The Annual Report

and

Consolidated Financial Statements

of

The Altro Group plc

for the year ended

31 December 2023

Company Registration Number: 01493087

Contents

Directors and advisers

Directors

R J Kahn *Managing Director and Chair*
E P Boyle
P L Caller
M P Fincham*
A L Nelson*
**Non-executive*

Secretary

E P Boyle FCCA

Registered office

Works Road
Letchworth Garden City
Hertfordshire
SG6 1NW

Company registration number

01493087

Independent auditors

PricewaterhouseCoopers LLP
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Registrars

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10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Chair's statement
for the year ended 31 December 2023

As shareholders will be aware, 2022 was a particularly challenging year for the Group and our profits were significantly lower than the preceding few years. I am very pleased that during 2023 the work we did during 2022 has paid off and we are back to profit levels much closer to those achieved in our recent history.

I can therefore announce that the result for the year ended 31 December 2023 was a profit before taxation of £8.8m (2022: £0.1m) on sales of £173.5m (2022: £161.8m).

During 2023 dividends totalling 9.0p per share were paid (2022: 9.5p). In light of the 2022 profit result the directors did not feel able to recommend a final dividend in respect of that financial year, but following a strong start to 2023 paid an interim dividend of 4.5p in July and another of the same amount in November 2023. At the Annual General Meeting in June, the Company proposes to seek the approval of the shareholders to pay a final dividend of 7.0p per share on 26 July 2024 to those shareholders on the register at close of business on 5 July 2024.

A share valuation of 638p was obtained from Investec Bank plc in April 2024 (April 2023: 577p, August 2023: 625p, December 2023: 664p) on behalf of the Trustees of the Employee Benefit Trust (EBT) and the Share Incentive Plan (SIP).

I would like to thank shareholders for their support since I took over as Chairman of the Group at the end of May 2023 and in particular since the sad passing of my father, David Kahn, on 30 January this year. My father worked within the Altro Group for 70 years and served as Chair for many of those years. He remained a director throughout 2023 and up until the day of his passing. I would like to extend my gratitude to all of you that have sent kind messages of condolence at such a sad time for the whole Kahn family and the entire Altro Group.

I look forward to continuing to serve the Group as Chairman throughout 2024 and beyond.

R J Kahn

Strategic report
for the year ended 31 December 2023

The directors present their Strategic report on the Group for the year ended 31 December 2023.

Principal activities and review of the business

The Altro Group plc (the "Company") is an unquoted public limited company and the holding company of the Altro group of companies (together, the "Group"). The Group's balance sheet is disclosed on page 26 and the profit attributable to its shareholders is disclosed on page 25 of this Annual Report and Consolidated Financial Statements.

The principal activities of the business are the manufacture and marketing of:
- Altro safety flooring
- Altro smooth flooring
- Altro luxury vinyl tile
- Altro wall systems
- Altro resin systems
- Autoglym vehicle care products.

During the year, the Company and its subsidiaries continued to recover from the challenges of previous years, including the raw material price increases and the cyber-attack experienced in late 2022. We are pleased that there has been a significant recovery in profits for 2023, following the disappointing results in 2022.

Financial review

The consolidated profit and loss account for the year is set out on page 25.

The key performance indicators (KPIs) for the Group are:
- Turnover - increase of 7.3% (2022: up 10.6%)
- Operating profit/(loss) - increase of 1,998.1% (2022: down 105.3%)
- Net funds - increase of 106.8% (2022: down 62.2%)
- Total Shareholders' funds - decrease of 6.3% (2022: down 7.3%)

The Group's net funds as at 31 December 2023 were £16.5m (2022: £8.0m). Net funds comprise Cash and cash equivalents.

Turnover has increased year on year aided by price increases into the market and operating profit has also recovered significantly as raw material price increases eased. Performance against the KPIs in 2023 is once again considered satisfactory given the wider economic context.

Health and safety (Zero Harm) is a key priority for the Group and this has remained the case throughout 2023. Altro Floors and Walls introduced a new accident and investigation process in the UK to prioritise the prevention of high-risk accidents and incidents; it is planned to roll this out internationally in the future. The Board reviews a number of Zero Harm metrics every month and against annual targets, including days lost through accidents, which have fallen by 40% from 2022 to 2023 and near miss reporting, which it is pleasing to see has increased by 52% from 2022 to 2023.

Expenditure during the year has included investment in buildings, plant and machinery throughout the Group as well as additional contributions of £2.8m (2022: £2.8m) to the Defined Benefit Pension Scheme.

Future developments

The Group continues to seek growth in both its UK and overseas markets in the longer term. More immediately, the Group remains focused on responding to the evolving conditions across its international markets. As outlined in the 'Principal Decisions' section the Group is currently making an acquisition in Australia as part of the international growth strategy of its Autoglym Division. For further details see note 31 (Events after the reporting period).

Principal risks and uncertainties

The business is subject to a number of risks and the Group has procedures and systems to manage these. The key business risks affecting the Group are considered to relate to competition from other manufacturers, loss of manufacturing facility, increased raw material and energy costs, significant data loss (including cyber-crime) leading to reputational damage and costs, regulatory changes (including a ban on essential product components), supply chain disruption, fluctuations in the UK and global economy and any action which may be taken by governments in our major markets.

Strategic report (continued)
for the year ended 31 December 2023

Principal risks and uncertainties (continued)

The Board takes action where possible to eliminate, reduce or mitigate specific risks through the adoption of appropriate strategies.

Financial risk management

The Group's operations expose it to a variety of financial risks, including the effects of changes in currency exchange rates, credit exposure, and changes in prices, liquidity and interest rates.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of directors are implemented by the Group's finance department.

The main risks arising from the Group's financial management can be analysed as follows:

Currency risk

The Group is exposed in its trading operations to the risk of fluctuations in currency exchange rates. Where appropriate, forward contracts and swaps are used to hedge this exposure.

Credit risk

The Group's principal financial assets are loans receivable, cash at bank and in hand, and trade and other debtors which represent the Group's maximum exposure to credit risk in relation to financial assets. This risk is managed through internal monitoring processes and credit insurance.

Price risk

The Group is exposed to price risk on raw materials as a result of its operations and such exposure is monitored closely and reported on regularly. In a number of cases, dual supply arrangements are in place.

Liquidity and cash flow risk

The Group has positive cash at bank and in hand balances with various banks and appropriate overdraft facilities in place where considered necessary. The Board continues to actively review decisions requiring significant cash outlay as a means of maintaining its cash balance.

Interest rate risk

The Group has limited exposure to interest rate risk as it has only minimal external borrowings. There is also an exposure to the impact of longer term rate movements in the Defined Benefit Pension Scheme, which is managed by the Trustees of the Scheme and their advisers.

Strategic report (continued)
for the year ended 31 December 2023

Companies Act 2006 Section 172 Statement

The Board of Directors of The Altro Group plc (the "Board") are fully aware of their duty under Section 172, along with the other directors' duties in the Companies Act 2006. 2023 continued to be challenging after the disappointing results of 2022, but throughout the year, the Board, along with senior managers and staff in all operations, have continued to ensure the business remains strong and stable for its future success and for the benefit of all its stakeholders; this has resulted in a strong recovery during the year.

As with all companies, decision making within the Group is complex and the Board takes into account many factors, sometimes conflicting, when reaching decisions. The directors' decisions are always driven by the need to promote the success of the Company for the benefit of its members as a whole and whilst taking decisions they consider all their duties under the Companies Act 2006, including having regard to all of the matters under Section 172 (1) a) to f).

The Board's approach to decision-making aligns with the Group's over-arching strategy of being a customer-focussed group, producing high-end products, with family values at its heart. This global strategy encompasses the more detailed strategy for each of the Group's two diverse trading divisions (Autoglym and Altro Floors and Walls) (the "Divisions") and drives the budget approval process that usually takes place in the last quarter of each financial year. The Section 172 factors are also closely aligned with the Group's culture, reflected in the mantra of 'Valuing our customers; valuing each other'.

Throughout 2023, Corporate Governance has remained a monthly Board agenda item, allowing the Board to regularly reflect on various processes and arrangements for discharging their duties. The impact of decisions on stakeholders is considered in detail and such decision-making is supported by comprehensive Board papers that are distributed to directors ahead of Board meetings. The Board is supported by a company secretarial team and at least one member of the secretariat is present at every Board meeting to offer advice and support as needed, as well as taking comprehensive minutes.

The composition of the Board supports its long-term outlook. Richard Kahn (Managing Director) and David Kahn (Non-Executive Director), both members of the founding family who are majority shareholders, both served on the Board throughout 2023. In May 2023, Richard Kahn also became Chair, following the resignation of Tracy Lewis as a director and Chair. Sadly, in January 2024, David Kahn passed away, which is a deep loss not only to the Kahn family, but the wider business that he had served diligently for the last 70 years.

In November 2023, Edmond Boyle announced his decision to retire as Finance Director and Company Secretary (date to be confirmed). Edmond Boyle has worked for the Group for 40 years and on his retirement will become a Non-Executive Director, allowing the Board to continue to benefit from his wealth of experience. As such, the Board will not recruit a Non-Executive Director in place of David Kahn at this time. No announcement has yet been made in relation to Edmond Boyle's executive replacement. Andrew Nelson (Non-Executive Director) continued his appointment throughout 2023 and to date. The total number of Non-Executive directors on the Board at the close of 2023 (three) was equal to the number of Executive directors (three); the Board feels this continues to bring an appropriate balance to ensure strong governance. The number of Non-Executive Directors is currently two, but will increase back to three when Edmond Boyle transitions from Finance Director to Non-Executive Director. The level of independence brought to the Board via Andrew Nelson continues to be of benefit to the Group. Michael Fincham brings extensive knowledge of what has made the Group successful on a long-term basis, having been a long-serving senior employee. The three Executive directors are made up of the Finance Director, and both Divisional CEOs, ensuring the Divisions maintain a long-term focus and are strategically aligned. This also ensures that the culture of the Group, its purpose and values are maintained throughout both Divisions and through all subsidiaries. The composition of the Board of Altro Limited (the Group's primary trading subsidiary) is identical to the Board of The Altro Group plc and at least one director of every international trading subsidiary is either a director of The Altro Group plc or a member of one of the Executive Committees (see below). This is to ensure that governance is closely aligned within the Group and all its subsidiaries.

The Board has long-established Executive Committees for each of its Divisions that regularly engage with various stakeholder groups and report back to the Board. These Committees work with all relevant subsidiaries around the globe, which has been beneficial in maintaining a consistent approach to the challenges faced during 2023. The CEO of each Division (Richard Kahn – Altro Floors and Walls and Paul Caller – Autoglym) sit on their respective Executive Committee and the Finance Director sits on both. All three are directors and therefore the Board receives monthly updates from the Executive Committees through these individuals. On a monthly basis, the CEO of each Division reports to the Board on such matters as Zero Harm (health and safety) performance, operational efficiency, product innovation, sustainability and environment, employee matters and customer and supplier information. The minutes of every Executive Committee meeting are also shared with the directors. The Executive Committees also have access to the secretariat for assistance and advice. Besides engagement via the Executive Committees, the Board also takes part in direct engagement with various stakeholder groups.

Companies Act 2006 Section 172 Statement (continued)

The following pages show an outline of how the Board has regard to specific stakeholder groups, issues and factors and examples of the effect of that regard and Principal Decisions made during 2023.

CA2006 s.172 Matters a-f	How the directors have had regard to this matter	The effect of that regard
a) The likely consequences of any decision in the long term	The Group has always considered the longer term and this is reflected in the fact that the oldest company in the Group (Altro Limited) has been in operation since 1919. In particular, the Board always considers the balance between the short and long-term extremely carefully in all of its decision-making; any decision that would be a short-term gain, but could have a negative long-term impact is generally dismissed, unless the Board considers there are very clear mitigating factors. The Group has chosen to have two complementary, but distinct Divisions. This forms part of a long-term risk mitigation strategy as the Divisions are affected by economic and other challenges at different rates and in different ways. For example, raw materials differ between the Divisions, reducing raw material price risk. This has been particularly relevant during recent years.	Protecting the long-term viability of the Group is central to every Board discussion and decision-making process. The Board reviews detailed international 5-year plans and these are updated on an annual basis. The Board has remained cautious during 2023 in response to the economic climate but where appropriate has continued with capital expenditure and investment to ensure the long-term success of the Group. This approach allowed a balance between ensuring the short-term health of the Group and investing for the future growth of the business. (See also 'Expenditure and Borrowing Decisions' in the 'Principal Decisions' section.)
b) The interests of the Company's employees	See the 'Statement on employee engagement' section of the Directors' report, as well as the Stakeholder table below.	See the 'Statement on employee engagement' section of the Directors' report, as well as the Stakeholder table below.
c) The need to foster the Company's business relationships with suppliers, customers and others	See the Stakeholder table below.	See the Stakeholder table below.
d) The impact of the Company's operations on the community and the environment	See both 'Community' and 'Environment' in the Stakeholder table below and the Emissions and energy consumption section in the Directors' report.	See both 'Community' and 'Environment' in the Stakeholder table below and the Emissions and energy consumption section in the Directors' report.

Strategic report (continued)
for the year ended 31 December 2023

Companies Act 2006 Section 172 Statement (continued)

CA2006 s.172 Matters a-f	How the directors have had regard to this matter	The effect of that regard
e) The desirability of the Company maintaining a reputation for high standards of business conduct	The Board takes abiding by laws in every region very seriously and has various Steering Groups within the business to assist with relevant legislative compliance. This includes a Data Protection Steering Committee, which gave a strong platform from which to deal with the cyber-attack we experienced in late 2022, and an Anti-Bribery and Corruption Group that engages with employees to ensure compliance with the Bribery Act 2010. The employee handbook also sets out a clear whistle-blowing procedure which is flagged to new employees as part of their induction, amongst other policies such as modern slavery, data protection and a new Diversity, Inclusion and Belonging programme introduced during 2023. There is also a network of Dignity at Work coaches that staff can consult. In order to ensure high standards of business conduct both manufacturing subsidiaries (UK and Germany) and Autoglym have ISO accreditations, as follows: - ISO 14001 (Environmental Management Systems) - ISO 9001 (Quality Management) - ISO 45001 (Occupational Health and Safety) accreditation (Autoglym only)	In 2023, a Diversity, Inclusion and Belonging programme was launched across the Group which has included an internal survey to help guide future activities, a dedicated space on the Employee Intranet Hub and support for other initiatives. It is intended that surveys on this important topic will be carried out annually. The Altro Limited Gender Pay Gap Report for April 2023 shows a median Gender Pay Gap of 5.8%, compared to a UK National Median Gender Pay Gap of 14.3% (Source: Office for National Statistics 2023). Zero Harm (Health and safety) remained a particular focus within the Group during 2023 with IOSH (Institution of Occupational Safety and Health) training being delivered to existing and new employees throughout both UK Divisions. It is pleasing to note that, at the end of 2023, Altro Floors had gone almost a full year without a RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reportable accident, Autoglym over 1,400 days, Altro Walls over 2,400 days and Altro Resins over 3,000 days. During the Board's 2023 review of trading territories, a decision was made to enhance the role of the Anti-Bribery and Corruption Group and invest in updating our policies on international trading given the increasingly unstable global environment.
f) The need to act fairly as between members of the Company	The Board considers the impact of decisions on shareholders as a whole and is always mindful of the differing levels of access to information between shareholder groups (i.e. employee shareholders versus non-employee shareholders). The Board has maintained a desire to have only one class of shareholder to facilitate fairness between members. See also the 'Shareholders' section in the Stakeholder table below.	The Board ensures shareholders who are not employees have access to performance data, not only through the Annual Report, but also through an interim statement, which it voluntarily produces and was last distributed in October 2023. Shareholders were also given the opportunity to submit questions to the directors via email for discussion at the AGM in June 2023 and the additional General Meeting held in November 2023. Ahead of the November 2023 meeting shareholders were sent detailed information in relation to the proposal by its auditors (PricewaterhouseCoopers LLP) to enter into a Limited Liability Agreement with the Company. (See also 'Dividend Decisions' in the 'Principal Decisions' section.)

Companies Act 2006 Section 172 Statement (continued)

Section 172 of the Companies Act 2006 requires the directors to have regard to the prescribed factors listed above, along with 'other matters'. Therefore, in order to determine a full list of issues, factors and stakeholders that are relevant when making decisions, the Board examines the supply chain for each of its Divisions, as well as the reach of the business, its interactions with other businesses and partners and its physical locations. It also examines data from employee engagement processes (see the Directors' report), as well as customer and supplier feedback. Based on this, the Board maintains a list of stakeholders and other more intangible factors for consideration when making decisions. This enables them to assess the potential impact of decisions on relevant stakeholder groups, whilst ensuring the long-term success of the Company on behalf of the shareholders. The issues, factors and stakeholders are not exhaustive and for each decision taken there may be other factors considered.

Below we outline the stakeholder groups the Board deems to be most relevant to its decision making and for each discusses engagement strategies (how the Board has had regard to this stakeholder group) and the outcomes (the effect of the Board's regard for this stakeholder group).

EMPLOYEES	
Engagement Strategies	**Outcomes**
Please see the 'Statement of employee engagement' section of the Directors' report, which is incorporated into this Strategic report by reference and therefore forms an integral part of this report.	Please see the 'Statement of employee engagement' section of the Directors' report, which is incorporated into this Strategic report by reference and therefore forms an integral part of this report.

PENSIONERS *Our pensioners have often dedicated many years to serving the Group and we are mindful of our responsibility to them as well as how our current workforce plan for retirement in a society where retirement savings are often inadequate.*	
Engagement Strategies	**Outcomes**
The Group sends a representative to each Defined Benefit Pension Trustee meeting and engages regularly with the Trustees and Scheme Actuary. The Board meets periodically with both the Independent Trustee and Scheme Actuary. There is a Defined Contribution Pension Scheme Group, who meet annually with the administrators to review the Scheme. New employees are given a full introduction to Auto Enrolment and the Defined Contribution Pension Scheme. There are also regular employee presentations outlining pension arrangements and these become more frequent as employees approach retirement. Employees are also given access to online information about how to plan for retirement and the potential worth of their pension savings in real terms.	To give an added layer of protection, the Company has in place a cross-guarantee for the Defined Benefit Pension Scheme and the Group has again put £2.8m into funding the deficit during 2023. Altro Limited also pays pension scheme costs for administration, investment advice and other pension fund fees. The Group has a 'Run down to Retirement' scheme in the UK, whereby employees are prepared for this significant life event through a series of seminars and then a gradual reduction in working days over the last four months of employment, whilst maintaining full pay and benefits.

Strategic report (continued)
for the year ended 31 December 2023

Companies Act 2006 Section 172 Statement (continued)

SHAREHOLDERS *As an unlisted company with several hundred shareholders, we are proud that shareholder engagement is an integral part of our annual calendar.*	
Engagement Strategies	**Outcomes**
The Board understands the importance of shareholders and therefore, for many years, has engaged a professional registrar company to take care of shareholder enquiries and for registering changes to shareholdings. The company secretarial team alert the directors to any specific shareholder requests or concerns, and this allows a close link between the Board and shareholders. In addition to our external Registrar, the Group understands that some shareholders prefer more personal interaction and therefore shareholders are also able to directly contact the company secretarial team. The Company holds an Annual General Meeting ("AGM") and we were pleased to welcome shareholders to a reception after the AGM in 2023. Where shareholders were not able to attend in person, interaction was encouraged by way of providing shareholders with an email address to which they could submit questions ahead of the AGM and ahead of the additional General Meeting in November 2023**.**	As outlined above, the Board continued to maintain a careful balance between preserving working capital and making significant expenditure decisions. In making these decisions the Board weighed up carefully the views of the shareholders and other stakeholders. Shareholders were kept informed of decisions that affected them, such as dividends, through written communications. Following the introduction of new Articles of Association in 2021, more shareholders took up the opportunity to change to electronic communication during 2023. This change was as a result of requests from shareholders, and of the Company's desire to allow for more sustainable communication with its shareholders in the future. (See also 'The need to act fairly as between members of the Company' above and 'Dividend Decisions' in the 'Principal Decisions' section.)

SUPPLIERS *Our suppliers are vital to our long-term success, as they enable us to continue to deliver high quality product to our customers. Ensuring our supply chain meets our high standards helps to ensure the integrity of our products and maintain our ethical business values.*	
Engagement Strategies	**Outcomes**
The Group carries out regular reviews of many of its suppliers and both new and existing suppliers are invited to visit our sites. During such visits the Group's Zero Harm programme is discussed with suppliers as the Group believes mutual sharing of such information strengthens health and safety matters within the supply chain for everyone's benefit. The Group has many strong supplier relationships and regularly engages in good open dialogue, talking with them about our supply requirements, seeking and giving feedback and responding to requests and suggestions from suppliers. Our questionnaire for new suppliers contains checks and questions on issues such national minimum wage, ethical behaviour and safe working practices. When selecting suppliers, their ethical values and welfare records are considered along with both their business and product sustainability criteria. In 2023, Altro Floors joined a sustainability initiative with a major supplier, which has helped to shape some of our own sustainability initiatives. Other suppliers have assisted us in sharing information on the environmental credentials of their materials, product safety data and research and sustainability reports.	Supply of raw materials continued to be affected by global events such as energy and feed stock price fluctuations, industrial action at transport hubs and post Brexit challenges. However, the strength of the relationships we have with our suppliers and the consistent dialogue we maintain with them ensured continuing supply during the year. The Altro Walls and Floors Division worked closely with some of its major suppliers on various initiatives including cost reduction and product performance objectives, environmental matters and product compliance in overseas markets. The Altro Floors and Walls Division assisted a supplier with its own safety audit of deliveries to our site in Letchworth Garden City.

Companies Act 2006 Section 172 Statement (continued)

<table>
<tr><td colspan="2">CUSTOMERS
Without customer engagement we would not be able to ascertain the direction in which to take our innovation programmes and ultimately would not be able to grow sales.</td></tr>
<tr><td colspan="2">We have a variety of routes to market and as such a variety of customer groups as follows:
• Business Partners (including Agents, Distributors, Franchisees and Researchers)
• Product users (such as installers (Altro Floors and Walls), valeters and dealerships (Autoglym)) and specifiers (such as architects)
• End consumers</td></tr>
<tr><td>Engagement Strategies</td><td>Outcomes</td></tr>
<tr><td>The Group collects feedback from customers through a variety of channels including during site visits and through social media. Since the inception of its Voice of the Customer programme in 2008, the Altro Floors and Walls Division has hosted nearly 1,700 visits welcoming over 4,000 attendees.

In addition to Voice of the Customer, Altro Floors & Walls also welcomed over 50 international visitors to its site in Dessau for product workshops, a factory tour and to attend the internationally acclaimed design and construction event that is Bauhausfest.

Both Divisions have dedicated sales and marketing functions, as well as their own customer care centres and run a host of events for customers throughout the year. This includes videos, e-learning and webinars. This is in addition to free-of-charge training events and training schools for both Divisions, which ran throughout the year. In 2023 there were almost 2,000 participants in the Altro Floors & Walls Continuing Professional Development seminars.

Technical services support for customers remained consistent throughout the year, with the Autoglym Technical Services Team carrying out over 100 visits to assist customers and visiting 186 businesses in the UK to provide free-of-charge training to their staff on site.

Altro Floors and Walls held its first Technical Exchange meeting in February 2023, where the European Technical, Technical Services, Quality and Compliance teams met to discuss ways of improving innovation and communication; biannual meetings will be scheduled for future years.

The Autoglym Division continued to work closely with its franchisees who play a key role in the business. As well as regular meetings, bulletins, support and guidance provided by Autoglym, the franchisees were also involved in product testing, providing feedback on new and improved products and they were provided with product training.</td><td>Initiatives instigated during 2023, some of which were as a result of customer feedback, have included:
• the trialling of a free return service for flooring samples (later implemented in early 2024),
• a change to film packaging for some resin products (for ease of transportation and disposal),
• the launch of four new floor products and a transit product exclusively in the US and several new colours of our floors and walls ranges,
• the Autoglym Division’s launch of a new generation of the LifeShine protection system and four new and two improved products for retail customers, and
• the preparation of a new dedicated B2B website for Autoglym (launched January 2024) and upgrade to the existing website.

Autoglym carried out an inhouse customer survey in 2023 for its franchisees and international distributors, with Customer Services Scores improving since 2021. In 2023 there was also a reduction in recorded complaints received by Altro Walls compared to 2022, and complaints recorded by Altro Resins fell by 10%.

In addition to its business hub in Manchester which opened during 2022, Altro Floors & Walls Division launched a hub in Glasgow in September 2023 which will facilitate customer events, product launches and regional meetings.

During 2023 Altro Floors hosted three “Inclusive Design For All” events focussing on neurodiversity and designing fully inclusive spaces. There were attendees from around the world and the feedback was hugely positive. In addition, the Transit team ran a Transport Design Forum in June for around 50 UK-based customers. Members of the Autoglym Technical Services team attended car show events demonstrating cleaning techniques and product training for customers.</td></tr>
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Companies Act 2006 Section 172 Statement (continued)

<table>
<tr><td colspan="2">ENVIRONMENT
As manufacturers of products that involve chemical processing, it is of utmost importance that we respect the environment and take the environmental effect of our products and operations into account.</td></tr>
<tr><td>Engagement Strategies</td><td>Outcomes</td></tr>
<tr><td>As a responsible business, the Board constantly considers the impact of the Group, its locations and products on the environment. The Group aims to make sustainable flooring and for this reason the Group is able to offer up to 20 year guarantees with a number of its flooring products and 30 years for some wall cladding products. The Board has always felt this to be important because of the effect that the ‘throw-away’ culture has on the environment.

Within the Group there are various relationships and memberships of industry environmental groups for the Altro Floors and Walls Division, including:
- VinylPlus (a voluntary commitment of the European PVC industry for sustainable development and recycling) and Vinylplus UK which is run by the British Plastics Federation and affiliated to VinylPlus;
- British Plastics Federation Product Safety and Fire Safety committees;
- Membership of the European Resilient Floor Covering Manufacturers Institute Circular Economy Committee and Revinylfloor (recycling) group;
- Contact is maintained with the Construction Product Association’s Sustainability Policy Group;
- Industrial Affiliate to the EU Circular Flooring Project.

Autoglym’s memberships include British Chemicals Association Regulatory Affairs Forum and the Paint Research Association.

The main UK trading entity (Altro Limited) maintains ISO 14001 (Environmental Management Systems) accreditation across both Divisions to ensure compliance with environmental standards and to enhance environmental performance. The manufacturing subsidiary in Germany has ISO 14001 accreditation, as well as ISO 50001 accreditation and a number of indoor air quality certifications.

The Group considers the environment and sustainability in its capital expenditure, by continuing to make the sustainability of suppliers’ products part of the selection process. Both Divisions have carried out carbon footprint surveys: Altro Floors and Walls in 2023 and Autoglym in a prior year.

The Autoglym Division achieved EcoVadis Bronze (an award in relation to management systems for sustainability) during 2023.</td><td>Both Divisions have dedicated Sustainability Steering Groups and both appointed new Sustainability Managers during 2023. These Groups and individuals are working on plans for areas such as reducing carbon footprint, improving energy efficiency, increasing recycled and bio-sourced content in our products and packaging, and expansion of recycling schemes. Early initiatives for the Altro Floors and Walls Division have included the launch of a Sustainability Policy, employees and a selection of global customers taking part in a Materiality Assessment regarding Environmental, Social and Governance issues, the launch of an intranet Global Sustainability Hub for employees and a sustainability presentation for new customers. Sustainability training for staff has also continued during 2023.

The Group takes seriously the need to find ways to prevent redundant product from being sent to landfill. In 2009 Altro and Polyflor co-founded Recofloor, a vinyl flooring take-back scheme that operates in the UK and Ireland. With 6,917 tonnes of waste flooring collected since 2009, Recofloor provides a more eco-friendly and cost-effective alternative to traditional waste disposal routes. In 2023 Recofloor collected 472 tonnes of installation offcuts and post-consumer waste for recycling into new flooring or traffic calming products such as road cones. The Group also has a stake in AgpR (Arbeitsgemeinschaft PVC-Bodenbelage Recycling), a similar recycling scheme in Germany. During 2023, AgpR collected and recycled over 2,400 tonnes of flooring. An in-house initiative to recycle waste wall cladding products (Recowall) has also diverted over 800 tonnes of waste from landfill since its inception. The Altro Walls site recycled 75 tonnes of PVC waste through the Recowall scheme in 2023 and also collected and reused over 350 pallets.

The Group purchases 100% renewable electricity at all its UK sites throughout all operations and continually works to improve the sustainability and environmental impact of its products. For example, almost 99% of all resilient floors produced by the Group contain a bio-plasticizer that comes from a renewable source and 99% of the plastic bottles used by Autoglym for its retail products are recyclable. The Group launched two more adhesive-free flooring products in 2023, which removes the need for adhesive and are easier to recycle at the end of their life. In 2023, Altro Floors continued to use a bio-attributed raw material produced with renewable electricity and renewable ethylene from biomass. The CO_2 savings of the bio-attributed raw material is about 90%, compared to the conventional product.

(See also the ‘Emissions and energy consumption’ section in the Directors’ report.)</td></tr>
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Strategic report (continued)
for the year ended 31 December 2023

Companies Act 2006 Section 172 Statement (continued)

COMMUNITY *The directors are aware that the Group is reliant on its local communities and owes them all a duty of care when carrying out its operations.*	
Engagement Strategies	**Outcomes**
The Board is proud of the location of its manufacturing sites in Letchworth Garden City and considers carefully the impact they may have on the surrounding area and community. This is also true for all other locations. The Group supports several charitable causes both locally and internationally. Support strategies include monetary donations, staff time, partnerships and working with community groups, such as local schools. The Group also makes an annual donation of funds and staff time to The Altro Foundation Limited, which is a corporate Foundation with charitable status. The Group allows all staff, in every location worldwide, one day off per year to help out at a charity of their choice. Following feedback from employees in 2023, this was broadened from health charities to all good charitable causes. Staff are encouraged to choose local projects, so that the Group has a positive impact on the local community. The Group also supports staff involvement with other charity days and events, such as Macmillan coffee mornings, Christmas Jumper Day for Save the Children and individual charitable fund-raising events. During 2023 members of UK staff continued to volunteer at a farm close to our Letchworth factory.	Since 2008 the Autoglym Division has made donations of car cleaning products to The Fire Fighters Charity for use by every fire station taking part in their National Car Wash fundraising event. The Autoglym Division also made a cash donation to a foodbank helping those in need in the local Letchworth community. The Altro Floors and Walls Division donates flooring and wall cladding to various good causes, which have included homelessness charities. During 2023, the Division also made some cash donations, both direct to local charities and via sponsorship of customers and employees. Our partnership continues with a not-for-profit organisation local to our Letchworth Garden City sites that supports the long-term unemployed through mentoring, courses and providing a drop-in centre. In 2023, we hosted a visit for individuals being supported by this organisation so they can experience a workplace environment and to help develop their confidence by interacting with our employees. Some of our employees have also volunteered at the drop-in centre.

Other matters to which the Board has regard when decision making

- **Zero Harm**
  Having a happy and healthy workforce is vital to our work and this is why the Board has asked that Zero Harm is the first item considered at every meeting.

- **Sustainability**
  Considering the most sustainable ways to carry out our processes, procedures and actions will help to benefit us and others for many years to come.

- **The need to constantly innovate**
  Bringing new products to the market benefits customers including distributors, installers and end users, as well as the Group itself.

- **The importance of efficiency**
  Efficient production lines and processes benefit not only the Group, but also customers, employees and the environment.

- **Maintaining the highest levels of quality in everything we do**
  Quality is one of our main principles in both Divisions and is what we believe sets us apart from others.

- **Ensuring systems (mechanical, technological, manual and other) are in place to provide a stable business platform and support efficiency**
  No business can function well without robust systems in place and this is especially true in manufacturing.

Strategic report (continued)
for the year ended 31 December 2023

Companies Act 2006 Section 172 Statement (continued)

Principal Decisions

We define Principal Decisions as those that have a significant impact on the Company and/or Group and/or our stakeholders. Principal Decisions that are currently confidential to the Group are not included in the below list. Any such decision would be included in a future Annual Report if and when confidentiality is no longer a factor. The potential impact of Principal Decisions on stakeholders is assessed in detail by the Board. The Board has had to make many decisions during 2023 and those that are deemed to be Principal Decisions are described below.

i) Expenditure and Borrowing Decisions

As noted earlier in this report, the Board prioritises the long-term success of the Company for the benefit of its shareholders and other stakeholders. Therefore, during the year the Board balanced the need to be prudent with the need to grow the business for its future strength and take into account the needs of various stakeholder groups. Principal decisions in relation to expenditure have at all times taken into account the impact on stakeholders and have included:

- *approving the taking on of a term loan of US$2m and a revolving credit facility by the US subsidiary;*
- *continuing to suspend some discretionary expenditure;*
- *not to offer a buyback of shares;*
- *approval of the 2024 budgets;*
- *making a SIP Award to UK Qualifying Employees in early 2024; and*
- *awarding a pay increase to employees at the start of 2024.*

ii) Dividend Decisions

During the year the Board did not recommend a 2022 final dividend but committed to considering the payment of an interim dividend once more information on the performance in the first half of 2023 was available. Following such consideration, the Board recommended and approved the paying of an interim dividend of 4.5p, paid in July 2023. A second interim dividend of 4.5p was declared and paid to shareholders in November 2023. In reaching these decisions, the Board considered expectations of both employee and external shareholders, weighed against the need to preserve the long-term success of the Company.

iii) Defined Benefit Pension Scheme (DB Scheme) Deficit Funding

The Board reviews the DB Scheme deficit on a regular basis and continued to fund the deficit as agreed in the 2017, 2020 and 2023 valuations, contributing £2.8m during the year to 31 December 2023. When continuing with the contribution in 2023, the Board considered the need for prudence, as above, balanced with the needs of pensioners and other stakeholders.

iv) Operational and Technical Reorganisation (Altro Floors and Walls Division)

During 2023 there was a major reorganisation of the Altro Floors & Walls Operations and Technical teams, which included a small number of redundancies in the year. The changes were designed to meet changing business demands, unify teams around the globe (particularly between the UK and German manufacturing sites), modernise processes and improve manufacturing efficiencies. In approving these changes, the Board considered many stakeholders, including employees, customers and the delivery of long-term sustainable success for shareholders.

v) Autoglym Division Forthcoming Acquisition

During 2023 the Board took a decision in principle to move forward with the acquisition of the Autoglym Division's Australian distributor. Although the acquisition is not yet finalised, as at the date of this report, a signed agreement for its acquisition has been reached and it is expected that the transaction will complete in May or June 2024. In making this decision, the Board considered impacted stakeholder groups and the long-term opportunities that securing Autoglym’s market share in Australia present for the Group.

Strategic report (continued)
for the year ended 31 December 2023

Companies Act 2006 Section 172 Statement (continued)

Principal Decisions (continued)

Current Position

The Group will continue to review its operations, sales and expenditure on an ongoing basis; should the need arise the Board may alter or reverse some of the plans for 2024 and beyond which are outlined in this Strategic report, the Directors' report and other areas of these reports and financial statements. Any such changes will be made with the Group's long-term success in mind, taking into account stakeholders and factors as described above. We again thank all of our stakeholders for their continued support.

Approved by the Board of Directors and signed by order of the Board.

E P Boyle
Secretary
2 May 2024

Directors' report
for the year ended 31 December 2023

The directors present their report and the audited consolidated financial statements of The Altro Group plc ("the Company") – Company Registration Number: 01493087 – and its subsidiary undertakings (together, "the Group") for the year ended 31 December 2023. The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

D J Kahn*	*Ceased to be a director on 30 January 2024*
R J Kahn	*Managing Director (and Chair from 25 May 2023)*
E P Boyle	
P L Caller	
M P Fincham*	
T Lewis*	*Director until resignation on 31 May 2023 (and Chair until 25 May 2023)*
A Nelson*	

*Non-executive

Financial risk management, principal activities, and the future developments of the business have been discussed in the Strategic report.

Dividends

The directors recommend a final dividend of 7.0p (2022: nil) per share, resulting in a total dividend of 16.0p (2022: nil) per share for the year. Two interim dividends of 4.5p were paid in July and November 2023 (2022: nil).

Share capital

During 2023, the Company bought back and cancelled nil (2022: nil) ordinary shares of 10p each (representing 0.0% (2022: 0.0%) of the called-up share capital). No shares (2022: none) were issued during the year. The Company will not seek the approval of shareholders at the Annual General Meeting for the purchase of any of its own shares.

Employee Benefit Trust (EBT)

During 2023, the EBT purchased 74,759 (2022: 71,875) ordinary shares for total consideration of £446k (2022: £434k). The financial results of the EBT are incorporated into the consolidated financial statements of the Group and the financial statements of the Company. See note 25 for further information.

Statement of employee engagement

Inclusion:

The Group operates non-discriminatory employment policies which are designed to attract, retain and motivate the very best people, recognising that this can only be achieved through practising equal opportunities regardless of disability, sexual orientation, gender reassignment, pregnancy and maternity, religion or belief, race (including ethnic origin, colour, citizenship, nationality and national origin), marital and civil partnership status, age and gender. For example, applications for employment by disabled persons are always fully considered, focusing on the applicants' aptitudes, experience and abilities for the role and in the event of recruiting a disabled member of staff or an existing member of staff becoming disabled, every effort is made to ensure that appropriate facilities are available, appropriate adjustments are made and training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. During 2023 the Group launched a Diversity, Inclusion and Belonging initiative to further strengthen our work in this area.

Retention:

Staff are encouraged to plan their careers within the Group and to participate in appropriate ongoing training, consistent with the needs of the business. Employees are encouraged to attend internal Management Development Programmes, Leadership short courses covering subjects such as Project Management, Resilience and Change Management and an 'Aspiring Managers' training course, introduced in 2021 and designed to develop new management potential, thereby retaining ambitious employees. At the balance sheet date, 21.3% of UK employees have between 10 and 20 years' continuous service and 16.3% have more than 20 years' service. We believe this is a reflection of the Group's culture and resulting high levels of employee engagement.

Statement of employee engagement (continued)

Directors' Engagement with and Regard to Employees:

The directors engage both directly and indirectly with Group employees, in particular via two Executive Committees. These Executive Committees have a team of international senior managers reporting to them. Together, the members of the Altro Floors and Walls Executive Committee and other senior managers form the Strategic Planning Team for the Altro Floors and Walls Division which meets at least twice a year to contribute to the strategies of the Division. Members of the Altro Floors and Walls Executive Committee meet with all staff within the Division several times a year (in person or via virtual meeting) through Team Briefings and Town Hall meetings where they share financial performance information and progress on key strategies. Monthly updates are also given by directors to their individual areas of the business. For the Autoglym Division, the Executive Committee meets with the senior managers on a monthly basis and then cascades information through the various departments or via Town Hall meetings for all Autoglym employees. For both Divisions, the Town Hall meetings are recorded and made available to anyone who is unable to join the live meeting.

Directors have regard to employees throughout all decision-making processes and the Group prides itself on the care it has for its staff. For example, employee well-being is always a priority and Well-being and Positive Psychology Workshops were delivered to a number of teams during 2023. Well-being is also highlighted during employee induction sessions, and new employees attend training in 'Stress Management' and 'Diversity, Inclusion and Belonging at work'. A new Menopause policy was introduced in April 2023. In 2023 our Dignity at Work coaches and a selection of employees from across the business were trained as Mental Health First Aiders. Staff are supported by an Employee Assistance Programme, Dignity at Work Coaches, the HR team and Occupational Health. The Employee Support Hub continues to provide support to staff by allowing easier access, both on personal and work devices, to well-being information. The iLearn web-based training programme includes core matters such as Diversity, Inclusion and Belonging at work, Zero Harm and Cyber Security alongside function specific training including SAP Concur, IT and Product / Technical courses. In 2023, employees participated in over 900 iLearn courses.

As part of our commitment to employee safety, the Zero Harm programme has continued to be a focus during 2023. Changes have been made to both the Altro Floors and Autoglym manufacturing sites to improve employee safety: pedestrian access to one of the car parks has been segregated, Altro Floors have redesigned access routes in the manufacturing and logistics areas and focused on health and safety for areas such as working in confined spaces and contractor induction. Autoglym have implemented a Moving Vehicle Charter to focus on the standards of use of all moving machinery in manufacturing and distribution areas. Autoglym have also targeted the behavioural elements of health and safety and developed its 'CHATS' (Communicate Hazards by Approaching, Talking and Sorting) programme during 2023, which is a proactive approach to further encourage and empower staff to discuss anything relating to health and safety in an open and timely manner. CHATS was rolled out in January 2024.

i) Information

The Group promotes an open and honest culture and employees are informed of decisions that are relevant to them as soon as practical. The Group uses an intranet site for many of these communications, but also cascades information through the management structure ahead of intranet announcements. This is to ensure a personal touch in delivering information and allowing for questions to be answered.

The business operates as two primary Divisions and has several subsidiaries. Divisions and subsidiaries are able to develop the most appropriate internal communications for their area of the business, whilst operating within a communications framework for the entire Group that ensures all employees are systematically provided with relevant information on matters that may impact them as employees. Therefore, all employees receive regular updates on the Group's strategies, policies and results.

ii) Consultation

The Group has taken appropriate steps during the financial year to introduce, develop and maintain arrangements aimed at consulting employees or their representatives on a regular basis so that the views of employees can be taken into account when making decisions that are likely to affect their interests. Regular global employee surveys are now carried out and all employees, both in the UK and internationally, can use an online platform to give confidential feedback on any work matter and to give praise and thanks to colleagues.

Both Divisions carried out a global employee survey during 2023, as well as short global "pulse" surveys. Areas for improvement are considered by the Executive Committees, with the overall outcomes communicated to employees via

Directors' report (continued)
for the year ended 31 December 2023

Statement of employee engagement (continued)

ii) Consultation (continued)

managers, both in the UK and the international regions. A UK survey also took place on the new Diversity, Inclusion and Belonging programme.

More generally, consultation of employees has continued throughout the year with questions being answered by Board members at several of the meeting forums outlined above. Generally, these questions can be submitted to a nominated member of staff either before or during meetings so that they can be delivered to Board members anonymously; this is to encourage open and honest questions and feedback. Both Divisions have an online feedback system that allows staff to submit questions or observations anonymously to HR at any time, and these are sent on to the respective CEO or Executive Committee as appropriate.

iii) Direct Engagement

All of the Executive directors deliver either 'Cascade', 'Team' or 'Town Hall' briefings to their areas of the business and each of these includes a Q&A session at the end, where direct feedback can be given by employees. Richard Kahn, as Managing Director of the Group also engages directly with every global team, delivering an update on financial results and other performance KPIs in June and December of each year.

iv) Employee Involvement in Company Performance

After a qualifying period, UK employees are invited to join a Share Incentive Plan (SIP). Free shares are awarded at the discretion of the Board in recognition of the importance of encouraging employees to be involved in the Group's performance. A SIP award was granted to employees in early 2023 and the Board made the decision in late 2023 to make a further award during early 2024. The majority of UK staff remain SIP members and therefore receive all the same financial information that is disseminated to shareholders. A decision was taken to award staff a pay increase (effective January 2024) in recognition of their hard work and as a result of improved financial performance in 2023 as compared to 2022.

Financial results are shared with employees on a regular basis in both Divisions through a variety of meetings and reports.

(See also the 'Employee Benefit Trust (EBT)' section above.)

v) Common Awareness

Information on financial performance is provided through a variety of means, as detailed above, and by giving a specific platform to employees to discuss information and to ask questions at the Cascade, Team and Town Hall briefings. This enables the directors to ensure there is a common awareness amongst employees of the financial and economic factors affecting the Group.

Decisions Affecting Employees:

Some of the decisions taken during the year that have taken employee interests into consideration are outlined above and are also as follows:

- The Board has continued to pay for an external Employee Assistance Programme for all employees globally to access advice on a range of welfare and financial topics free of charge.
- A new Employee Hub was launched in the UK on the internal website, bringing together information such as starters and leavers, training, employee support, benefits etc. The Employee Support Hub continued to provide regular updates on well-being related subjects (including Financial Wellbeing), to ensure that employees felt connected and supported, and to remind them of the support network available.
- The Group supported initiatives such as Men's Health, World Menopause Day, World Mental Health day and National Inclusion week.
- Monthly HR Bulletins are emailed to all UK employees with details of new starters and leavers, vacancies, events, training courses etc.
- Funding for the Employee Benefit Trust continued during the year.
- The Group launched a Menopause Policy during the year in order to promote an inclusive working environment for all employees.
- A 6-month unpaid sabbatical leave policy was rolled out for staff in the UK.

Directors' report (continued)
for the year ended 31 December 2023

Statement of employee engagement (continued)

For more detail and other examples of how employee interests have been taken into account when making decisions, please see the Principal Decisions outlined in the Section 172 Statement in the Strategic report, which is incorporated into this Directors' report by reference and forms an integral part of this report.

Thanks

Our success is due to the teamwork and co-operation of the people within the Group. The directors thank all those who have worked hard and made such a valuable contribution during the year. The Group continues to develop and maintain a culture which encourages long service and we are proud that so many employees choose to remain with us over many years.

Stakeholder Engagement (Suppliers, Customers and Others)

For information regarding how the directors have engaged with stakeholders, such as suppliers, customers and others during the financial year, including the effect of that regard on Principal Decisions taken during the year, please see the Section 172 Statement in the Strategic report, which is incorporated into this Directors' report by reference and forms an integral part of this report.

Research and development

Research and development remains at the forefront of our vision for the future and our strength and depth in this area are essential parts of our business. All research and development expenditure is charged to the profit and loss account as incurred.

Directors' liability insurance

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

Emissions and energy consumption

In line with current UK reporting guidelines, the following table details the Group's UK emissions and energy consumed in the year ended 31 December. The information has been prepared using the reporting guidance and rules set out by SECR (Streamlined Energy and Carbon reporting).

Total UK energy consumption (kWh):			***Total UK emissions (Tonnes of CO_2e):***	
	Year ended 31 December 2023	Year ended 31 December 2022 (restated)	**Location based 2023**	Location based 2022 (restated)
Scope 1: Gas and other fuels	**9,275,824**	9,167,211	**1,713**	1,706
Scope 1: Transportation	**1,470,111**	1,282,988	**332**	297
Scope 2: Grid-supplied electricity	**5,487,255**	5,709,062	**1,137**	1,104
Total	**16,233,190**	16,159,261	**3,182**	3,107
Intensity metric: (*Tonnes of CO_2e/£m UK Turnover*)			**25.0**	26.5

Energy efficiency action

The Group is committed to year on year improvements in its operational energy efficiency. In recent years a number of projects have been identified and undertaken in which energy efficiency has been a contributing objective. This includes a planned project to install smart meters on the Letchworth site in the Altro Floors and Walls Division in 2023.

Report Methodology

Scope 1 and 2 consumption and CO_2e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following emission factor databases have been used to provide the kWh gross calorific value (CV) and kgCO_2e relevant for the reporting year: Database 2022, Version 1.

Emissions and Energy Consumption (continued)

Estimations undertaken to cover missing billing periods for UK properties directly invoiced to Group companies were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 1% of reported consumption.

For properties where the Group is indirectly responsible for utilities (i.e. via a landlord or service charge) an average kWh/m^2 consumption was calculated at meter level and was applied to the properties with similar operations but no available data. Intensity metrics have been calculated utilising the 2023 reportable figures.

Group pension schemes

The future of our pension schemes is underpinned by the knowledge that a strong and successful Group should ensure that pension obligations can be met today and in the future.

The Defined Benefit Pension Scheme (the "DB Scheme") was closed to future accrual on 31 March 2014. All members became deferred and the link to final salary was broken. Employees who were previously members of the DB Scheme have chosen to become members of a Defined Contribution Pension Scheme.

During the year the Group made a special contribution of £2.8m (2022: £2.8m) to the DB Scheme in line with the triennial funding plan agreed with the Pension Trustees.

See the Strategic report for more detail on how the Board considers its pensioners.

Charitable and political donations

The Group contributed £125k (2022: £230k) for charitable purposes. There were no political contributions (2022: nil).

Auditors' Limited Liability Agreement

As shareholders will be aware, it has been agreed with the Group's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the Group's financial statements for the year to 31 December 2023 be limited to the greater of £5 million or 5 times the auditors' fees, and that in any event the auditors' liability for damages be limited to that part of any loss suffered by the Group as is just and equitable having regard to the extent to which the auditor, the Group and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, in a General Meeting held on 30 November 2023.

Going concern

In arriving at their decision to prepare these financial statements on the going concern basis, the directors have reviewed the Group's budget, forecasts and cashflow projections for 2024 and 2025, including proposed capital expenditure, and compared these with the Group's cash holdings, its committed borrowing facilities and projected gearing ratios.

Overall, the Group benefits from a strong financial position, with minimal external borrowing and significant liquidity. As at 31 December 2023 the Group had liquid resources of £16.5m (2022: £8.0m) comprising cash and cash equivalents. In addition, there is an agreed overdraft facility of £6.0m (2022: £6.0m).

The directors believe that the Group has adequate resources to continue in operational existence for at least, but not limited to, twelve months from the date of approving these financial statements and so continue to adopt the going concern basis.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

Directors' report (continued)
for the year ended 31 December 2023

Statement of directors' responsibilities in respect of the financial statements (continued)

- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed by order of the Board

E P Boyle
Secretary
2 May 2024

Independent auditors' report to the members of The Altro Group plc
for the year ended 31 December 2023

Report on the audit of the financial statements

Opinion

In our opinion, The Altro Group plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the annual report and consolidated financial statements (the "Annual Report"), which comprise: the consolidated balance sheet and the company balance sheet as at 31 December 2023; the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the company statement of changes in equity, and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to 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 and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors’ report to the members of The Altro Group plc
for the year ended 31 December 2023

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors’ responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group’s and the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety and employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and the Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation of management's controls designed to prevent and detect irregularities;
- identifying and testing journal entries meeting specified criteria considered to be unusual or indicative of potential fraud;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- reviewing meeting minutes, including those of the board of directors; and
- testing the appropriateness of key accounting estimates made by management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Claire Lake (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
2 May 2024

Consolidated profit and loss account

for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Turnover	**5**	**173,536**	161,804
Cost of sales		**(81,302)**	(87,742)
Gross profit		**92,234**	74,062
Distribution costs		**(44,662)**	(41,062)
Administrative expenses		**(40,845)**	(33,658)
Other operating income		**1,245**	238
Operating profit / (loss)		**7,972**	(420)
Interest receivable and similar income	**8**	**846**	521
Interest payable and similar expenses	**8**	**(66)**	(1)
Profit before taxation	**6**	**8,752**	100
Tax on profit	**9**	**(1,778)**	(757)
Profit / (loss) for the financial year		**6,974**	(657)

All the above results derive from continuing operations.

Consolidated statement of comprehensive income

for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Profit / (loss) for the financial year		**6,974**	(657)
Other comprehensive (expense) / income:			
Currency translation differences arising on consolidation		**(1,147)**	1,805
Remeasurements of net Defined Benefit Pension Scheme balance	**22**	**(13,078)**	(8,902)
Total tax on components of Other comprehensive expense	**9**	**2,570**	1,526
Other comprehensive expense for the year, net of tax		**(11,655)**	(5,571)
Total comprehensive expense for the year		**(4,681)**	(6,228)
Earnings / (loss) per share	**11**		
Basic		**43.6p**	(4.1p)
Diluted		**43.6p**	(4.1p)

Consolidated balance sheet

as at 31 December 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	**12**	**1,416**	1,624
Investment property	**13**	**828**	735
Tangible assets	**14**	**36,226**	36,719
		38,470	39,078
Current assets			
Inventories	**16**	**32,885**	37,650
Defined Benefit Pension Scheme asset	**22**	**5,563**	15,068
Debtors: amounts falling due after more than one year	**17**	**49**	-
Debtors: amounts falling due within one year	**18**	**22,543**	25,597
Cash at bank and in hand		**19,074**	10,433
		80,114	88,748
Creditors: amounts falling due within one year	**19**	**(21,694)**	(23,059)
Net current assets		**58,420**	65,689
Total assets less current liabilities		**96,890**	104,767
Creditors: amounts falling due after more than one year		**(1,055)**	-
Provisions for liabilities	**20**	**(499)**	(510)
Deferred tax liability	**20**	**-**	(2,457)
Net assets		**95,336**	101,800
Capital and reserves			
Called up share capital	**26**	**1,657**	1,657
Share premium account		**7,218**	7,218
Other reserves		**(2,768)**	(2,722)
Retained earnings		**89,229**	95,647
Total equity		**95,336**	101,800

The notes on pages 31 to 60 are an integral part of these financial statements.

The financial statements on pages 25 to 60 were approved by the Board on 2 May 2024 and signed on its behalf by

R J Kahn
Managing Director

Company balance sheet
as at 31 December 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	14	**22,434**	22,860
Investments	15	**13,357**	12,810
		35,791	35,670
Current assets			
Debtors: amounts falling due within one year	18	**1,315**	2,644
Debtors: amounts falling due after more than one year	17	**587**	494
Cash at bank and in hand		**6,812**	4,333
		8,714	7,471
Creditors: amounts falling due within one year	19	**(3,070)**	(2,498)
Net current assets		**5,644**	4,973
Total assets less current liabilities		**41,435**	40,643
Net assets		**41,435**	40,643
Capital and reserves			
Called up share capital	26	**1,657**	1,657
Share premium account		**7,218**	7,218
Other reserves		**(2,768)**	(2,722)
Retained earnings			
- At 1 January		**34,490**	37,902
- Profit / (loss) for the financial year		**2,575**	(635)
- Other changes in retained earnings		**(1,737)**	(2,777)
Total retained earnings		**35,328**	34,490
Total equity		**41,435**	40,643

The notes on pages 31 to 60 are an integral part of these financial statements.

The financial statements on pages 25 to 60 were approved by the Board on 2 May 2024 and signed on its behalf by

R J Kahn
Managing Director

Consolidated statement of changes in equity

for the year ended 31 December 2023

			Other reserves			
	Called up share capital £'000	**Share premium account £'000**	Capital redemption reserve **£'000**	Own shares **£'000**	**Retained earnings £'000**	**Total equity £'000**
The Group						
Balance as at 1 January 2022	1,657	7,218	1,071	(4,798)	104,652	109,800
Loss for the financial year	-	-	-	-	(657)	(657)
Other comprehensive expense for the year	-	-	-	-	(5,571)	(5,571)
Total comprehensive expense for the year	**-**	**-**	**-**	**-**	**(6,228)**	**(6,228)**
Dividends paid (note 10)	-	-	-	-	(1,504)	(1,504)
Purchase of own shares for the SIP	-	-	-	-	(332)	(332)
Purchase of own shares by the EBT	-	-	-	(434)	-	(434)
Disposal of own shares by the EBT	-	-	-	1,439	(1,020)	419
Increase in reserves arising from share-based payments	-	-	-	-	79	79
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**1,005**	**(2,777)**	**(1,772)**
Balance as at 31 December 2022	**1,657**	**7,218**	**1,071**	**(3,793)**	**95,647**	**101,800**
Balance as at 1 January 2023	1,657	7,218	1,071	(3,793)	95,647	101,800
Profit for the financial year	-	-	-	-	6,974	6,974
Other comprehensive expense for the year	-	-	-	-	(11,655)	(11,655)
Total comprehensive expense for the year	**-**	**-**	**-**	**-**	**(4,681)**	**(4,681)**
Dividends paid (note 10)	-	-	-	-	(1,436)	(1,436)
Purchase of own shares for the SIP	-	-	-	-	(332)	(332)
Purchase of own shares by the EBT	-	-	-	(446)	-	(446)
Disposal of own shares by the EBT	-	-	-	400	(61)	339
Increase in reserves arising from share-based payments	-	-	-	-	92	92
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**(46)**	**(1,737)**	**(1,783)**
Balance as at 31 December 2023	**1,657**	**7,218**	**1,071**	**(3,839)**	**89,229**	**95,336**

Company statement of changes in equity

for the year ended 31 December 2023

			Other reserves			
	Called up share capital £'000	**Share premium account £'000**	Capital redemption reserve **£'000**	Own shares **£'000**	**Retained earnings £'000**	**Total equity £'000**
The Company						
Balance as at 1 January 2022	1,657	7,218	1,071	(4,798)	37,902	43,050
Loss for the financial year	-	-	-	-	(635)	(635)
Total comprehensive expense for the year	**-**	**-**	**-**	**-**	**(635)**	**(635)**
Dividends paid (note 10)	-	-	-	-	(1,504)	(1,504)
Purchase of own shares for the SIP	-	-	-	-	(332)	(332)
Purchase of own shares by the EBT	-	-	-	(434)	-	(434)
Disposal of own shares by the EBT	-	-	-	1,439	(1,020)	419
Capital contribution arising from share-based payments	-	-	-	-	79	79
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**1,005**	**(2,777)**	**(1,772)**
Balance as at 31 December 2022	**1,657**	**7,218**	**1,071**	**(3,793)**	**34,490**	**40,643**
Balance as at 1 January 2023	1,657	7,218	1,071	(3,793)	34,490	40,643
Profit for the financial year	-	-	-	-	2,575	2,575
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**2,575**	**2,575**
Dividends paid (note 10)	-	-	-	-	(1,436)	(1,436)
Purchase of own shares for the SIP	-	-	-	-	(332)	(332)
Purchase of own shares by the EBT	-	-	-	(446)	-	(446)
Disposal of own shares by the EBT	-	-	-	400	(61)	339
Capital contribution arising from share-based payments	-	-	-	-	92	92
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**(46)**	**(1,737)**	**(1,783)**
Balance as at 31 December 2023	**1,657**	**7,218**	**1,071**	**(3,839)**	**35,328**	**41,435**

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Net cash inflow / (outflow) from operating activities	27	13,264	(6,711)
Taxation paid		(947)	(1,836)
Net cash generated from / (used in) operating activities		**12,317**	(8,547)
Cash flow from investing activities			
Purchase of intangible assets	12	(56)	(169)
Purchase of tangible assets	14	(3,761)	(2,909)
Proceeds from disposals of tangible assets		30	-
Receipt from repayment of loan to a connected party	17	700	-
Loan made to a connected party	17	(50)	-
Interest received		73	79
Net cash used in investing activities		**(3,064)**	(2,999)
Cash flow from financing activities			
Receipt from term loan facility		1,607	-
Repayment of term loan facility		(187)	-
Dividends paid to owners of the parent	10	(1,436)	(1,504)
Interest paid		(66)	(1)
Sale of own shares by the EBT (net of costs of issue)		339	419
Purchase of own shares by the EBT and for the SIP		(778)	(766)
Net cash used in financing activities		**(521)**	(1,852)
Net increase / (decrease) in cash and cash equivalents		8,732	(13,398)
Cash and cash equivalents at the beginning of the year		7,985	21,121
Exchange (loss) / gain on cash and cash equivalents		(201)	262
Cash and cash equivalents at the end of the year		**16,516**	7,985
Cash and cash equivalents consist of:			
Cash at bank and in hand		19,074	10,433
Overdrafts and short-term borrowings	19	(2,558)	(2,448)
Cash and cash equivalents		**16,516**	7,985

Notes to the consolidated financial statements
for the year ended 31 December 2023

1 General information

The Altro Group plc ("the Company") and its subsidiaries (together "the Group") manufacture, market and sell safety and other flooring, wall systems, resin systems and vehicle care and car wash products. The Group trades internationally and operates with a number of recognised brand names.

The Company is a public unlisted company limited by shares and is incorporated in the United Kingdom and registered in England. The address of the registered office is Works Road, Letchworth Garden City, Hertfordshire, SG6 1NW.

2 Statement of compliance

The Group and individual financial statements of The Altro Group plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

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

(a) Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The principal accounting policies, which have been applied consistently to all periods, are set out below.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The amendments to SI 2008/410 made by SI 2015/980 (applicable for accounting periods beginning on or after 1 January 2016) permit an entity to adapt the formats of detailed company law profit and loss account and balance sheet formats set out in SI 2008/410 and accordingly the Group has adopted these amendments.

The Company has also taken advantage of the exemption in Section 408 of the Companies Act 2006 from disclosing its individual profit and loss account.

(b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company shareholders.

The Company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company cash flows;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A as the information is provided in the consolidated financial statements disclosures;

(iii) from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(c), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein;

(iv) from disclosing transactions with other wholly owned Group companies as stated in paragraph 33.1A of FRS 102: Related party disclosures.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2023

3 **Accounting policies** (continued)

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings up to 31 December.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

The Company has an established Employee Benefit Trust ("EBT") to which it is the sponsoring entity. Notwithstanding the legal duties of the trustees, the Company considers that it has 'de facto' control. The EBT is accounted for as assets and liabilities of the Company and is included in the consolidated financial statements. The Company's equity instruments held by the EBT are accounted for as if they were the Company's own equity and are treated as treasury shares. No gain or loss is recognised in profit or loss or Other comprehensive income on the purchase, sale or cancellation of the Company's own equity held by the EBT.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

(d) Foreign currency

(i) Functional and presentational currency

The Group's financial statements are presented in pound sterling and rounded to the nearest thousand. The Company's functional and presentational currency is pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of each transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities, denominated in foreign currencies, are recognised in the profit and loss account.

(iii) Translation

The trading results of Group undertakings are translated into pound sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in Other comprehensive income as currency translation differences on consolidation.

(e) Capital contributions

In accordance with FRS 102 section 26: Share-based payment, as the Company has granted rights over its equity instruments to the employees of Altro Limited, there is a corresponding increase recognised in the investment in the subsidiary.

3 Accounting policies (continued)

(f) Goodwill and intangible assets

Goodwill, being the difference between the fair value and the directly attributable costs of the purchase consideration over the fair value of the Group's investment in the identifiable net assets, liabilities and contingent liabilities acquired, is included in the balance sheet in accordance with FRS 102 section 19: Business combinations and goodwill. Purchases of intangible assets are included in the balance sheet at cost less accumulated amortisation. Goodwill and intangible assets are amortised in equal instalments over their estimated useful economic lives.

The annual rates used for intangible assets are:
- Goodwill - 5%
- Franchise - 5%
- Computer Software - 10% to 33%

The useful economic lives are reviewed annually and revised if necessary. Provision is made for any impairment. Amortisation and impairment losses are recognised in the profit and loss account under administration expenses.

(g) Investments - Company

Investments in subsidiaries are held at cost less accumulated impairment losses.

(h) Tangible assets and depreciation

The cost of tangible assets is their purchase cost or deemed purchase cost, together with any related incidental costs of acquisition. Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible assets to write them down to their estimated residual values over their expected useful economic lives. No depreciation is provided on freehold and long leasehold land and assets under construction.

The annual rates used for other assets are:
- freehold and long leasehold buildings - 2.5%;
- short leasehold buildings - 5% or term if under twenty years; and
- plant, equipment (including computer hardware) and vehicles - 10% to 50% according to type of asset.

An impairment review is completed at least annually and, where there is evidence of impairment, fixed assets are written down to their recoverable amount. Impairment losses are recognised in the profit and loss account under administration expenses. Any reversal of impairment is recognised as a credit to the profit and loss account.

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.

(i) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and Total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3 Accounting policies (continued)

(j) Inventories

Stocks are stated at the lower of cost and net realisable value. Cost is determined on the first in, first out (FIFO) method. Cost represents all direct costs incurred in bringing stocks to their present state and location, including an appropriate proportion of manufacturing overheads. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

(k) Financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade, loan and other receivables and cash at bank and in hand, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derivatives, including foreign currency swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss account.

Financial liabilities are derecognised when the liability is extinguished, i.e. when the contractual obligation is discharged, cancelled or expires.

3 Accounting policies (continued)

(k) Financial instruments (continued)

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and where the amount of the obligation can be reliably estimated.

(m) Turnover

The Group manufactures, markets, and sells a range of different products as detailed within the Principal activities section of the Strategic report. Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

The Group recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably; and (d) it is probable that future economic benefits will flow to the Group.

(n) Research and development

Research and development expenditure is charged to the profit and loss account as incurred.

(o) Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements, share based payment plans and pension schemes.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined Benefit Pension Scheme

The Group operates a Defined Benefit Pension Scheme (“DB Scheme”) in the UK, closed to new members in 2005 and to future accrual in 2014, the costs of which are assessed in accordance with the advice of an independent qualified actuary.

Pension costs for the DB Scheme have been accounted for in accordance with FRS 102 section 28: Employee benefits. The assets of the DB Scheme are measured at current bid price, and the liabilities using a projected unit method and discounted at a high quality corporate bond rate.

The DB Scheme asset or liability is recognised in full on the balance sheet, with the associated deferred tax liability or asset recognised separately. The cost charged to operating profit is the service cost of the DB Scheme. The interest costs are included in the net finance charge or income in the profit and loss account. Actuarial gains or losses are recognised in Other comprehensive income.

(iii) Defined Contribution Pension Schemes

The Group also operates a number of Defined Contribution Pension Schemes (“DC Schemes”). The pension costs for the DC Schemes represent contributions payable by the Group in the year.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2023

3 Accounting policies (continued)

(o) Employee benefits (continued)

(iv) Share-based payment

The Group issues share options to certain employees. The fair value of equity-settled share-based payments is measured at the date of the grant. The fair value of cash-settled share-based payments is remeasured at the end of each year. The charge, based on fair value and the Group's estimation of shares that will eventually vest, is expensed on a straight line basis over the vesting period.

The calculation of the fair value of the share options issued by the Group has been based on the Black-Scholes valuation model, using a number of subjective assumptions, the most significant of which is that the expected volatility of the Group's share valuation will be 30%.

The Group operates a Share Incentive Plan on which it is also required to recognise a compensation charge under FRS 102 section 26: Share-based payment, calculated as detailed above.

Employer's National Insurance contributions arise on the exercise of certain share options. A provision for National Insurance contributions on share option gains is made based on the difference between the market price of the Company's shares at the balance sheet date and the option exercise price, spread pro-rata over the vesting period of the options.

(p) Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

(q) Dividends

In accordance with FRS 102 section 32: Events after the end of the reporting period, dividends proposed after the balance sheet date are not charged to the profit and loss account in the year.

Dividend income will be recognised when the Company's right to receive payment has been established. The Company's right to an interim dividend is established when it is paid, and the right to a final dividend is established when it is declared in a general meeting. If the right to the dividend cannot be established until the income is received, recognition will be delayed until then.

(r) Earnings / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the earnings / (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding the weighted average number of shares held by the Employee Benefit Trust.

For diluted earnings / (loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has one class of dilutive potential ordinary shares, namely share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

(s) Investment Property

Investment property, principally office buildings, is property held to earn rentals and/or for capital appreciation. It is initially recognised at cost, which includes the purchase costs and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The fair value estimate has been determined by our advisers using discounted cashflow projections based on reliable estimates of future cashflows. The surplus or deficit on revaluation is recognised in the profit and loss account.

3 Accounting policies (continued)

(t) Other operating income

Government grants

Government grants are recognised by the Group when there is reasonable assurance that the conditions attaching to them will be met, and that the grants will be received. The Group has adopted the accruals model, which requires the grant income to be matched against the related costs for which the grant is intended to compensate. Grant income is presented gross in the profit and loss account within Other operating income.

(u) Share capital

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

4 Critical accounting judgements and estimation uncertainty

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a substantial risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

Defined Benefit Pension Scheme

Although the Defined Benefit Pension Scheme ("DB Scheme") is closed to future accrual, the Group has an obligation to fund the Scheme. The present value of the asset/obligation depends on a number of factors, including: life expectancy, asset valuations, inflation rates and the discount rates for DB Scheme liabilities. Management estimates these factors, with recommendations from an independent actuary, in determining the net pension asset/obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Impairment of investments and goodwill

The Company considers whether investments and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Inventory provisioning

The Group manufactures, markets, and sells a range of different products as detailed within the Principal activities section of the Strategic report. These are subject to changing consumer demands, and as a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 16 for the net carrying amount of the inventory and associated provision.

5 Turnover

Turnover by geographical area was:

	2023		2022	
	£'000	**%**	£'000	%
Territory				
United Kingdom	**87,797**	**51**	80,004	49
Continental Europe	**23,625**	**14**	24,168	15
The Americas	**47,518**	**27**	44,637	28
Australia and Asia Pacific	**10,614**	**6**	10,154	6
Rest of world	**3,982**	**2**	2,841	2
	173,536	**100**	161,804	100

Turnover is comprised of revenue from the sale of goods.

6 Profit before taxation

The profit before taxation is arrived at after charging / (crediting):

	2023	2022
	£'000	£'000
Amortisation of intangible assets	**255**	383
Depreciation of tangible assets	**3,528**	3,758
Loss on disposal of tangible fixed assets	**466**	53
Inventory obsolescence charges	**943**	1,407
Bad debt expenses	**238**	133
Research and development	**2,108**	1,925
Operating lease charges	**2,860**	1,985
Government grants (included within Other operating income)	**(852)**	-
Foreign exchange loss	**133**	317
Fees payable to the Company's auditors for the audit of the Company and consolidated financial statements	**137**	103
Fees payable to the Company's auditors and their associates for other services:		
- the audit of the Company's subsidiaries	**83**	83
- tax compliance services	**59**	76
- tax advisory services	**105**	197
Total amount payable to the Company's auditors and their associates	**384**	459

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2023

7 Employees and directors

Group employees

The average monthly number of Group employees, including directors, during the year was:

	2023	2022
	Number	Number
Manufacturing	**201**	203
Sales and marketing	**327**	307
Warehouse and distribution	**101**	86
Administration and management	**241**	234
	870	830

Employee costs, including directors, during the year were:

	2023	2022
	£'000	£'000
Wages and salaries	**44,707**	41,108
Social security costs	**4,754**	4,348
Other pension costs	**1,864**	1,748
Employee share schemes (note 24)	**547**	(165)
	51,872	47,039

All staff are employed by subsidiaries within the Group. The Company has no employees (2022: nil).

Directors

The directors' emoluments were as follows:

	2023	2022
	£'000	£'000
Aggregate emoluments	**1,731**	1,666
Defined Contribution Pension Scheme contributions	**186**	186
	1,917	1,852

Contributions were made to a Defined Contribution Pension Scheme on behalf of one director (2022: one) in the year. During the year 56,572 (2022: 62,896) phantom options were awarded to the directors and none (2022: 33,515) were exercised.

7 Employees and directors (continued)

Highest paid director

	2023	2022
	£'000	£'000
Highest paid director:		
Aggregate emoluments	**810**	773
Defined Contribution Pension Scheme contributions	**186**	186
	996	959

The amount of the accrued pension in the DB Scheme of the highest paid director at 31 December 2023 is £185k (2022: £179k). No approved share options (2022: none) and no phantom share options (2022: 22,523) were exercised by the highest paid director in the year.

Key management

The directors are considered to be the key management. The compensation paid or payable to the key management has been included in the schedule for directors.

8 Net interest income

	2023	2022
	£'000	£'000
Interest receivable and similar income:		
short term deposits	**41**	16
other	**32**	63
finance income on DB Scheme assets (note 22)	**773**	442
Interest receivable and similar income	**846**	521
Interest payable and similar expenses:		
Other interest payable	**(66)**	(1)
Interest payable and similar expenses	**(66)**	(1)
Net interest income	**780**	520

Other interest payable comprises interest charged on two US dollar denominated loans entered into in 2023, each with an outstanding balance of US$883k. Each term loan requires monthly payment of principal of US$16.7k plus interest. One term loan charges interest at a floating rate of 176 basis points over the 1 month Bloomberg Short Term Bank Yield Index (BSBY) in arrears on a monthly basis. The other term loan charges interest at a fixed rate of 5.91%. The term loans are secured against the assets of Altro USA, Inc., have no other fees associated with them, and mature on April 1, 2028. (2022: Other interest payable comprised interest charged by banks in some European jurisdictions for holding positive cash balances (0.3-0.5%).)

The Company holds an agreed overdraft facility of £6.0m (2022: £6.0m). This is a composite account facility, with interest charged on net indebtedness across the included accounts. Where applicable, interest is charged at 2% above the Bank of England base rate, on a quarterly basis in arrears. In 2023, nil interest was payable on the overdraft balance (2022: nil) (note 19). The Group also has a revolving line of credit facility in the US in the amount of US$5.0m. Interest is charged at a floating rate of 165 basis points over the 1 month Bloomberg Short Term Bank Yield Index (BSBY) in arrears on a monthly basis. In 2023, nil interest was payable on the loan facility as there was zero usage during the year (2022: nil) (note 19).

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2023

9 Tax on profit

(a) Tax expense included in profit or loss

	2023	2022
	£'000	£'000
Current tax:		
UK corporation and income tax:		
current tax expense / (credit) on income for the year	**1,464**	(110)
adjustments in respect of prior years	**(81)**	12
	1,383	(98)
Foreign tax:		
current tax on income for the year	**500**	1,236
adjustments in respect of prior years	**(84)**	-
	416	1,236
Current tax charge	**1,799**	1,138
Deferred tax:		
timing differences - origination and reversal	**(21)**	(381)
Deferred tax credit	**(21)**	(381)
Tax on profit	**1,778**	757

(b) Tax credit included in Other comprehensive expense

	2023	2022
	£'000	£'000
Deferred tax:		
timing differences - origination and reversal (note 20)	**(2,570)**	(1,526)
Tax credit included in Other comprehensive expense	**(2,570)**	(1,526)

The deferred tax credit charged to Other comprehensive expense comprises the movement on the deferred tax liability for timing differences in respect of the DB Scheme asset.

9 Tax on profit (continued)

(c) Reconciliation of tax charge

The total tax charge for the year is lower (2022: higher) than the applicable rate of corporation tax in the UK of 23.5% (2022: 19%).

A reconciliation of the total tax charge for the year is presented below:

	2023 £'000	2022 £'000
Profit before taxation	**8,752**	100
Tax charge on profit before taxation of 23.5% (2022: 19%)	**2,057**	19
Income not subject to tax	**20**	-
Expenses not deductible for tax purposes	**365**	52
Research and development enhanced allowances	**(151)**	(112)
Pension contributions in excess of charge	**(840)**	(616)
Depreciation in excess of capital allowances	**10**	156
Movement in short-term timing differences	**34**	(435)
Differences in UK income tax and overseas tax rates	**600**	1,637
Adjustments in respect of prior years	**(165)**	12
Deferred tax on share schemes	**(54)**	55
Other	**(98)**	(11)
Tax charge for the year	**1,778**	757

(d) Tax rate changes

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2023, the current weighted averaged tax rate was 23.5%.

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2023

10 Dividends per share

	2023 £'000	2022 £'000
Final dividend for prior year of nil per share (2022: 9.5p)	-	1,504
Interim dividends for current year of 9.0p per share (2022: nil)	**1,436**	-
Total dividends paid	**1,436**	1,504

A final dividend of 7.0p (2022: nil per share) per share for the year ended 31 December 2023 will be proposed at the Annual General Meeting in June 2024. The dividend has not been accounted for within the current year financial statements as it has yet to be approved. Based on the number of shares in issue at the date of this report, this would equate to a dividend of £1,110k (2022: nil). Dividends payable on shares held by the Employee Benefit Trust have been waived.

11 Earnings / (loss) per share

	2023 £'000	2022 £'000
Profit / (loss) for the financial year attributable to owners of the parent	**6,974**	(657)

	2023 Number of shares	2022 Number of shares
Weighted average number of shares in issue	**16,573,931**	16,573,931
Weighted average number of shares held by the Employee Benefit Trust	**(594,066)**	(728,014)
Basic weighted average number of shares in issue	**15,979,865**	15,845,917
Dilutive effect of share option schemes	-	-
Diluted weighted average number of shares	**15,979,865**	15,845,917
Earnings / (loss) per share		
Basic	**43.6p**	(4.1p)
Diluted	**43.6p**	(4.1p)

Basic earnings / (loss) per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding the weighted average number of shares held by the Employee Benefit Trust.

For diluted earnings / (loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has one class of dilutive potential ordinary shares, namely share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

12 Intangible assets

The Group

	Franchise £'000	Goodwill £'000	Computer Software £'000	Total £'000
Cost				
At 1 January 2023	141	5,083	2,369	7,593
Additions	-	-	56	56
Currency translation differences	-	(43)	2	(41)
Disposals	-	-	(247)	(247)
At 31 December 2023	**141**	**5,040**	**2,180**	**7,361**
Accumulated amortisation				
At 1 January 2023	141	3,835	1,993	5,969
Currency translation differences	-	(14)	(18)	(32)
Charge for the year	-	108	147	255
Disposals	-	-	(247)	(247)
At 31 December 2023	**141**	**3,929**	**1,875**	**5,945**
Net book value				
At 31 December 2023	**-**	**1,111**	**305**	**1,416**
At 31 December 2022	-	1,248	376	1,624

Company

The Company does not hold any intangible assets (2022: none).

13 Investment property

The Group

	Freehold Buildings £'000
At fair value	
At 1 January 2023	735
Net gain from fair value adjustments on investment property	110
Currency translation differences	(17)
At 31 December 2023	**828**
Provisions	
At 1 January 2023	-
At 31 December 2023	**-**
Net book value	
At 31 December 2023	**828**
At 31 December 2022	735

The comparable amounts determined according to the historical cost convention are cost: £244k (2022: £244k) and net book value: £153k (2022: £167k).

14 Tangible assets

The Group	Land and buildings			Plant equipment and vehicles	Assets under construction	Total
	Freehold	Long leasehold	Short leasehold			
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2023	4,069	36,198	731	48,178	1,600	90,776
Currency translation differences	(111)	(40)	-	(446)	(24)	(621)
Additions	1,032	159	51	1,831	688	3,761
Disposals	-	-	-	(1,720)	(489)	(2,209)
Transfers	-	9	-	571	(580)	-
At 31 December 2023	**4,990**	**36,326**	**782**	**48,414**	**1,195**	**91,707**
At valuation	256	4,394	-	-	-	4,650
At cost	4,734	31,932	782	48,414	1,195	87,057
At 31 December 2023	**4,990**	**36,326**	**782**	**48,414**	**1,195**	**91,707**
Accumulated depreciation						
At 1 January 2023	1,498	14,152	517	37,890	-	54,057
Currency translation differences	(64)	(24)	-	(303)	-	(391)
Charge for the year	90	820	9	2,609	-	3,528
Disposals	-	-	-	(1,713)	-	(1,713)
At 31 December 2023	**1,524**	**14,948**	**526**	**38,483**	-	**55,481**
Net book value						
At 31 December 2023	**3,466**	**21,378**	**256**	**9,931**	**1,195**	**36,226**
At 31 December 2022	2,571	22,046	214	10,288	1,600	36,719
Comparable amounts determined according to the historical cost convention:						
cost (at 31 December 2023)	3,385	34,620	782	48,414	-	87,201
accumulated depreciation	(1,512)	(14,703)	(526)	(38,389)	-	(55,130)
Net book value						
At 31 December 2023	**1,873**	**19,917**	**256**	**10,025**	**-**	**32,071**
At 31 December 2022	978	20,585	213	10,382	-	32,158

Land and buildings were revalued in 1989 which resulted in an increase to the carrying value of property, plant and equipment in both the Group and the Company. The valuation was carried out by an independent valuer who took into account market values of land and buildings at that time. This was taken to be deemed cost on transition.

14 Tangible assets (continued)

The Company	Land and buildings Freehold £'000	Long leasehold £'000	Assets under construction £'000	Total £'000
Cost or valuation				
At 1 January 2023	1,095	36,196	106	37,397
Additions	-	90	247	337
Transfers	-	9	(9)	-
At 31 December 2023	**1,095**	**36,295**	**344**	**37,734**
At valuation	256	4,394	-	4,650
At cost	839	31,901	344	33,084
At 31 December 2023	**1,095**	**36,295**	**344**	**37,734**
Accumulated depreciation				
At 1 January 2023	383	14,154	-	14,537
Charge for the year	16	747	-	763
At 31 December 2023	**399**	**14,901**	**-**	**15,300**
Net book value				
At 31 December 2023	**696**	**21,394**	**344**	**22,434**
At 31 December 2022	712	22,042	106	22,860
Comparable amounts determined according to the historical cost convention:				
cost (at 31 December 2023)	969	34,590	-	35,559
accumulated depreciation	(358)	(13,873)	-	(14,231)
Net book value				
At 31 December 2023	**611**	**20,717**	**-**	**21,328**
At 31 December 2022	627	21,365	-	21,992

15 Investments

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
At 1 January	**-**	-	**12,810**	13,725
Capital contribution / (reduction) arising from share-based payment charge / (credit)	**-**	-	**547**	(915)
At 31 December	**-**	-	**13,357**	12,810

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The capital contributions arising from the FRS 102 section 26: Share-based payment charge are due to the Company granting share options to employees of Altro Limited. This results in a corresponding increase in investment in Altro Limited.

Principal trading subsidiaries

The principal trading subsidiaries at 31 December 2023 were:

Company	Address of registered office	Class of shares	% of shares held	Activity
Altro Limited	Works Road, Letchworth Garden City, Hertfordshire, SG6 1NW, UK	Ordinary	100	Manufacturing & marketing
Altro APAC Pty Ltd	88 Logis Boulevard, Dandenong, South Vic 3175, Australia	Ordinary	100	Distribution
Altro GmbH	Ebertallee 209, 06846 Dessau-Roßlau, Germany	-	100	Distribution
Altro Nordic AB	Flintyxegatan 4, 213 76 Malmö Sweden	Ordinary	100	Distribution
Altro Spain Floors and Walls SAU *	Urbana OFIC. 2-C y Gje. 32-1 sto, Playa De Riazor, N22 of 28042- Madrid, Spain	Ordinary	100	Distribution
Altro Canada Inc.	6221 Kennedy Road, Unit 1, Mississauga, ON L5T 2S8, Canada	Common	100	Distribution
Altro USA, Inc.	80 Industrial Way, Suite 1, Wilmington, MA 01887, USA	-	100	Distribution
Altro Middle East DMCC	Jumeirah Lake Towers, P.O. Box 340505, Dubai, United Arab Emirates	-	100	Distribution
Altro Trading (Shanghai) Company Limited	Suite 402, Jiuxing Hongqiao Business Center, No.25 Shenbin Rd, Shanghai 201107, China	-	100	Distribution
Altro Japan K.K.	C/O Mazars Japan K.K., ATT New Tower 11F, 2-11-7, Akasaka, Minato-ku, Tokyo, Japan	-	100	Distribution
Altro Debolon Holding GmbH	Ebertallee 209, 06846 Dessau-Roßlau, Germany	Ordinary	100	Holding Company
Altro Debolon GmbH	Ebertallee 209, 06846 Dessau-Roßlau, Germany	Ordinary	100	Holding Company
Altro Deutschland GmbH & Co. KG.**	Ebertallee 209, 06846 Dessau-Roßlau, Germany	Ordinary	100	Manufacturing & distribution
Altro Debolon Beteiligungen Verwaltungs GmbH	Ebertallee 209, 06846 Dessau-Roßlau, Germany	Ordinary	100	Holding Company

All the above subsidiaries are included in the consolidation. The Company's investment in Altro Limited and Altro APAC Pty Ltd are direct ownership, all other investments are indirect ownership.

* On 17 January 2024, Altro Scandess SA changed its name to Altro Spain Floors and Walls, SAU

** On 1 January 2023, Debolon Dessauer Bodenbeläge GmbH & Co. KG changed its name to Altro Deutschland GmbH & Co. KG.

15 Investments (continued)

Dormant entities

The following companies, all registered at the same address as The Altro Group plc, are wholly owned by the Group but are dormant at the year end:

Altro Whiterock Limited	The Altro Group Trustees Limited	Kanor Chemicals Limited
Altrofix Limited	Autoglym Products Limited	Terrazzolite Limited
Altrosport Surfaces Limited	The Altro Group SIP Trustees Limited	Valet-Glym Limited
Autoglym Limited	Altro Floors Limited	Zolatone Polomyx Limited

Australian Safety Flooring Pty Ltd (registered at the address of Altro APAC Pty Ltd) is also wholly owned by the Group but dormant at the year end. Recofloor Limited (registered at Bankfield House, Regent Road, Bootle L20 8RQ), also dormant at the year end, is 50% owned by the Group.

16 Inventories

Group

	2023	2022
	£'000	£'000
Raw materials and consumables	**8,429**	8,292
Work in progress	**1,217**	1,212
Finished goods and goods held for resale	**23,239**	28,146
	32,885	37,650

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Inventories are stated after provisions for impairment of £8,798k (2022: £7,855k).

Company

The Company has no inventories at 31 December 2023 (2022: nil).

17 Debtors: amounts falling due after more than one year

	Group	Group	**Company**	Company
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Loans	**-**	-	**-**	-
Deferred tax asset (note 20)	**49**	-	**587**	494
	49	**-**	**587**	**494**

The loan balance is stated after provisions for impairment of £50k (2022: £700k).

Company

The Company has no loans at 31 December 2023 (2022: nil).

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2023

18 Debtors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Trade debtors	**17,163**	20,358	**-**	-
Amounts owed by group undertakings	**-**	-	**1,315**	2,644
Other debtors	**1,518**	1,098	**-**	-
Corporation tax	**691**	1,442	**-**	-
Prepayments and accrued income	**3,171**	2,699	**-**	-
	22,543	25,597	**1,315**	2,644

Trade debtors and other debtors are stated after provisions for impairment of £658k (2022: £420k).

19 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Bank loans and overdrafts	**2,558**	2,448	**2,558**	2,448
Term loan (See note 8)	**314**	-	**-**	-
Trade creditors	**7,519**	8,976	**-**	-
Corporation tax	**104**	3	**-**	-
Other taxation and social security	**2,415**	1,778	**-**	-
Other creditors	**294**	513	**-**	-
Accruals and deferred income	**8,490**	9,341	**512**	50
	21,694	23,059	**3,070**	2,498

20 Provisions for liabilities

The Group

	Deferred tax £'000	**Other £'000**	**Total £'000**
At 1 January 2023	2,457	510	2,967
(Credited) / charged to Consolidated profit and loss account	(21)	59	38
Credited to Other comprehensive income	(2,570)	-	(2,570)
Utilised in the year	-	(22)	(22)
Released in the year	-	(43)	(43)
Currency translation movements	85	(5)	80
At 31 December 2023	**(49)**	**499**	**450**

Other provisions represent estimated amounts in respect of worldwide dilapidations, reparations and other matters as advised by our legal advisers. These provisions are expected to be used over the next five years. In determining these amounts, management utilises guidance provided to it by its legal advisers, and other experts, as appropriate.

20 Provisions for liabilities (continued)

The Company

	Deferred tax £'000
At 1 January 2023	(494)
Credited to Profit and loss account	(93)
At 31 December 2023	**(587)**

Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities / (assets)

	Group 2023 £'000	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Accelerated capital allowances	**(31)**	(37)	**(587)**	(494)
Other short-term timing differences	**(635)**	(535)	**-**	-
Defined Benefit Pension Scheme	**1,391**	3,767	**-**	-
Overseas deferred tax	**(774)**	(738)	**-**	-
Deferred tax (asset) / liability	**(49)**	2,457	**(587)**	(494)

21 Operating lease commitments

The commitments at 31 December under non-cancellable operating leases are:

The Group	**2023**		2022	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Leases expiring:				
within one year	**2,070**	**582**	2,094	566
between one and five years	**7,302**	**803**	8,076	555
after five years	**2,720**	**-**	4,133	-
	12,092	**1,385**	14,303	1,121

22 Retirement benefits

(a) Defined Benefit Pension Scheme

The Group operates a funded DB Scheme in the UK which offers pensions in retirement to members.
A full actuarial valuation was carried out as at 30 April 2023; the results have been updated to 31 December 2023 by a qualified independent actuary and showed a surplus at that date of £5,576k (2022: £15,068k) gross of deferred tax, measured in accordance with FRS 102 section 28: Employee benefits.

The DB Scheme was closed to future accrual on 31 March 2014. All members became deferred and the link to final salary was broken.

The Company plans to reduce the DB Scheme obligation through an agreed contribution of £2,800k (2022: £2,800k) per year going forward.

(i) Pension asset

The pension asset at 31 December was as follows:

	2023	2022
	£'000	£'000
Fair value of DB Scheme assets	**100,750**	99,256
Present value of DB Scheme liabilities	**(95,187)**	(84,188)
Group pension asset	**5,563**	15,068

The Scheme holds an annuity policy with Scottish Widows. This has been excluded from the above gross asset and liability figures as at 31 December 2023 on the basis of materiality. The value of the annuity is expected to have matching asset and liability positions and therefore have a nil impact on the balance sheet. The value of this policy at April 2023 was £153k (April 2022: £154k).

The present value of unfunded DB Scheme liabilities is nil (2022: nil). The irrecoverable surplus in the DB Scheme is nil (2022: nil).

(ii) Analysis of assets and expected rates of return

The fair value of plan assets at 31 December were:

	2023	2022
	£'000	£'000
Debt instruments	**99,583**	98,477
Cash	**1,167**	779
Fair value of DB Scheme assets	**100,750**	99,256

The DB Scheme assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by the Company.

22 Retirement benefits (continued)

(a) Defined Benefit Pension Scheme (continued)

(iii) Financial and demographic assumptions

The principal financial assumptions used by the actuary at the balance sheet date were:

	2023	2022
	%	%
Rate of increase in pensions in payment (post 2006)	**2.2**	2.2
Rate of increase in pensions in payment (post 1997, pre 2006)	**3.5**	3.6
Rate of increase in pensions in payment (pre 1997)	**3.0**	3.0
Discount rate	**4.5**	4.7
RPI Inflation	**3.0**	3.2
CPI Inflation	**2.6**	2.8

The assumed life expectancies on retirement at age 65 were:

		2023	2022
		Years	Years
Retiring today	males	**21.4**	21.9
	females	**23.8**	24.2
Retiring in 20 years' time	males	**22.6**	23.2
	females	**25.2**	25.6

The assumptions used in determining the overall expected return of the DB Scheme have been set with reference to yields available on government bonds and appropriate risk margins.

(iv) Changes in fair value of DB Scheme assets

	2023	2022
	£'000	£'000
Fair value of DB Scheme assets at 1 January	**99,256**	163,211
Interest income on DB Scheme assets	**4,642**	3,207
Actuarial loss	**(2,177)**	(61,445)
Contributions by employer	**2,800**	2,800
Benefits paid	**(3,771)**	(8,517)
Fair value of DB Scheme assets at 31 December	**100,750**	99,256

22 Retirement benefits (continued)

(a) Defined Benefit Pension Scheme (continued)

(v) Changes in present value of DB Scheme liabilities

	2023 £'000	2022 £'000
Present value of DB Scheme liabilities at 1 January	**84,188**	142,483
Interest cost	**3,869**	2,765
Remeasurement loss / (gain)	**10,901**	(52,543)
Benefits paid	**(3,771)**	(8,517)
Present value of DB Scheme liabilities at 31 December	**95,187**	84,188

(vi) Analysis of amounts recognised in the profit and loss account

	2023 £'000	2022 £'000
Administration expenses	**477**	479
Total operating charge	**477**	479
Interest income on DB Scheme net asset	**(773)**	(442)
Total finance income (note 8)	**(773)**	(442)

(vii) Amounts recognised in Other comprehensive income / (expense)

	2023 £'000	2022 £'000
Actual return on DB Scheme assets less interest income	**(2,177)**	(61,445)
Remeasurement (loss) / gain on DB Scheme liabilities	**(10,901)**	52,543
	(13,078)	(8,902)

(b) Defined Contribution Pension Schemes (DC Schemes)

The Group makes contributions into a number of Defined Contribution Pension Schemes, whose assets are held in separate funds. The total contributions payable by the Group in the year in respect of these Schemes were £1,864k (2022: £1,748k). There were no accrued contributions at the year end (2022: £228k). Contributions of £419k were prepaid at the year end (2022: £605k).

23 Financial instruments

Group

The Group has the following financial instruments:

	2023	2022
	£'000	£'000
Financial assets at fair value through profit or loss		
Foreign exchange forward contracts	**54**	-
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	**17,163**	20,358
- Other debtors	**1,464**	1,098
	18,627	21,456
Financial liabilities at fair value through profit or loss		
Foreign exchange forward contracts	**-**	134
Financial liabilities measured at amortised cost		
- Trade creditors	**7,519**	8,976
- Accruals	**8,490**	9,341
- Other creditors	**294**	379
- Bank overdrafts and other borrowings	**2,558**	2,448
- Term loans	**1,369**	-
	20,230	21,144

Derivative financial instruments - forward contracts

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for purchases and sales. As at 31 December 2023, the outstanding contracts all mature within 12 months (2022: 12 months) of the year end. The Group committed to buy €1,000k for a fixed sterling amount (2022: €5,000k). At 31 December 2023 the Group had also committed to sell AUD$2,000k, CAD$2,000k, SEK14,000k and US$11,000k for fixed sterling amounts (2022: AUD$2,000k, CAD$4,750k, SEK14,000k and US$9,500k).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for each of the currencies against sterling. The fair value of the forward foreign currency contracts is £54k gain (2022: £134k loss). This balance is included within Other debtors (note 18) (2022: Other creditors (note 19)). The gain on forward foreign currency contracts credited to the profit and loss account in the year was £188k (2022: £23k loss).

Notes to the consolidated financial statements (continued)

for the year ended 31 December 2023

24 Share-based payment

During the year ended 31 December 2023, the Group operated three share-based payment arrangements, as follows:

Company Share Option Plans (CSOP)

The Altro Group plc 2007 United Kingdom Approved Share Option Scheme (the '2007 CSOP') was introduced in 2007. However no further grants can be made under this Plan. In 2018 a new Plan was therefore introduced, known as The Altro Group plc Company Share Option Plan (the '2018 CSOP'). Under the 2018 CSOP the Board can grant options over shares in the Company to employees of the Group. Options are granted with a fixed exercise price equal to the market value of the shares under option at the date of grant. The contractual life of an option is ten years. Awards are generally reserved for employees at senior and director level. There are three participants remaining in the 2007 CSOP (2022: three), and zero participants in the 2018 CSOP at the balance sheet date (2022: zero). As appropriate, the Company has made annual grants since the inception of these Plans. Options granted under these Plans will become exercisable on the third anniversary of the date of grant and exercise is generally conditional on there having been real growth in the published earnings per share of the Group in any three years between the date the option was granted and the date of exercise. Real growth means an increase above the General Index of Retail Prices of not less than 2% and earnings per share are as published in the Group's audited financial statements. Exercise of an option is typically subject to continued employment and is settled by equity.

Phantom Share Option Plans

The Phantom Share Option Plan 2018 was introduced in 2018 (the 'Phantom Plan 2018') to replace The Altro Group plc Phantom Share Option Scheme 2005 (the 'Phantom Plan 2005'). No further Phantom Options will be granted under the Phantom Plan 2005. Under the Phantom Plan 2018 the Board can grant options over notional shares in the Company to employees of the Group. The contractual life of a Phantom Option is seven years and options are granted with a fixed exercise price set by the Board and usually equal to the market price of the shares under option at the date of grant. Awards are generally reserved for employees at senior and director level. There are four participants remaining in the Phantom Plan 2005 (2022: four) and four participants in the Phantom Plan 2018 (2022: four) at the balance sheet date. As appropriate, the Company has made annual grants under one of the Phantom Plans since 2006. Phantom Options granted under either Phantom Plan will become exercisable on the third anniversary of the date of grant. There are no performance conditions attached to the exercise of Phantom Options that have been granted to date under either Phantom Plan. A Phantom Option is usually satisfied in cash and therefore does not normally result in the issuing of shares in the Company.

The Altro Group plc Share Incentive Plan (SIP)

The SIP was introduced in 2003 and the Board can award free shares in the Company to UK-based employees of Altro Limited. Under current legislation free shares must be kept in trust for a minimum of three years and for five years to take advantage of full tax benefits. There is an upper statutory limit of £3,600 worth of shares per tax year. Awards are granted with a fixed price equal to the market price of the shares at the date of award. Awards under the SIP are reserved for employees who have been in continuous employment for a period of seven months prior to the grant date. There are 446 participating employees at the balance sheet date (2022: 374). The Company has made annual awards since 2003, with the exception of 2020 to 2022, and there are no performance conditions attached to an award. An award is satisfied by the issue of equity shares. The exercise price is nil and dividends are paid as they fall due.

The charge in respect of share-based payment transactions included in the Group's Consolidated profit and loss account for the year is as follows:

	2023	2022
	£'000	£'000
Expense / (Income) arising from share-based payment arrangements	**547**	**(165)**

A reconciliation of option and SIP movements over the year to 31 December 2023 is shown on page 56. Shares issued under the SIP do not have an exercise price and therefore only a reconciliation of the number of awards has been shown and not of their weighted average exercise price.

24 Share-based payment (continued)

	2023 Number of options	2023 Weighted average exercise price pence	2022 Number of options	2022 Weighted average exercise price pence
Outstanding at 1 January	**698,134**	**661**	717,958	660
Granted during the year	**235,627**	**196**	84,492	631
Exercised during the year	**(47,126)**	-	(75,007)	571
Cancelled during the year	-	-	(29,309)	696
Expired during the year	**(44,688)**	**842**	-	-
Outstanding at 31 December	**841,947**	**582**	698,134	661
Exercisable at 31 December	**477,423**	**625**	498,101	635

During the year none of the directors exercised share options (2022: two).

The weighted average fair value of the share options granted during the year was calculated using the Black-Scholes option valuation model, with the following assumptions and inputs:

Phantom plan:	**2023**	2022
Risk-free interest rate	**3.4% - 5.0%**	3.25% - 3.6%
Expected volatility	**30%**	30%
Expected option life	**3-7 years**	3-7 years
Expected dividend yield	**2.0%**	3.0%

The expiry dates and exercise prices of the share options outstanding at 31 December are as follows:

Share option schemes	**Settlement method**	**Number of options 2023**	Number of options 2022	**Exercise price pence**	**Exercisable between**
CSOP	Equity	**10,506**	10,506	571	11.04.2018 and 11.04.2025
		3,562	3,562	842	30.09.2019 and 30.09.2026
Total CSOP		**14,068**	14,068		
Phantom	Cash	-	44,688	842	30.09.2019 and 30.09.2023
		62,245	62,245	669	26.05.2020 and 26.05.2024
		68,178	68,178	623	26.10.2021 and 26.10.2025
		85,282	85,282	511	06.09.2022 and 06.09.2026
		60,586	60,586	738	01.04.2023 and 01.04.2027
		65,753	65,753	730	18.06.2024 and 18.06.2028
		73,694	73,694	631	31.06.2025 and 31.06.2029
		66,284	-	196	28.07.2026 and 28.07.2030
Total Phantom		**482,022**	460,426		
Share Incentive Plan	Equity	**345,857**	223,640		
Total Share Incentive Plan		**345,857**	223,640		
Total share options outstanding		**841,947**	698,134		

25 Investment in own shares

The Group accounts for its own shares held by the trustees of the Employee Benefit Trust (EBT) as a deduction from shareholders' funds as required by FRS 102 section 22.16. The costs of running the EBT are charged to the Company's profit and loss account as they occur.

	At 31 December 2023	At 31 December 2022
Number of shares in the Company owned by the EBT	**601,123**	579,925
Nominal value of shares held	**£60,112**	£57,993
Cost price of shares held	**£3,840,471**	£3,793,744
Prevailing valuation of the shares (pence)	**664**	196
Total market value of shares	**£3,991,457**	£1,136,653
Maximum number of shares in the Company owned by the EBT during the year	**651,123**	765,799
Minimum number of shares in the Company owned by the EBT during the year	**577,374**	579,925

The EBT does not award shares to employees. When awards are made to eligible employees for the SIP grant, the shares are transferred from the EBT to the SIP Trust to be held on trust for those individuals. The EBT sells shares it holds both to employees and to The Altro Group plc. The shares held by the EBT are therefore not under option to employees.

Dividends payable on these shares are waived.

26 Called up share capital and other reserves

Called up, allotted and fully paid share capital

	2023 £'000	2022 £'000
Called up, allotted and fully paid:		
16,573,931 ordinary shares of 10p each (2022: 16,573,931 ordinary shares of 10p each)	**1,657**	1,657

Movements in share capital in the year

	2023 Number of shares	2022 Number of shares
At 1 January	**16,573,931**	16,573,931
Shares issued	**-**	-
Own shares purchased	**-**	-
At 31 December	**16,573,931**	16,573,931

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Allotment of shares

During the year, zero (2022: zero) options were exercised to acquire ordinary shares. Zero (2022: 43,686) options were exercised under The Altro Group plc Phantom Share Option Scheme 2005, which did not result in the issue of shares.

Purchase of own shares

During the year, the Company purchased and subsequently cancelled none (2022: none) of its own shares. The nominal value of the shares was £nil (2022: £nil) and the amount paid was £nil (2022: £nil).

Shareholder analysis

		2023			2022	
Shares	**Number**	**(millions)**	**%**	Number	(millions)	%
Directors and their families	**19**	**10.5**	**64**	19	10.5	64
Employees, ex-employees and their families	**516**	**4.7**	**28**	487	4.7	28
The Share Incentive Plan and the EBT	**2**	**1.0**	**6**	16	1.0	6
Other	**21**	**0.4**	**2**	18	0.4	2
	558	**16.6**	**100**	540	16.6	100

Other reserves

The capital redemption reserve consists of shares purchased and subsequently cancelled by the Company.

The own shares reserve is described in note 25.

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2023

27 Notes to the consolidated statement of cash flows

	2023	2022
	£'000	£'000
Profit / (loss) for the financial year	**6,974**	(657)
Adjustments for:		
Tax on profit	**1,778**	757
Net interest income	**(780)**	(520)
Operating profit / (loss)	**7,972**	(420)
Amortisation of intangible assets	**255**	383
Depreciation of tangible assets	**3,528**	3,758
Loss on disposal of tangible assets	**466**	53
Post employment benefits less payments	**(2,800)**	(2,800)
Share based payment charge / (credit)	**547**	(165)
Currency translation differences and other non-cash movements	**(473)**	(443)
Decrease in net provisions	**(2)**	(13)
Working capital movements:		
- Decrease / (increase) in inventories	**3,891**	(5,660)
- Decrease / (increase) in debtors and prepayments	**1,958**	(3,477)
- (Decrease) / Increase in payables	**(2,078)**	2,073
Net cash inflow / (outflow) from operating activities	**13,264**	(6,711)

Analysis of changes in net debt

	£'000
Balance as at 1 January 2023	-
Receipt from term loan facility	1,607
Repayment of term loan facility	(187)
Exchange difference	(51)
Balance as at 31 December 2023	**1,369**

Represented by:

	£'000
Creditors: amounts falling due within one year	314
Creditors: amounts falling due after more than one year	1,055
Balance as at 31 December 2023	**1,369**

Notes to the consolidated financial statements (continued)
for the year ended 31 December 2023

28 Capital commitments

Group

	2023 **£'000**	2022 £'000
Contracted but not provided for	**1,394**	1,700

Company

The Company does not have any capital commitments at 31 December 2023 (2022: nil).

29 Contingent Liabilities

The Company has provided a formal guarantee to the trustees of the Altro Pension Scheme in respect of the present and future obligations of Altro Limited to the DB Scheme (see note 22).

30 Related party transactions

The Company has taken advantage of the exemption available in paragraph 33.1A of FRS 102: Related party disclosures and has not disclosed transactions with other wholly owned Group companies. Transactions between Group companies that eliminate in the consolidated financial statements are not disclosed. There are no other related party transactions.

31 Events after the reporting period

On 7 April 2024, the Group entered into an agreement with the current owner of Portbid Holdings Pty Ltd (the holding company of the Autoglym Division's Australian Distributor) and GNG Sales New Zealand Limited to acquire the entire interests in both entities. Subject to meeting the conditions precedent, the purchase is expected to complete by the end of June 2024.

32 Ultimate parent company

The ultimate parent undertaking and controlling party is The Altro Group plc, a company registered in England and Wales. For the year ended 31 December 2023, The Altro Group plc is the parent undertaking of the largest and smallest group of undertakings whose results are consolidated in these financial statements at 31 December 2023.

Five year financial summary (unaudited)

This summary does not form part of the audited financial statements.

The Group

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
Balance sheet					
Fixed assets	**38,470**	39,078	39,752	42,296	44,343
Current assets	**80,114**	88,748	96,352	76,082	64,112
Total assets	**118,584**	127,826	136,104	118,378	108,455
Ordinary shareholders' funds	**95,336**	101,800	109,800	96,595	87,137
Other creditors	**23,248**	26,026	26,304	21,783	19,344
Defined Benefit Pension Scheme liability	**-**	-	-	-	1,974
Total funds employed	**118,584**	127,826	136,104	118,378	108,455
Turnover and profits					
Turnover	**173,536**	161,804	146,262	138,221	151,338
Operating profit / (loss)	**7,972**	(420)	7,978	10,481	10,240
Profit / (loss) for the financial year	**6,974**	(657)	6,955	8,842	8,078
Ordinary dividends	**1,436**	1,504	3,023	1,433	2,235
	Pence	Pence	Pence	Pence	Pence
Diluted earnings per share	**43.6**	(4.1)	43.7	55.5	50.3
Adjusted earnings per share	**43.6**	(4.1)	43.7	55.5	50.3
Dividends per share	**9.0**	9.5	19.0	9.0	14.0
Net assets per share	**575.2**	614.2	662.5	582.8	525.7
Gearing ratio %	**1.4**	0.0	0.0	0.0	0.0
Average number of employees	**870**	830	801	811	821

Note: Other creditors in the above table comprises 'Creditors: amounts falling due within one year' in addition to non current liabilities.