the prior year comparatives is to reclassify the £4.5m overdraft from cash and cash deposits to loans and borrowings due within one year. Total current assets, total assets, total current liabilities and total liabilities are therefore all £4.5m greater than previously presented. There is no change to total net assets or to the loss for the period. A reconciliation of the gross cash balance to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year has been presented in note 18. The notes to the financial statements impacted by this restatement have also been re-presented and have been referenced back to this note.

The amount of the correction at the beginning of the earliest period presented, 1 April 2023, is an adjustment of £6.5m to gross up cash and cash deposits with a corresponding adjustment to loans and borrowings due within one year. Total current assets, total assets, total current liabilities and total liabilities are therefore all £6.5m greater at 1 April 2023 than previously presented. There is no change to total net assets or to the loss for the period to 31 March 2023. Given that there is £nil impact to net assets or the income statement from this restatement, nor is there any impact on the Group's compliance with the covenants associated with the banking facilities, we have not presented a third statement of financial position at 1 April 2023 as we believe that the impact of the restatement does not materially change a user's understanding of the accounts.

b. Secondly, a prior year adjustment to correct an accounting error has been recorded which recognises a £0.9m provision for dilapidation at our CTP UK facility, Mitcham, that should have been recorded on the consolidated statement of financial position for the year ended 31 March 2018. The impact of the restatement on the prior year comparatives is to recognise a brought forward £0.9m provision for dilapidation as a non-current liability, recognise an increase in property, plant and equipment right-of-use assets of £0.3m which is the original cost of £0.9m less accumulated depreciation to 31 March 2024 of £0.6m and an increase in retained losses of £0.6m. The consolidated income statement for the year ended 31 March 2024 has been restated for an additional £0.1m depreciation charge. Basic and diluted loss per share for the year ended 31 March 2024 have been restated to (4.6)p from that previously presented of (4.5)p.

The amount of the correction at the beginning of the earliest period presented, 1 April 2023, is an increase to property, plant and equipment right-of-use assets, total non-current assets and total assets of £0.4m, an increase to non-current provisions, total non-current liabilities and total liabilities of £0.9m which, in total, results in a net decrease to net assets and an increase to brought forward retained losses at 1 April 2023 of £0.5m.

A third statement of financial position has not been presented at 1 April 2023 as the Directors do not believe that the impact of the restatement materially changes a user's understanding of the accounts.

Going concern

The financial statements are prepared on the going concern basis.

The £36.0m borrowing facility with BZ that was announced on 24 April 2025 provides available borrowings for a three-year term out to April 2028. The facility includes an element of asset based lending and the level of borrowings are contingent upon the value of certain classes of non-current and current assets held by the Group's UK and US trading subsidiaries.

There are three primary financial covenants required to be tested under the BZ facility agreement, as follows:

Covenant	Definition	Threshold
Minimum EBITDA	Underlying ¹ Group EBITDA calculated on a last six months basis	No less than 75% of budget
Fixed Charge Cover Ratio (FCCR)	Underlying ¹ Group EBITDA divided by the sum of fixed charges comprising debt service costs, debt repayments, pension scheme contributions, tax payments, capital expenditure and dividends or other capital distributions calculated on a last twelve months basis	Until 31 March 2027 no less than 1:1 After 31 March 2027 no less than 1.05:1
CAPEX	Cash paid on tangible and intangible fixed assets measured annually for the twelve months to 31 March	No more than 120% of the annual budget

1. See the glossary on page 197.

for the year ended 31 March 2025

1Basis of preparation continued

Going concern continued

The Minimum EBITDA and FCCR covenants are required to be tested monthly from May 2025. If after twelve months of the start of the facility agreement, testing has been compliant with covenants in the two previous quarters then covenant testing will only be required on a guarterly basis. The CAPEX covenant is required to be tested annually from 31 March 2026. The Group has complied with the minimum EBITDA and FCCR financial covenants for the testing periods up to the date of signing the financial statements, being May, June and July 2025.

The deficit recovery plan agreed with the Trustees of the UK defined benefit pension scheme as part of the triennial valuation to 31 March 2024 includes an annual schedule of contributions of £3.5m through to 31 March 2029 and thereafter annual contributions of £5.8m indexed at 3.5% through to 31 March 2037. Contributions are funded from cash generated by operations and have been reflected in the cash flow and covenant forecasts reviewed by the Directors.

The Group is subject to a number of key risks and uncertainties, as detailed in the principal risks and uncertainties section on pages 49 to 55. Mitigation actions to address the risks are also set out in that section of the report. These risks and uncertainties have been considered in the base case and downside sensitivities and have been modelled accordingly. The specific climate-related matters set out in the TCFD section on pages 34 to 39 have been considered and they are not expected to have a significant impact on the Group's going concern assessment.

The Group has prepared a forecast of financial projections for the three-year period to 31 March 2028. The forecast underpins the going concern assessment, which has been made for the period through to December 2026, being 21 months after the year end, consistent with the previous going concern assessment and 16 months from when the financial statements are authorised for issue. The Directors have reviewed cash flow and covenant forecasts over this period considering the Group's available borrowing facilities and the terms of the arrangements with the Group's lender and the UK defined benefit pension scheme.

The base case reflects the forecast of financial projections prepared by the Group for the three-year period to 31 March 2028 and includes assumptions around revenue growth, modest improvement in margins, consistent working capital trends and stable interest rates. The forecast shows adequate headroom and supports the position that the Group can operate within its available borrowing facilities and covenants throughout this period.

Sensitivity analysis has considered the risks facing the Group and has modelled the impact of each in turn, as well as considering the impact of aggregating certain risk types, and shows that the Group is able to operate within its available facilities and meet its agreed covenants as they arise. Furthermore, the Directors have reviewed sensitivity testing, modelling a range of severe but plausible downside scenarios.

These sensitivities attempt to incorporate identified risks set out in the principal risks and uncertainties section of this report.

Plausible downside sensitivities include a range of scenarios modelling the financial effects of a reduction in forecast revenue of 3% with a consistent percentage decline in variable costs, a reduction in gross margin of 1% and a 1% increase in interest rates. At the point at which the underlying operating target is not achieved, management bonuses are not payable.

The downside scenario modelling factors this in but did not allow for the benefit of any other action that could be taken by management to mitigate the impact of the downside scenarios. Under the three plausible downside scenarios modelled, the Group continues to meet minimum covenant requirements in the next 16 months, although with reduced headroom.

The Directors also assessed, as part of its reverse stress testing, what level of downside impact the Group could sustain on these three scenarios, before it breaches its financial covenants. A reduction in forecast revenue of 7% with a consistent percentage decline in variable costs, or a reduction in gross margin of 3%, again without any mitigations beyond the non-payment of management bonuses, would lead to covenant breaches. Two additional severe but plausible downside scenarios have also been modelled, reflecting a reduction in forecast revenue of 10% with a consistent percentage decline in variable costs and a reduction in gross margin of 5%. These scenarios result in breaches of both the FCCR and Minimum EBITDA covenants. In such circumstances, mitigating actions available to the Group are the deferral or cancellation of capital expenditure and the reduction in non-variable costs. A combination of these actions, at levels that the Directors believe is attainable, offset the impact of the severe but plausible downside scenarios to bring both covenants back within threshold. The increase in interest rates required to breach the FCCR covenant is so significant that it is not considered plausible.

The Group is not exposed to high-risk sectors or countries but is dependent on certain key customers, which create risks and uncertainties. These risks and uncertainties are documented, and the mitigating actions being taken are covered in detail in the principal risks and uncertainties section on pages 49 to 55.

It should be noted that the Group is operating in a period of material geopolitical and macroeconomic uncertainty. The Directors continue to monitor these risks and their plausible impact, however, their potential severity is dependent upon many external factors and is difficult to predict. Accordingly, the actual financial impact of these risks may materially differ from the Directors' current view of their impact.

At 31 March 2025, the Group reports net liabilities of £11.8m (31 March 2024: net assets £3.1m). The decrease is largely attributable to the £14.6m increase in the IAS 19 valuation of the UK defined benefit pension liability. The Group also reports a net current liability position of £10.0m at that date (31 March 2024: net current assets £9.3m). The presentation of current and non-current liabilities is affected by the requirement to show at 31 March 2025 the full £21.2m HSBC term loan owing at that time within current liabilities as, at that date, the facility had an expiry date of 31 December 2025.

On the basis that the HSBC facility was fully extinguished in April 2025 by drawings made on the BZ facility and that future pension contribution payments to the UK defined benefit pension scheme are defined by the 2024 deficit recovery plan, established at the time of the triennial Scheme valuation at amounts that are considered manageable by the Directors rather than by the IAS 19 valuation, the balance sheet presentation of net liabilities and net current liabilities at 31 March 2025 does not affect the Group's ability to meet its third party liabilities over the going concern period.

for the year ended 31 March 2025

1Basis of preparation continued

Going concern continued

On the basis of the base case forecast and the severe but plausible downside sensitivity testing, the Directors have determined that it is reasonable to assume that the Group will continue to operate within available borrowing facilities and adhere to the covenant tests to which it is subject throughout at least the 16 month period from the date of signing the financial statements through to December 2026.

Accordingly, these financial statements are prepared on a going concern basis.

Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis except that derivative financial instruments, share options and defined benefit pension plan assets are stated at their fair value.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell

b) Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group. The results of any subsidiaries sold or acquired are included in the consolidated income statement up to, or from, the date control passes. Intra-group transactions, balances and profits are eliminated fully on consolidation. On acquisition of a subsidiary, all of the identifiable assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date.

i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. An entity is controlled by the Group regardless of the level of the Group's equity interest in the entity, when the Group is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- · the net recognised amount of the identifiable assets acquired and liabilities assumed.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination, are expensed as incurred.

ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

c) Goodwill

In respect of business combinations that occurred since 1 April 2004, goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on acquisition of subsidiaries, joint ventures and businesses is capitalised as an asset.

Goodwill is allocated to cash generating units and is subject to an annual impairment review, with any impairment losses being recognised immediately in the income statement.

Any goodwill arising on the acquisition of an overseas subsidiary is retranslated at the balance sheet date.

d) Other intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (see accounting policy e) and impairment losses (see accounting policy v).

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation (see accounting policy e) and impairment losses (see accounting policy v).

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred

for the year ended 31 March 2025

1Basis of preparation continued

Accounting policies continued

e) Amortisation

Intangible assets, other than goodwill, are amortised on a straight-line basis to write off the cost of the asset, less estimated residual value, over the estimated economic life of the asset. Patents and development costs are amortised over a period of up to ten years from the date upon which the patent or related development expenditure becomes available for use. Customer-related intangibles are amortised over seven to ten years and computer software over three to five years.

f) Property, plant and equipment

Items of property, plant and equipment are stated at cost, or at deemed cost, less accumulated depreciation and impairment losses.

Depreciation on property, plant and equipment is provided using the straight-line method to write off the cost or valuation less estimated residual value, using the following estimated useful economic lives:

Freehold buildings 20 - 50 years Plant and equipment 3 - 12 years No depreciation is provided on freehold land.

g) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- · variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- · amounts expected to be payable under a residual value guarantee; and
- · the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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 Group presents right-of-use assets in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group leases office and IT equipment with contract terms typically between one and ten years. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases with a duration of one year or less. The Group recognises the lease payments associated with these leases in the income statement as an expense on a straight-line basis over the lease term

for the year ended 31 March 2025

1Basis of preparation continued

Accounting policies continued

h) Borrowings

The Group measures all debt instruments (whether financial assets or liabilities) initially at fair value, which equates to the principal value of the consideration paid or received. Subsequent to initial measurement, debt instruments are measured at amortised cost using the effective interest method. Transaction costs (any such costs incremental and directly attributable to the issue of the financial instrument) are included in the calculation of the effective interest rate and are amortised over the life of the instrument.

Debt instruments denominated in foreign currencies are revalued using period end exchange rates, see accounting policy t)v.

Borrowings are classified as current liabilities unless the Group has a substantive right, at the end of the reporting period, to defer settlement of the liability for at least twelve months. The classification is based solely on rights in place at the reporting date, regardless of expectations or subsequent events.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventory is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

j) Revenue recognition

Revenue arises on the Group's principal activities. Further details are set out in note 5.

To determine whether to recognise revenue, the Group follows the five-step process as prescribed in IFRS 15:

- 1. identifying the contract with a customer;
- 2. identifying the performance obligations;
- 3. determining the transaction price;
- 4. allocating the transaction price to the performance obligations; and
- 5. recognising revenue when/or as performance obligations are satisfied.

The Group sometimes enters into transactions involving a range of the Group's products and services, which in the CTP segment would be for design, engineering and production manufacturing.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative standalone selling prices, or, in the absence of a standalone selling price, on a cost plus margin basis. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when or as the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

k) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling at foreign exchange rates ruling at the dates the fair value was determined.

I) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

m) Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges meeting the criteria for hedge accounting under IFRS 9, are taken to the translation reserve. They are released into the income statement upon disposal.

n) Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the note to the financial statements.

o) Net operating expenses

Net operating expenses incurred by the business are written off to the income statement as incurred.

p) Financing revenue and expenses

Financing revenue and expenses comprise interest payable on borrowings calculated using an approximation of the effective interest rate method, interest receivable on funds invested, dividend income and gains and losses on hedging instruments that are recognised in the income statement.

Interest payable is a combination of principal interest and amortised arrangement fees at each reporting date. The resulting charge is tested against the effective interest rate method to demonstrate they are materially in line.

Interest payable and receivable is recognised in the income statement as it accrues, using the effective interest method.

for the year ended 31 March 2025

1 Basis of preparation continued

Accounting policies continued

q) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash deposits and bank overdrafts. Cash deposits are those with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Bank overdrafts are presented separately as borrowings within current liabilities in the statement of financial position and are not offset against cash balances, irrespective of whether the overdraft facility is subject to a netting arrangement or a £nil net limit.

r) Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date in the countries where the Group operates and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the 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: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and 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 balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised

Additional income taxes that arise from the distribution of dividends from foreign operations are recognised at the same time as the liability to pay the related dividend.

Companies within the Group may be entitled to claim special tax deductions in relation to qualifying research and development expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces the tax payable.

s) Retirement benefit costs

The Group operates a defined benefit pension scheme and also makes payments into defined contribution schemes for employees. The pension payable under the defined benefit scheme is calculated based on years of service up to retirement and pensionable salary at the point of retirement.

The net obligation in respect of the defined benefit plan is the present value of the defined benefit obligations less the fair value of the plan's assets at the balance sheet date. The assumptions used to calculate the present value of the defined benefit obligations are detailed in note 21.

IFRIC 14 requires that where plan assets exceed the defined benefit obligation, an asset is recognised to the extent that an economic benefit is available to the Group, in accordance with the terms of the plan and applicable statutory requirements and the benefit should be realisable during the life of the plan or on the settlement of the plan liabilities.

The operating and financing costs of the scheme are recognised separately in the income statement as incurred.

Payments to the defined contribution pension scheme are accounted for on an accruals basis. Once the payments have been made the Group has no further obligation.

t) Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant finance component) or financial liability is initially measured at fair value (plus transaction costs that are directly attributable to its acquisition or issue for an item not at fair value through profit or loss ("FVTPL")). A trade receivable without a significant financing component is initially measured at the transaction price.

The fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between third parties. Where available, market values are used to determine fair values, otherwise fair values are calculated by discounting expected cash flows at prevailing interest and exchange rates.

ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

for the year ended 31 March 2025

1 Basis of preparation continued

Accounting policies continued

t) Financial instruments continued

ii) Classification and subsequent measurement continued

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- · it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in the profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flow in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are settled, discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amounts presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Hedge accounting

When a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the foreign exchange gains and losses is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of foreign operations.

u) Share-based payments

The Group issues awards structured as equity-settled share-based payments and cash-settled share-based payments to certain employees in exchange for services rendered by them. The fair value of the equity-settled share-based award is calculated at date of grant and is expensed on a straight-line basis over the vesting period with a corresponding increase in equity. The fair value of the cash-settled award is calculated at date of grant and recognised as an expense over the vesting period based upon the cash expected to be paid. The fair value of cash-settled share-based payments is recalculated at each reporting date and the liability revised accordingly. Both valuations are based on the Group's estimate of share awards that will eventually vest and take into account movement of non-market conditions, being service conditions and financial performance, if relevant.

v) Impairment

i) Non-financial assets

The carrying amounts of the Group's assets, other than inventories (see accounting policy i) and deferred tax assets (see accounting policy r), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each year-end date.

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 income statement.

for the year ended 31 March 2025

1 Basis of preparation continued

Accounting policies continued

v) Impairment continued

i) Non-financial assets continued

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units or group of units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro-rata basis. The carrying value of goodwill at 31 March 2025 is allocated wholly to the CTP cash generating unit.

ii) Financial assets

The Group applies the simplified approach to measuring expected credit losses, as permitted by IFRS 9. Under this approach, loss allowances are measured at an amount equal to lifetime expected credit losses ("ECLs") for:

- · financial assets measured at amortised cost; and
- · contract assets (as defined in IFRS 15).

While cash and cash deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Under the simplified approach, the Group recognises lifetime ECLs from the point of initial recognition of trade receivables and contract assets. Immediately after an individual trade receivable or contract asset is assessed to be unlikely to be recovered, an impairment is recognised as the difference between the carrying amount of the receivable and the present value of estimated future cash flows. Customer-specific factors are considered when identifying impairments, which can include the geographic location and credit rating of a customer.

Where there are no specific concerns over recovery, other than the increasing age of a trade receivable or contract asset balance past payment terms, the Group uses a provision matrix, where provision rates are based on days past due. The provision matrix used reflects estimates based on past experience, current economic factors and consideration of forward-looking estimates of economic conditions. Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

w) Non-underlying items

In order for users of the accounts to better understand the underlying (defined on page 197) performance of the Group, the Board has separately disclosed transactions which, whilst falling within the ordinary activities of the Group, are, by virtue of their size or incidence, considered to be non-underlying in nature. Such transactions include, but are not limited to: rationalisation, restructuring and refinancing of the Group, costs of impairment, one-off retirement benefit effects, profits, losses and associated costs arising on the disposal of surplus properties and businesses, litigation costs and material bad debts.

x) Segment reporting

Segmental information is presented on the same basis as that used for internal reporting to the chief operating decision maker. Since 31 March 2024, the Group's Aerospace Division has been combined with the Specialised Optics business to form the Speciality segment.

y) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments and the risks specific to the liability, where the effect of discounting is material.

z) Current versus non-current disclosure

Current assets are generally assets due to be received within twelve months of the reporting date. Current liabilities are generally those which are due to be settled within twelve months of the reporting date, or where the Group does not have a substantive right to defer settlement for at least twelve months after the reporting date. All other assets/liabilities are classified as non-current unless they are held primarily for the purpose of trading.

2 Accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Management has discussed these with the Audit & Risk Committee. These should be read in conjunction with the significant accounting policies provided in the notes to the financial statements.

for the year ended 31 March 2025

2 Accounting estimates and judgements continued

Going concern

Note 1 contains information about the preparation of these financial statements on a going concern basis.

Key judgements

Management has exercised judgement over the likelihood of the Group being able to continue to operate within its available borrowing facilities and in accordance with related lender covenants for at least 16 months from the date of signing these financial statements. Judgement has been applied over forecast profit, debt levels and interest rates, particularly base rates. This determines whether the Group should operate the going concern basis of preparation for these financial statements.

Impairment of assets

Note 13 contains information about management's estimates of the recoverable amount of cash generating units and their risk factors.

Key judgements

Management has applied judgement in determining that the net carrying value of goodwill at 31 March 2025 of £21.7m (31 March 2024: £22.0m) is allocated to the CTP cash generating unit. The CTP segment is deemed to be the smallest cash generating unit with an identifiable group of assets which generate cash inflows largely independent of the cash inflows from other assets or groups of assets. The basis of this conclusion is that there are a number of senior global CTP roles with executive powers over the segment rather than there being site-level management teams operating autonomously; also, customer contracts are often held globally and served from multiple sites.

Key sources of estimation uncertainty

The Group tests whether goodwill has suffered any impairment and considers whether there is any indication of impairment either of this or other assets on at least an annual basis. As set out in more detail in note 13, the recoverable amounts may be based on either value in use calculations or fair value less costs of disposal considerations. The former requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the future cash flows, the latter method requires the estimation of fair value.

Details of the sensitivity of assumptions are included in note 13.

Defined benefit pension assumptions

Note 21 contains information about management's estimate of the net liability for defined benefit obligations and their risk factors. The UK defined benefit pension liability at 31 March 2025 amounts to £51.7m (31 March 2024: £37.2m).

Key sources of estimation uncertainty

The value of the defined benefit pension plan obligation is determined by long-term actuarial assumptions. These assumptions include discount rates, inflation rates and mortality rates. Differences arising from actual experience or future changes in assumptions will be reflected in the Group's consolidated statement of comprehensive income. The Group exercises judgement in determining the assumptions to be adopted after discussion with a qualified actuary.

Details of the key actuarial assumptions used and of the sensitivity of these assumptions are included within note 21.

In the year to 31 March 2022 and the year to 31 March 2021, the Scheme introduced a right for members to Pension Increase Exchange ("PIE") and a Bridging Pension Option respectively. Having taken actuarial advice, management exercised judgement that, for each, 40% of members would take the options at retirement. There is no change to either assumption in the current year. Any change in estimate would be recognised as remeasurement gains/(losses) through the consolidated statement of comprehensive income.

Leases

There are imputed interest rates in lease liability calculations and certain leases contain break options.

Key judgements

Lease liabilities are measured initially at the present value of the lease payments discounted using the rate implicit in the lease, or where not readily determinable as is generally the case, using the incremental borrowing rate. This requires management to apply judgement.

Management has applied judgement when determining the expected certainty that a break option within a lease will be exercised. Note 4 details the amount by which lease liabilities would decrease if the Group were to exercise break options that at 31 March 2025 management are reasonably certain will not be exercised as well as the amount by which lease liabilities have been adjusted where management are, at 31 March 2025, reasonably certain that break options will be exercised.

Revenue recognition

As revenue from Design & Engineering contracts is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligations have been satisfied. See note 5 for information on contract balances at 31 March 2025.

Key judgements

Revenue recognised on contracts in the CTP segment requires management to use judgement to apportion contract revenue to the Design & Engineering obligations; a cost plus basis is usually applied.

Key sources of estimation uncertainty

Revenue recognised on Design & Engineering contracts requires management to estimate the remaining costs to complete the performance obligations in order to determine the percentage of completion and revenue in respect of those obligations. Costs to complete are reviewed throughout the life of each contract and determined through consultation with the contract engineers. Changes to this estimate will therefore impact the amount of revenue and profit recognised.

If costs to complete were 5% higher or lower than estimated at 31 March 2025, the impact to the Group operating profit would be £0.3m lower or higher respectively.

for the year ended 31 March 2025

2 Accounting estimates and judgements continued

Recognition of deferred tax assets

Note 20 contains information about the deferred tax assets recognised in the consolidated statement of financial position.

Key judgements

Management has exercised judgement over the level of future taxable profits in the UK and the US against which to relieve deferred tax assets. The Group has concluded that deferred tax assets of £0.6m, net of off-setting deferred tax liabilities, which mostly relate the Group's US subsidiaries, will be recovered in the future. See below for the key sources of estimation uncertainty considered when reaching this conclusion. In the UK, with the exception of a £0.3m deferred tax asset which is available to offset against a deferred tax liability for the same amount arising on historic property valuations (31 March 2024: £0.3m), management has applied judgement to determine that no UK deferred tax assets will be recognised at either year-end.

Key sources of estimation uncertainty

As the majority of the Group's deferred tax assets are in its US subsidiaries, management has prepared an estimate of the future taxable income of its subsidiary trading company, CTP Carrera Inc. This estimate is based upon the Board-approved budget and three-year business plan. All other things equal, forecast EBIT could decrease by approximately 59% over the three years, before the deferred tax asset is at risk of not being recovered within that three-year period. A similar working has been prepared for the UK trading subsidiaries, including the plc company; however, as there is minimal headroom to cover any reduction in EBIT of the trading entities, management does not believe that a UK deferred tax asset can be supported currently.

Classification of non-underlying items

Note 8 contains information about items classified as non-underlying.

Key judgements

Management has exercised judgement over whether items are non-underlying as set out in the Group's accounting policy lw.

Dilapidation provisions

The Group has recognised provisions for dilapidation obligations relating to certain leased properties, which involves both management judgement and estimation uncertainty.

Key judgements

Management applies judgement when determining whether a present obligation exists under lease agreements for the restoration of leased premises to their original condition. This includes evaluating lease terms and conditions to assess whether a dilapidation obligation is legally or constructively enforceable. Having completed this evaluation, management have concluded that there is a present obligation for dilapidations under existing lease agreements at 31 March 2025 and, as such, provision has been made, see note 22.

Key sources of estimation uncertainty

The measurement of dilapidation provision requires estimation of the future costs to be incurred at the end of lease terms, which may be several years in the future. These estimates are based upon management's assessment of likely work required, historical experience, current market rate, and, where necessary, independent third-party reports. The amount and timing of the resulting cash outflows are inherently uncertain and subject to change as leases near expiry or conditions change.

A 10% increase or decrease in estimated costs would equate to approximately $\pounds 0.1m$ corresponding change in the year-end provision.

3 Segment reporting

The Group is organised into two, separately managed, business segments – CTP and Speciality. These are the segments for which summarised management information is presented to the Group's chief operating decision maker (comprising the Main Board and Executive Committee). Since 31 March 2024, the Group's Aerospace segment has been combined with the Specialised Optics business to form the Speciality segment. This move leverages Aerospace's established expertise and leadership to strengthen Optics' focus on short-series, value-added solutions in niche markets and will maximise synergies for both businesses. Previously, the Specialised Optics business was operated as part of the CTP UK business and was hence part of the CTP segment. The prior year comparatives for 31 March 2024 have been restated to reflect this change. There is no change to the total Group in that year.

The CTP segment supplies value-adding engineered solutions from mould design, automation and production to assembly and printing, for the life science and precision component industries. This business operates internationally in a fast-growing and dynamic market underpinned by rapid technological development.

The Speciality segment delivers precise and durable components for the safety and performance of aircraft manufacturing, aerospace and optical industries.

Central costs relate to the cost of running the Group, plc and non-trading companies.

for the year ended 31 March 2025

3 Segment reporting continued

Analysis by business segment

The segment results for the year ended 31 March 2025 were as follows:

	СТР	Speciality	Central	Total
Consolidated income statement	000£	£000	£000	£000
Continuing operations:				
External revenue	106 000	14 221		121 210
	106,998	14,221	_	121,219
External expenses	(94,670)	(11,420)	(5,291)	(111,381)
Underlying¹ operating profit/(loss)	12,328	2,801	(5,291)	9,838
Non-underlying operating items	45	_	(2,303)	(2,258)
Operating profit/(loss)	12,373	2,801	(7,594)	7,580
Net finance expense				(4,928)
Income tax expense				(1,780)
Profit for the year				872
Consolidated statement of financial position				
Segment assets	83,295	9,691	4,049	97,035
Segment liabilities	(27,393)	(3,311)	(78,171)	(108,875)
Net assets/(liabilities)	55,902	6,380	(74,122)	(11,840)
Other segmental information				
Capital expenditure on property, plant and equipment	1,899	547	2	2,448
Capital expenditure on computer software	-	_	49	49
Depreciation	5,961	411	84	6,456
Reversal of impairment of property, plant and equipment	(209)	_	_	(209)
Amortisation of intangible assets	8	12	67	87
10				

^{1.} See the glossary on page 197.

for the year ended 31 March 2025

3 Segment reporting continued

Analysis by business segment continued

The segment results for the year ended 31 March 2024 were as follows:

	Restated ⁱ CTP £000	Restated ¹ Speciality £000	Central £000	Total £000
Consolidated income statement				
Continuing operations:				
Revenue	120,792	11,880	_	132,672
Expenses ³	(111,875)	(9,771)	(4,469)	(126,115)
Underlying ² operating profit/(loss) ³	8,917	2,109	(4,469)	6,557
Non-underlying operating items	(3,014)	(295)	(1,548)	(4,857)
Operating profit/(loss) ³	5,903	1,814	(6,017)	1,700
Net finance expense				(5,587)
Income tax credit				498
Loss for the year ³				(3,389)
Consolidated statement of financial position ³				
Segment assets	96,533	7,408	1,808	105,749
Segment liabilities	(32,617)	(1,750)	(68,292)	(102,659)
Net assets/(liabilities)	63,916	5,658	(66,484)	3,090
Other segmental information				
Capital expenditure on property, plant and equipment	6,701	620	166	7,487
Capital expenditure on computer software	-	_	95	95
Depreciation ³	7,344	423	92	7,859
Net impairment of property, plant and equipment	1,892	_	_	1,892
Amortisation of intangible assets	93	_	70	163

^{1.} Since 31 March 2024, the Group's Aerospace segment has been combined with the Specialised Optics business to form the Speciality segment. Previously, the UK Specialised Optics business was part of the CTP segment. Prior year comparatives have been restated to reflect this change. The impact of the restatement has been to increase the Speciality segment revenue, expenses, underlying operating profit, non-underlying operating items and operating profit by £4.2m, £3.8m, £0.4m, £0.2m and £0.2m respectively, with decreases to the CTP segment of the same amounts. The Speciality segment assets and liabilities have increased by £2.4m and £0.7m respectively, resulting in an increase to net assets of £1.7m with an equal but opposite adjustment to the CTP segment assets and liabilities.

^{2.} See the glossary on page 197.

^{3.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior period restatement.

for the year ended 31 March 2025

3 Segment reporting continued

Analysis by geographical segment

The business operates across the following geographical regions – the United Kingdom, North America, France and in lower-cost regions including the Czech Republic, China and India. The geographical analysis was as follows:

	External reve	External revenue		Net segment (liabilities)/assets		Expenditure on tangible and intangible fixed assets	
	2025 £000	Restated ² 2024 £000	2025 £000	Restated ^{1,2} 2024 £000	2025 £000	Restated ² 2024 £000	
United Kingdom	10,012	10,084	(51,342)	(39,576)	763	1,980	
Rest of Europe	30,486	26,198	11,607	12,362	87	648	
North America	44,230	68,474	20,840	21,846	266	4,867	
Rest of world	36,491	27,916	7,055	8,458	1,381	87	
	121,219	132,672	(11,840)	3,090	2,497	7,582	

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

The analysis of segment revenue represents revenue from external customers based upon the location of the customer.

The analysis of segment assets and capital expenditure is based upon the location of the assets.

The material components of the Central assets and liabilities are retirement benefit obligation net liability of £51.7m (31 March 2024: £37.2m), and net borrowings of £20.6m (31 March 2024: £24.3m).

One customer accounted for 36.1% (31 March 2024: 41.1%), another for 16.3% (31 March 2024: 13.3%) and a third for 14.4% (31 March 2024: 9.2%) of Group revenues and similar proportions of trade receivables.

No other customer accounted for more than 10% of Group revenues in the year.

Deferred tax assets by geographical location are as follows: United Kingdom £nil (31 March 2024: £nil), Rest of Europe £nil (31 March 2024: £nil), North America £0.5m (31 March 2024: £0.8m), Rest of world £0.1m (31 March 2024: £0.1m).

Total non-current assets by geographical location are as follows: United Kingdom £19.5m (31 March 2024: £20.6m), Rest of Europe £10.7m (31 March 2024: £10.8m), North America £23.5m (31 March 2024: £26.3m), Rest of World £5.3m (31 March 2024: £5.4m).

^{2.} The prior year comparatives have been restated to present Rest of Europe from Rest of world in order to provide a more granular analysis.

for the year ended 31 March 2025

4 Leases

The Group's leases are principally for warehouse and manufacturing facilities and assets, with a small number of vehicles and other equipment. Information about leases for which the Group is a lessee is presented below.

Amounts recognised in the statement of financial position

i) Right-of-use assets

Right-of-use assets related to leased properties and plant and equipment are presented as property, plant and equipment (see note 14).

		Plant and	
	Land and buildings	equipment	Total
	000£	£000	£000
Balance at 1 April 2023	6,207	6,244	12,451
Prior year restatement ¹	420	_	420
Balance at 1 April 2023 restated	6,627	6,244	12,871
Depreciation charge for the year – restated ¹	(2,458)	(1,084)	(3,542)
Additions to right-of-use assets	2,272	2,289	4,561
Assets transferred to right-of-use assets from owned property, plant and equipment	578	154	732
Derecognition of right-of-use assets	(70)	(25)	(95)
Reassessment of lease term	(1,310)	_	(1,310)
Impairment to right-of-use assets	(116)	(1,466)	(1,582)
Reclassification of assets	(153)	153	_
Effect of movements in foreign exchange	(122)	(63)	(185)
Balance at 31 March and 1 April 2024 – restated ¹	5,248	6,202	11,450
Depreciation charge for the year	(1,914)	(583)	(2,497)
Additions to right-of-use assets	1,303	121	1,424
Assets transferred to/(from) right-of-use assets	202	(283)	(81)
Derecognition of right-of-use assets	(66)	_	(66)
Effect of movements in foreign exchange	(39)	(106)	(145)
Balance at 31 March 2025	4,734	5,351	10,085

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

4 Leases continued

Amounts recognised in the statement of financial position continued

i) Right-of-use assets continued

The £0.1m derecognition of right-of-use assets in the year to 31 March 2025 is the net loss from exiting the Tucson, Arizona, US properties and exit from the leased offices in Ossett, UK following relocation of the Group's registered office to Mitcham, UK. This has been recognised as a non-underlying restructuring cost in the year.

Net £0.1m of right-of-use assets were transferred to owned assets.

As a result of the decision in the prior year to close the Tucson, Arizona, US facility, it was deemed by management that at 31 March 2024 there was reasonable certainty that the exit options within two of the property leases at that location would be exercised. As such, the lease liability was remeasured with a corresponding adjustment recognised against the right-of-use assets of £1.3m in that year. Further, an impairment of £0.1m was recognised as a non-underlying charge, classified as rationalisation costs in note 8, to impair the properties to value in use based upon expected closure date.

The prior year impairment to plant and equipment of £1.5m included £0.9m in respect to assets obtained for production on a leading global OEM customer who in December 2022 gave notice that they would not be proceeding into the production phase of their project. The announcement of the intended closure of the Tucson facility led to the recognition of a £0.6m impairment disclosed within non-underlying items.

ii) Lease liabilities

Lease liabilities have been presented as loans and borrowings, see note 19.

Amounts recognised in the income statement

	2025 £000	Restated ¹ 2024 £000
Interest on lease liabilities	679	1,042
Expenses relating to short-term leases	3	19
Depreciation and impairment expense on right-of-use assets	2,497	5,124
1 See note 1ii) Basis of preparation: prior year restatement, for the nature of the	nrior vear restatement	

Amounts recognised in the consolidated statement of cash flows

	2025 £000	2024 £000
Total cash outflow for leases	4,228	3,659

Break options

Some property leases contain break options exercisable by the Group, typically at the five-year anniversary of the lease inception. Where practicable, the Group seeks to include break options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the break options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise break options, would result in a decrease in lease liabilities of £1.2m (31 March 2024: decrease: £0.8m).

5 Revenue from contracts with customers

a) Nature of goods and services

The following is a description of the principal activities, separated by reportable segments, from which the Group generates its revenues. For more detailed information about reportable segments, see note 3.

i) CTP segment:

The CTP segment supplies value-adding engineered solutions from mould design, automation and production, to assembly and printing for the life science and precision component industries. This business operates internationally in a fast-growing and dynamic market underpinned by rapid technological development. CTP revenues comprise two typical project types: Manufacturing Solutions and Design & Engineering.

Manufacturing Solutions

The majority of the CTP business is in manufacturing injection moulded products.

Control of manufactured finished goods transfers to customers on delivery. Revenue is recognised at a point in time, on delivery of individual manufactured products to customers.

Design & Engineering

The CTP business also designs, builds and validates injection moulding tools for customers. Depending on the contract, each of these three elements of the design and engineering process may be deemed a distinct performance obligation under IFRS 15, or a single performance obligation, as contracts with customers may include one or more elements of the design and engineering process.

The majority of Design & Engineering performance obligations are satisfied over time, either on input methods (passage of time or costs to complete) or output methods (milestones achieved). These methods recognise revenue on a basis that is representative of the enhancement of the tool and therefore satisfaction of the performance obligation.

Some CTP contracts include both Design & Engineering and Manufacturing Solutions performance obligations. In most cases transaction price is as per the contracted agreement. There is no significant variable consideration.

for the year ended 31 March 2025

5 Revenue from contracts with customers continued

a) Nature of goods and services continued

ii) Speciality segment:

The Speciality segment delivers precise and durable components for the safety and performance of aircraft manufacturing, aerospace and optical industries.

Control of manufactured finished goods transfers to customers on delivery. Revenue is recognised at a point in time, on delivery of individual manufactured products to customers.

b) Disaggregation of revenue

Continuing operations: Major products/service lines	CTP 2025 £000	Restated ¹ CTP 2024 £000	Speciality 2025 £000	Restated ¹ Speciality 2024 £000	Total 2025 £000	Total 2024 £000
Manufacturing Solutions	93,443	99,222	14,221	11,880	107,664	111,102
Design & Engineering	13,555	21,570	_	_	13,555	21,570
	106,998	120,792	14,221	11,880	121,219	132,672
Timing of revenue recognition						
Products transferred at a point in time	93,552	99,391	14,221	11,880	107,773	111,271
Products and services transferred over time	13,446	21,401	_	_	13,446	21,401
	106,998	120,792	14,221	11,880	121,219	132,672

^{1.} Since 31 March 2024, the Group's Aerospace segment has been combined with the Specialised Optics business to form the Speciality segment. Previously, the Specialised Optics business was part of the CTP segment. Prior year comparatives have been restated to reflect this change. The impact of the restatement on the prior year is an increase to Speciality revenue of £4.2m and a decrease of the same amount from CTP Manufacturing Solutions revenue. See note 3 for more information.

Refer to note 3 for information on reliance on major customers.

for the year ended 31 March 2025

5 Revenue from contracts with customers continued

c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	£000	£000
Trade receivables (see note 17)	10,575	14,493
Contract assets (see note 16)	1,721	1,663
Contract liabilities	(1,624)	(2,998)
	10,672	13,158

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on its Design & Engineering contracts in the CTP segment.

Contract liabilities relate to the advance consideration received from customers before the related revenue has been recognised; this applies to Design & Engineering contracts in the CTP segment.

The following table provides information about revenue recognised in the current year that was included in the contract liability balance at the beginning of the year:

	£000	£000
Revenue recognised	2,831	4,604

2025

d) Transaction price allocated to remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are partially unsatisfied at the reporting date.

The Group is making use of the practical expedient not to include revenue on contracts with an original expected duration of one year or less.

Revenue expected to be recognised

	£000	£000
Design & Engineering	2,876	590

e) Significant payment terms

Design & Engineering contracts are invariably billed in several clearly identifiable stages, with standard payment terms being either 30 or 60 days. Typically, these are linked to key milestones being design, build and validation.

Billing of manufacturing product is typically on completion of particular production batches. Credit terms are usually negotiated between 30 and 60 days. Only pre-specified conditions would confer any right to the customer to return the product for a refund.

for the year ended 31 March 2025

6 Operating profit

Operating profit from continuing operations is arrived at as follows:

	2025	Restated ¹ 2024
	£000	£000
Revenue	121,219	132,672
Decrease in stocks of finished goods and work in progress	305	274
Raw materials and consumables	47,371	60,297
Personnel expenses (see note 7)	36,142	38,642
Impairment loss/(credit) on trade and other receivables, including		
contract assets (see note 17)	105	(43)
Amortisation of intangible assets (see note 13)	87	163
Depreciation of property, plant and equipment (see note 14)	6,456	7,859
Rent	82	593
Rates	703	771
Power	4,386	2,702
Carriage	1,585	1,853
Repairs and maintenance	2,437	2,779
Insurance	868	691
Computer costs	2,853	2,605

	2025 £000	Restated ¹ 2024 £000
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	275	280
Fees payable to the Company's auditor for overruns in respect to the prior year	46	150
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries, pursuant to legislation	499	160
Audit-related assurance services	46	42
Total auditor's remuneration	866	632
Non-underlying items: (see note 8)		
Refinancing costs	2,137	433
Rationalisation costs	122	3,360
Settlement of legacy claims	(1)	(284)
Past service cost in respect to retirement benefits	_	1,020
Net costs arising from cancellation of future supply agreement	_	188
Doubtful debt and related inventory provision	_	140
Total non-underlying items	2,258	4,857
Foreign exchange losses	133	63
Pension scheme administration costs	702	832
Other operating charges ²	6,300	5,402
	113,639	130,972
Operating profit	7,580	1,700

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Non-underlying items are set out in note 8. Rationalisation costs include £0.7m of employee-related costs, of which £0.3m is in respect of pension scheme administration costs and other rationalisation costs of £0.4m, less the reversal of £1.0m of previously provided costs following closure of the Tucson facility.

^{2.} Other operating charges includes other general costs relating to running the business, e.g. travel, welfare, telephone, training, printing and stationery etc.

for the year ended 31 March 2025

7 Personnel expenses

	2025 £000	2024 £000
Wages and salaries	30,725	33,114
Social security contributions	3,725	3,854
Charge in respect of defined contribution pension plans	1,248	1,201
Charge in respect of other pension plans	412	424
Share-based payments (see note 24)	32	49
	36,142	38,642
Non-underlying credit regarding past service costs		
(see notes 8 and 21)	-	1,020
	36,142	39,662

Redundancy costs arising from Group restructuring of £0.4m (2024: £0.5m) and £0.3m of other personnel costs (2024: £nil) are excluded from the above analysis and are included within rationalisation costs, part of non-underlying items, as set out in note 8.

Directors' remuneration and emoluments, which are included in this analysis, are described in the Directors' remuneration report on pages 73 to 93.

No options vested under the PSP scheme during the year or during the comparative year, therefore there were no gains made by the Directors to disclose. The Group recognised a net charge of \pounds 0.03m in the consolidated income statement in the year to 31 March 2025 (2024: \pounds 0.05m charge) for share-based payments. As well as adjusting for awards forfeited by leavers, the cumulative charge recognised over the vesting period requires adjustment to reflect the recalculated fair value of cash-settled share-based payments, and assessment of likely vesting for awards subject to non-market-based vesting conditions at each reporting date.

The average monthly number of persons employed by the Group during the year was as follows:

	2025 Number of employees	Restated ¹ 2024 Number of employees
By segment		
Central	21	19
CTP	846	954
Speciality	91	86
	958	1,059
By geographic location		
United Kingdom	325	295
North America	278	403
Rest of Europe	111	100
Rest of world	244	261
	958	1,059

Since 31 March 2024, the Group's Aerospace segment has been combined with the Specialised Optics business to form the Speciality segment. Previously, the Specialised Optics business was part of the CTP segment. Prior year comparatives have been restated to reflect this change.

for the year ended 31 March 2025

8 Non-underlying items

	2025	2024
	£000	£000
Continuing operations		
Refinancing costs	(2,137)	(433)
Rationalisation costs	(122)	(3,360)
Settlement of legacy claims	1	284
Past service cost in respect of retirement benefits	_	(1,020)
Net costs arising from cancellation of future supply agreement	_	(188)
Doubtful debt and related inventory provision	_	(140)
	(2,258)	(4,857)

The cash element of non-underlying items is a net outflow of £3.3m (2024: £0.6m). This is greater than the net non-underlying expense of £2.3m as the net expense includes the release of a £1.0m balance sheet provision.

Refinancing costs of £2.1m are legal and professional costs incurred by the Group, until 14 February 2025, on which date the Carclo plc Board of Directors agreed BZ Commercial Finance DAC ("BZ") as the preferred lender with whom the Group subsequently completed its refinancing on 24 April 2025, see note 31. Costs incurred after 14 February 2025 on the refinancing arrangement are deemed by the Group as directly attributable to the refinancing with BZ and £0.9m has been recognised within prepayments at 31 March 2025. In the accounts for the year ending 31 March 2026, the prepaid amounts will be reclassified to capitalise against the BZ loan balance and will be amortised over the term of the lending facility.

Rationalisation costs of £0.1m incurred during the year to 31 March 2025 relate to the restructuring of the Group. This is largely costs and credits arising from the US facility closures as part of the turnaround plan and includes the following: £0.7m employee related costs for severance and retention bonuses, £0.4m other closure related costs including costs to relocate plant and equipment, less £1.0m of balance sheet credits being £0.7m provisions and property lease liabilities released following surrender of the leased properties at the Tucson, Arizona facility and £0.3m for the reversal of asset provisions booked at 31 March 2024 no longer required (£0.2m plant and equipment, see note 14 and £0.1m inventory provision as the inventory was sold at cost during the year, see note 15). Prior year costs were similar in nature, including a combination of employee redundancy costs, site closure provisions and asset impairments.

Credits in the current and prior periods on settlement of legacy claims are the release of provisions booked for specific claims that have not been fully utilised following final settlement.

During the prior year, the Trustees of the Carclo Group Pension Scheme identified that a group of members required an adjustment to their benefits in respect of the requirement to provide equal benefits to males and females following the Barber judgement in 1990. In summary, the adjustment consisted of decreasing the normal retirement age from 65 to 60 for some members' benefits for some elements of service after 17 May 1990. This resulted in additional liabilities in the Scheme which were accounted for as a £1.0m past service cost in the income statement (approximately 0.8% of liabilities).

Prior period net costs arising from cancellation of future supply agreement relate to a customer who gave notice in December 2022. There have been no further costs in the current year.

In the financial year to March 2024, a customer of the CTP Division provided notice that it would cease to operate. Provision was made at the time for assets not expected to be recovered through credit insurance with a final provision being recognised in the prior year of $\pounds 0.1m$. The provision has been fully utilised and there have been no further costs in the current year.

9 Finance revenue and expense

	2025 £000	2024 £000
Continuing operations		
Finance revenue comprises:		
Interest receivable on cash and cash deposits	535	424
Other interest	36	_
Finance revenue	571	424
Finance expense comprises:		
Interest payable on bank loans and overdrafts	(3,075)	(3,141)
Lease interest	(679)	(1,042)
Interest on the net defined benefit pension liability	(1,745)	(1,826)
Other interest	_	(2)
Finance expense	(5,499)	(6,011)
Net finance expense	(4,928)	(5,587)

for the year ended 31 March 2025

10 Income tax (expense)/credit

The income tax (expense)/credit recognised in the consolidated income statement comprises:

£000	£000
_	_
(13)	(22)
,379)	(942)
(1)	(211)
,393)	(1,175)
(409)	1,419
13	193
9	61
(387)	1,673
,780)	498
	,393) (409) 13 9 (387)

Reconciliation of tax (expense)/credit for the year

The Group has reported an effective tax rate¹ for the period of 67.1% (2024: 12.8%) which is above the standard rate of UK corporation tax of 25% (2024: 25%).

The differences are explained as follows:

	2025		Restated ² 202	4
	£000	%	£000	%
Profit/(loss) before tax	2,652		(3,887)	
Income tax using standard rate of UK corporation tax of 25% (2024: 25%)	(663)	(25.0)	972	(25.0)
Expenses not deductible for tax purposes	(221)	(8.3)	(189)	4.9
Income not taxable	66	2.5	114	(2.9)
Adjustments in respect of overseas tax rates	127	4.8	157	(4.0)
Unprovided deferred tax movement	(654)	(24.7)	(732)	18.8
Adjustment to current tax in respect of prior periods (UK and overseas)	(14)	(0.5)	(232)	6.0
Adjustments to deferred tax in respect of prior periods (UK and overseas)	13	0.5	193	(5.0)
Foreign taxes expensed in the UK	(434)	(16.4)	54	(1.4)
Rate change on deferred tax	9	0.3	61	(1.6)
Foreign exchange currency loss	(9)	(0.3)	100	(2.6)
Total income tax (expense)/credit	(1,780)	(67.1)	498	(12.8)

^{1.} See the glossary on page 197.

^{2.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

10 Income tax (expense)/credit continued

Tax on items credited outside of the consolidated income statement

	2025 £000	2024 £000
Recognised in other comprehensive income:		
Foreign exchange movements	13	33
Total income tax credited to other comprehensive income – see note 20	13	33

11 Earnings/(loss) per share

The calculation of basic earnings per share is based on the profit/(loss) attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the year.

The calculation of diluted earnings per share is based on the profit/(loss) attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the year adjusted for dilutive options.

The result and average number of shares used in calculating the basic and diluted earnings per share are shown below:

	Restated ¹
2025	2024
£000	£000
872	(3,389)
_	_
872	(3,389)
	£000 872 —

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

	2025 Shares	2024 Shares
Weighted average number of ordinary shares in the year	73,419,193	73,419,193
Effect of dilutive share options in issue ¹	546,306	15,974
Weighted average number of ordinary shares (diluted) in the year for loss per share calculation	73,965,499	73,435,167
Effect of dilutive share options in issue ²	_	817,049
Weighted average number of ordinary shares (diluted) in the year for underlying earnings per share calculation ³	73,965,499	74,252,216

- 1. There are 15,974 vested shares outstanding that are not yet issued. 530,332 share options granted on 21 September 2023 are included in the calculation of the weighted average number of dilutive shares for earnings per share in the current year. The prior year excludes 817,049 share options granted on 21 September 2023 as they are anti-dilutive, however they have been included in the calculation of underlying earnings per share.
- 2. In the year ended 31 March 2024, 817,049 share options granted on 21 September 2023 are included in the calculation of underlying earnings per share.
- 3. See the glossary on page 197.

In addition to the above, the Company also calculates an earnings per share based on underlying profit³ as the Board believes this provides a more useful comparison of business trends and performance.

for the year ended 31 March 2025

11 Earnings/(loss) per share continued

The following table reconciles the Group's profit/(loss) to underlying profit after taxl used in calculating underlying earnings per share:

	2025 £000	Restated ² 2024 £000
Profit/(loss) attributable to equity holders of the parent	872	(3,389)
Continuing operations:		
Non-underlying – Refinancing costs net of tax	2,096	433
Non-underlying – Rationalisation and restructuring costs net of tax	173	2,690
Non-underlying – Settlement in respect to legacy claims net of tax	(1)	(284)
Non-underlying – Past service cost in respect to retirement benefits net of tax	_	1,020
Non-underlying – Net costs arising from cancellation of future supply agreement net of tax	_	146
Non-underlying – Doubtful debt and related inventory provision net of tax	_	109
Underlying profit after tax ¹ attributable to equity holders of the parent	3,140	725
1.0		

- 1. See the glossary on page 197.
- 2. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

The following table reconciles the Group's underlying operating profit to underlying profit after tax attributable to equity holders of the parent:

the parent ¹	3,140	725
Underlying profit after tax attributable to equity holders of		
Income tax expense	(1,770)	(245)
Finance expense	(5,499)	(6,011)
Finance revenue	571	424
Underlying operating profit ¹	9,838	6,557
	2025 £000	Restated ² 2024 £000

- 1. See the glossary on page 197.
- 2. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

The UK tax group is in a loss making position and deferred tax is not being recognised on those losses, therefore the UK effective tax rate is 0.0%. The total value of non-underlying items arising within entities which are outside of the UK tax group (US) is \pm 0.05m. The difference between gross non-underlying items and non-underlying items net of tax is just \pm 0.01m as there is no tax on the UK non-underlying items, the majority of which are within the Company.

The following table summarises the earnings per share figures based on the above data:

	2025	Restated ² 2024
	Pence	Pence
Basic earnings per share	1.2	(4.6)
Diluted earnings per share	1.2	(4.6)
Basic underlying earnings per share ¹	4.3	1.0
Diluted underlying earnings per share ¹	4.2	1.0

- 1. See the glossary on page 197.
- 2. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

12 Dividends paid and proposed

Under the terms of the previous HSBC borrowing facility agreement, in place up to the BZ refinancing completed in April 2025, the Company was not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025. Under the BZ borrowing facility agreement, dividend payments are permitted, but they require prior approval of the lender.

The current focus is on cash flow generation to support strategic growth and with the Company currently having insufficient distributable reserves, no dividend is permitted in respect of the year ended 31 March 2025. The Board will continue to review the Group financial performance, capital allocation and reserves regularly to determine the appropriate time for dividend payments.

for the year ended 31 March 2025

13 Intangible assets

		Patents and	Customer-		
		development	related	Computer software	Total
	Goodwill £000	costs £000	intangibles £000	£000	£000
Cost			2000		
Balance at 1 April 2023	24,099	16,802	588	1,952	43,441
Additions	_		_	95	95
Disposals	_	_	_	(356)	(356)
Effect of movements in foreign exchange	(968)	-	-	(10)	(978)
Balance at 31 March and 1 April 2024	23,131	16,802	588	1,681	42,202
Additions	-	_	_	49	49
Disposals	-	_	_	(307)	(307)
Effect of movements in foreign exchange	(339)	_	_	(7)	(346)
Balance at 31 March 2025	22,792	16,802	588	1,416	41,598
Amortisation					
Balance at 1 April 2023	1,089	16,740	588	1,561	19,978
Amortisation for the year	_	62	_	101	163
Impairment	_	_	_	_	_
Disposals	_	_	_	(144)	(144)
Effect of movements in foreign exchange	15	_	_	(7)	8
Balance at 31 March and 1 April 2024	1,104	16,802	588	1,511	20,005
Amortisation for the year	-	_	_	87	87
Disposals	-	_	_	(307)	(307)
Effect of movements in foreign exchange	18	_	_	(6)	12
Balance at 31 March 2025	1,122	16,802	588	1,285	19,797
Carrying amounts					
At 1 April 2023	23,010	62	_	391	23,463
At 31 March 2024	22,027	_	_	170	22,197
At 31 March 2025	21,670	_	_	131	21,801

for the year ended 31 March 2025

13 Intangible assets continued

During the year the Group incurred research and development costs of £0.2m (2024: £0.2m) which did not meet the criteria to be capitalised and have been included within operating expenses in the consolidated income statement.

Impairment tests for cash generating units containing goodwill

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill is allocated to the Group's principal CGUs, being the operating segments described in the operating segment descriptions in note 3.

The carrying value of goodwill at 31 March 2025 and 31 March 2024 is allocated wholly to the CTP cash generating unit as follows:

	2025	2024
	£000	£000
CTP	21,670	22,027

At 31 March 2025, the recoverable amount of the CTP cash generating unit was determined on a calculation of value in use, being the higher of that and fair value less costs of disposal ("FVLCD"). The recoverable amount calculated exceeds the carrying amount of the CTP CGU by £33.3m, confirming that there is no impairment of goodwill.

The value in use calculations use cash flow projections based upon financial budgets approved by the Board covering a three-year period. Cash flows beyond the three-year period are extrapolated using estimated growth rates of between 0.6% and 4.5% (31 March 2024: 1.5% and 4.3%) depending upon the market served.

The cash flows were discounted at a weighted average pre-tax discount rate of 17.1% (31 March 2024: 16.9%). The discount rate is calculated and reviewed annually and is based on the Group's weighted average cost of capital. Changes in income and expenditure are based on expectations of future changes in the market. Sensitivity testing of the recoverable amount to reasonably possible changes in key assumptions has been performed, including changes in the discount rate and changes in forecast cash flows.

All other assumptions unchanged, a 7.1% (31 March 2024: 1.6%) increase in the discount rate to 24.2% (31 March 2024: 18.5%), or a 31.5% (31 March 2024: 8.1%) decrease in underlying EBIT would reduce the headroom on the CTP CGU to £nil. Should the discount rate increase further than this or the profitability decrease further, then an impairment of the goodwill would be likely.

14 Property, plant and equipment

	Restated ⁱ Land and buildings	Plant and equipment	Restated ⁱ Total
	£000	£000	£000
Cost			
Balance at 1 April 2023	46,141	76,632	122,773
Prior year adjustment	900	_	900
Balance at 1 April 2023 restated	47,041	76,632	123,673
Additions	3,623	3,864	7,487
Disposals	(2,047)	(2,413)	(4,460)
Effect of movements in foreign exchange	(1,382)	(1,528)	(2,910)
Balance at 31 March and 1 April 2024	47,235	76,555	123,790
Additions	1,504	944	2,448
Disposals	(4,580)	(4,501)	(9,081)
Effect of movements in foreign exchange	(787)	(931)	(1,718)
Balance at 31 March 2025	43,372	72,067	115,439

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

14 Property, plant and equipment continued

	Restated ¹		
	Land and	Plant and	Restated ¹ Total
	buildings £000	equipment £000	£000
Depreciation and impairment losses			
Balance at 1 April 2023	20,674	56,778	77,452
Prior year restatement	480	_	480
Balance at 1 April 2023 restated	21,154	56,778	77,932
Depreciation charge for the year	3,982	3,877	7,859
Disposals	(2,282)	(1,472)	(3,754)
Reassessment of lease term	1,310	_	1,310
Impairment	116	1,850	1,966
Reversal of impairment	_	(74)	(74)
Effect of movements in foreign exchange	(701)	(1,149)	(1,850)
Balance at 31 March and 1 April 2024	23,579	59,810	83,389
Depreciation charge for the year	3,357	3,099	6,456
Disposals	(4,514)	(4,414)	(8,928)
Reversal of impairment	_	(209)	(209)
Effect of movements in foreign exchange	(407)	(704)	(1,111)
Balance at 31 March 2025	22,015	57,582	79,597
Carrying amounts			
At 1 April 2023	25,467	19,854	45,321
At 1 April 2023 restated ¹	25,887	19,854	45,741
At 31 March 2024	23,656	16,745	40,401
At 31 March 2025	21,357	14,485	35,842

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

At 31 March 2025, properties with a carrying amount of £2.0m were subject to a registered charge in favour of the Group pension scheme (31 March 2024: £2.8m) capped at £5.1m.

Property, plant and equipment includes right-of-use assets as set out in note 4.

In the prior year, the Group announced the intended closure of the Tucson, Arizona, US facility which led to impairment of certain individual assets at that site at 31 March 2024. This site has now been closed and the plant and equipment either sold, scrapped or transferred to the site at Latrobe, Pennsylvania, US for continued use in the business. £0.2m of the impairment recognised in the year ended 31 March 2024 on individual assets that were identified to be scrapped but which on closure of the facility were subsequently transferred to Latrobe for continuing use in the business, has been reversed. Those assets transferred to Latrobe will continue to be depreciated as normal. This has been recognised as a credit within non-underlying rationalisation costs in the income statement.

for the year ended 31 March 2025

15 Inventories

	2025 £000	2024 £000
Raw materials and consumables	4,680	5,736
Work in progress	894	762
Finished goods	4,354	4,791
	9,928	11,289

The value of inventories is stated after impairment for obsolescence and write downs to net realisable value of £0.5m (31 March 2024: £2.2m). The net credit to non-underlying items in respect to inventory provisions in the year to 31 March 2025 is £0.1m (31 March 2024: £0.2m charge).

16 Contract assets

	2025 £000	2024 £000
Contract assets – amounts due within one year	1,551	1,663
Contract assets – amounts due in more than one year	170	_
Total contract assets – see note 5	1,721	1,663

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets.

To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and are therefore not past due. The Group has reviewed the risk characteristics and considers them to be the same as the trade receivables not past due for the same types of contracts. The Group has concluded that the expected loss rates for contract assets in both the current and prior year would be immaterial.

Against an opening contract asset balance of £1.7m at 31 March 2024, £1.4m has been invoiced during the year to 31 March 2025.

17 Trade and other receivables

	2025 £000	2024 £000
Amounts due within one year		
Trade receivables	10,764	15,187
Less impairment provisions	(189)	(694)
	10,575	14,493
Prepayments	3,761	3,315
Other debtors	1,323	992
Trade and other receivables – due within one year	15,659	18,800
	2025 £000	2024 £000
Amounts due after one year		
Other debtors and prepayments	594	_
Trade and other receivables – due after one year	594	_

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

for the year ended 31 March 2025

17 Trade and other receivables continued

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. On that basis, the loss allowance as at 31 March was determined as follows for trade receivables:

	2025		2024			
	Gross carrying amount £000	Loss allowance £000	Expected loss rate %	Gross carrying amount £000	Loss allowance £000	Expected loss rate %
Not past due	9,668	110	1.1%	13,117	63	0.5%
Past due 0 – 30 days	913	3	0.3%	1,302	_	0.0%
Past due 31 – 60 days	107	4	3.7%	80	_	0.0%
Past due 61 – 120 days	21	17	81.0%	104	47	45.2%
More than 120 days	55	55	100%	584	584	100.0%
	10,764	189	1.8%	15,187	694	4.6%

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	£000	£000
Balance at 1 April	694	737
Amounts written off	(610)	_
Net measurement of loss allowance	105	(43)
Balance at 31 March	189	694

In the year ended 31 March 2023, a customer of the CTP segment in the US provided notice that it would be ceasing to operate and a provision of £0.6m was recognised in that year as a non-underlying cost. During the year to 31 March 2025, that debt and the related provision have been written off as there is no expectation that the debt will be recovered.

18 Cash and cash deposits

	2025 £000	2024 £000
Cash and cash deposits	10,745	10,453

Restated¹

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

At 31 March 2025 £1.4m cash was held on deposit (31 March 2024: £nil).

for the year ended 31 March 2025

18 Cash and cash deposits continued

The above figure reconciles to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

		Restated ¹
	2025	2024
	£000	£000
Cash and cash deposits	10,745	10,453
Bank overdrafts (see note 19)	(765)	(4,479)
Balance per statement of cash flows	9,980	5,974

^{1.} See note lii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Until 26 March 2025, the Group had a net UK multi-party, multi-currency overdraft facility with a £nil net limit and a £12.5m gross limit per party. Since that date, the Group does not have an overdraft facility available. At 31 March 2025, Carclo plc was briefly overdrawn due to timing of cash flows, however, the balance was immediately repaid on 1 April 2025, with no adverse consequence. The overdraft of £0.8m is presented within note 19. At prior year end, Carclo plc, a company party to the multi-currency facility at the time, had an overdraft of £4.5m which was presented within loans and borrowings, see note 19. As the UK overdraft facility had a £nil net limit, the equivalent value of cash, £4.5m, was not available for general use by the other entities within the Group at the prior period reporting date.

19 Loans and borrowings

		Restated ¹
	2025	2024
	£000	£000
Current		
Bank overdrafts	765	4,479
Bank loans:		
Term loan	21,233	2,299
Lease liabilities:		
Land and buildings	1,642	2,488
Plant and equipment	1,116	1,896
Other loans:		
Other	88	70
	24,844	11,232

		Restated ¹
	2025	2024
	£000	£000
Non-current		
Bank loans repayable between one and two years:		
Term loan	_	21,383
Revolving credit facility	_	300
Lease liabilities:		
Land and buildings	2,981	3,175
Plant and equipment	2,027	3,608
Other loans:		
Other loans repayable between one and two years	66	151
Other loans repayable between two and five years	31	61
	5,105	28,678
Total loans and borrowings	29,949	39,910

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

19 Loans and borrowings continued

Until 26 March 2025 the Group had a net UK multi-party, multi-currency overdraft facility with a £nil net limit and a £12.5m gross limit per party. Since that date, the Group does not have an overdraft facility available. At 31 March 2025, Carclo plc was briefly overdrawn due to timing of cash flows, however, the balance was immediately repaid on 1 April 2025, with no adverse consequences. At prior year end, Carclo plc, a company party to the multi-currency facility at the time, had an overdraft of £4.5m which is also presented within loans and borrowings. The overdraft was used for cash management purposes and bore interest at between 2.0% and 4.5% above prevailing UK bank base rates.

On 5 July 2024 the debt facilities available to the Group at 31 March 2025 were successfully extended to 31 December 2025. At the balance sheet date, the facilities comprised a term loan of £21.4m (31 March 2024: £24.0m) and a £3.5m (31 March 2024: £3.5m) revolving credit facility. The facilities have subsequently been repaid in full on 24 April 2025 when the Group completed its refinancing arrangements with its new lending partner, BZ Commercial Finance DAC ("BZ"). See note 31 for further information.

At 31 March 2025, the term loans were denominated as follows: sterling 7.0m, US dollar 13.3m and euro 4.9m; the revolving credit facility was denominated in sterling. £nil was drawn on the revolving credit facility at 31 March 2025 (31 March 2024: £0.3m), this facility was also surrendered on 24 April 2025.

An arrangement fee of £0.2m became payable on 5 July 2024 following the extension of the Group's committed facilities with its lending bank, this has been paid in full in the year and has been deducted from the carrying value of the term loan. This along with other arrangement fees capitalised, are being amortised over the period to termination date. In total, £0.3m was amortised in the year ended 31 March 2025.

Bank loans incur interest at between 2.5% and 4.5% above prevailing bank reference rates.

Bank facilities at 31 March 2025 were subject to four quarterly covenant tests as follows:

- 1. underlying interest cover;
- 2. net debt to underlying EBITDA;
- 3. core subsidiary underlying EBITA; and
- 4. core subsidiary revenue.

Core subsidiaries were defined as Carclo Technical Plastics Ltd, Bruntons Aero Products Ltd, Carclo Technical Plastics (Brno) s.r.o, CTP Carrera Inc and Jacottet Industrie SAS, with CTP Taicang Co., Ltd and Carclo Technical Plastics Pvt Co Ltd being treated as non-core for the purposes of these covenants.

The Group complied with the financial covenants of its borrowing facilities during the financial reporting period.

Under the terms of the first amendment and restatement agreement, the Group is not permitted to make a dividend payment to the shareholders of Carclo plc up to the period ending 31 December 2025.

Bank loans included £21.4m (31 March 2024: £24.3m) secured on the assets of the Group. The bank loan facilities were secured by guarantees from certain Group companies and by fixed and floating charges over certain of the assets of a number of the Group's companies.

Security is granted by certain Group companies to the bank such that at 31 March 2025 the gross value of the assets secured, which included applicable intra-group balances, goodwill and investments in subsidiaries at net book value in the relevant component companies' accounts, but which eliminate in the Group upon consolidation, amounted to £117.7m (31 March 2024: £202.5m). Excluding the assets which eliminate in the Group upon consolidation, the value of the security was £25.3m (31 March 2024: £24.6m).

for the year ended 31 March 2025

19 Loans and borrowings continued

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Restated ⁱ bank overdraft	Term Ioan	Revolving credit facility	Lease liabilities	Other Ioans	Restated ¹ Total
	000£	£000	£000	£000	£000	£000
Balance at 1 April 2023	6,534	28,950	3,500	11,870	394	51,248
Changes from financing cash flows						
Drawing on new facilities	_	_	_	_	53	53
Transaction costs associated with the issue of debt	_	(100)	_	_	_	(100)
Repayment of borrowings	_	(5,050)	(3,200)	(4,701)	(132)	(13,083)
Changes in bank overdraft	(2,255)	_	_	_	_	(2,255)
Interest paid	200	_	_	_	_	200
	(2,055)	(5,150)	(3,200)	(4,701)	(79)	(15,185)
Effect of changes in foreign exchange rates	_	(332)	_	(229)	(33)	(594)
Liability-related other changes						
Drawings on new facilities	_	_	_	4,583	_	4,583
Reassessment of lease liability	_	_	_	(1,349)	_	(1,349)
Termination of facilities	_	_	_	(49)	_	(49)
Interest expense	_	214	_	1,042	_	1,256
	_	214	_	4,227	_	4,441
Balance at 31 March 2024	4,479	23,682	300	11,167	282	39,910

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

19 Loans and borrowings continued

Reconciliation of movements of liabilities to cash flows arising from financing activities continued

	Bank	Term	Revolving	Lease	Other	
	overdraft	loan	credit facility	liabilities	loans	Total
	0003	£000	£000	£000	£000	£000
Balance at 1 April 2024 ¹	4,479	23,682	300	11,167	282	39,910
Changes from financing cash flows						
Transaction costs associated with the issue of debt	_	(150)	_	_	_	(150)
Repayment of borrowings	_	(2,225)	(300)	(4,907)	(95)	(7,527)
Changes in bank overdraft	(4,184)	_	_	_	_	(4,184)
Interest paid	470	_	_	_	_	470
	(3,714)	(2,375)	(300)	(4,907)	(95)	(11,391)
Effect of changes in foreign exchange rates	_	(371)	_	(161)	(2)	(534)
Liability-related other changes						
Drawings on new facilities	-	_	_	1,327	_	1,327
Termination of facilities	_	_	_	(339)	_	(339)
Interest expense	-	297	_	679	_	976
	_	297	-	1,667	_	1,964
Balance at 31 March 2025	765	21,233	_	7,766	185	29,949

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

20 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2025 £000	2024 £000
Assets:	2000	
Property, plant and equipment	323	319
Short-term timing differences	286	1,224
Tax losses	648	76
Offset with deferred tax liabilities	(616)	(755)
Deferred tax assets	641	864
Liabilities:		
Intangible assets	(2,441)	(2,476)
Property, plant and equipment	(854)	(874)
Short-term timing differences	(71)	(177)
Foreign tax on undistributed foreign profits	(291)	(118)
Offset with deferred tax assets	616	755
Deferred tax liabilities	(3,041)	(2,890)
Net deferred tax liability	(2,400)	(2,026)

for the year ended 31 March 2025

20 Deferred tax assets and liabilities continued

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	£000	£000
Tax losses – trading	5,997	6,285
Tax losses – capital	50	52
Tax losses – non-trading	737	1,230
Property, plant and equipment	3,021	2,775
Short-term timing differences	1,616	470
Employee benefits	12,936	9,298
	24,357	20,110

Deferred tax assets have not been recognised to the extent that the underlying timing differences are not expected to reverse. The nature of the tax regimes in certain regions in which the Group operates are such that tax losses may arise even though the business is profitable. This situation is expected to continue in the medium term.

Capital losses will be recognised at the point when a transaction gives rise to an offsetable capital gain; this was not the case at 31 March 2025. Similarly, non-trading losses will only be utilised against future non-trading profits. No such non-trading profits are foreseen at 31 March 2025.

£0.1m of the short-term timing differences recognised at 31 March 2025 (31 March 2024: £0.1m) are time restricted to five years. The remainder are available to carry forward without time restriction.

At 31 March 2025, £0.3m of deferred tax liabilities were recognised for taxes that would be deductible on the unremitted earnings of the Group's overseas subsidiary undertakings (31 March 2024: £0.1m). As the Group policy is to continually reinvest in those businesses, provision has not been made against unremitted earnings that are not planned to be remitted. If all earnings were remitted it is estimated that £0.7m of additional tax would be payable (31 March 2024: £0.7m).

Deferred tax assets and liabilities at 31 March 2025 have been calculated based on the rates substantively enacted at the balance sheet date.

The main rate of corporation tax became 25% from 1 April 2023. Deferred tax on future UK balances has been calculated based on this rate. Overseas taxes are calculated at the rates prevailing in the respective jurisdictions.

for the year ended 31 March 2025

20 Deferred tax assets and liabilities continued

Reconciliation of movement in net recognised deferred tax liabilities

	Balance at 1 April 2024 £000	Recognised in income £000	Recognised in other comprehensive income £000	Balance at 31 March 2025 £000
Property, plant and equipment	(553)	23	(1)	(531)
Intangible assets	(2,475)	_	34	(2,441)
Short-term timing differences	1,045	(830)	_	215
Tax losses	76	591	(19)	648
Foreign tax on undistributed foreign profits	(119)	(171)	(1)	(291)
	(2,026)	(387)	13	(2,400)
			Recognised in other	
	Balance at 1 April 2023 £000	Recognised in income £000	comprehensive income £000	Balance at 31 March 2024 £000
Property, plant and equipment	(1,709)	1,136	20	(553)
Intangible assets	(2,504)	_	29	(2,475)
Short-term timing differences	653	401	(9)	1,045
Tax losses	176	(93)	(7)	76
Foreign tax on undistributed foreign profits	(348)	229	_	(119)
	(3,732)	1,673	33	(2,026)

for the year ended 31 March 2025

21 Retirement benefit obligations

The Group operates a UK defined benefit pension scheme which provides pensions based on service and final pay. Outside of the UK, retirement benefits are determined according to local practice and funded accordingly.

In the UK, Carclo plc sponsors the Carclo Group Pension Scheme (the "Scheme"), a funded defined benefit pension scheme which provides defined benefits for some of its members. This is a legally separate, trustee-administered fund holding the Scheme's assets to meet long-term pension liabilities for some 2,360 current and past employees as at 31 March 2025.

The Trustees of the Scheme are required to act in the best interest of the Scheme's beneficiaries. The appointment of the Trustees is determined by the Scheme's trust documentation. It is policy that one-third of all Trustees should be nominated by the members. The Trustees currently comprise two Company-nominated Trustees (of which one is an independent professional Trustee and one is the independent professional Chairperson) as well as one member-nominated Trustee. The Trustees are also responsible for the investment of the Scheme's assets.

The Scheme provides pensions and lump sums to members on retirement and to their dependants on death. The level of retirement benefit is principally based on final pensionable salary prior to leaving active service and is linked to changes in inflation up to retirement. The defined benefit section is closed to new entrants who instead have the option of entering into the defined contribution section of the Scheme, and the Group has elected to cease future accrual for existing members of the defined benefit section such that members who have not yet retired are entitled to a deferred pension.

The Company currently pays contributions to the Scheme as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme whereas the accounting assumptions that support the IAS 19 calculation must be best estimates.

The Scheme is subject to the funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

A full actuarial valuation was carried out on a technical provisions basis as at 31 March 2024 in accordance with the scheme funding requirements of the Pensions Act 2004. The funding of the Scheme is agreed between the Group and the Trustees in line with those requirements. These, in particular, require the surplus or deficit to be calculated using prudent, as opposed to best estimate, actuarial assumptions. The 31 March 2024 actuarial valuation showed a deficit of £64.5m (31 March 2021 actuarial valuation deficit: £82.8m). Under the recovery plan agreed with the Trustees following the 2024 valuation, the Group agreed that it would aim to eliminate the deficit over a period of 13 years and seven months commencing 1 April 2024 and continuing until 31 October 2037, by the payment of annual contributions combined with the assumed asset returns in excess of gilt yields. The Trustees and the Group have agreed that contributions will be paid to the Scheme as follows: £3.5m per annum payable monthly for a period of five years from 1 April 2024 to 31 March 2029 and £5.75m per annum payable monthly for a period of eight years and seven months from 1 April 2029 to 31 October 2037, plus £5.1m as a one-off lump sum payment on 24 April 2025. These contributions include an allowance of £0.6m in respect of the expenses of running the Scheme and the Pension Protection Fund ("PPF") levy in years ending 31 March 2026 onwards.

At each triennial valuation, the schedule of contributions is reviewed and reconsidered between the employer and the Trustees; the next review being no later than by 30 June 2028 after the results of the 31 March 2027 triennial valuation are known.

On 14 August 2020, security was granted by certain Group companies to the Scheme Trustees. As at 31 March 2025 the gross value of the assets secured, which includes applicable intra-group balances, goodwill and investments in subsidiaries at net book value in the relevant component companies' accounts, but which eliminate in the Group upon consolidation, amounted to £122.8m (31 March 2024: £207.6m). Excluding the assets which eliminate in the Group upon consolidation, the value of the security was £30.5m (31 March 2024: £29.7m).

For the purposes of IAS 19, the results of the actuarial valuation as at 31 March 2024, which was carried out by a qualified independent actuary, have been updated on an approximate basis to 31 March 2025. There have been no changes in the valuation methodology adopted for this year's disclosures compared to the previous year's disclosures.

The Scheme exposes the Group to actuarial risks and the key risks are set out in the table presented on page 146. In each instance these risks would detrimentally impact the Group's statement of financial position and may give rise to increased interest costs in the Group income statement. The Trustees could require higher cash contributions or additional security from the Group.

The Trustees manage governance and operational risks through a number of internal controls policies, including a risk register and integrated risk management.

for the year ended 31 March 2025

21 Retirement benefit obligations continued

Risk	Description	Mitigation
Investment risk	Weaker than expected investment returns result in a worsening in the Scheme's funding position.	The Trustees continually monitor investment risk and performance and dedicate specific time at each meeting for such duties. In addition, specific investment focused meetings, which include a Group representative, take place to consider investment strategy. The Trustees are advised by professional investment advisors. As well as investing in specific asset classes, an investment manager operates tactical investment management of the plan assets.
		The Scheme currently invests approximately 64% of its asset value in liability-driven investments, 32% in a portfolio of diversified growth funds and 4% in cash and liquidity funds. The objective of the growth portfolio is that in combination, the matching credit, liability-driven investments and cash components generate sufficient return to meet the overall portfolio return objective.
Interest rate risk	A decrease in corporate bond yields increases the present value of the IAS 19 defined benefit obligations.	The Trustees' investment strategy includes investing in liability-driven investments and bonds whose values increase with decreases in interest rates.
	A decrease in gilt yields results in a worsening in the Scheme's funding position.	At the end of the Group's accounting period, approximately 60% of the Scheme's liabilities were hedged on the Scheme's technical provisions basis against interest rates using liability-driven investments. This percentage is set to increase to c.75% after the accounting year end.
		It should be noted that the Scheme hedges interest rate risk on a statutory and long-term funding basis (gilts) whereas AA corporate bonds are implicit in the IAS 19 discount rate and so there is some mismatching risk to the Group should yields on gilts and corporate bonds diverge.
Inflation risk	An increase in inflation results in higher benefit increases for members which in turn increases the Scheme's liabilities.	The Trustees' investment strategy at the end of the Group's accounting period included investing in liability-driven investments which will move with inflation expectations with approximately 60% of the Scheme's inflation-linked liabilities being hedged on the Scheme's technical provisions basis. Again, this percentage is set to increase to 75% after the accounting year end. The growth assets held are expected to provide protection over inflation in the long term.
Mortality risk	An increase in life expectancy leads to benefits being payable for a longer period which results in an increase in the Scheme's liabilities.	The Trustees' actuary provides regular updates on mortality, based on scheme experience, and the assumption continues to be reviewed.

for the year ended 31 March 2025

21 Retirement benefit obligations continued

The amounts recognised in the statement of financial position in respect of the defined benefit scheme were as follows:

	2025	2024
	£000	£000
Present value of funded obligations	(133,155)	(130,420)
Fair value of Scheme assets	81,412	93,234
Recognised liability for defined benefit obligations	(51,743)	(37,186)

The present value of Scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out of the Scheme using the projected unit credit method. The value calculated in this way is reflected in the net liability in the statement of financial position as shown above.

The projected unit credit method is an accrued benefits valuation method in which allowance is made for projected earnings increases. The accumulated benefit obligation is an alternative actuarial measure of the Scheme's liabilities whose calculation differs from that under the projected unit credit method in that it includes no assumption for future earnings increases. In this case, as the Scheme is closed to future accrual, the accumulated benefit obligation is equal to the valuation using the projected unit credit method.

All actuarial remeasurement gains and losses will be recognised in the year in which they occur in other comprehensive income.

The cumulative remeasurement net loss reported in the statement of comprehensive income since 1 April 2004 is £69.4m.

IFRIC 14 has no effect on the figures disclosed because the Company has an unconditional right to a refund under the resulting trust principle.

Movements in the net liability for defined benefit obligations recognised in the consolidated statement of financial position

	2025 £000	2024 £000
Net liability for defined benefit obligations at the start of the year	(37,186)	(34,493)
Contributions paid	3,208	3,500
Net expense recognised in the consolidated income statement (see below)	(2,512)	(3,525)
Remeasurement losses recognised in other comprehensive income	(15,253)	(2,668)
Net liability for defined benefit obligations at the end of the year	(51,743)	(37,186)

Movements in the present value of defined benefit obligations

	2025 £000	2024 £000
Defined benefit obligation at the start of the year	130,420	134,091
Interest expense	6,089	6,615
Actuarial loss due to scheme experience	5,809	1,308
Actuarial loss/(gain) due to changes in demographic assumptions	11,051	(2,187)
Actuarial (gain)/loss due to changes in financial assumptions	(10,332)	585
Benefits paid	(9,882)	(11,012)
Past service cost (see note 8)	_	1,020
Defined benefit obligation at the end of the year	133,155	130,420

There have been no plan amendments, curtailments or settlements during the year.

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions ("GMPs") accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation.

The Trustees of the plan will need to obtain legal advice covering the impact of the ruling on the plan, before deciding with the employer on the method to adopt. The legal advice will need to consider (amongst other things) the appropriate GMP equalisation solution, whether there should be a time limit on the obligation to make back-payments to members (the "look-back" period) and the treatment of former members (members who have died without a spouse and members who have transferred out for example).

In the year to 31 March 2020, the Trustees commissioned scheme-specific calculations to determine the likely impact of the ruling on the Scheme. An allowance for the impact of GMP equalisation was included within the accounting figures for that year, increasing liabilities by 1.68%, and a resulting past service cost of £3.6m was recognised in the income statement at that time. The Scheme has not yet implemented GMP equalisation and therefore the allowance made in 2019 has been maintained for accounting disclosures.

On 20 November 2020, the High Court issued a supplementary ruling in the Lloyds Bank GMP equalisation case with respect to members that have transferred out of their scheme prior to the ruling. The results mean that Trustees are obliged to make top-up payments that reflect equalisation benefits and to make top-up payments where this was not the case in the past. Also, a defined benefit scheme that received a transfer is concurrently obliged to provide equalised benefits in respect to the transfer payments and, finally, there were no exclusions on the grounds of discharge forms, CETV legislation, forfeiture provisions or the Limitation Act 1980.

for the year ended 31 March 2025

21 Retirement benefit obligations continued

Movements in the present value of defined benefit obligations continued

The impact of this ruling was estimated to cost £0.2m (approximately 0.1% of liabilities). This additional service cost was recognised through the income statement as a past service cost in the year ended 31 March 2021 and was presented within non-underlying items and therefore the impact of the ruling is allowed for in the figures presented at 31 March 2025.

During the year to 31 March 2024, the Trustees of the Scheme identified that a group of members required an adjustment to their benefits in respect of the requirement to provide equal benefits to males and females following the Barber judgement in 1990. In summary, the adjustment consisted of decreasing the normal retirement age from 65 to 60 for some members' benefits, for some elements of service after 17 May 1990. This resulted in additional liabilities in the Scheme which were accounted for as a £1.0m past service cost in the income statement, recognised as a non-underlying cost (approximately 0.8% of liabilities) in the prior year.

In June 2023, the judgement in the Virgin Media v NTL Pension Trustees Limited case was handed down. The case decided that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision. The decision has a wide range of implications, affecting other schemes that were contracted out on a salary related basis, and made amendments between April 1997 and April 2016. Historic scheme amendments without the appropriate certification might now be considered invalid, leading to additional unforeseen liabilities.

The Carclo Group Scheme was contracted out and amendments were made during the relevant period. As such, the ruling could have implications for the Company. Carclo has been supporting the Trustees of the Scheme to begin the process of investigating any potential impact for the Scheme. This has included compiling a list of all the relevant deeds and amendments made over the relevant period and determining which of these could have a material impact on member benefits and identifying areas where further investigation is required.

As the detailed investigation is currently ongoing, the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient certainty at 31 March 2025. As such, it is identified as a potential contingent liability at the year end. The situation will be reviewed again at the next reporting date when there may be further clarity. Until then, the Company and the Trustees will continue to seek legal advice on the matter and will act accordingly.

The Scheme liabilities are split between active, deferred and pensioner members at 31 March as follows:

	2025	2024
	%	%
Active	_	_
Deferred	27	28
Pensioners	73	72
	100	100
Movements in the fair value of Scheme assets		
Movements in the rail value of scheme assets	2025	2024
	£000	£000
Fair value of Scheme assets at the start of the year	93,234	99,598
Interest income	4,344	4,789
Loss on Scheme assets excluding interest income	(8,725)	(2,962)
Contributions by employer	3,208	3,500
Benefits paid	(9,882)	(11,012)
Expenses paid	(767)	(679)
Fair value of Scheme assets at the end of the year	81,412	93,234
Actual (loss)/gain on Scheme assets	(4,381)	1,827
The fair value of Scheme asset investments was as follows:		
	2025 £000	2024 £000
Diversified growth funds	26,160	27,484
Bonds and liability-driven investment funds	52,011	63,777
Cash and liquidity funds	3,241	1,973
Total assets	81,412	93,234

for the year ended 31 March 2025

21 Retirement benefit obligations continued

Movements in the fair value of Scheme assets continued

None of the fair values of the assets shown on the previous page include any of the Group's own financial instruments or any property occupied, or other assets used by the Group.

All of the Scheme assets have a quoted market price in an active market with the exception of the Trustees' bank account balance.

Diversified growth funds are pooled funds invested across a diversified range of assets with the aim of giving long-term investment growth with lower short-term volatility than equities.

It is the policy of the Trustees and the Group to review the investment strategy at the time of each funding valuation. The Trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the Scheme are set out in the Statement of Investment Principles.

A proportion of the Scheme's assets is invested in the BMO LDI Nominal Dynamic LDI Fund and in the BMO LDI Real Dynamic LDI Fund which provides a degree of asset liability matching.

The net expense recognised in the consolidated income statement was as follows:

	2025 £000	2024 £000
Past service cost	_	1,020
Net interest on the net defined benefit liability	1,745	1,826
Scheme administration expenses	767	679
	2,512	3,525

The net expense recognised in the following line items in the consolidated income statement was as follows:

	2025 £000	2024 £000
Charged to operating profit	482	662
Charged to non-underlying items	285	1,037
Finance expense – interest on the net defined benefit pension liability	1,745	1,826
	2,512	3,525

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were:

	2025	2024
	%	%
Discount rate at 31 March	5.65	4.85
Future salary increases	N/A	N/A
Inflation (RPI) (non-pensioner)	3.2	3.3
Inflation (CPI) (non-pensioner)	2.7	2.8
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.3	3.3
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.8	2.8
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.0	3.05
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.1	2.15
Allowance for pension in payment increases of RPI or 5% p.a. if less,		
minimum 3% p.a.	3.75	3.75
Allowance for pension in payment increases of RPI or 5% p.a. if less,		
minimum 4% p.a.	4.30	4.30

The mortality assumptions adopted at 31 March 2025 are 127% of each of the standard tables S3PMA/S3PFA (31 March 2024: 165% of S3PMA/S3PFA respectively), year of birth, no age rating for males and females, projected using CMI_2023 (31 March 2024: CMI_2022) converging to 1.0% p.a. (31 March 2024: 1.0%) with a smoothing parameter 7.0% (31 March 2024: 7.0%).

It is recognised that the Core CMI_2023 model is likely to represent an overly cautious view of experience in the near term. As a result, management has applied judgement and has adopted w2022 and w2023 parameters of 100% (compared with 15% under the Core model). This is consistent with management's view of future mortality improvements last year, but with different parameters to reflect the different convention set by the CMI in the 2023 model. This will be kept under review in the future. These assumptions imply the following life expectancies:

	2025	2024
Life expectancy for a male (current pensioner) aged 65	19.3 years	17.4 years
Life expectancy for a female (current pensioner) aged 65	21.3 years	20.1 years
Life expectancy at 65 for a male aged 45	20.2 years	18.3 years
Life expectancy at 65 for a female aged 45	22.5 years	21.2 years

for the year ended 31 March 2025

21 Retirement benefit obligations continued

It is assumed that 80% of the post A-Day maximum for active and deferred members will be commuted for cash (31 March 2024: 75%).

Pension Increase Exchange take-up was estimated to be 40% on implementation in the year ended 31 March 2022; there has been no change made to this assumption nor to the 2021 bridging pension option take-up of 40%.

The pension scheme liabilities are derived using actuarial assumptions for inflation, future salary increases, discount rates, mortality rates and commutation. Due to the relative size of the Scheme's liabilities, small changes to these assumptions can give rise to a significant impact on the pension scheme deficit reported in the Group statement of financial position.

The sensitivity to the principal actuarial assumptions of the present value of the defined benefit obligation is shown in the following table:

	2025 %	2025 £000	2024	2024 £000
Discount rate ¹	70	£000	70	£000
Increase of 0.25% per annum	(2.19%)	(2,913)	(2.52%)	(3,194)
Decrease of 0.25% per annum	2.27%	3,028	2.63%	3,334
Decrease of 1.0% per annum	9.66%	12,869	11.25%	14,253
Inflation ²				
Increase of 0.25% per annum	0.46%	610	0.83%	1,057
Increase of 1.0% per annum	2.22%	2,951	3.18%	4,032
Decrease of 1.0% per annum	(2.25%)	(2,994)	(2.94%)	(3,730)
Life expectancy				
Increase of 1 year	4.03%	5,361	4.37%	5,545

^{1.} At 31 March 2025, the assumed discount rate is 5.65% (31 March 2024: 4.85%).

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation and pension increases.

The weighted average duration of the defined benefit pension obligation at 31 March 2025 is ten years (31 March 2024: ten years).

The life expectancy assumption at 31 March 2025 is based upon increasing the age rating assumption by one year (31 March 2024: one year).

Other than those specifically mentioned above, there were no changes in the methods and assumptions used in preparing the sensitivity analysis from the prior year.

^{2.} At 31 March 2025, the assumed rate of RPI inflation is 3.2% and CPI inflation 2.7% (31 March 2024: RPI 3.3% and CPI 2.8%).

for the year ended 31 March 2025

21 Retirement benefit obligations continued

The history of the Scheme's deficits and experience gains and losses is shown in the following table:

	2025	2024
	000£	£000
Present value of funded obligation	(133,155)	(130,420)
Fair value of Scheme asset investments	81,412	93,234
Recognised liability for defined benefit obligations	(51,743)	(37,186)
Actual (loss)/gain on Scheme assets	(4,381)	1,827
Actuarial (loss)/gains due to changes in demographic assumptions	(11,051)	2,187
Actuarial gains/(losses) due to changes in financial assumptions	10,332	(585)

22 Provisions

		2025					Restated 2024		
	Tucson, US restructuring £000	Legacy health claims £000	Property dilapidation £000	Total £000	Tucson, US restructuring £000	Legacy health claims £000	Onerous contract £000	Property dilapidation £000	Total £000
Balance at 1 April	709	12	900	1,621	_	302	171	900	1,373
Provision established in the year	_	_	75	75	709	12	_	_	721
Provisions used in the year	(261)	(11)	_	(272)	_	(6)	(171)	_	(177)
Provision released in the year	(448)	(1)	_	(449)	_	(296)	_	_	(296)
Balance at 31 March	_	_	975	975	709	12	_	900	1,621
Non-current	_	_	975	975	_	_	_	900	900
Current	_	_	_	-	709	12	_	_	721

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Following the announcement of the closure of the Tucson, Arizona, US facility on 14 February 2024, provision was made in the year ended 31 March 2024 for employee redundancy and dilapidations relating to the leased properties on that site. These costs were recognised as non-underlying in that year. Provisions recognised were management's best estimate of the costs at the time, that would be required to settle the Group's obligation at a future date. Advice had been sought from a third party who provided an estimate of the cost to make-good the properties prior to exit, however, on exiting the property in September 2024, settlement was reached with the landlord and no payment for dilapidations was required. As a result, the £0.4m dilapidation provision has been released as a credit to non-underlying items in the current year, see note 8. Other provisions were recognised at 31 March 2024 for impairment of fixed assets and inventory at the Tucson site and were deducted from the carrying value of the respective assets on the balance sheet. All Tucson closure-related costs were recognised as non-underlying in the income statement in the period to 31 March 2024.

During the year ended 31 March 2025, provision has been made for dilapidations on the property lease at the CTP China facility, a corresponding asset has been recognised within right-of-use asset additions in the current year. There is also a £0.9m dilapidation for the CTP UK facility which is brought forward from prior year. The amount of provision for dilapidation is management's best estimate of the cost per sq ft to make good the properties should they be vacated at any time in the future. The provisions are not discounted as the impact of discounting is not significant. Local management at CTP UK are in the process of renegotiating the lease extension and although it is more than one year, the future timing of the expected cash outflow of economic benefits is uncertain. CTP China's property lease has just been extended. As none of the relevant leases expire in less than twelve months, the provisions have been classified as non-current.

for the year ended 31 March 2025

22 Provisions continued

Provision was made in the year to 31 March 2023 for legacy health-related claims which were classified as non-underlying in the income statement. The outcome was determined during the prior year, resulting in the release of the provision, less costs, back to non-underlying items as a credit. During the year to 31 March 2024, provision was made for a new claim; external advice was sought, and the provision has been settled during the year ended 31 March 2025. The balance on the provision not utilised has been credited to non-underlying items in the current year.

The prior year onerous contract related to the short lease at the CTP US site in Derry, New Hampshire which ended mid-March 2024 when the site was closed; the provision which had been recognised at 31 March 2023 was fully utilised in the prior year.

23 Trade and other payables - falling due within one year

	2025	2024
	£000	£000
Trade payables	9,697	10,005
Other taxes and social security costs	806	712
Other payables	1,830	1,405
Accruals	8,458	5,368
	20,791	17,490

24 Ordinary share capital

Ordinary shares of 5 pence each

	of shares	£000
Issued and fully paid at 31 March 2024 and 2025	73,419,193	3,671

There are 15,974 vested shares outstanding in respect of a buyout award granted to a former Director of the Company. These are yet to be issued.

There are 3,113,862 potential share options outstanding under the performance share plan at 31 March 2025 (31 March 2024: 4,606,957). No options vested during the year to 31 March 2025 (31 March 2024: nil). Outstanding awards under the performance share plan are as follows:

	granted	shares	Price	date of vesting
Performance share plan	3 August 2022	558,862	nil	3 August 2025
Performance share plan	21 September 2023	2,555,000	nil	21 September 2026

Conditional share awards have been granted to Executive Directors and senior managers within the Group under the Carclo plc 2017 Performance Share Plan (the "PSP"). In addition, a number of managers have been granted conditional cash awards linked to the future value of Carclo plc shares, which also fall within the scope of IFRS 2 Share-based Payment.

for the year ended 31 March 2025

24 Ordinary share capital continued

The vesting conditions for the outstanding cash and equity awards are linked to continued employment and satisfaction of market-based and non-market-based performance conditions.

As required under IFRS 2, a charge is recognised for the conditional share awards and conditional cash awards granted under the PSP, and awards are valued using a Monte Carlo model and a Black Scholes-model.

Additional awards granted to Executive Directors are subject to a two-year post-vesting holding period applicable to the post-tax number of shares acquired on vest. For these awards, a discount for lack of marketability ("DLOM") has been calculated using a Finnerty model.

There were no awards granted under the performance share plan in the year ended 31 March 2025. Awards granted in the year ended 31 March 2024 and 31 March 2023 are presented below:

		2024						
Performance share plan – date granted 21 September 2023	Cash award TSR	Cash award EPS	Equity award TSR	Equity award EPS	Restricted equity award TSR	Restricted equity award EPS		
Number of shares per tranche	100,000	100,000	557,500	557,500	1,000,000	1,000,000		
Fair value at grant date	1.6p	12.7p	1.6p	12.7p	1.4p	10.8p		
Share price at grant date	12.73p	12.73p	12.73p	12.73p	12.73p	12.73p		
Exercise price	0.0p	0.0p	0.0p	0.0p	0.0p	0.0p		
Risk-free rate	4.35%	4.35%	4.35%	0	4.35%	4.35%		
Expected volatility	73.20%	73.20%	73.20%	73.20%	73.20%	73.20%		
Expected dividend yield	0%	0%	0%	0%	0%	0%		
			2023					
Performance share plan – date granted 3 August 2022	Cash award TSR	Cash award EPS	Equity award TSR	Equity award EPS	Restricted equity award TSR	Restricted equity award EPS		
Number of shares per tranche	414,658	414,658	260,550	260,550	100,079	100,079		
Fair value at grant date	3.8p	12.8p	10.9p	20.2p	8.3p	15.4p		
Share price at grant date	20.2p	20.2p	20.2p	20.2p	20.2p	20.2p		
Exercise price	0.0p	0.0p	0.0p	0.0p	0.0p	0.0p		
Risk-free rate	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%		
Expected volatility	106.11%	106.11%	106.11%	106.11%	106.11%	106.11%		

Restricted equity awards are subject to a two-year post-vesting holding period.

The equity and restricted equity awards issued under the performance share plan on 21 September 2023 and 3 August 2022 have a split performance condition whereby half of the awards would vest after three years based on performance compared to total shareholder return ("TSR") and the remaining half would vest based on earnings per share ("EPS") performance. For those granted on 21 September 2023, 100% of the awards subject to the TSR performance condition will vest where the Company's average share price during the 60 days prior to vest (the "measurement period") is at least 100 pence and 0% vest if the average is lower than 40 pence, with options vesting in a straight-line apportionment between 40 pence and 100 pence.

for the year ended 31 March 2025

24 Ordinary share capital continued

For those granted on 3 August 2022, 100% of the awards subject to the TSR performance condition will vest where the Company's average share price during the 30 days prior to vest (the "measurement period") is at least 90 pence and 0% vest if the average is lower than 70 pence, and 5% will vest for each whole penny that the share price during the measurement period exceeds 70 pence. Cash awards are subject to a cap on the quantum of cash which can be paid which is equal to the number of shares underpinning the award multiplied by 100 pence and 90 pence respectively.

100% of awards granted on 21 September 2023, subject to the EPS condition, will vest in full if Carclo plc's EPS for the financial year ending 31 March 2026 (31 March 2025 for the awards granted 3 August 2022) is at least 10.0 pence and 0% will vest if less than 6.0 pence (2022 grants: 100% if more than 8.0 pence and 0% if less than 6.0 pence). Between 10.0 pence and 6.0 pence, awards will vest on a straight-line apportionment (2022 grants: 5% of the shares subject to the EPS part of the award would vest for every 0.1 pence above 6.0 pence).

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

The amounts recognised in the income statement arising from equity-settled share-based payments was a charge of £0.03m (2024: charge of £0.05m).

The number and weighted average exercise price of the outstanding awards under the PSP are set out in the following table:

	202	5	2024	
	Weighted average exercise price pence	Number of shares	Weighted average exercise price pence	Number of shares
Outstanding at 1 April	_	4,622,931	_	2,873,726
Lapsed during the year	_	(1,493,095)	_	(1,565,795)
Exercised during the year	_	_	_	_
Granted during the year	_	_	_	3,315,000
Outstanding at the end of the year	_	3,129,836	_	4,622,931
Exercisable at 31 March		15,974		15,974
Weighted average remaining contractual life at 31 March		1.27 years		2.02 years

25 Reserves

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Retained earnings

The Company maintains an employee share ownership plan for the benefit of employees and which can be used in conjunction with any of the Group's share option schemes. As at 31 March 2025, the plan held 3,077 of its own shares (31 March 2024: 3,077 shares). The original cost of these shares was £0.003m (2024: £0.003m). The cost of the shares was charged against the profit and loss account and is included in retained earnings.

26 Financial instruments

The Group's financial instruments comprise bank loans and overdrafts, cash and short-term deposits. These financial instruments are used for the purpose of funding the Group's operations. In addition, the Group has other financial instruments such as trade receivables, trade payables and lease liabilities which arise directly from its operational activities.

The Group is exposed to a range of financial risks as part of its day-to-day activities. These include credit risk, interest rate risk, liquidity risk and foreign currency risk.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or financial institution fails to meet its contractual obligations. The Group's credit risk is mainly attributable to its trade receivables which the Group mitigates by way of credit insurance. Credit insurance, covering insolvency, default and political risk, is sought for all customers where exposure is in excess of ± 0.02 m. Trade receivables are shown after making due provision for any credit loss provision.

The Group maintains any surplus cash balances on deposit accounts or legal offset accounts with the Group's principal bank, which has a high credit rating assigned by independent international credit rating agencies. In addition, the Group had undrawn revolving credit facilities of £3.5m at 31 March 2025 (31 March 2024: £3.2m).

for the year ended 31 March 2025

26 Financial instruments continued

a) Credit risk continued

The maximum exposure to credit risk as at 31 March was:

	2025 £000	Restated ¹ 2024 £000
Trade receivables, net of attributable impairment provisions	2000	
(see note 17)	10,575	14,493
Cash and cash deposits (see note 18)	10,745	10,453
Contract assets (see note 16)	1,721	1,663
	23,041	26,609

1. See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Carclo is a worldwide supplier of components and systems. As a consequence, the Group's trade receivables and contract assets reside across a broad spectrum of countries with potentially higher attributable credit risk in certain territories. The following tables analyse the geographical location of trade receivables (net of attributable impairment provisions) and of contract assets:

	2025	2024
	£000	£000
United Kingdom	1,008	2,029
Rest of Europe	3,432	3,399
North America	2,756	4,963
Rest of world	3,379	4,102
Trade receivables, net of attributable impairment provisions	10,575	14,493
United Kingdom	178	292
Rest of Europe	533	33
North America	972	1,335
Rest of world	38	3
Contract assets, net of attributable impairment provisions	1,721	1,663

^{1.} Prior year comparatives have been restated to present trade receivables and contract assets based upon the location of the customer.

b) Interest rate risk

The Group's borrowings are on fixed and floating rate terms, no borrowings are non-interest bearing. The interest rate profile of financial liabilities by currency of the Group as at 31 March was as follows:

	Fixed rate interest payable £000	Floating rate interest payable £000	Total £000
As at 31 March 2025			
Sterling	3,033	7,588	10,621
US dollar	2,633	10,301	12,934
Euro	942	4,109	5,051
Other	1,343	_	1,343
	7,951	21,998	29,949
	Fixed rate interest payable £000	Floating rate interest payable £000	Total £000
As at 31 March 2024 – restated ¹			
Sterling	4,546	13,874	18,420
US dollar	5,368	10,596	15,964
Euro	1,148	4,212	5,360
Other	166	_	166
	11,228	28,682	39,910

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Until it was cancelled on 26 March 2025, the overdraft bore interest between 2.0% and 4.5% above the prevailing UK bank base rates.

for the year ended 31 March 2025

26 Financial instruments continued

b) Interest rate risk continued

The interest rate profile of financial assets by currency of the Group as at 31 March was as follows:

	Floating rate interest receivable	Non-interest bearing receivable	Total
	000£	£000	£000
As at 31 March 2025			
Sterling	1,250	3,760	5,010
US dollar	_	2,395	2,395
Euro	84	1,460	1,544
Other	76	1,720	1,796
	1,410	9,335	10,745
	Floating	Non-interest	
	rate interest receivable	bearing receivable	Total
	£000	£000	£000
As at 31 March 2024 – restated			
Sterling	_	4,509	4,509
US dollar	40	2,881	2,921
Euro	_	1,707	1,707
Other	_	1,316	1,316
	40	10,413	10,453

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

During the year ended 31 March 2025, floating interest earned was from cash balances placed on money market deposits earning between 1.9% and 4.9%.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this risk by maintaining a mixture of term loans, revolving credit facilities and, until recently, short-term overdraft facilities which were established to ensure that adequate funding is available for its operating, investing and financing activities. Refer to note 19 for further details.

As detailed in note 19, at 31 March 2025, the Group had committed term loans outstanding of £21.4m (31 March 2024: £24.0m) and a committed revolving credit facility available of £3.5m which had £nil drawn (31 March 2024: £3.5m facility, £0.3m drawn).

The Group's net debt at 31 March 2025 was £19.2m (31 March 2024: £29.5m). The net debt comprised £29.9m interest-bearing loans and borrowings, see note 19, less £10.7m cash and cash deposits, see note 18.

At 31 March 2025, the Group's term loan and revolving credit facilities were available in the UK. There was a temporarily overdraft facility available to Carclo plc at that date of £0.8m.

The Group performs detailed, weekly, rolling 13-week cash flow forecasts to help manage its short-term liquidity risk. Additionally, the Board monitors a monthly twelve-month Group cash flow forecast, comparing it to internal targets and covenants and thresholds established with the Group's lenders.

for the year ended 31 March 2025

26 Financial instruments continued

c) Liquidity risk continued

The maturity of financial liabilities of the Group on an undiscounted cash flow basis at 31 March was as follows:

		_	Revolving				
payables						Lease liabilities	Total
£000	£000	£000	£000	£000	£000	£000	
9,697	765	21,233	_	88	3,598	35,381	
-	_	_	_	66	2,662	2,728	
_	_	_	_	31	1,775	1,806	
_	_	_	_	_	_	_	
9,697	765	21,233	_	185	8,035	39,915	
			Revolving				
Trade	Bank	Term	credit	Other	Lease		
payables	overdraft ¹	loan	facility	loans	liabilities ²	Total	
£000	£000	£000	£000	£000	£000	£000	
10,005	4,479	2,299	_	70	5,025	21,878	
_	_	21,383	300	151	3,356	25,190	
_	_	_	_	61	3,318	3,379	
_	_	_	_	_	74	74	
10,005	4,479	23,682	300	282	11,773	50,521	
	9,697 9,697 Trade payables £000 10,005	payables £000 overdraft £000 9,697 765 - - - - 9,697 765 Trade payables overdraft overdra	payables £000 overdraft £000 loan £000 9,697 765 21,233 - - - - - - - - - 9,697 765 21,233 Trade payables coverdraft overdraft overdraft overdraft overdraft overdraft over £000 1000 £000 10,005 4,479 2,299 - - - - - - - - - - - - - - - - - - - - -	Trade payables payables £000 Bank overdraft £000 Term loan £000 credit facility £000 9,697 765 21,233 − − − − − − − − − − − − − 9,697 765 21,233 − 10,697 765 21,233 − 2000 £000 £000 £000 2000 £000 £000 £000 10,005 4,479 2,299 − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − − <	Trade payables Description Descriptio	Trade payables overdraft Section Section	

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

d) Foreign currency risk

The Group has a number of overseas subsidiary operations. The major overseas subsidiaries are located in the United States, France, the Czech Republic, China and India. As a result, the balance sheet of the Group can be affected by the applicable conversion rates, the sterling/US dollar exchange rate in particular. It is the Group's policy to hedge the effect of such structural currency exposures by having borrowings in the appropriate currencies where it is considered efficient to do so. A loan of \$13.3m (31 March 2024: \$13.3m) is designated as the hedging instrument against foreign currency exposures in the net investment in the trading subsidiaries in the United States. A loan of €4.9m (31 March 2024: €4.9m) is designated as the hedging instrument against foreign currency exposures in the net investment in the European operations. Under this hedge accounting, foreign exchange gains and losses on non-GBP loans are recognised not in the income statement, but in other comprehensive income.

In addition, the Group is subject to transactional foreign currency exposures arising from the sale and purchase of goods and services in currency other than the Company's local currency. Historically it has been the Group's policy to hedge such exposure by reviewing the forecasted exposure on a monthly basis where the net exposure in any one currency exceeds an estimated £50,000 for that month using forward contracts. However, within the UK operations, opportunities have been exploited to naturally hedge inflows in currency with similar outflows. It is the Group's policy not to undertake any speculative transactions.

^{2.} Restated on an undiscounted cash flow basis.

for the year ended 31 March 2025

26 Financial instruments continued

d) Foreign currency risk continued

The balance sheet exposure to currency at the year end arising from trading activities is illustrated in the following analysis by currency of the Group's trade receivables and trade payables:

	Sterling £000	US dollar £000	Euro £000	Other £000	Total £000
As at 31 March 2025					
Trade receivables, net of attributable impairment provisions (see note 17)	4,800	2,794	1,955	1,026	10,575
Trade payables (see note 23)	(3,811)	(4,200)	(782)	(904)	(9,697)
Net	989	(1,406)	1,173	122	878
As at 31 March 2024					
Trade receivables, net of attributable impairment provisions (see note 17)	5,425	4,908	2,361	1,799	14,493
Trade payables (see note 23)	(3,006)	(5,355)	(704)	(940)	(10,005)
Net	2,419	(447)	1,657	859	4,488

The following table summarises the main exchange rates used during the year:

	Average rate	Average rate		narket rate
	2025	2024	2025	2024
Sterling/US dollar	1.28	1.26	1.30	1.26
Sterling/euro	1.19	1.16	1.20	1.17
Sterling/Czech koruna	29.95	28.33	29.89	29.53
Sterling/Chinese renminbi	9.21	8.98	9.40	9.12
Sterling/Indian rupee	108.05	104.17	110.67	105.23

Fair values

The fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between third parties. Where available, market values are used to determine fair values, otherwise fair values are calculated by discounting expected cash flows at prevailing interest and exchange rates. The fair value of the derivatives and financial instruments was not materially different to the book value at 31 March 2025 and 31 March 2024. Unrecognised and deferred gains and losses in respect of derivatives and financial instruments at 31 March 2025 were insignificant.

for the year ended 31 March 2025

26 Financial instruments continued

Hedges of net investments in foreign operations

The Group has net investments in foreign operations in its subsidiaries in the United States, France, the Czech Republic, China and India.

A foreign currency exposure arises from the Group's net investments in subsidiaries with foreign currencies i.e. functional currencies other than sterling. The risk arises from the fluctuations in spot exchange rates between these foreign currencies and sterling (in particular the sterling/US dollar exchange rate), which causes the amount of the Group's net investment to vary when translated into sterling.

Parts of the Group's net investments in these overseas subsidiaries are hedged by foreign currency denominated, secured loans, as detailed in note 19. This mitigates the foreign currency risks arising from the subsidiary's net assets. The loan is designated as a hedging instrument for the changes in the value of the net investments that are attributable to changes in the spot exchange rates.

A summary of the Group's hedges of net investments in foreign operations is as follows:

		2025			2024		
	_	Carrying am	ount		Carrying amo	unt	
	Loans and borrowings £000	Assets £000	Liabilities £000	Loans and borrowings £000	Assets £000	Liabilities £000	
US dollar	10,301	31,862	(11,022)	10,569	39,692	(17,848)	
Euro	4,109	5,291	(1,258)	4,212	5,251	(1,223)	
Other currencies	_	23,221	(6,108)	_	23,603	(4,268)	

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate. The Group's policy is to hedge the net investment only to the extent of the debt principal.

During the year a gain of £0.4m (2024: £0.3m gain) was recognised on these hedging instruments within other comprehensive income. During the year there has been no hedge ineffectiveness recognised in profit or loss.

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings. In the year ended 31 March 2025, it is estimated that a general increase of one percentage point in interest rates would have decreased the Group's profit before tax by approximately £0.2m (2024: £0.3m decrease).

for the year ended 31 March 2025

26 Financial instruments continued

Hedges of net investments in foreign operations continued

It is estimated that a general increase of 10% in the value of sterling against the above noted main currencies would have decreased the Group's profit before tax by approximately £0.4m for the year ended 31 March 2025 (2024: £0.8m decrease) which is detailed by currency in the following table:

	2025 £000	2024 £000
US dollar	75	267
Euro	85	27
Czech koruna	84	88
Other	193	411
	437	793

Capital risk management

The capital structure of the Group consists of net debt, comprising borrowings as detailed in note 19 offset by cash and cash deposits as detailed in note 18, and equity of the Group, comprising issued share capital, reserves and retained earnings as detailed in the statement of changes in equity.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure. In order to maintain or adjust the capital structure, the Group will take into account the amount of dividends paid to shareholders, the level of debt and the number of shares in issue. Close control of deployment of capital is maintained by detailed management review procedures for authorisation of significant capital commitments, such as land acquisition, capital targets for local management and a system of internal interest charges, ensuring capital cost impact is understood and considered by all management tiers.

Decisions regarding the balance of equity and borrowings, dividend policy and all major borrowing facilities are reserved for the Board.

27 Cash generated from operations

	2025 £000	Restated ¹ 2024 £000
Profit/(loss) for the year	872	(3,389)
Adjustments for:		
Pension scheme costs settled by the Scheme	192	151
Depreciation charge	6,456	7,859
Amortisation charge	87	163
Non-underlying rationalisation costs	(1,041)	2,212
Non-underlying settlement of legacy claims	(1)	(283)
Non-underlying past service cost in respect of retirement benefits	_	1,020
Non-underlying refinancing costs	_	125
Non-underlying net costs arising from cancellation of future supply agreement	_	1,034
Non-underlying doubtful debt and related inventory provision	_	140
Loss/(profit) on disposal of other plant and equipment	2	(17)
Share-based payment charge	32	43
Financial income	(571)	(424)
Financial expense	5,499	6,011
Taxation expense	1,780	(498)
Operating cash flow before changes in working capital	13,307	14,147
Changes in working capital		
Decrease in inventories	1,310	3,427
(Increase)/decrease in contract assets	(93)	3,985
Decrease in trade and other receivables	2,269	2,128
Increase/(decrease) in trade and other payables	3,862	(3,294)
Decrease in contract liabilities	(1,317)	(1,629)
Decrease in provisions	(272)	(177)
Cash generated from operations	19,066	18,587

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

28 Financial commitments

	2025 £000	2024 £000
Contracted future capital expenditure	49	_

Contingent liabilities

At 31 March 2025, the potential impact on the Carclo Group defined benefit pension scheme from the Virgin Media ruling cannot be confirmed and/or measured with sufficient certainty, and therefore no provision has been recognised. See note 21 for further information.

29 Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries set out in note 30, its Directors and executive officers and the Group pension scheme. There are no transactions that are required to be disclosed in relation to the Group's subsidiaries.

On 17 April 2024, the Board announced the appointment of Natalia Kozmina as a Non-Executive Director of the Board with effect from 22 April 2024. Natalia is a member of the Audit & Risk, Remuneration, and Nomination Committees and has chaired the Remuneration Committee from 1 May 2024.

On 13 February 2025, the Board announced the appointment of Ian Tichias as Chief Financial Officer and Executive Director of Carclo plc with effect from 1 April 2025. Ian succeeds Eric Hutchinson, whose intended retirement on 31 March 2025 was announced by the Board on 5 December 2024.

During the year to 31 March 2025, the Group paid £0.7m (FY24: £0.7m) to Thingtrax Limited, a company that offers intelligent manufacturing infrastructure as a service; the cost has been recognised in the income statement. Frank Doorenbosch, a Carclo plc Executive Director, is also a Non-Executive Director of Thingtrax Limited and, as such, the company is identified as a related party.

There have been no other changes to related parties in the year ended 31 March 2025.

Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. This includes all Executive and Non-Executive Directors and other members of the senior management team who meet the above criteria. Total compensation for key management personnel during the year was as follows:

	2025 £000	2024 £000
Short-term benefits	2,130	1,231
Share-based payments	5	30
Total compensation	2,135	1,261

The remuneration of the Directors of Carclo plc can be found in the Directors' remuneration report on pages 73 to 93.

Group pension scheme

A third-party professional firm is engaged to administer the Group's UK defined benefit pension scheme (the Carclo Group Pension Scheme). The associated investment management costs are borne by the Scheme in full. It has been agreed with the Trustees of the pension scheme that, under the terms of the recovery plan, the Scheme would bear its own administration costs.

Contributions agreed with the Trustees of the Group pension scheme were £0.3m per month during the year to 31 March 2025 to incorporate both deficit recovery contributions and Scheme expenses including the PPF levy. The monthly cost payment will remain the same in the year to 31 March 2026 plus £5.1m as a one-off lump sum payment on 24 April 2025.

Carclo incurred Scheme administration costs of £1.0m during the year which have been charged to the consolidated income statement, including £0.3m presented as non-underlying costs (2024: £0.9m, of which £0.1m were presented as non-underlying costs). Costs of £nil were incurred to manage the plan's assets (2024: £nil). Of the administration costs, £0.7m were payable directly by the Scheme (2024: £0.7m). The total of deficit reduction contributions and administration costs paid by the Group during the year was £3.2m (2024: £3.5m).

for the year ended 31 March 2025

30 Group entities

The Group's ultimate parent company is Carclo plc which is incorporated in England.

The ordinary share capital of the subsidiary undertakings is owned by the Company except where indicated.

Investments in subsidiaries

The Company and Group have the following investments in subsidiaries:

Company	Registered office address	Principal place of business	Status	Class of shares held	2025 %	2024 %
Acre Mills (UK) Limited	1	UK	Dormant	Ordinary	100	100
Arthur Lee & Sons (Hot Rolling Mills) Limited	1	UK	Dormant	Ordinary	100	100
Australian Card Clothing Limited	1	UK	Dormant	Ordinary	100	100
Bruntons Aero Products Limited	1	UK	Active	Ordinary	100	100
Bruntons (Musselburgh) Limited	2	UK	Dormant	Ordinary	100	100
Brymill Stockholders Limited	1	UK	Dormant	Ordinary	100	100
Carclo Diagnostic Solutions Limited	1	UK	Dormant	Ordinary	100	100
Carclo Group Services Limited	1	UK	Dormant	Ordinary	100	100
Carclo Holding Corporation	One Nexus Way, Camana Bay, Grand Cayman, KY1-9005	Cayman Islands	Active	Ordinary	100	100
Carclo Holding Limited	1	UK	Dormant	Ordinary	100	100
Carclo Investments Limited	1	UK	Dormant	Ordinary	100	100
Carclo Overseas Holdings Limited	1	UK	Active	Ordinary	100	100
Carclo Platt Nederland BV	1	UK	Active	Ordinary	100	100
Carclo Technical Plastics Limited	1	UK	Active	Ordinary	100	100
Carclo Technical Plastics Private Co. Limited	27A (2) KIADB Industrial Area, Doddabalapur, Bangalore – 561203, Karnataka	India	Active	Ordinary	100	100
Carclo Technical Plastics (Mitcham) Limited	1	UK	Dormant	Ordinary	100	100
Carclo Technical Plastics (Slough) Limited	1	UK	Dormant	Ordinary	100	100
Carclo Zephyr Limited	1	UK	Dormant	Ordinary	100	100
CIT Technology Limited	1	UK	Dormant	Ordinary	100	100

^{1.} Registered office address is: 47 Wates Way, Mitcham, Surrey, CR4 4HR.

 $^{2. \ \} Registered \ of fice \ address \ is: C/O \ Bruntons \ Aero \ Products, \ Units \ 1-3, \ Block \ 1, \ Inveresk \ Industrial \ Estate, \ Musselburgh, \ East \ Lothian, \ EH217PA.$

for the year ended 31 March 2025

30 Group entities continued

Company	Registered office address	Principal place of business	Status	Class of shares held	2025 %	2024 %
Critchley, Sharp & Tetlow Limited	1	UK	Dormant	Ordinary	100	100
Crowther & Gee Limited	1	UK	Dormant	Ordinary	100	100
CTP Davall Limited	2	UK	Dormant	Ordinary	100	100
CTP Lichfield Limited	1	UK	Dormant	Ordinary	100	100
CTP Silleck Limited	1	UK	Dormant	Ordinary	100	100
CTP Silleck Scotland Limited	2	UK	Dormant	Ordinary	100	100
CTP White Knight Limited	1	UK	Dormant	Ordinary	100	100
Dell Baler Limited	1	UK	Dormant	Ordinary	100	100
Edwin Stead & Sons Limited	1	UK	Dormant	Ordinary	100	100
Fairbank Brearley Limited	1	UK	Dormant	Ordinary	100	100
Finespark (Horsham) Limited	1	UK	Dormant	Ordinary	100	100
Highfield Mills Limited	1	UK	Dormant	Ordinary	100	100
Hills Diecasting Company Limited	1	UK	Dormant	Ordinary	100	100
Hills Non Ferrous Limited	1	UK	Dormant	Ordinary	100	100
Horsfall & Bickham Limited	1	UK	Dormant	Ordinary	100	100
Horsfall Card Clothing Limited	1	UK	Dormant	Ordinary	100	100
Ironfoil Limited	1	UK	Dormant	Ordinary	100	100
John Sharp (Wire) Limited	1	UK	Dormant	Ordinary	100	100
J.W.& H. Platt Limited	1	UK	Dormant	Ordinary	100	100
Lee of Sheffield Limited	1	UK	Dormant	Ordinary	100	100
Lee Stainless Steel Services Limited	1	UK	Dormant	Ordinary	100	100
Leeplas Limited	1	UK	Dormant	Ordinary	100	100

^{1.} Registered office address is: 47 Wates Way, Mitcham, Surrey, CR4 4HR.

^{2.} Registered office address is: C/O Bruntons Aero Products, Units 1-3, Block 1, Inveresk Industrial Estate, Musselburgh, East Lothian, EH217PA.

for the year ended 31 March 2025

30 Group entities continued

Company	Registered office address	Principal place of business	Status	Class of shares held	2025 %	2024 %
Metallic Card Clothing Company Limited (The)	1	UK	Dormant	Ordinary	100	100
Norseman (Cables & Extrusions) Limited	1	UK	Dormant	Ordinary	100	100
Novoplex Limited	1	UK	Dormant	Ordinary	100	100
Pratt, Levick and Company Limited	1	UK	Dormant	Ordinary	100	100
Rumbold Securities Limited	1	UK	Dormant	Ordinary	100	100
Seymour Plastics Limited	1	UK	Dormant	Ordinary	100	100
Sheffield Wire Rope Company Limited (The)	1	UK	Dormant	Ordinary	100	100
Shepley Investments Limited	1	UK	Dormant	Ordinary	100	100
Smith Wires Limited	1	UK	Dormant	Ordinary	100	100
Station Road (UK) Limited	1	UK	Dormant	Ordinary	100	100
Streamline Aerospace Limited	1	UK	Dormant	Ordinary	100	100
Texture Rolled Limited	1	UK	Dormant	Ordinary	100	100
Thomas White & Sons Limited	2	UK	Dormant	Ordinary	100	100
Trubrite Limited	1	UK	Dormant	Ordinary	100	100
Tru-Grit Limited	1	UK	Dormant	Ordinary	100	100
Woodcock & Booth Limited	1	UK	Dormant	Ordinary	100	100
Woodhead Limited	1	UK	Dormant	Ordinary	100	100
Yorkshire Engineering Supplies Limited	1	UK	Dormant	Ordinary	100	100

^{1.} Registered office address is: 47 Wates Way, Mitcham, Surrey, CR4 4HR.

^{2.} Registered office address is: C/O Bruntons Aero Products, Units 1-3, Block 1, Inveresk Industrial Estate, Musselburgh, East Lothian, EH217PA.

for the year ended 31 March 2025

30 Group entities continued

Group	Registered office address	Principal place of business	Status	Class of shares held	2025 %	2024 %
Apollo Steels Limited	1	UK	Dormant	Ordinary	100	100
Carclo France SAS	40 bis Avenue d'Orleans, 28000, Chartres	France	Active	Ordinary	100	100
Carclo Securities Limited	1	UK	Dormant	Ordinary	100	100
Carclo Technical Plastics (Brno) s.r.o	Turanka 98, 627000, Brno	Czech Republic	Active	Ordinary	100	100
Carclo US Finance No. 2	1	UK	Dormant	Ordinary	100	100
Carclo US Holdings Inc	600 Depot St. Latrobe, PA. 15650	US	Active	Ordinary	100	100
Chapmans Springs Limited	1	UK	Dormant	Ordinary	100	100
CTP Alan Limited	1	UK	Dormant	Ordinary	100	100
CTP Carrera Inc	600 Depot St. Latrobe, PA. 15650	US	Active	Ordinary	100	100
CTP Moulded Gears Limited	1	UK	Dormant	Ordinary	100	100
CTP Precision Tooling Limited	1	UK	Dormant	Ordinary	100	100
CTP Taicang Co., Ltd ³	No. 8 Xixin Road, Chengxiang Town, Taicang City, Jiangsu Province 215411	China	Active	Ordinary	100	100
Datacall Limited	1	UK	Dormant	Ordinary	100	100
D.B.T. (Motor Factors) Limited	1	UK	Dormant	Ordinary	100	100
Douglas Campbell Limited	2	UK	Dormant	Ordinary	100	100
European Card Clothing Company Limited	1	UK	Dormant	Ordinary	100	100
Electro-Medical Limited	1	UK	Dormant	A1 ordinary & ordinary	64	64
Finemoulds Limited	1	UK	Dormant	Ordinary	100	100
Gilby-Brunton Limited	2	UK	Dormant	Ordinary	100	100
Industates Limited	1	UK	Dormant	Ordinary	100	100
Jacottet Industrie SAS	40 bis Avenue d'Orleans, 28000, Chartres	France	Active	Ordinary	100	100

^{1.} Registered office address is: 47 Wates Way, Mitcham, Surrey, CR4 4HR.

 $^{2. \ \} Registered \ of fice \ address \ is: C/O \ Bruntons \ Aero \ Products, \ Units \ 1-3, \ Block \ 1, \ Inveresk \ Industrial \ Estate, \ Musselburgh, \ East \ Lothian, \ EH217PA.$

^{3.} CTP Taicang Co., Ltd has a 31 December year end but has been consolidated for the twelve months to 31 March 2025 in these financial statements.

for the year ended 31 March 2025

30 Group entities continued

Group	Registered office address	Principal place of business	Status	Class of shares held	2025 %	2024 %
John Shaw Lifting & Testing Services Limited	1	UK	Dormant	Ordinary	100	100
Jonas Woodhead Limited	1	UK	Dormant	Ordinary	100	100
Jonas Woodhead (Manchester) Limited	1	UK	Dormant	Ordinary	100	100
Jonas Woodhead (Ossett) Limited	1	UK	Dormant	Ordinary	100	100
Jonas Woodhead (Sheffield) Limited	1	UK	Dormant	Ordinary	100	100
Jonas Woodhead & Sons Limited	1	UK	Dormant	Ordinary	100	100
K.A.S. Precision Engineering Limited	1	UK	Dormant	Ordinary	100	100
Platform Diagnostics Limited	1	UK	Dormant	A1 ordinary	64	64
Rumbold Investments Limited	1	UK	Dormant	Ordinary	100	100
Shepley Securities Limited	1	UK	Dormant	Ordinary	100	100
Sima Plastics Limited	1	UK	Dormant	Ordinary	100	100
Squires Steel Stockholders Limited	1	UK	Dormant	Ordinary	100	100
Sybro Limited	1	UK	Dormant	Ordinary	100	100
Toledo Woodhead Springs Limited	1	UK	Dormant	Ordinary	100	100
Tolwood Engineering Limited	1	UK	Dormant	Ordinary	100	100
Woodhead Components Limited	1	UK	Dormant	Ordinary	100	100
Woodhead Construction Services Limited	1	UK	Dormant	Ordinary	100	100
Woodhead Steel Limited	1	UK	Dormant	Ordinary	100	100

^{1.} Registered office address is: 47 Wates Way, Mitcham, Surrey, CR4 4HR.

for the year ended 31 March 2025

31 Post balance sheet events

On 24 April 2025, the Group completed the refinancing of its primary external borrowing facility with the announcement of a three-year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ") comprising a term loan of £27.0m and a revolving credit facility of up to £9.0m. At commencement, £29.9m was borrowed under the BZ facility, of which £26.8m was drawn under the term loan and £3.1m was drawn under the revolving credit facility. £21.3m was paid to discharge all amounts owing under the previous borrowing arrangement with HSBC at that date, including accrued interest, and £5.1m additional contributions were paid to the Group's defined benefit pension scheme allowing securitised assets marked in favour of the Group pension scheme to be reassigned to the new lender.

The BZ facility includes an asset-based lending arrangement with drawings permitted against the value of various classes of assets held by the UK and US businesses. Of the £27.0m term loan element, £8.0m is designated against the value of owned land and buildings, £5.0m is designated against the value of owned plant and machinery and the balance of £14.0m is designated a cash flow loan that is non-asset specific. Of the £9.0m revolving credit facility, up to £7.0m is designated against the value of trade receivables and up to £2.0m against the value of inventory.

The facility permits borrowings in GBP, EUR and USD. There are three named Group companies that are currently permitted to borrow under the facility, namely Carclo plc, Carclo Technical Plastics Limited and Bruntons Aero Products Limited. Group companies that are subject to cross-guarantees under the BZ facility are the named borrowing companies and material subsidiaries as defined in the agreement that underpins the BZ facility.

At the same time, the triennial actuarial valuation of the Group's UK defined benefit pension scheme at 31 March 2024 was completed, confirming net liabilities on a technical provisions basis of £64.5m. The associated deficit recovery plan included a lump sum one off payment made into the Scheme of £5.1m during April 2025, annual contributions of £3.5m for five years to 31 March 2029 and indexed annual contributions of £5.8m until 31 March 2037

Independent auditor's report on Company only

to the members of Carclo plc

Qualified Opinion

We have audited the financial statements of Carclo plc (the 'Parent Company') for the year ended 31 March 2025 which comprise the Parent Company Balance Sheet, the Parent Company Statement of Changes in Equity, and notes to the Parent Company financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report:

- the Parent Company financial statements give a true and fair view of the state of the Parent Company's affairs as at 31 March 2025;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice as applied in accordance with the requirements of the Companies Act of 2006; and
- the Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence to support the existence and valuation of the intercompany related party liability balance amounting to £52.2 million that is recorded as owing by the Parent Company to CTP Finance N.V. The related party entity was liquidated in 2020, and the Parent Company has been unable to provide adequate supporting documentation to substantiate the accounting of this balance in accordance with IAS 24 Related parties Disclosures and IFRS 9 Financial Instruments.

As a result of this limitation, we were unable to determine whether any adjustments might be necessary to the liability balance, and/or the related party disclosures.

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 Parent 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 public interest 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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In addition to those matters set out in the "Key audit matters" section below, we identified going concern of the Parent Company as a key audit matter. The Parent Company is dependent on debt facilities from its lender, which have a number of financial covenants, and has significant funding commitments in relation to the UK defined benefit pension scheme. Therefore, there is a risk that the going concern basis of preparation is not appropriate for the financial statements.

On 24 April 2025, the Parent Company secured new financing arrangements with BZ Commercial Finance DAC and agreed a deficit recovery plan with the Pension Trustees of the UK defined benefit pension scheme. The new facilities, which cover the whole Group, include a Term Loan of £27 million and a Revolving Credit Facility of up to £9 million. Concurrently, the Parent Company paid £5.1 million to the UK pension scheme, with a further commitment to make contributions of £3.5 million per annum for five years to 31 March 2029 and indexed annual contributions of £5.75m until 31 March 2037. The Triennial actuarial valuation as at 31 March 2025 reported a funding deficit of £64.5 million.

The Parent Company's accounting policy in respect of going concern is set out in note 32 'Basis of preparation' on page 178. Going concern has also been identified as a key judgement in note 48 on page 188.

to the members of Carclo plc

Conclusions relating to going concern continued

Our audit procedures to evaluate the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting (refer to page 94) included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Group's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in their cash flow forecasts, as described in note 1, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of severe but not implausible scenarios.
 This included assessing the viability of mitigating actions within the directors' control;
- Testing the accuracy and functionality of the model used to prepare the directors' forecasts;
- · Assessing the historical accuracy of forecasts prepared by the directors;
- Assessing and challenging key assumptions and mitigating actions put in place in response to wider global economic conditions;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit;
- Examining the facility headroom under the debt facilities and evaluating the reasonableness of the
 directors' conclusion that sufficient headroom exists across all scenarios modelled, including the
 severe but plausible downside scenarios when modelled with mitigations
- · Independently evaluating management's forecasts and the associated stress testing;
- Reviewing the financial covenants associated with the renewed debt facility agreed with BZ Commercial Finance DAC and verifying the accuracy of covenant calculations and projected compliance through to December 2026, being the period of 16 months assessed by management; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

In addition to the procedures performed for the Group going concern assessment above, in respect of the Parent Company's ability to continue to adopt the going concern basis of accounting, our procedures included but were not limited to:

- Assessing the Parent Company's ability to receive dividends, royalties and management charges from its subsidiaries;
- · Assessing the recoverability of loans to subsidiaries and whether they can be repaid;
- Reviewing the directors' assessment of the ability of the Parent Company to meet its liabilities as they fall due for the foreseeable future.

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 Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

to the members of Carclo plc

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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 in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to our conclusions relating to going concern, noted above, we summarise below the other key audit matters identified as part of our audit, together with an overview of the principal audit procedures performed to address each matter and our observations arising from those procedures.

These matters, together with our observations, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter

Intercompany liability - £52.2 million

Included within Amounts owed to group undertakings of £109.3 million, as disclosed in note 39 on page 185, is an amount of £52.2 million identified as payable by the Parent Company to an indirect subsidiary, CTP Finance N.V.

The amount arises from a loan agreement entered into by the Parent Company and CTP Finance N.V. in September 2003 for an amount of £35.2 million and accrued interest charged on the loan from 2003 to 2013.

CTP Finance N.V. was liquidated in August 2020, with the liquidator concluding that to the best of his knowledge, there were no assets.

Since 2020, the Parent Company has continued to record the liability of £52.2 million due to CTP Finance N.V. despite the fact that CTP Finance N.V. was liquidated.

Given the significance of this amount, the uncertainty relating to the balance, and lack of underlying audit evidence, we have considered this to be a significant risk and a key audit matter.

How our scope addressed this matter

Our response:

Our audit procedures included, but were not limited to:

- · Performing testing of the design and implementation of controls around the related parties;
- Obtaining and reviewing the available supporting documents relating to the loan and the liquidation of CTP Finance N.V.;
- Challenging the board and those charged with governance on the extent of the available documentation and the accounting treatment adopted in the financial statements; and
- Consulting with our forensics and technical accounting teams to provide inputs into the assessment of the underlying evidence.

Our observations:

Based on our work performed, as described in the basis for qualified opinion section, we were unable to obtain sufficient appropriate audit evidence to support the existence and valuation of the intercompany related party liability balance amounting to £52.2 million that is recorded as owing by the Parent Company to CTP Finance N.V. The related party entity was liquidated in 2020, and the Parent Company has been unable to provide adequate supporting documentation to substantiate the accounting of this balance in accordance with IAS 24 Related parties Disclosures and IFRS 9 Financial Instruments.

Our audit report has been qualified in respect of this matter.

to the members of Carclo plc

Key Audit Matter

Valuation and impairment of investment in subsidiaries

The carrying value of investments in subsidiary undertakings on the Parent Company Balance Sheet on pages 175 to 176 is £23.5m (2024: £23.5m (restated)).

As set out in the accounting policy in note 32(c) on page 181, investments are held at cost less provisions for impairment where appropriate.

There is a risk that investments in subsidiary undertakings are impaired where there are indicators of impairment in the underlying subsidiaries not identified by management, including a risk that the net assets or earnings do not support the carrying value.

As set out in note 36 on page 184, value in use models have been used by management to assess the recoverable amount of investments in the material trading subsidiaries. The calculation of value in use is subjective and involves significant judgement and estimation, including in relation to projected cash flows and discount rates. In addition, management has also assessed the recoverable amount of non-trading subsidiaries, compared to their book values and considered if impairments are required.

As a result of the factors outlined above, the significance of this balance in respect of the Parent Company financial statements and the prior year restated £54.0m provision made by management at the balance sheet date, we considered the valuation and impairment of investment in subsidiaries to be a significant risk and a key audit matter.

How our scope addressed this matter

Our response:

Our audit procedures included, but were not limited to:

- · Testing the design and implementation of controls around the valuation and impairment of investment in subsidiaries:
- · Challenging management on their identification of indicators of impairment in light of our understanding of the business and our review of the performance of the subsidiaries;
- · Obtaining and reviewing management's impairment reviews, including their determination of the impairment recorded as a restatement to the prior year;
- · Reviewing the valuation methodologies applied by management, assessing their appropriateness for the respective investments and carrying amounts of the assets recognised. This included engaging an internal expert to evaluate the discount rates applied by management;
- · Reviewing and verifying the book values of the individual investments used in the impairment review;
- · Challenging the key assumptions made by management in their assessment; including reviewing commercial plans and other key drivers of revenue and gross margins.
- · Testing individual investments for further indicators of impairment, including by comparing the carrying amount of the investment to the net assets/liabilities of the related subsidiary (being an approximation of the minimum recoverable amount);
- · Assessing the appropriateness of the treatment of the impairment of the investments as a prior year adjustment; and
- · Assessing whether the relevant disclosures in the financial statements are reasonable.

Our observations:

The methodology used for the valuation and the impairment review of investments in subsidiaries was appropriate and accordingly an impairment of £54.0m has been recorded during the year as a prior period adjustment (refer also to note 36).

to the members of Carclo plc

Our application of materiality and an overview of the scope of our audit

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 evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Parent Company materiality

Overall materiality £625k How we determined it We determined overall materiality to be 1% of total assets. Rationale for benchmark applied The Parent Company does not trade and acts as a holding company. Therefore, the Parent Company has a significant investment in subsidiaries which is the main balance on its statement of financial position and deemed to be the key interest to users of the Parent Company financial statements. Performance materiality Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds. materiality for the financial statements as a whole. Having considered factors such as the Parent Company's control environment and that it is the sixth year of our audit engagement, we set performance materiality at £407k which is 65% of overall materiality. Reporting threshold We agreed with the directors that we would report to them misstatements identified during our audit above £15k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Parent Company, its environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

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. 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 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.

As described in the Basis for Qualified Opinion section, we were unable to obtain sufficient appropriate audit evidence to support the existence and valuation of the intercompany related party liability balance amounting to $\pounds 52.2$ million that is recorded as owing by the Parent Company to CTP Finance N.V. Our audit report has been qualified in respect of this matter. We have concluded that where the other information refers to the intercompany liability or related balances such as material historic balances owed to related parties and amounts owed from related parties, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, 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 those reports have been prepared in accordance with applicable legal requirements.

to the members of Carclo plc

Matters on which we are required to report by exception

Except for the matter described in the Basis for Qualified Opinion, in light of the knowledge and understanding of the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Arising solely from the limitation on the scope of our work relating to the inability to obtain sufficient appropriate audit evidence to support the existence and valuation of the intercompany related party liability balance amounting to £52.2 million that is recorded as owing by the Parent Company to CTP Finance N.V.:

- · we have not obtained all the information and explanations that we require for our audit; and
- we were unable to determine whether adequate accounting records have been kept by the Parent Company.

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

- returns adequate for our audit have not been received from branches not visited by us;
- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 97, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the Parent Company, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-bribery, corruption and fraud, anti-money laundering regulation, modern slavery and GDPR.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Parent Company, the industry in which it operates, and considering the risk of acts by the Parent Company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to
 whether the Parent Company is in compliance with laws and regulations, and discussing their policies
 and procedures regarding compliance with laws and regulations;
- · Inspecting correspondence with relevant licensing or regulatory authorities;
- · Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and breaches of the regulatory requirements of the FCA pertaining to listed companies.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation and impairment of investments in subsidiaries and receivables and payables due from/to related parties.

to the members of Carclo plc

Auditor's responsibilities for the audit of the financial statements continued

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- · Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- · Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing, including consolidation journals;
- · Reviewing accounting estimates and financial statement disclosures for management bias; and
- Reviewing transactions outside of normal course of business.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit & Risk Committee, we were appointed by Board of Directors on 14 April 2020 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is six years, covering the years ended 31 March 2020 to 31 March 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Parent Company and we remain independent of the Parent Company in conducting our audit.

Our audit opinion is consistent with our reporting to the Audit & Risk Committee.

We have reported separately on the Group financial statements of Carclo plc for the year ended 31 March 2025. That report includes details of the Group key audit matters; how we applied the concept of materiality in planning and performing our audit; and an overview of the scope of our audit.

Use of the audit report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules, these financial statements form part of the electronic reporting format prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor's report provides no assurance over whether the annual financial report has been prepared using the correct electronic reporting format.

Richard Metcalfe (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP Chartered Accountants and Statutory Auditor

30 Old Bailey London EC4M 7AU 28 August 2025

Company balance sheet

as at 31 March 2025

	Notes	2025 £000	Restated ¹ 2024 £000
Fixed assets			
Property, plant and equipment	34	79	199
Intangible assets	35	72	89
Investments in subsidiary undertakings	36	23,560	23,560
Deferred tax assets	41	283	283
		23,994	24,131
Current assets			
Debtors – amounts falling due within one year	37	40,530	52,965
Debtors – amounts falling due after more than one year	37	805	214
Cash at bank and in hand		1,468	146
		42,803	53,325
Creditors – amounts falling due within one year			
Trade and other creditors	39	(135,197)	(116,336)
Provisions	38	_	(12)
		(135,197)	(116,348)
Net current liabilities		(92,394)	(63,023)
Total assets less current liabilities		(68,400)	(38,892)
Creditors – amounts falling due after more than one year	40	(9,893)	(29,732)

 $^{1. \ \} See note \ 32 \ Basis of preparation for the Company: prior year restatement, for the nature of the prior year restatement.$

Company balance sheet continued

as at 31 March 2025

	Notes	2025 £000	2024 £000
Net assets excluding pension liability		(78,293)	(68,624)
Pension liability	42	(51,743)	(37,186)
Net liabilities		(130,036)	(105,810)
Capital and reserves			
Called-up share capital	24	3,671	3,671
Share premium account		7,359	7,359
Profit and loss account		(141,066)	(116,840)
Shareholders' deficit		(130,036)	(105,810)

^{1.} See note 32 Basis of preparation for the Company: prior year restatement, for the nature of the prior year restatement.

The Company reported a loss after tax for the year of £9.0m (2024: loss of £13.6m).

These accounts were approved by the Board of Directors on 28 August 2025 and were signed on its behalf by:

Frank Doorenbosch

Chief Executive Officer

Ian Tichias

Chief Financial Officer

Registered Number 00196249

Company statement of changes in equity

as at 31 March 2025

	Notes	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2023		3,671	7,359	(41,157)	(30,127)
Prior year restatement ¹		_	_	(59,497)	(59,497)
Balance at 1 April 2023 restated		3,671	7,359	(100,654)	(89,624)
Loss for the year		_	_	(13,561)	(13,561)
Other comprehensive expense					
Remeasurement losses on defined benefit pension scheme	21	_	_	(2,668)	(2,668)
Total comprehensive expense for the year		_	_	(16,229)	(16,229)
Transactions with owners recorded directly in equity					
Share-based payments		_	_	43	43
Taxation on items recorded directly in equity		_	_	_	_
Balance at 31 March and 1 April 2024 ¹		3,671	7,359	(116,840)	(105,810)
Loss for the year		_	_	(8,995)	(8,995)
Other comprehensive expense					
Remeasurement losses on defined benefit pension scheme	21	_	_	(15,253)	(15,253)
Total comprehensive expense for the year		_	_	(24,248)	(24,248)
Transactions with owners recorded directly in equity					
Share-based payments		_	_	22	22
Balance at 31 March 2025		3,671	7,359	(141,066)	(130,036)

^{1.} See note 32 Basis of preparation for the Company: prior year restatement, for the nature of the prior year restatement.

Notes to the Company financial statements

for the year ended 31 March 2025

32 Basis of preparation for the Company

Prior year adjustment

As set out in note 30, the Company has a large number of subsidiary undertakings that are dormant and which have not traded for a number of years. The assets and liabilities in the balance sheets of these subsidiaries relate to intercompany receivables and intercompany payables and, in some cases, investments in other Carclo subsidiary undertakings. The Company's carrying value of investments in the dormant subsidiary undertakings at 31 March 2024 was £54.0m. The carrying value of the investment in each immediate dormant subsidiary is no more than the net asset position of each individual subsidiary undertaking or its sub grouping, excluding any historic impairment of intercompany receivables recorded by the subsidiary undertaking. On this basis the carrying value of the dormant subsidiary undertakings was previously assessed as appropriate.

Since 31 March 2025, the Company has commenced a project with the objective of streamlining the Group legal entity structure and has reviewed the carrying value of investments in subsidiary undertakings and the matrix of intercompany receivables and payables. The Company has intercompany payables owing to immediate subsidiary undertakings that are dormant and their subgroupings of £74.9m.

The Company has insufficient available funds to fully settle these intercompany liabilities, either on demand or in the near future. Were the dormant subsidiary undertakings to impair the receivable amounts owing from the Company, this would reduce the net asset value of these undertakings to less than the carrying value of the investment recorded by the Company. On this basis, the full £54.0m carrying value in the investment in these dormant subsidiary undertakings is required to be impaired by the Company. Additionally, intercompany receivables of £5.5m owing to the Company from dormant subsidiary undertakings are required to be impaired as recovery is contingent on settlement of other intercompany liabilities by the Company.

The carrying value of investment in these dormant undertakings, along with the amounts of the intercompany receivables and payables between the Company and these dormant undertakings has been unchanged for a number of years. As such, the combined charge of $\pounds 59.5m$ arising on the impairment of investments and intercompany receivables by the Company has been recorded as a prior year adjustment. to correct a prior period error.

IFRS 9 does not permit the derecognition of the liability recorded by the Company in favour of these dormant subsidiary undertakings without settlement or formal legal release. The legal entity streamlining project is expected to address the specific requirements of IFRS 9 in this area enabling a future credit to the profit and loss account or shareholders' equity. The impairment and reversal do not affect the results or financial position of the Group as the corresponding entries eliminate on consolidation. Additionally, there is no actual or anticipated flow of funds from the Group arising from the recognition of the impairment charge or future reversal.

The impact of the restatement on the prior year comparatives is a reduction in the carrying value of investments of £54.0m and a reduction in debtors – amounts falling due within one year of £5.5m which leads to an increase to net current liabilities of £5.5m. Together, the impact on the prior year comparatives is a total increase to net liabilities and shareholders' deficit of £59.5m.

The amount of the correction at the beginning of the earliest period presented, 1 April 2023, is the same as that described above. The Company has applied the exemption available under FRS 101 not to present a third balance sheet.

Going concern

The financial statements are prepared on the going concern basis.

The Company is a named borrower company under the BZ facility. The £36.0m borrowing facility with BZ that was announced on 24 April 2025 provides available borrowings for a three-year term out to April 2028. The facility includes an element of asset based lending and the level of borrowings are contingent upon the value of certain classes of non-current and current assets held by the Group's UK and US trading subsidiaries.

There are three primary financial covenants required to be tested under the BZ facility agreement, as follows:

Covenant	Definition	Threshold
Minimum EBITDA	Underlying ¹ Group EBITDA calculated on a last six months basis	No less than 75% of budget
Fixed Charge Cover Ratio ("FCCR")	Underlying ¹ Group EBITDA divided by the sum of fixed charges comprising debt service costs, debt repayments, pension scheme contributions, tax payments, capital expenditure and dividends or other capital distributions calculated on a last twelve months basis	Until 31 March 2027 no less than 1:1 After 31 March 2027 no less than 1.05:1
CAPEX	Cash paid on tangible and intangible fixed assets measured annually for the twelve months to 31 March	No more than 120% of the annual budget

1. See the glossary on page 197.

The Minimum EBITDA and FCCR covenants are required to be tested monthly from May 2025. If after twelve months of the start of the facility agreement, testing has been compliant with covenants in the two previous quarters then covenant testing will only be required on a quarterly basis. The CAPEX covenant is required to be tested annually from 31 March 2026. The Group has complied with the minimum EBITDA and FCCR financial covenants for the testing periods up to the date of signing the financial statements, being May, June and July 2025.

The deficit recovery plan agreed with the Trustees of the UK defined benefit pension scheme as part of the triennial valuation to 31 March 2024 includes an annual schedule of contributions of £3.5m through to 31 March 2029 and thereafter annual contributions of £5.8m indexed at 3.5% through to 31 March 2037. Contributions are funded from cash generated by operations and have been reflected in the cash flow and covenant forecasts reviewed by the Directors.

The Group is subject to a number of key risks and uncertainties, as detailed in the principal risks and uncertainties section on pages 49 to 55. Mitigation actions to address the risks are also set out in that section of the report. These risks and uncertainties have been considered in the base case and downside sensitivities and have been modelled accordingly. The specific climate-related matters set out in the TCFD section on pages 34 to 39 have been considered and they are not expected to have a significant impact on the Group's going concern assessment.

The Group has prepared a forecast of financial projections for the three-year period to 31 March 2028. The forecast underpins the going concern assessment, which has been made for the period through to December 2026, being 21 months after the year end, consistent with the previous going concern assessment and 16 months from when the financial statements are authorised for issue.

for the year ended 31 March 2025

32 Basis of preparation for the Company continued

Going concern continued

The Directors have reviewed cash flow and covenant forecasts over this period considering the Group's available borrowing facilities and the terms of the arrangements with the Group's lender and the UK defined benefit pension scheme.

The base case reflects the forecast of financial projections prepared by the Group for the three-year period to 31 March 2028 and includes assumptions around revenue growth, modest improvement in margins, consistent working capital trends and stable interest rates. The forecast shows adequate headroom and supports the position that the Group can operate within its available borrowing facilities and covenants throughout this period.

Sensitivity analysis has considered the risks facing the Group and has modelled the impact of each in turn, as well as considering the impact of aggregating certain risk types, and shows that the Group is able to operate within its available facilities and meet its agreed covenants as they arise. Furthermore, the Directors have reviewed sensitivity testing, modelling a range of severe but plausible downside scenarios.

These sensitivities attempt to incorporate identified risks set out in the principal risks and uncertainties section of this report.

Plausible downside sensitivities include a range of scenarios modelling the financial effects of a reduction in forecast revenue of 3% with a consistent percentage decline in variable costs, a reduction in gross margin of 1% and a 1% increase in interest rates. At the point at which the underlying operating target is not achieved, management bonuses are not payable. The downside scenario modelling factors this in but did not allow for the benefit of any other action that could be taken by management to mitigate the impact of the downside scenarios. Under the three plausible downside scenarios modelled, the Group continues to meet minimum covenant requirements in the next 16 months, although with reduced headroom.

The Directors also assessed, as part of its reverse stress testing, what level of downside impact the Group could sustain on these three scenarios, before it breaches its financial covenants. A reduction in forecast revenue of 7% with a consistent percentage decline in variable costs or a reduction in gross margin of 3%, again without any mitigations beyond the non-payment of management bonuses, would lead to covenant breaches. Two additional severe but plausible downside scenarios have also been modelled, reflecting a reduction in forecast revenue of 10% with a consistent percentage decline in variable costs and a reduction in gross margin of 5%. These scenarios result in breaches of both the FCCR and Minimum EBITDA covenants. In such circumstances, mitigating actions available to the Group are the deferral or cancellation of capital expenditure and the reduction in non-variable costs. A combination of these actions, at levels that the Directors believe is attainable, offset the impact of the severe but plausible downside scenarios to bring both covenants back within threshold. The increase in interest rates required to breach the FCCR covenant is so significant that it is not considered plausible.

The Group is not exposed to high-risk sectors or countries but is dependent on certain key customers, which create risks and uncertainties. These risks and uncertainties are documented, and the mitigating actions being taken are covered in detail in the principal risks and uncertainties section on pages 49 to 55.

It should be noted that the Group is operating in a period of material geopolitical and macroeconomic uncertainty. The Directors continue to monitor these risks and their plausible impact, however, their potential severity is dependent upon many external factors and is difficult to predict. Accordingly, the actual financial impact of these risks may materially differ from the Directors' current view of their plausible impact.

At 31 March 2025, the Company reports net liabilities of £130.0m (31 March 2024: net liabilities £105.8m (restated)) and net current liabilities of £92.4m (31 March 2024: net current liabilities £63.0m (restated)). At 31 March 2025 creditors falling due within one year include the full £21.2m HSBC term loan owing at that time as, at that date, the facility had an expiry date of 31 December 2025 and £109.3m due to Group undertakings. Additionally, there was £9.9m of intercompany creditors falling due in more than one year and a liability on the UK defined benefit pension scheme of £51.7m.

The HSBC facility was fully extinguished in April 2025 by drawings made on the BZ facility. Payments made into the UK defined benefit pension scheme are defined by the 2024 deficit recovery plan, established at the time of the triennial Scheme valuation, at amounts that are considered manageable by the Directors. The Company can control the timing of payment of the amounts owed to Group undertakings and will not make payments until it has sufficient funds to do so. Projections prepared by the Company indicate that there are sufficient funds available from the repatriation of cash from trading subsidiaries to meet the Company's third party liabilities over the going concern period.

Aside from borrowing under the BZ agreement, additional sources of funding available to the Company are from the repatriation of cash from trading companies in the Group by way of the settlement of invoices for management services and royalties, intercompany dividends and intercompany loan agreements.

On the basis of the base case forecast and the severe but plausible downside sensitivity testing, the Directors have determined that it is reasonable to assume that the Company will have access to the required funding to meet its debts as they fall due and the Group will continue to operate within available borrowing facilities and adhere to the covenant tests to which it is subject throughout at least the 16 month period from the date of signing the financial statements through to December 2026.

Accordingly, these financial statements are prepared on a going concern basis.

Accounting policies for the Company

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). There are no amendments to accounting standards, or IFRIC interpretations, that are effective for the year ended 31 March 2025 which have had a material impact on the Company.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

for the year ended 31 March 2025

32 Basis of preparation for the Company continued

Accounting policies for the Company continued

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- disclosure of a third balance sheet in respect to a prior year adjustment;
- cash flow statement and related notes:
- · comparative period reconciliations for share capital, tangible and intangible fixed assets;
- · disclosures in respect of transactions with wholly owned subsidiaries;
- · disclosures in respect of capital management;
- · the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the reclassification of items in the financial statements;
- · disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based Payments in respect of Group-settled share-based payments; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in note 48.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting period beginning on or after 1 April 2024. The following new standards and amendments to standards are mandatory and have been adopted for the first time for the financial year beginning 1 April 2024:

- IAS1 Presentation of Financial Statements (Amendment): Non-current liabilities with covenants (effective date 1 January 2024);
- IFRS 16 Leases (Amendment): Leases on sale and leaseback (effective date 1 January 2024); and
- FRS 101 Reduced Disclosure Framework (Amendments) (effective date 1 January 2024).

These standards have not had a material impact on the Company's financial statements.

a) Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss, liabilities for cash-settled share-based payments and defined benefit pension plan assets.

b) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid 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. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

for the year ended 31 March 2025

32 Basis of preparation for the Company continued

Accounting policies for the Company continued

As a lessee continued

Lease payments included in the measurement of the lease liability comprise the following:

- · fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- · amounts expected to be payable under a residual value quarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease
 payments in an optional renewal period if the Company is reasonably certain to exercise an extension
 option, and penalties for early termination of a lease unless the Company is reasonably certain not to
 terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

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 presents right-of-use assets that do not meet the definition of investment property in "tangible fixed assets" and lease liabilities in "trade and other creditors – amounts falling due in less than one year" and "creditors – amounts falling due after more than one year" in the balance sheet.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

c) Investments

Fixed asset investments are stated at cost less provision for impairment where appropriate. The Directors consider annually whether a provision against the value of investments on an individual basis is required. Such provisions are charged in the profit and loss account in the year.

d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are between three and twelve years.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

e) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the 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; and 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 balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

f) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair values of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

for the year ended 31 March 2025

32 Basis of preparation for the Company continued

Accounting policies for the Company continued

f) Employee benefits continued

Defined benefit plans continued

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The liability in respect of the defined benefit plan is the fair value of the plan assets less the present value of the defined benefit obligation at the balance sheet date, together with adjustments for actuarial gains and losses. Actuarial gains and losses that arise are recognised in full, with the movement recognised in the statement of comprehensive income.

The Company is the principal sponsoring employer of a UK-group defined benefit pension plan. As there is no contractual agreement or stated Group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the principal sponsoring employer, which is the Company.

g) Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

h) Financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange rate risks arising from operational activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. The gain or loss on remeasurement of fair values is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. At the year end no derivative financial instruments qualified for hedge accounting.

i) Share-based payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Further disclosure in relation to share-based payments is given in note 24 of the Group financial statements.

j) Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the note to the financial statements.

k) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability to the extent that the effect of discounting is material.

for the year ended 31 March 2025

33 Personnel

The average number of employees of the Company in the year was 21 (2024: 19) all of whom are based in the United Kingdom.

34 Property, plant and equipment

	Land and	Plant and	
	buildings	equipment	Total
	£000	£000	£000
Cost			
Balance at 31 March and 1 April 2024	141	397	538
Additions	_	4	4
Disposals	(141)	(76)	(217)
Balance at 31 March 2025	_	325	325
Depreciation and impairment losses			
Balance at 31 March and 1 April 2024	86	253	339
Depreciation charge	15	69	84
Disposals	(101)	(76)	(177)
Balance at 31 March 2025	_	246	246
Carrying amounts			
At 31 March 2024	55	144	199
At 31 March 2025	_	79	79

35 Intangible fixed assets

	Computer software £000
Cost	
Balance at 31 March and 1 April 2024	1,300
Additions	49
Disposals	(304)
Balance at 31 March 2025	1,045
Amortisation and impairment losses	
Balance at 31 March and 1 April 2024	1,211
Amortisation charge	66
Disposals	(304)
Balance at 31 March 2025	973
Carrying amounts	
At 31 March 2024	89
At 31 March 2025	72

for the year ended 31 March 2025

36 Investments in subsidiary undertakings

		Restated	Restated ¹
	2025	2024	1 April 2023
	£000	£000	£000
Cost			
At 1 April	150,117	150,117	150,117
At 31 March	150,117	150,117	150,117
Provisions			
At 1 April	126,557	120,557	120,557
Impairment	_	6,000	_
At 31 March	126,557	126,557	120,557
Net book value			
At 31 March	23,560	23,560	29,560

^{1.} See note 32 Basis of preparation for the Company: prior year restatement, for the nature of the prior year restatement. Value in use models are used to assess the recoverable amount of investments in the material trading subsidiaries.

The value in use calculations use cash flow projections based upon financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using estimated growth rates of between 0.6% and 4.5% (31 March 2024: 1.5% and 4.3%) depending upon the market served. The cash flows are discounted at a weighted average pre-tax rate of between 14.6% and 19.6% (31 March 2024: 14.4% and 22.1%). The discount rates are calculated and reviewed annually and are based on the Group's weighted average cost of capital. Changes in income and expenditure are based on expectations of future changes in the market.

Following the prior year restatement, the Directors are comfortable that there is sufficient headroom between recoverable amount and net book value of all investments in subsidiary undertakings and that any reasonably possible changes to key assumptions would not result in an impairment. As such, no impairment of investments has been recognised in the current year.

During the prior year, the restructuring of a major customer of the CTP India entity resulted in de-stocking and the development of a new business plan which meant that as at 31 March 2024, the investment value of the Company in the CTP India entity exceeded the recoverable amount calculated and, as such, an impairment of £6.0m was recognised. There has been no further impairment calculated in the current year. A list of subsidiary undertakings is given in note 30 to the Group financial statements.

37 Debtors

	2025 £000	Restated ¹ 2024 £000	Restated ¹ 1 April 2023 £000
Debtors – amounts falling due within one year:			
Amounts owed by Group undertakings	38,869	51,768	67,424
Other debtors	193	155	268
Prepayments and accrued income	1,468	1,042	220
	40,530	52,965	67,912
Debtors – amounts falling due after more than one year:			
Amounts owed by Group undertakings	211	214	220
Prepayments and accrued income	594	_	_
Total	805	214	220

^{1.} See note 32 Basis of preparation for the Company: prior year restatement, for the nature of the prior year restatement.

 $Amounts \, {\rm owed} \, {\rm by} \, {\rm Group} \, {\rm undertakings} \, {\rm which} \, {\rm fall} \, {\rm due} \, {\rm within} \, {\rm one} \, {\rm year} \, {\rm are} \, {\rm primarily} \, {\rm non-interest} \, {\rm bearing} \, {\rm and} \, {\rm repayable} \, {\rm on} \, {\rm demand}.$

In accordance with IFRS 9, the Company assesses expected credit losses ("ECL") on balances owed by Group undertakings, including those classified as repayable on demand. The Company applies the simplified ECL approach, where ECL is minimal if the borrower can repay in full, or recovery is expected over time. Receivables are written off when recovery is no longer expected, with write-offs derecognised under IFRS 9 and any recoveries recognised in profit or loss.

Amounts owed by Group undertakings are presented after provision for credit risk.

Movements on the Company's loss provision on amounts owed by Group undertakings were as follows:

At 31 March	7,376	7,376	7,376
Movement on loss provision during the year	_		
At 1 April	7,376	7,376	7,376
	2025 £000	Restated ¹ 2024 £000	Restated ¹ 1 April 2023 £000

^{1.} See note 32 Basis of preparation for the Company: prior year restatement, for the nature of the prior year restatement.

for the year ended 31 March 2025

38 Provisions

	2025 £000	2024 £000
Balance at 1 April	12	302
Provision established in the year	_	12
Provisions used in the year	(11)	(7)
Provision released in the year	(1)	(295)
Balance at 31 March	_	12

During the year to 31 March 2024, a provision of £0.01m was recognised in respect of a legal claim for which external advice had been sought. This claim was settled during the year ended 31 March 2025, a small unutilised balance was released to the profit and loss account as a non-underlying item. No further provisions were required at 31 March 2025.

39 Trade and other creditors – amounts falling due within one year

	2025 £000	2024 £000
Bank overdrafts	765	4,479
Trade creditors	950	574
Taxation and social security	99	64
Lease liabilities	59	88
Other creditors	_	11
Accruals and deferred income	2,788	1,255
Amounts owed to Group undertakings	109,277	107,557
Bank loans	21,233	2,299
Other loans	26	9
	135,197	116,336

Until 26 March 2025 the Group had a net UK multi-party, multi-currency overdraft facility with a £nil net limit and a £12.5m gross limit per party. Since that date, the Group does not have an overdraft facility available. At 31 March 2025, Carclo plc was briefly overdrawn due to timing of cash flows, however, the balance was immediately repaid on 1 April 2025, with no adverse consequence. At the prior year end, Carclo plc was party to the multi-currency facility and had an overdraft of £4.5m.

Bank loans include £21.4m (31 March 2024: £24.3m) secured on the assets of the Group. The bank loan facilities are secured by guarantees from certain Group companies and by fixed and floating charges over certain assets of a number of the Group's companies. Bank loans are presented as due within one year at 31 March 2025 as the facility arrangement with the lending bank was due to expire on 31 December 2025 and the outstanding balance repaid. On 24 April 2025, the Group completed the refinancing of its primary external borrowing facility with the announcement of a three year multi-currency borrowing facility agreement with BZ Commercial Finance DAC ("BZ"). See note 31 for further information.

Additional security is granted by the Company to the bank such that at 31 March 2025, the gross value of the Company's assets secured amounted to £66.4m (31 March 2024: £143.1m).

Amounts owed to Group undertakings which fall due within one year are non-interest bearing and repayable on demand.

40 Creditors – amounts falling due after more than one year

	2025 £000	2024 £000
Bank loans	_	21,683
Other loans	2	53
Amounts owed to Group undertakings	9,884	7,904
Lease liabilities	7	92
	9,893	29,732

Amounts owed to Group undertakings which fall due after more than one year bear interest at market interest rates

On 5 July 2024 the lending facilities were successfully extended to 31 December 2025. The facilities in place at 31 March 2025 were repaid in full on 24 April 2025 when the Group completed its refinancing arrangements with its new lending partner, BZ Commercial Finance DAC ("BZ"). At 31 March 2025 bank loans have therefore been presented as falling due within one year.

for the year ended 31 March 2025

41 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Revaluation of property	283	283	_	_	283	283
Deferred tax assets	283	283	_	_	283	283

Deferred tax assets have not been recognised in respect of the following items:

	£000	£000
Tax losses – trading	5,375	5,328
Tax losses – capital	50	52
Tax losses – non-trading	363	772
Short-term timing differences	1,594	460
Employee benefits	12,936	9,298
Tangible fixed assets	144	146
	20,462	16,056

Deferred tax assets have not been recognised on the balance sheet to the extent that the underlying timing differences are not expected to reverse in the foreseeable future. This situation is expected to continue in the medium term. Capital losses will be recognised at the point when a transaction gives rise to an offsetable capital gain; this was not the case at 31 March 2025. Similarly, non-trading profits are foreseen at 31 March 2025.

The tax losses at 31 March 2025 are available to carry forward without time restriction.

There has been no change to the deferred tax asset during the year, or the prior year, as follows:

			Recognised	
	Balance at		in other	Balance at
		Recognised	comprehensive	31 March 2024
	and 2024	in income	income	and 2025
	000£	£000	£000	£000
Revaluation of property	283	_	_	283
	283	_	_	283

for the year ended 31 March 2025

42 Pension liability

The Group operates a UK defined benefit pension scheme which provides pensions based on service and final pay.

The Company was the sponsoring employer throughout the current and prior year and full disclosures in respect of the Scheme are given in note 21 of the Group financial statements. Additional security is granted by the Company to the Scheme Trustees such that, at 31 March 2025, the gross value of the Company's assets secured amounted to £66.4m (31 March 2024: £143.1m).

43 Reserves

The Company maintains an employee share ownership plan for the benefit of employees and which can be used in conjunction with any of the Group's share option schemes. As at 31 March 2025, the plan held 3,077 of its own shares (31 March 2024: 3,077 shares). The original cost of these shares was £0.003m (31 March 2024: £0.003m). The cost of the shares was charged against the profit and loss account.

44 Contingent liabilities

At 31 March 2025, the potential impact on the Carclo Group defined benefit scheme from the Virgin Media ruling cannot be confirmed and/or measured with sufficient certainty, and therefore no provision has been recognised. See note 21 of the Group financial statements for further information.

The Company has entered into cross guarantee arrangements relating to the bank borrowings of its UK and India subsidiary operations. The maximum obligation under these arrangements at 31 March 2025 was £nil (31 March 2024: £nil).

45 Financial commitments

	2025 £000	2024 £000
Contracted future capital expenditure	49	_

46 Profit and loss account

The Company loss after tax for the year amounts to £9.0m (2024: £13.6m loss).

47 Related parties

The Company has a related party relationship with its subsidiaries set out in note 30, its Directors and executive officers and the Group defined benefit pension scheme. There are no transactions that are required to be disclosed in relation to the Group's 64% dormant subsidiaries.

 $Transactions \ with \ related \ parties \ are \ set \ out \ in \ note \ 29 \ of \ the \ Group \ financial \ statements.$

In addition to this:

- interest payable to Group companies during the year was £0.9m (2024: £0.8m) and interest receivable from Group companies during the year was £nil (2024: £nil);
- royalties receivable from Group companies during the year were £1.2m (2024: £1.6m);
- management fee income receivable from Group companies during the year was £1.2m (2024: £1.1m);
 and
- · dividends were received from Group companies during the year totalling £2.1m (2024: £1.5m).

Remuneration of the Directors, who are considered to be the key management personnel of the Company, is disclosed in the audited part of the Directors' remuneration report on pages 73 to 93.

48 Accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. These should be read in conjunction with the significant accounting policies provided in the notes to the financial statements.

for the year ended 31 March 2025

48 Accounting estimates and judgements continued

Going concern

Key judgements

Management has exercised judgement over the likelihood of the Company being able to continue to operate within its available borrowing facilities and in accordance with related lender covenants for at least 16 months from the date of signing these financial statements. Judgement has been applied over forecast profit, debt levels and interest rates, particularly base rates. This determines whether the Company should operate the going concern basis of preparation for these financial statements.

Defined benefit pension assumptions

Note 21 contains information about management's estimate of the net liability for defined benefit obligations and their risk factors. The UK defined benefit pension liability at 31 March 2025 amounts to £51.7m (31 March 2024: £37.2m).

Key sources of estimation uncertainty

The value of the defined benefit pension plan obligation is determined by long-term actuarial assumptions. These assumptions include discount rates, inflation rates and mortality rates. Differences arising from actual experience or future changes in assumptions will be reflected in the Group's consolidated statement of comprehensive income. The Group exercises judgement in determining the assumptions to be adopted after discussion with a qualified actuary. Details of the key actuarial assumptions used and of the sensitivity of these assumptions are included within note 21.

In the year to 31 March 2022 and the year to 31 March 2021, the Scheme introduced a right for members to Pension Increase Exchange ("PIE") and a Bridging Pension Option respectively. Having taken actuarial advice, management exercised judgement that, for each, 40% of members would take the options at retirement. There is no change to either assumption in the current year. Any change in estimate would be recognised as remeasurement gains/(losses) through the statement of comprehensive income.

Valuation of investments in material trading subsidiary undertakings

Note 36 contains information about management's estimates of the recoverable amount of investments in material trading subsidiary undertakings and their risk factors.

Key judgements

As set out in more detail in note 36, the recoverable amounts are based on value in use and fair value less costs of disposal calculations. Management has exercised judgement over the cash flow projections used in the value in use models, which are taken from the management approved three-year plan. These are a key factor in determining whether there is any impairment in these investments.

Key sources of estimation uncertainty

Cash flows used in the value in use model beyond the three-year plan are extrapolated using estimated growth rates which vary depending on the market being served, and the cash flows are discounted at country specific discount rates which are calculated annually. These are key factors in determining whether there is any impairment in these investments. The use of the fair value less costs to sell method requires the estimation of the fair value of the investment in the subsidiary undertaking and of associated costs of disposal.

Valuation of investments in dormant subsidiary undertakings

Note 32 contains information about the prior year adjustment made to record an impairment charge of $\pounds 54.0m$ in respect of the carrying value of investments in immediate subsidiary undertakings that are dormant.

Key judgements

The impairment charge of £54.0m arises as the Company has insufficient available funds to fully settle intercompany liabilities owing to dormant undertakings, either on demand or in the near future. As a result, the impairment of the counterparty receivable recorded by the dormant undertaking means that the Company's carrying value of the investment in the dormant undertakings is impaired.

The intercompany nature of the transactions is circular in that the Company has both assets and liabilities relating to the individual dormant undertakings. Despite the impairment of the carrying value of individual dormant entity investments, IFRS 9 does not permit the Company to derecognise the liability with that same counterparty as the liability is neither settled nor is it legally released.

Since 31 March 2025, the Company has commenced a project with the objective of streamlining the Group legal entity structure that is expected to address the specific requirements of IFRS 9 concerning the derecognition of offsetting intercompany liabilities that will, in future periods, result in a credit to the Company profit and loss account in excess of the £54.0m impairment charge recorded by the Company.

for the year ended 31 March 2025

48 Accounting estimates and judgements continued

Classification and recoverability of amounts due from Group undertakings

Note 37 presents amounts due from Group undertakings falling due within one year and after more than one year.

Key judgements

Management has applied judgement when classifying amounts due from Group undertakings. Those presented as falling due within one year are primarily non-interest bearing and are repayable on demand. Receivable balances with other Group entities are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. During the year, the Company has recognised an impairment against amounts due from Group undertakings of £5.5m as a prior year adjustment to correct an accounting error, see note 32. As a result of the Group legal entity structure project mentioned previously, it is expected that a credit will be recognised to the Company profit and loss in a future period for the same amount, once the requirements of IFRS 9 are met and the related Company liability can be derecognised.

Recognition of an intercompany liability in respect of a liquidated subsidiary

Note 39 contains information about the year end trade and other creditors falling due within one year, including £109.3m in respect of amounts owed to Group undertakings. Included within this amount is £52.2m owing to CTP Finance NV, a Group undertaking that was liquidated in 2020. The Company has continued to show this liability in its balance sheet as the requirements of IFRS 9, concerning the derecognition of the liability, have not been met.

Key judgements

CTP Finance NV, a Group undertaking that was registered in Curacao was liquidated in August 2020. At the time of liquidation, CTP Finance NV wrote off the intercompany receivable due from the Company. The write off of the intercompany receivable by CTP Finance NV does not meet the criteria required under IFRS 9 for derecognition of the corresponding liability owed by the Company. Curacao law allows the liquidation to be re-opened and the Company has, after 31 March 2025, commenced an application to the court in Curacao to re-open the liquidation with a view to completing the necessary steps, whether through settlement or legal release, to facilitate derecognition under IFRS 9.

Recognition of deferred tax assets

Note 41 contains information about the deferred tax assets recognised in the balance sheet.

Key judgements

Management has exercised judgement over the level of future taxable profits in the UK against which to relieve the Company's deferred tax assets. On the basis of this judgement, except for £0.3m deferred tax asset recognised on historic property revaluations which on consolidation in the Group accounts is available to offset against a deferred tax liability of the same amount, £nil deferred tax assets have been recognised at the year end (31 March 2024: £nil).

49 Post balance sheet events

On 24 April 2025, the Group completed the refinancing of its primary external debt facility and, at the same time, concluded the triennial actuarial valuation of the UK defined benefit pension scheme at 31 March 2024. See note 31

Information for shareholders

Reconciliation of non-GAAP financial measures

Reconciliation of non-GAAP financial measures are presented in the table below. Definitions are presented in the Glossary on page 197.

a) Income statement measures

		2025	Restated ¹ 2024
Continuing operations	Notes	£000	£000
Revenue		121,219	132,672
Profit/(loss) after tax		872	(3,389)
Add back/(less): Income tax expense/(credit)	10	1,780	(498)
Profit/(loss) before tax		2,652	(3,887)
Add back: Net financing charge	9	4,928	5,587
Operating profit		7,580	1,700
Add back: Non-underlying items	8	2,258	4,857
Underlying operating profit		9,838	6,557
Return on Sales		8.1%	4.9%
Add back: Depreciation and amortisation	13, 14	6,543	8,022
Underlying earnings before interest, tax, depreciation and amortisation ("EBITDA")		16,381	14,579
Profit/(loss) before tax		2,652	(3,887)
Add back non-underlying items	8	2,258	4,857
Underlying profit before tax		4,910	970
Income tax expense/(credit)	10	1,780	(498)
(Less)/add back: non-underlying tax (expense)/credit		(10)	743
Group underlying tax expense	11	1,770	245
Group statutory effective tax rate		67.1%	12.8%
Group underlying effective tax rate		36.0%	25.3%

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

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Information for shareholders continued

Reconciliation of non-GAAP financial measures continued

b) Net debt

Net debt to underlying EBITDA		1.17	2.02
Underlying earnings before interest, tax, depreciation and amortisation ("EBITDA")		16,381	14,579
Net debt		(19,204)	(29,457)
Loans and borrowings - non-current	19	(5,105)	(28,678)
Loans and borrowings - current	19	(24,844)	(11,232)
Cash at bank and cash deposits	18	10,745	10,453
Continuing operations	Notes	2025 £000	2024 £000
		2005	nestated

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

c) Return on Capital Employed

		2025	2024
Continuing operations	Notes	£000	£000
Underlying operating profit		9,838	6,557
Inventory	15	9,928	11,289
Contract assets	16	1,721	1,663
Trade and other receivables	17	16,253	18,800
Trade payables	23	(9,697)	(10,005)
All other payables	23	(11,094)	(7,485)
Contract liabilities	5	(1,624)	(2,998)
Provisions	22	(975)	(1,621)
Working capital		4,512	9,643
Property, plant and equipment	14	35,842	40,401
Capital employed		40,354	50,044
Return on Capital Employed ("ROCE")		24.4%	13.1%

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Information for shareholders continued

Reconciliation of non-GAAP financial measures continued

d) Cash conversion rate

Continuing operations	Notes	2025 £000	Restated 2024 £000
Cash generated from operations	27	19,066	18,587
Earnings before interest, tax, depreciation and amortisation ("EBITDA")		14,123	9,722
Cash conversion rate		135.0%	191.2%

^{1.} Cash generated from operations prior year comparative has been restated to exclude defined benefit pension scheme contributions net of Company settled administration costs which are instead presented on the face of the cash flow statement as part of net cash flows from operating activities.

e) Fixed asset utilisation ratio

		2025	2024
	Notes	£000	£000
Revenue		121,219	132,672
Property, plant and equipment	14	35,842	40,401
Fixed asset utilisation ratio		3.4	3.3

Restated¹

f) Constant currency

Revenue by segment

	2025		2024		Change	
	Statutory £000	Statutory £000	Impact of exchange movements £000	Constant currency £000	Statutory change %	Constant currency change %
CTP segment						
Manufacturing Solutions	93,443	99,222	(1,422)	97,800	(5.8)%	(4.5)%
Design & Engineering	13,555	21,570	(291)	21,279	(37.2)%	(36.3)%
	106,998	120,792	(1,713)	119,079	(11.4)%	(10.1)%
Speciality segment	14,221	11,880	(92)	11,788	19.7%	20.6%
	121,219	132,672	(1,805)	130,867	(8.6)%	(7.4)%

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

Information for shareholders continued

Reconciliation of non-GAAP financial measures continued

f) Constant currency continued

Underlying operating profit by segment

	2025	2024			Change	
	Statutory £000	Statutory £000	Impact of exchange movements £000	Constant currency £000	Statutory change %	Constant currency change %
CTP segment	12,328	8,917	145	8,772	38.3%	40.5%
Speciality segment	2,801	2,109	20	2,089	32.8%	34.1%
Central	(5,291)	(4,469)	(31)	(4,438)	(18.4)%	(19.2)%
	9,838	6,557	134	6,423	50.0%	53.2%

Share price history and information

Share price history and information can be found on the internet at **www.carclo-plc.com.**

Further information on Carclo plc

Further information on Carclo plc can be found on the internet at **www.carclo-plc.com.**

Five-year summary

	2025 £000	Restated ¹ 2024 £000	Restated ¹ 2023 £000	Restated ¹ 2022 £000	Restated ¹ 2021 £000
Group total:	£000	£000	£000	£000	±000
Revenue	121,219	132,672	143,445	128,576	107,564
Underlying ² operating profit	9,838	6,557	5,849	6,006	4,750
COVID-19-related US government grant income	_	_	_	2,087	_
Operating profit before non-underlying items	9,838	6,557	5,849	8,093	4,750
Non-underlying items	(2,258)	(4,857)	(4,710)	721	4,438
Operating profit	7,580	1,700	1,139	8,814	9,188
Net financing charge	(4,928)	(5,587)	(3,749)	(2,989)	(2,659)
Profit/(loss) before tax	2,652	(3,887)	(2,610)	5,825	6,529
Income tax (expense)/credit	(1,780)	498	(1,437)	(809)	(457)
Profit/(loss) after tax but before loss on disposal of discontinued operations	872	(3,389)	(4,047)	5,016	6,072
Underlying ² operating profit	9,838	6,557	5,849	6,006	4,750
Add back: Amortisation of intangible assets	87	163	211	203	206
Underlying ² earnings before interest, tax and amortisation ("EBITA")	9,925	6,720	6,060	6,209	4,956
Add back: Depreciation of property, plant and equipment	6,456	7,859	7,905	6,915	5,864
Underlying ² earnings before interest, tax, depreciation and amortisation ("EBITDA")	16,381	14,579	13,965	13,124	10,820

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

^{2.} See the glossary on page 197.

Five-year summary continued

	2025	Restated ¹ 2024	Restated ¹ 2023	Restated ¹ 2022	Restated ¹ 2021
	000£	£000	£000	£000	£000
Continuing operations:					
Revenue	121,219	132,672	143,445	128,576	107,564
Underlying ² operating profit	9,838	6,557	5,849	6,006	4,750
COVID-19-related US government grant income	_	_	_	2,087	_
Operating profit before non-underlying items	9,838	6,557	5,849	8,093	4,750
Non-underlying items	(2,258)	(4,857)	(4,710)	721	4,490
Operating profit	7,580	1,700	1,139	8,814	9,240
Net financing charge	(4,928)	(5,587)	(3,749)	(2,989)	(2,659)
Profit/(loss) before tax	2,652	(3,887)	(2,610)	5,825	6,581
Underlying ² operating profit from continuing operations	9,838	6,557	5,849	6,006	4,750
Add back: Amortisation of intangible assets from continuing operations	87	163	211	203	206
Underlying ² earnings before interest, tax and amortisation ("EBITA") from continuing operations	9,925	6,720	6,060	6,209	4,956
Add back: Depreciation of property, plant and equipment from continuing operations	6,456	7,859	7,905	6,915	5,864
Underlying ² earnings before interest, tax, depreciation and amortisation ("EBITDA") from continuing operations	16,381	14,579	13,965	13,124	10,820

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

^{2.} See the glossary on page 197.

Five-year summary continued

	2025 £000	Restated ¹ 2024 £000	Restated ¹ 2023 £000	Restated ¹ 2022 £000	Restated ¹ 2021 £000
Group total:					
Return on sales (underlying ² operating profit margin)	8.1%	4.9%	4.1%	4.7%	4.4%
Return on sales from continuing operations (underlying ² operating profit margin)	8.1%	4.9%	4.1%	4.7%	4.4%
Effective tax rate	67.1%	12.8%	(55.1)%	13.9%	6.9%
Underlying ² effective tax rate	36.0%	25.3%	91.8%	26.4%	21.9%
Earnings/(loss) per share ³	1.2p	(4.6)p	(5.5)p	7.8p	10.0p
Underlying ² earnings per share	4.3p	1.0p	0.2p	3.0p	2.3p
Net debt	(19,204)	(29,457)	(34,360)	(32,405)	(27,596)
Return on Capital Employed ²	24.4%	13.1%	9.6%	9.5%	8.7%
Capital expenditure as a multiple of depreciation	0.4x	1.0x	0.7x	1.4x	1.8x
Average number of employees in year	958	1,059	1,116	1,062	1,048

^{1.} See note 1ii) Basis of preparation: prior year restatement, for the nature of the prior year restatement.

^{2.} See the glossary on page 197.

 $^{3. \} Earnings/(loss) \ per share is calculated based on profit after tax, attributable to equity holders of the parent company, including discontinued operations and is after non-underlying and separately disclosed items.$

Glossary

Capital employed

Working capital and property, plant and equipment.

Cash conversion rate

Cash generated from operations divided by EBITDA.

Constant currency

Prior year income statement items translated at the average exchange rate of the current year.

EBIT and operating profit

Earnings, whether profit or loss, before interest and tax.

EBITDA

Earnings, whether profit or loss, before interest, tax, depreciation and amortisation.

Effective tax rate

Income tax (expense)/credit divided by the profit/(loss) before tax.

Fixed asset utilisation ratio

Trailing twelve month revenue divided by tangible fixed assets at the period end.

Group capital expenditure

Additions to intangible assets and property, plant and equipment.

Net debt

Cash and cash deposits less loans and borrowings.

Net debt to underlying EBITDA ratio

Net debt divided by underlying EBITDA.

Non-underlying

Transactions which fall within the ordinary activities of the Group that, by virtue of their size or incidence, are considered to be non-underlying in nature.

ROCE

Return on Capital Employed being trailing twelve month underlying operating profit as a percentage of capital employed at the period end.

ROS

Return on Sales being underlying operating profit as a percentage of revenue.

Trailing twelve months

The sum of income statement items over the preceding twelve month period.

Underlying

Financial performance adjusted to exclude all non-underlying items. Underlying profit after tax is profit after tax adjusted to exclude all non-underlying items and attributable tax on such items.

Working capital

Current and non-current inventory, contract assets and trade and other receivables less current and non-current trade payables, other payables and provisions.

Company and shareholder information

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Financial calendar

Annual General Meeting	26 September 2025
Interim results for half year ending 30 September 2025	November/December 2025
Preliminary results for year ending 31 March 2026	June/July 2026
Annual report for year ending 31 March 2026	mailed July 2026
Annual General Meeting	August/September 2026



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