

Altro Limited

Annual report and financial statements

for the year ended 31 December 2024

Company Registration Number: 00154159

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Company Information

The Board of Directors

**Non-Executive*

R J Kahn
A Mitter
P L Caller
M P Fincham*
A L Nelson*
E P Boyle*

Company Secretary

F P G Carey

Registered Office

Works Road
Letchworth Garden City
Hertfordshire
SG6 1NW

Independent Auditors

PricewaterhouseCoopers LLP
St Johns Innovation Park
The Maurice Wilkes Building, Cowley Road
Cambridge
CB4 0DS

Registrars

MUFG Corporate Markets
10th Floor, Central Square
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LS1 4DL

Strategic report

for the year ended 31 December 2024

The directors present their Strategic report on Altro Limited ("the Company") for the year ended 31 December 2024.

Principal activities and review of the business

The Company is a wholly owned subsidiary of Altro Group Limited (formerly The Altro Group plc). Its balance sheet is disclosed on page 24 and the profit for the financial year is disclosed on page 23 of this Annual report and 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 and Kanor car wash products.

With effect from close of business on 31 May 2024, Altro Group Limited (formerly The Altro Group plc) acquired the control of Portbid Holdings Pty Ltd (the holding company of the Autoglym Division's Australian distributor ("Portbid Pty. Ltd") and GNG Sales New Zealand Pty Limited, these have become an indirect investment of Altro Limited. The operational and commercial benefits from this acquisition will assist the Group in increasing its presence across Asia-Pacific.

During the year, the Company continued to recover from the challenges of previous years, including the raw material and overhead price increases.

Financial review

The profit and loss account for the year is set out on page 23 of this Annual report and financial statements.

At 31 December 2024, the Company had an operating profit of £6.5m (2023: £5.9m), cash at bank and in hand of £7.1m (2023: £6.6m) and net assets of £54.9m (2023: £54.7m). Income from shares in group undertakings was £nil (2023: £1.2m).

Key performance indicators

Turnover of £129.6m (2023: £127.3m) represents an increase of 1.8% (2023: 8.6%).

Turnover has increased year on year aided by price increases into the market, and operating profit has also recovered significantly as raw material prices stabilised. Performance against the KPIs in 2024 is once again considered satisfactory given the wider economic context.

Health and Safety (Zero Harm) is a key priority for the Company and this has remained the case throughout 2024. Both Divisions have dedicated Health and Safety Managers, and the new accident and investigation process launched in the UK in 2023 to prioritise the prevention of high-risk accidents and incidents was rolled out internationally during 2024. The Board reviews a number of Zero Harm metrics every month and against annual targets and were pleased to note that both Divisions experienced fewer major accidents/injuries in 2024 compared to 2023.

Expenditure during the year has included investment in plant and machinery as well as additional contributions of £2.8m (2023: £2.8m) to the Defined Benefit Pension Scheme.

Future developments

The Company continues to look to grow both its UK and overseas markets in the longer term. More immediately, the Company remains focused on responding to the evolving conditions across its international markets and managing raw material price pressures. The company will continue to monitor the ongoing economic situation and impact of potential US tariffs on its international trade.

Strategic report *(continued)* for the year ended 31 December 2024

Principal risks and uncertainties

The business is subject to a number of risks and the Company has procedures and systems to manage these. The key business risks affecting the Company are considered to relate to the following:

Competition from other manufacturers

The Board and commercial management teams review available competitor and market data on a regular basis, although it is recognised that this is a usual commercial risk that cannot be entirely mitigated.

Loss of manufacturing facility (for example, through fire)

Business Interruption Insurance is in place and we have fire suppression systems specifically for fire risk.

Increases in raw material and energy costs

Contracts are put in place for major raw materials and energy is forward bought. Structural changes within the business mean we are also now able to respond to changes in external costs with greater agility.

Significant data and/or systems/network loss (including cyber-crime) leading to reputational damage and costs

There has been significant investment in this area including specialist software, training for all staff, back-ups and cloud-based storage. This investment continues to date and is planned on an ongoing basis.

Ban on essential product components / raw materials

Formulations are continuously updated and reviewed and alternatives are being actively investigated.

Regulatory changes and / or actions which may be taken by Governments in our major markets

The business regularly reviews new regulations across all parts of the business and is internationally diversified.

Fluctuations in the UK and global economy

We are internationally diversified in both business Divisions, although it is recognised that, like all businesses, we are still susceptible to global economic shocks (such as happened during the COVID-19 pandemic).

Financial risk management

The Company'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 Company, 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 Company's finance department.

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

Currency risk

The Company 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 Company's financial assets include loans receivable, cash at bank and in hand, trade and other debtors, and amounts owed by group undertakings which represent the Company's maximum exposure to credit risk in relation to financial assets. Risk is managed through internal monitoring processes and credit insurance.

Price risk

The Company 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.

Strategic report *(continued)*

for the year ended 31 December 2024

Financial risk management *(continued)*

Liquidity and cash flow risk

The Company has positive cash at bank and in hand balances 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 Company has limited exposure to interest rate risk as it has no 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.

Companies Act 2006 Section 172 Statement

The Board of Directors of Altro Limited (the "Board") are fully aware of their duty under Section 172, along with the other directors' duties in the Companies Act 2006. 2024 continued to be challenging 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.

As with all companies, decision making within the Company 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 Company is part of a group of companies and the Board's approach to decision-making aligns with the wider group's over-arching strategy of being a customer-focussed group, producing high-end products, with family values at its heart. This strategy encompasses the more detailed strategy for each of the Company'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 Company's culture, reflected in the mantra of 'Valuing our customers; valuing each other'.

Throughout 2024, 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 Chair) a member of the founding family who are majority shareholders, served on the Board throughout 2024. 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.

Edmond Boyle retired as Finance Director and Company Secretary on 31 December 2024. Edmond Boyle worked for the Company for 40 years and has become a Non-Executive Director, allowing the Board to continue to benefit from his wealth of experience. The Board therefore has not recruited a Non-Executive Director in place of David Kahn. Akash Mitter joined the Company on 1 October 2024 as Group Chief Financial Officer and was appointed as a Director on 24 October 2024. Fiona Carey replaced Edmond Boyle as Company Secretary on 1 January 2025. Andrew Nelson (Non-Executive Director) continued his appointment throughout 2024 and to date. Although the total number of Non-Executive directors on the Board at the close of 2024 was two, this increased to three as of 1 January 2025 and is therefore now equal to the number of Executive Directors (three); the Board feels this continues to bring an appropriate balance to ensure strong governance. The level of independence brought to the Board via Andrew Nelson continues to be of benefit to the Company. Michael Fincham and Edmond Boyle both bring extensive knowledge of what has made the Company successful on a long-term basis, having been long-serving senior employees. The three Executive directors are made up of the Group Chief Financial Officer, and both Divisional CEOs, ensuring the Divisions maintain a long-term focus and are strategically aligned. This also ensures that the culture of the Company, its purpose and values are maintained throughout both Divisions and through all subsidiaries. The composition of the Board of Altro Group Limited (formerly The Altro Group plc), the Company's parent, is identical to the Board of Altro Limited to ensure that governance is closely aligned within the wider Group.

Strategic report *(continued)*

for the year ended 31 December 2024

Companies Act 2006 Section 172 Statement *(continued)*

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. The CEO of each Division (Richard Kahn – Altro Floors and Walls and Paul Caller – Autoglym) sit on their respective Executive Committee and the Group Chief Financial Officer 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 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.

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 2024.

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	<p>The Company has always considered the longer term and this is reflected in the fact that it 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.</p> <p>The Company 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, stabilising raw material price risk. This has been particularly relevant during recent years.</p>	<p>Protecting the long-term viability of the Company is central to every Board discussion and decision-making process. The Board reviews detailed international five year plans and these are updated on an annual basis.</p> <p>The Board has remained cautious during 2024 in response to the economic climate but where appropriate has continued with capital expenditure and investment to ensure the long-term success of the Company. This approach allows a balance between ensuring the short-term health of the Company and investing for the future growth of the business.</p> <p>(See also 'Expenditure and Borrowing Decisions' in the 'Principal Decisions' section.)</p>
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 2024

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	<p>The Board takes abiding by laws very seriously and has various Steering Groups within the business to assist with relevant legislative compliance. This includes a Data Protection Steering Committee, which ensures compliance with Data Protection laws, and an Anti-Bribery and Corruption Group that engages with employees to ensure compliance with the Bribery Act 2010.</p> <p>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 the new Diversity, Inclusion and Belonging policy introduced during 2024. There is also a network of Dignity at Work coaches and Mental Health First Aiders that staff can consult.</p> <p>In order to ensure high standards of business conduct both Altro Floors & Walls and Autoglym have ISO accreditations, as follows:</p> <ul style="list-style-type: none"> • ISO 14001 (Environmental Management Systems) • ISO 9001 (Quality Management) • ISO 45001 (Occupational Health and Safety) accreditation (Autoglym only) 	<p>The Company issued a formal Diversity, Inclusion and Belonging Policy in February 2024 and launched a 'Year of Education' in relation to this topic in July 2024, to increase awareness and develop knowledge of an inclusive culture.</p> <p>The Gender Pay Gap Report for April 2024 shows a median Gender Pay Gap of 9.9%, compared to a UK National Median Gender Pay Gap of 13.1% (Source: Office for National Statistics 2024).</p> <p>Zero Harm (Health and Safety) remained a particular focus within the Company during 2024. The Altro Floors & Walls Division instigated a number of initiatives such as new walkways, line-markings and safe-crossing points on manufacturing sites, and forklifts being replaced by pallet and stacker trucks. A new staff Zero Harm email address was introduced and Zero Harm information was shared with staff highlighting matters such as Challenging Unsafe Behaviour, Reporting Near Misses, wearing Hi-Viz and Slips and Trips. Autoglym's Zero Harm focus in 2024 was its Moving Vehicle Charter and the rollout of the CHATS (Communicate Hazards by Approaching Talking to Sort) programme highlighting behavioural safety and acting on the outcomes.</p> <p>During 2024, the Autoglym Division secured a Royal Warrant from His Majesty King Charles III. This incredible achievement is the fourth successive Royal Warrant for Autoglym and a testament to the effort and commitment of the whole Autoglym team. The first Royal Warrant was granted in 1991 by the then Prince of Wales, with further Warrants subsequently granted by the late HM Queen Elizabeth II and by the late HM The Queen Mother.</p>
f) The need to act fairly as between members of the Company	<p>The Board considers the impact of decisions on shareholders as a whole</p> <p>(See also the 'Shareholders' section in the Stakeholder table below.)</p>	<p>As a wholly owned subsidiary of Altro Group Limited (formerly The Altro Group plc), the Company has only one shareholder to consider at present.</p> <p>(See also the Shareholder section in the Stakeholder table below and 'Dividend Decisions' in the 'Principal Decisions' section.)</p>

Strategic report *(continued)*

for the year ended 31 December 2024

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 previously, 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 note 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	
<i>Our pensioners have often dedicated many years to serving the Company 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.</i>	
Engagement Strategies	Outcomes
<p>The Company sends a representative to each Defined Benefit Pension Trust meeting and engages regularly with the Trustees and Scheme Actuary. The Board meets periodically with both the Independent Trustee and Scheme Actuary.</p> <p>There is a Defined Contribution Pension Scheme Group, who meet annually with the administrators to review the Scheme.</p> <p>New UK employees are given a full introduction to Auto Enrolment and the Defined Contribution Pension Scheme. There are also employee presentations outlining pension arrangements and, as employees approach retirement, they are given the option of a one-to-one meeting with an advisor from the Company Pension Scheme administrators. In 2024, employees were informed of Pensions Awareness Week and given access to a number of seminars run by the Pension Scheme administrators; 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.</p>	<p>To give an added layer of protection, the Company has in place a cross-guarantee from Altro Group Limited (formerly The Altro Group plc) for the Defined Benefit Pension Scheme and has again put £2.8m into funding the deficit during 2024. The Company also pays pension scheme costs for administration, investment advice and other pension fund fees.</p> <p>The Company 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.</p>

Strategic report *(continued)*

for the year ended 31 December 2024

Companies Act 2006 Section 172 Statement *(continued)*

SHAREHOLDERS <i>As the principal UK trading subsidiary of Altro Group Limited (formerly The Altro Group plc), we are proud of the alignment we have with our parent company and sole shareholder.</i>	
Engagement Strategies	Outcomes
<p>Whilst maintaining its independent decision-making power, the Board always takes into consideration the policies and decisions of its sole shareholder (Altro Group Limited (formerly The Altro Group plc)) when reaching decisions.</p> <p>In order to further ensure close alignment and engagement with its shareholder, the Company has a Board of directors identical to that of its parent company.</p>	<p>As directors of both the Company and its parent entity, the Board members are all individually aware of the needs, policies and principles of the sole shareholder and are therefore able to actively take these into consideration when making decisions on behalf of the Company.</p> <p>(See also 'The need to act fairly as between members of the Company' above and 'Dividend Decisions' in the 'Principal Decisions' section.)</p>
SUPPLIERS <i>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.</i>	
Engagement Strategies	Outcomes
<p>The Company 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 Company's Zero Harm programme is discussed with suppliers as the Company believes mutual sharing of such information strengthens health and safety throughout the supply chain for everyone's benefit.</p> <p>The Company 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 as national minimum wage, ethical behaviour and safe working practices.</p> <p>When selecting suppliers, their ethical values and welfare records are considered along with both their business and product sustainability criteria.</p>	<p>Due to our continued close alignment with our suppliers, no production stoppages occurred due to lack of material availability during 2024.</p> <p>In the year we introduced the Altro Responsible Sourcing Policy and engaged our suppliers via our Supplier Code of Conduct, with almost half of our production material suppliers signing the policy within a month of its launch.</p> <p>During 2024, Altro Floors continued with a sustainability project with a major supplier, helping to shape some of our own initiatives. Other suppliers have assisted us in sharing information on the environmental credentials of their materials and sustainability reports.</p>

Strategic report *(continued)* for the year ended 31 December 2024

Companies Act 2006 Section 172 Statement *(continued)*

CUSTOMERS <i>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.</i>	
<p>We have a variety of routes to market and as such a variety of customer groups as follows:</p> <ul style="list-style-type: none"> • 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 	
Engagement Strategies	Outcomes
<p>The Company collects feedback from customers through a variety of channels including during site visits, live website chats, social media and direct contact via email and phone. Since the inception of its Voice of the Customer programme in 2008, the Altro Floors and Walls Division has hosted nearly 1,800 visits welcoming over 4,300 attendees. During 2024, Altro Floors hosted 87 visits to Letchworth by 357 individuals from 11 different countries.</p> <p>In addition to Voice of the Customer, Altro Floors & Walls also welcomed a number of customers to its European Sales Conference held in Athens in April 2024 and over 800 visitors to the London Showroom during Clerkenwell Design Week in May 2024.</p> <p>Both Divisions run a host of events for customers throughout the year. This includes videos, e-learning and webinars. This is in addition to training events and training schools for both Divisions. In 2024 there were over 1,500 participants in the Altro Floors & Walls Continuing Professional Development seminars such as Designing for Inclusivity and Designing for Neurodiversity. The Division also hosted 'Lunch and Learn' and 'Toolbox' events to share information with customers, as well as holding a Global Transit Conference in July. Members of the Autoglym Technical Services team attended car show events demonstrating cleaning techniques and product training for customers throughout the year.</p> <p>Technical services support for customers remained consistent throughout the year, with the Altro Floors & Walls Technical Team attending sites to assist customers and the Autoglym Technical Services Team spending over 300 days visiting or assisting customers in the UK providing free-of-charge training.</p> <p>Franchisee involvement in product testing and new product development continued in 2024, providing feedback on products and strategies for the coming year. The business also continued to invest in our sales system for the Franchise sector and training was provided by the Autoglym Technical Support Team to the Franchise business, ensuring ongoing in-field support.</p>	<p>In order to enhance our interaction with our customers, Altro Floors & Walls launched a major project in February 2024 to implement a new customer relationship management system which will (amongst other benefits) support our Voice of the Customer programme. The new CRM system was launched in the UK in early 2025 and the global rollout is ongoing.</p> <p>During 2024, Altro Floors and Walls sought feedback from customers through a Brand Perception Survey, the results of which will be available in early 2025 and will help shape the future of the Altro brand.</p> <p>Initiatives instigated by the Altro Floors and Walls Division as a result of customer feedback during 2024, have included:</p> <ul style="list-style-type: none"> • changes to colours in flooring ranges, ShowerKits, Splashbacks and hygienic doorsets; • the launch of three new flooring products for buses in Spring 2024; • changes to our Altro website; • increasing the size of text on some packaging; • Altro Resins working with a raw material supplier to reduce the Minimum Order Quantity to customers. <p>Autoglym was delighted to achieve a notable reduction in customer complaints in 2024 compared to 2023 and also carried out an in-house customer survey late in the year. In 2024, both Altro Walls and Altro Resins revised their methodology for recording customer complaints to improve efficiency.</p> <p>During 2024 Altro Floors hosted its 'Inclusive Design For All' event, focussing on neurodiversity and designing fully inclusive spaces and also held 3 networking events for Women in Construction.</p> <p>Customers of the Altro Floors & Walls Division honoured us by voting for Altro Limited in the Contract Flooring Journal Awards in September 2024; the Division achieved 7 awards including 'Manufacturer of the Year', 'Sustainability Installation of the Year' and 'Installation of the Year'.</p> <p>Autoglym were delighted to be granted Product of the Year in 2024 from the Car Dealer Magazine and Autoglym products came top in several industry product tests.</p>

Strategic report *(continued)* for the year ended 31 December 2024

Companies Act 2006 Section 172 Statement *(continued)*

ENVIRONMENT	
<i>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.</i>	
Engagement Strategies	Outcomes
<p>As a responsible business, the Board constantly considers the impact of the Company, its locations and products on the environment and considers the environment and sustainability in its capital expenditure decisions. The sustainability of products and materials is also part of our supplier selection process. The Company purchases 100% renewable electricity at its UK sites.</p> <p>The Company aims to make sustainable flooring and for this reason the Company is able to offer up to 20 year guarantees with a number of its flooring products, 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.</p> <p>The majority of Altro Floors & Walls floor and wall cladding products have Environmental Product Declarations and Sustainability Overviews which contain key sustainability facts about each product. Altro Resins also have Environmental Product Declarations for one of its main resin ranges.</p> <p>Within the Company there are various relationships and memberships of industry environmental groups for the Altro Floors and Walls Division, including:</p> <ul style="list-style-type: none"> • 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’s committees on Sustainability, Product Safety, and Fire Safety and the BPF Net Zero Taskforce; • 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. <p>Autoglym’s memberships include the British Chemicals Association and the Paint Research Association.</p> <p>Altro Limited maintains ISO 14001 (Environmental Management Systems) accreditation across both Divisions to ensure compliance with environmental standards and to enhance environmental performance.</p>	<p>Both Divisions have dedicated Sustainability Steering Groups and Sustainability Managers. During 2024, Altro Floors and Walls published its Sustainability Report and a number of the Division’s employees volunteered to be Sustainability Champions. Autoglym set up a monthly Sustainability Forum to bring together colleagues from across the business. These Groups and individuals are working on 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. Autoglym has started to offer a refill for a trigger spray car care product.</p> <p>Altro Floors and Walls has continued to raise awareness of sustainability, launching a sustainability competition, highlighting Earth Day 2024 and emailing sustainability tips. The Division’s Sustainability Foundation Course was completed by over 300 employees globally in 2024.</p> <p>The Company takes seriously the need to find ways to prevent redundant product from being sent to landfill. In 2024, Recofloor (the vinyl flooring take-back scheme that operates in the UK and Ireland co-founded by Altro and Polyflor) celebrated its 15 year anniversary. Since its inception, it has recycled 2,416,667m² of installation offcuts and post-consumer waste for recycling into new flooring or traffic calming products such as road cones.</p> <p>An in-house initiative to recycle waste wall cladding products (Recowall) continues to divert waste from landfill and the Altro Walls site recycled nearly 30 tonnes of PVC waste through the Recowall scheme in 2024 and also collected and reused over 500 pallets in 2024.</p> <p>We are proud that both Divisions achieved an EcoVadis Committed award (an award in relation to management systems for sustainability) during 2024.</p> <p>(See also the ‘Emissions and energy consumption’ section in the Directors’ report.)</p>

Strategic report *(continued)* for the year ended 31 December 2024

Companies Act 2006 Section 172 Statement *(continued)*

COMMUNITY <i>The directors are aware that the Company is reliant on its local communities and owes them all a duty of care when carrying out its operations.</i>	
Engagement Strategies	Outcomes
<p>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 its other locations.</p> <p>The Company supports charitable causes through monetary donations, staff time, partnerships and working with community groups. The Company also makes an annual donation of funds and staff time to The Altro Foundation Limited, which is a corporate Foundation with charitable status.</p> <p>The Company allows all staff one day off per year to help out at any charity of their choice and a number of staff took up this opportunity in 2024. Staff are encouraged to choose local projects, so that the Company has a positive impact on the local community. The teams at Altro Walls in Lowestoft and Altro Resins in Maiden Newton, Dorset have both carried out beach cleans and Altro Resins helped in painting a local youth centre. In total, employees from the Altro Floors & Walls Division completed over 200 hours of local community volunteering.</p>	<p>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 local children's bereavement charity which provides support programmes, information and advice for bereaved families in the local community and schools.</p> <p>The Altro Floors and Walls Division donates flooring to various good causes, which have included a homelessness charity, a food bank and organisations supporting young people. The Division has also provided discounted flooring for a special educational needs school.</p> <p>The Division has also made cash and item donations during 2024 to local charities as well as events such as Macmillan Coffee mornings and allowing fund-raising on site by a local CIC.</p> <p>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 2024, we had further opportunities to volunteer at their drop-in centre to provide support sessions on using digital devices, or helping to run day courses on 'Moving towards Employment' and 'Health and Wellbeing'.</p>

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 Company itself.
- **The importance of efficiency**
Efficient production lines and processes benefit not only the Company, 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 2024

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 our stakeholders. Principal Decisions that are currently confidential to the Company 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 2024 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 shareholder 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:

- the launch of a cost-saving and waste elimination initiative;
- continuing to suspend some discretionary expenditure;
- approval of a variety of capital expenses to strengthen the future of the business;
- approval of the 2025 budgets;
- making a SIP Award in early 2024 to qualifying staff, but deciding against making an award in 2025; and
- awarding a pay increase to employees at the start of 2024.

ii) Dividend Decisions

The Board declared a dividend payment of £3.75m (£20.78 per share) during 2024. The Board considered shareholder expectations in setting this dividend, along with the cash position of the Company and felt that the Company was in a position to pay a dividend. In reaching this decision, the Board took into account the fact that, through share schemes, the majority of its employees are shareholders of the parent company (to whom the dividend is paid) and its commitments to funding the Company's pension schemes.

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 2024. When continuing with the contribution in 2024, the Board considered the need for prudence, as above, balanced with the needs of pensioners and other stakeholders.

iv) Autoglym Division Acquisition

During 2023 the Board took a decision in principle to fund the acquisition of the Autoglym Division's Australian distributor by a subsidiary company. The Board approved the completion of the acquisition during 2024 and it was effective from the close of business on 31 May 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 Company.

Current Position

The Company 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 2025 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 Company'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.

This report was approved by the Board of Directors and signed on its behalf.



A Mitter

Director

1 May 2025

Directors' report

for the year ended 31 December 2024

The directors present their report and the audited financial statements of Altro Limited ("the Company") for the year ended 31 December 2024.

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

Directors

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*	<i>Ceased to be a Director on 30 January 2024</i>
R J Kahn	<i>Managing Director and Chair</i>
E P Boyle	<i>Director to 31 December 2024, Non-Executive Director from 1 January 2025</i>
P L Caller	
M P Fincham*	
A Mitter	<i>Appointed as a Director on 24 October 2024</i>
A Nelson*	
<i>*Non-executive</i>	

Dividends

The directors have authorised and paid a dividend of £20.78 (2023: £18.01) per share, therefore dividends for the year totalled £3.75m (2023: £3.25m). No further dividends have been proposed between 31 December 2024 (2023: nil) and the date of approval of the financial statements.

Statement of employee engagement

Inclusion:

The Company 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 Company 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 2024 the Company built on the Diversity, Inclusion and Belonging programme launched in 2023, issuing a formal Policy in February 2024 and carrying out a global employee survey to assist in further strengthening our work in this area.

Retention:

Staff are encouraged to plan their careers within the Company 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, 22.3% of employees have between 10 and 20 years' continuous service and 17% have more than 20 years' service. We believe this is a reflection of the Company's culture and resulting high levels of employee engagement.

Directors' report *(continued)* for the year ended 31 December 2024

Statement of employee engagement *(continued)*

Directors' Engagement with and Regard to Employees:

The directors engage both directly and indirectly with 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 virtually) 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 Company prides itself on the care it has for its staff. For example, employee wellbeing is always a priority and Wellbeing, Change Management, Positive Psychology and Psychological Safety Workshops were delivered to a number of managers and teams during 2024. Wellbeing is also highlighted during employee induction sessions, and new employees attend training in 'Zero Harm', 'Stress Management' and 'Diversity, Inclusion and Belonging at work'. Staff are supported by an Employee Assistance Programme, Dignity at Work Coaches, Mental Health First Aiders, 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 wellbeing information. A new Sustainability Foundation course was introduced late in 2023 to add to existing Sustainability courses and other iLearn training covering subjects such as Diversity, Inclusion and Belonging at work, Zero Harm and H&S Training in Fire Safety, Manual Handling and Cyber Security alongside function specific training. In 2024, over 2,700 iLearn courses were completed by employees. In addition to iLearn, a new initiative called Learning Live was developed during the second half of 2024; employees can join a live training webinar on a variety of subjects or access a recording of the webinar as part of ongoing training. Learning Live was launched in the UK in early January 2025 and will be rolled out globally later in 2025. Apprenticeships are also a key part of employee development, and we were delighted that 19 employees successfully completed Level 2 Lean Manufacturing Operative apprenticeships.

As part of our commitment to employee safety, the Zero Harm programme has continued to be a focus during 2024. Altro Floors also instigated a 'Stop, Think and Stay Safe: Mastering Machinery Safety' initiative in October 2024. Altro Walls and Altro Resins have implemented the internationally recognised 5S methodology which focuses on a safe and clear work environment as well as quality, productivity and morale.

i) Information

The Company promotes an open and honest culture and employees are informed of decisions that are relevant to them as soon as practical. The Company 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 wider Company 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 wider Company's strategies, policies and results.

ii) Consultation

The Company 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 employee surveys are now carried out and all employees can use an online platform to give confidential feedback on any work matter and to give praise and thanks to colleagues.

Directors' report *(continued)*

for the year ended 31 December 2024

Statement of employee engagement *(continued)*

Directors' Engagement with and Regard to Employees (continued)

ii) Consultation (continued)

Both Divisions carried out a global employee survey during 2024, with Altro Floors and Walls carrying out a short global 'Pulse' survey in April 2024. Areas for improvement are considered by the Executive Committees, with the overall outcomes communicated to employees via managers, in the UK and the international regions. The Diversity, Inclusion and Belonging survey in 2024 was extended globally to cover all employees of the Company and it is planned to roll out the Diversity, Inclusion and Belonging Policy internationally in 2025.

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 wider Company also engages directly with every 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, employees can be 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 wider Company's performance. A SIP award was granted to employees in early 2024 and the Board made the decision in late 2024 not to make a further award during early 2025. The majority of staff remain SIP members and therefore receive all the same financial information that is disseminated to shareholders.

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 Company and wider 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 to access advice on a range of welfare and financial topics free of charge.
- A Carers Leave Policy was introduced in March 2024 to help those who are trying to balance the demands of caring, work, and looking after their own health.
- The Company supported initiatives such as Men's Health (including Movember), World Menopause Day, World Mental Health Day, Breast Cancer Awareness Week marked events such as Pride Week and National Inclusion Week, Black History and South Asian Heritage months amongst others.
- Monthly HR Bulletins are emailed to all UK employees with details of new starters and leavers, vacancies, events and training courses.
- Funding for the Employee Benefit Trust continued during the year.

Directors' report *(continued)*

for the year ended 31 December 2024

Statement of employee engagement *(continued)*

Decisions Affecting Employees (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 cooperation of the people within the Company. The directors thank all those who have worked so hard and made such a valuable contribution during the year. The Company 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.

Emissions and energy consumption

In line with current UK reporting guidelines, the following table details the Company'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 CO₂e):	
	Year ended 31 December 2024	Year ended 31 December 2023	Location based 2024	Location based 2023
Scope 1: Gas and other fuels	10,269,106	9,275,824	1,898	1,713
Scope 1: Transportation	1,273,794	1,470,111	288	332
Scope 2: Grid-supplied electricity	5,576,658	5,487,255	1,155	1,137
Total	17,119,558	16,233,190	3,341	3,182
Intensity metric: (Tonnes of CO₂e/£m UK Turnover)			25.8	25.0

Energy efficiency action

The Company is committed to year-on-year improvements in its operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to implementing these measures over the next five years. In 2024, a number of initiatives were undertaken to improve energy efficiency including chillers upgrades, replacement of LPG based forklifts, smart meter installations and the roll out of LED lighting.

Report Methodology

Scope 1 and 2 consumption and CO₂e 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 kgCO₂e relevant for the reporting year: Database 2024, Version 1.1.

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 Company is indirectly responsible for utilities (i.e. via a landlord or service charge) an average kWh/m² 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 2024 reportable figures.

Directors' report *(continued)* **for the year ended 31 December 2024**

Research and development

Research and development ("R&D") remains at the forefront of our vision for the future and our strength and depth in this area are essential parts of our business.

During 2024, the Autoglym Division continued to invest in its R&D facility through the investment of new equipment to assist in strengthening our technical expertise and provide the ability to evidence the efficacy of our products. For new products, we continue to engage with customers during product development testing, attend numerous trade shows across the industry and increase interaction with our international network.

Within Altro Floors and Walls, R&D continued to look into ways to make current products more environmentally friendly, either in the way they are made or how they can be recycled. This forms part of our wider environmental and operational efficiency programmes.

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

Pension schemes

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

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

During the year, the Company made a special contribution of £2.8m (2023: £2.8m) to the DB Scheme in line with the triennial funding plan agreed with the Defined Benefit Pension Trustees.

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

Charitable and political donations

The Company contributed £160k (2023: £24k) for charitable purposes. There were no political contributions (2023: nil).

Auditors' Limited Liability Agreement

As shareholders will be aware, it has been agreed with the Company's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the Company's financial statements for the year to 31 December 2024 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 Company as is just and equitable having regard to the extent to which the auditor, the Company and any third parties are responsible for the loss in question. The shareholder waived the need for approval of this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 5 September 2024.

Going concern

Overall, the Company benefits from a strong financial position, with no external borrowing and significant liquidity available. As at 31 December 2024 the Company had liquid resources of £7.1m (2023: £6.6m) comprising cash and cash equivalents. In addition, there is an agreed overdraft facility of £5.0m (2023: £6.0m). This was reduced to £5.0m in 2024 following a review of the company's facility requirements and fees by the Board. The facility was not utilised during the year (2023: not utilised).

As a wholly owned subsidiary of Altro Group Limited (formerly the Altro Group plc) and as the main trading and manufacturing entity of the Group, the Company's performance is heavily influenced by sales and performance of its overseas subsidiaries in its international markets. Therefore, as part of assessing the ability of the Company to continue as a going concern, management has considered the Group as well as the Company.

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 2025 and 2026, including proposed capital expenditure, and compared these with the Group's cash holdings, its committed borrowing facilities and projected gearing ratios.

Directors' report *(continued)* for the year ended 31 December 2024

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 Company also purchased and maintained throughout the financial year, Directors' and Officers' liability insurance in respect of itself and its directors.

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 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 Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable 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 Company will continue in business.

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

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

The directors are responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent 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 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 Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue as independent auditors, and the members have resolved to re-appoint them.

This report was approved by the Board of Directors and signed on its behalf.



A Mitter
Director
1 May 2025

Independent auditors' report to the members of Altro Limited

for the year ended 31 December 2024

Report on the audit of the financial statements

Opinion

In our opinion, Altro Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit 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 financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2024; the profit and loss account, the statement of comprehensive income, and the statement of changes in equity 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 company 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 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 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.

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.

Independent auditors' report to the members of Altro Limited (*continued*)

for the year ended 31 December 2024

Reporting on other information (*continued*)

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 2024 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 company and its 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to 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.

Independent auditors' report to the members of Altro Limited (continued)

for the year ended 31 December 2024

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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 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 2025

Profit and Loss Account

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Turnover	5	129,561	127,281
Cost of sales		(68,154)	(67,960)
Gross profit		61,407	59,321
Distribution costs		(25,023)	(26,514)
Administrative expenses		(28,420)	(25,087)
Other operating income		234	256
Provision for amounts owed by group undertakings	15	(1,683)	(2,062)
Operating profit	6	6,515	5,914
Income from shares in group undertakings		-	1,192
Profit before interest and taxation		6,515	7,106
Interest receivable and similar income	8	1,766	2,188
Interest payable and similar expenses	8	(218)	(220)
Profit before taxation		8,063	9,074
Tax on profit	9	(1,642)	(1,574)
Profit for the financial year		6,421	7,500

All the above results derive from continuing operations.

Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Profit for the financial year		6,421	7,500
Other comprehensive (expense) / income:			
Remeasurements of net Defined Benefit Pension Scheme asset	21	(2,337)	(13,078)
Total tax on components of Other comprehensive (expense) / income	9	(116)	2,570
Other comprehensive expense for the year, net of tax		(2,453)	(10,508)
Total comprehensive income / (expense) for the year		3,968	(3,008)

Balance Sheet

as at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	11	232	259
Tangible assets	12	6,780	6,388
Investments	13	5,219	5,034
		12,231	11,681
Current assets			
Inventories	14	17,639	20,230
Defined Benefit Pension Scheme asset	21	6,338	5,563
Debtors: amounts falling due after more than one year	15	4,218	4,932
Debtors: amounts falling due within one year	16	28,576	25,193
Cash at bank and in hand		7,077	6,559
		63,848	62,477
Creditors: amounts falling due within one year	17	(16,340)	(14,913)
Net current assets		47,508	47,564
Total assets less current liabilities		59,739	59,245
Creditors: amounts falling due after more than one year	18	(2,926)	(3,000)
Provisions for liabilities	19	(1,923)	(1,496)
Net assets		54,890	54,749
Capital and reserves			
Called up share capital	24	180	180
Share premium account		46	46
Retained earnings		54,664	54,523
Total equity		54,890	54,749

The notes on pages 26 to 49 are an integral part of these financial statements.

The financial statements on pages 23 to 49 were approved by the Board on 1 May 2025 and signed on its behalf by



R J Kahn
Managing Director

Statement of Changes in Equity

for the year ended 31 December 2024

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2023	180	46	60,234	60,460
Profit for the financial year	-	-	7,500	7,500
Other comprehensive expense for the year	-	-	(10,508)	(10,508)
Total comprehensive expense for the year	-	-	(3,008)	(3,008)
Dividends paid	-	-	(3,250)	(3,250)
Parent company capital reduction from share-based payment	-	-	547	547
Total transactions with owners, recognised directly in equity	-	-	(2,703)	(2,703)
Balance as at 31 December 2023	180	46	54,523	54,749
Balance as at 1 January 2024	180	46	54,523	54,749
Profit for the financial year	-	-	6,421	6,421
Other comprehensive expense for the year	-	-	(2,453)	(2,453)
Total comprehensive income for the year	-	-	3,968	3,968
Dividends paid	-	-	(3,750)	(3,750)
Parent company capital contribution from share-based payment	-	-	(77)	(77)
Total transactions with owners, recognised directly in equity	-	-	(3,827)	(3,827)
Balance as at 31 December 2024	180	46	54,664	54,890

Notes to the financial statements

for the year ended 31 December 2024

1 General information

Altro Limited ("the Company") manufactures and sells safety and other flooring and wall systems, resin systems and vehicle care and car wash products. The Company trades internationally and operates with a number of recognised brand names.

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The Company is a wholly owned subsidiary of Altro Group Limited (formerly The Altro Group plc). The address of the registered office is Works Road, Letchworth Garden City, Hertfordshire, SG6 1NW.

2 Statement of compliance

The financial statements of Altro Limited 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 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 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 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 results of the Company and its subsidiaries are included in the consolidated financial statements of Altro Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

(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, under FRS 102 paragraph 1.12B, on the basis that it is a qualifying entity and its ultimate parent company, Altro Group Limited (previously The Altro Group plc), includes the Company's cash flows in its consolidated financial statements; and
- (ii) from disclosing transactions with other wholly owned Group companies as stated in paragraph 33.1A of FRS 102: Related party disclosures.

Notes to the financial statements *(continued)*

for the year ended 31 December 2024

3 Accounting policies *(continued)*

(c) Foreign currency

(i) Functional and presentational currency

The Company's functional and presentational currency is pound sterling. This is rounded to the nearest thousand.

(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.

(d) 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 Company'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. Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged to the consolidated profit and loss account. No reversals of impairment are recognised. Amortisation and impairment losses are recognised in the profit and loss account under administrative expenses.

(e) Investments

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

(f) Tangible assets and depreciation

The cost of tangible assets is their 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:

- 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.

Notes to the financial statements *(continued)*

for the year ended 31 December 2024

3 Accounting policies *(continued)*

(g) 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.

(h) 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.

(i) Financial instruments

The Company 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 creditors, other creditors, accruals, and amounts owed to group undertakings 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.

Notes to the financial statements *(continued)*

for the year ended 31 December 2024

3 Accounting policies *(continued)*

(i) Financial instruments *(continued)*

(ii) Financial liabilities (continued)

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.

(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.

(j) Provisions

Provisions are recognised when the Company 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.

(k) Turnover

The Company 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 Company and value added taxes.

The Company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer, normally at the point of dispatch; (b) the Company 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 Company.

(l) Research and development

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

(m) Employee benefits

The Company 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.

Notes to the financial statements *(continued)*

for the year ended 31 December 2024

3 Accounting policies *(continued)*

(m) Employee benefits *(continued)*

(ii) Defined Benefit Pension Scheme

The Company operates a Defined Benefit Pension Scheme ("DB Scheme"), 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 / (loss) 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 Company also operates a number of Defined Contribution Pension Schemes ("DC Schemes"). The pension costs for the DC Schemes represent contributions payable by the Company in the year.

(iv) Share-based payment

The Board of Altro Group Limited (previously The Altro Group plc) issues share options to certain employees of the Company. 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 Company'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 Altro Group Limited (previously The Altro Group plc) 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 Altro Group Limited's share valuation will be 30%.

The Company 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 Altro Group Limited's (previously The Altro Group plc) shares at the balance sheet date and the option exercise price, spread pro-rata over the vesting period of the options.

(n) 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.

(o) 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.

Notes to the financial statements *(continued)*

for the year ended 31 December 2024

3 Accounting policies *(continued)*

(p) Income from shares in group undertakings

The income is derived from dividends remitted from its subsidiary undertakings. Dividend income is recognised when the right to receive payment is established. Income received is accounted for as Income from shares in group undertakings in the profit and loss account.

(q) 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 Company 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 is closed to future accrual, the Company 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 Scheme liabilities. Management estimates these factors, with recommendations from an independent actuary, in determining the net pension obligation in the balance sheet. Within the calculations, if the discount rate were to be reduced by around 0.1% p.a. the impact would increase the pension obligation by roughly 1.5%.

The assumptions reflect historical experience and current trends.

Impairment of investments

The Company considers whether investments are impaired when there is a material impairment trigger. 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 Company 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 14 for the net carrying amount of the inventory and associated provision.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

5 Turnover

Turnover by geographical area was:

	2024		2023	
	£'000	%	£'000	%
Territory				
United Kingdom	84,471	65	87,797	69
Continental Europe	14,737	11	15,370	12
The Americas	17,859	14	13,537	11
Australia and Asia Pacific	4,938	4	3,931	3
Rest of world	7,556	6	6,646	5
	129,561	100	127,281	100

Turnover is comprised of revenue from the sale of goods.

6 Operating profit

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

	2024	2023
	£'000	£'000
Amortisation of intangible assets	118	128
Depreciation of tangible assets	1,396	1,707
Loss on disposal of tangible fixed assets	8	465
(Reversal of impairment) / impairment of inventory	(575)	313
Provision for amounts owed by group undertakings	1,683	2,062
(Reversal of impairment) / impairment of trade receivables	(180)	211
Research and development	1,922	2,108
Operating lease charges	641	573
Foreign exchange losses	281	446
Fees payable to the Company's auditors for the audit of the financial statements	85	83
Fees payable to the Company's auditors and their associates for other services:		
- tax compliance services	29	38
- tax advisory services	103	105
Total amount payable to the Company's auditors and their associates	217	226

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

7 Employees and directors

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

	2024 Number	2023 Number
Manufacturing	153	149
Sales and marketing	164	172
Warehouse and distribution	55	60
Administration and management	164	161
	536	542

Employee costs, including directors, during the year were:

	2024 £'000	2023 £'000
Wages and salaries	27,926	26,554
Social security costs	2,965	2,737
Other pension costs	1,570	1,497
Employee share schemes (note 23)	(77)	547
	32,384	31,335

Directors

The directors' emoluments were as follows:

	2024 £'000	2023 £'000
Aggregate emoluments	1,912	1,731
Defined Contribution Pension Scheme contributions	197	186
	2,109	1,917

Contributions were made to a Defined Contribution Pension Scheme on behalf of two directors (31 December 2023: one) in the year ended 31 December 2024.

During the year 76,264 (2023: 56,572) phantom options were awarded to the directors and none (2023: none) were exercised.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

7 Employees and directors *(continued)*

Highest paid director

	2024	2023
	£'000	£'000
Highest paid director:		
Aggregate emoluments	974	810
Defined Contribution Pension Scheme contributions	186	186
	1,160	996

The amount of the accrued pension in the DB Scheme of the highest paid director at 31 December 2024 is £192k (2023: £185k). No approved share options (2023: none) and no phantom share options (2023: none) 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 key management has been included in the schedule for directors.

8 Net interest income

	2024	2023
	£'000	£'000
Other interest receivable and similar income:		
short term deposits	45	34
other	-	32
loans to subsidiary companies	1,408	1,349
finance income on DB Scheme assets (note 21)	313	773
Interest receivable and similar income	1,766	2,188
Interest payable and similar charges:		
loans from subsidiary companies	(218)	(220)
Interest payable and similar expenses	(218)	(220)
Net interest income	1,548	1,968

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

9 Tax on profit

(a) Tax expense included in profit or loss

	2024 £'000	2023 £'000
Current tax:		
UK corporation and income tax:		
current tax expense on income for the year	1,277	1,464
adjustments in respect of prior years	-	(81)
Current tax charge	1,277	1,383
Deferred tax:		
timing differences - origination and reversal	472	191
adjustments in respect of prior years	(107)	-
Deferred tax charge	365	191
Tax on profit	1,642	1,574

(b) Tax charge / (credit) included in Other comprehensive expense

	2024 £'000	2023 £'000
Deferred tax:		
timing differences - origination and reversal (note 19)	116	(2,570)
Tax charge / (credit) included in Other comprehensive expense	116	(2,570)

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

9 Tax on profit *(continued)*

(c) Reconciliation of tax charge

The total tax charge for the year is lower (2023: lower) than the applicable rate of corporation tax in the UK of 25% (2023: 23.5%).

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

	2024 £'000	2023 £'000
Profit before taxation	8,063	9,074
Tax charge on profit before taxation of 25% (2023: 23.5%)	2,016	2,132
Income not subject to tax	-	(260)
Expenses not deductible for tax purposes	529	849
Research and development enhanced allowances	(70)	(151)
Pension contributions in excess of charge	(778)	(840)
Depreciation deficit of capital allowances	(280)	(78)
Movement in short-term timing differences	323	245
Adjustments in respect of prior years	(107)	(81)
Deferred tax on share schemes	148	(54)
Group relief	(60)	(112)
Other	(79)	(76)
Tax charge for the year	1,642	1,574

(d) Tax rate changes

There has been no change to corporation tax rates for the year ended 31 December 2024. For the year ended 31 December 2024, the weighted average tax rate is 25% (2023: 23.5%)

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

10 Dividends

	2024 £'000	2023 £'000
Authorised and paid £20.78 per share (2023: £18.01)	3,750	3,250

No further dividends have been proposed between 31 December 2024 (2023: nil) and the date of approval of the financial statements.

11 Intangible assets

	Franchise £'000	Goodwill £'000	Computer Software £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2024	141	2,488	1,550	72	4,251
Additions	-	-	14	102	116
Disposal	-	-	(162)	-	(162)
Transfers	-	-	8	(8)	-
At 31 December 2024	141	2,488	1,410	166	4,205
Accumulated amortisation					
At 1 January 2024	141	2,488	1,363	-	3,992
Disposal	-	-	(137)	-	(137)
Charge for the year	-	-	118	-	118
At 31 December 2024	141	2,488	1,344	-	3,973
Net book value					
At 31 December 2024	-	-	66	166	232
At 31 December 2023	-	-	187	72	259

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

12 Tangible assets

	Land and buildings Short leasehold £'000	Plant equipment and vehicles £'000	Assets under construction £'000	Total £'000
Cost or valuation				
At 1 January 2024	78	37,913	875	38,866
Additions	-	680	1,116	1,796
Disposals	-	(264)	-	(264)
Transfers	-	819	(819)	-
At 31 December 2024	78	39,148	1,172	40,398
Accumulated depreciation				
At 1 January 2024	36	32,442	-	32,478
Charge for the year	10	1,386	-	1,396
Disposals	-	(256)	-	(256)
At 31 December 2024	46	33,572	-	33,618
Net book value at 31 December 2024	32	5,576	1,172	6,780
Net book value at 31 December 2023	42	5,471	875	6,388

13 Investments

	£'000
Cost	
At 1 January 2024	7,910
Additions	185
At 31 December 2024	8,095
Provisions for impairment	
At 1 January 2024	(2,876)
Charge for the year	-
At 31 December 2024	(2,876)
Net book value at 31 December 2024	5,219
Net book value at 31 December 2023	5,034

The directors believe that the carrying value of the investments at 31 December 2024 is supported by their underlying net assets.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

13 Investments *(continued)*

The principal trading subsidiaries at 31 December 2024 were:

Company	Address of registered office	Class of shares	% of shares held	Activity
Altro GmbH	Ebertallee 209, 06846 Dessau-Roßlau, Germany	-	100	Distribution
Altro Nordic AB	Box 9055, 200 39, 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 Road, 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
Autoglym APAC Pty Ltd*	88 Logis Boulevard, Dandenong South, Victoria, 3175, Australia	Ordinary	100	Holding Company
AG APAC Pty Ltd*	88 Logis Boulevard, Dandenong South, Victoria, 3175, Australia	Ordinary	100	Holding Company
GNG Sales New Zealand Pty Ltd**	3 Foundry Road Seven Hills NSW 2147, Australia	Ordinary	100	Distribution
Portbid Holdings Pty Ltd**	3 Foundry Road Seven Hills NSW 2147, Australia	Ordinary	100	Holding Company
Portbid Pty Ltd**	3 Foundry Road Seven Hills NSW 2147, Australia	Ordinary	100	Distribution

*Company incorporated on 3 April 2024

** Company acquired at close of business 31 May 2024

Dormant entities

The following companies, registered at the same address as the Company as detailed in note 28 are wholly owned by the Company 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
Altro Sport Surfaces Limited	The Altro Group SIP Trustees Limited	Valet-Glym Limited
Autoglym Limited	Altro Floors Limited	Zolatone Polomyx Limited

Recofloor Limited (registered at Bankfield House, Regent Road, Bootle, England, L20 8RQ), also dormant at the year end, is 50% owned by the Company.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

14 Inventories

	2024	2023
	£'000	£'000
Raw materials and consumables	6,558	7,383
Work in progress	840	879
Finished goods and goods held for resale	10,241	11,968
	17,639	20,230

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

Inventories are stated after provisions for impairment of £2,997k (2023: £3,572k).

15 Debtors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Amounts owed by group undertakings	4,218	4,836
Deferred tax asset (note 19)	-	96
	4,218	4,932

Amounts owed by group undertakings comprise €24,000k (2023: €24,000k) which accrues interest at 3% above EURIBOR per annum and AUD\$4.1m (2023: AUD\$nil) which accrues interest at 8.89%. The balances have no set repayment date.

During the year, management reassessed the carrying value of amounts owed by group undertakings for impairment against their recoverable amounts. Owing to the difficult trading conditions experienced by some of the Group's principal operating subsidiaries, it has been determined that an additional impairment provision of £1.7m (2023: £2.1m) is required. The accumulated impairment provision is £17.7m (2023: £16.0m). The impairment provision reflects the net asset position of the related entities.

16 Debtors: amounts falling due within one year

	2024	2023
	£'000	£'000
Trade debtors	12,098	12,295
Amounts owed by group undertakings	13,409	9,393
Other debtors	412	943
Corporation tax	87	132
Prepayments and accrued income	2,570	2,430
	28,576	25,193

Amounts owed by group undertakings falling due within one year are unsecured, repayable on demand and accrue interest at relevant agreed rates to the extent that such balances are overdue but are otherwise interest-free.

Trade debtors are stated after provisions for impairment of £324k (2023: £504k).

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

17 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	4,943	5,172
Amounts owed to group undertakings	2,214	1,682
Other taxation and social security	1,801	1,774
Other creditors	214	7
Accruals and deferred income	7,168	6,278
	16,340	14,913

Amounts owed to group undertakings falling due within one year are unsecured, interest-free and repayable on demand.

18 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Amounts owed to group undertakings	2,926	3,000

Amounts owed to group undertakings comprise AUD\$5,500k (2023: AUD\$5,200k) which accrued interest at between 8.83% and 8.89% per annum in the year; and €250k (2023: €250k) which accrues interest at 4.47% per annum. The AUD balance falls due for repayment on 21 December 2027, and the EUR balance falls due for repayment on 24 March 2028. Both balances are unsecured.

19 Provisions for liabilities

	Deferred tax £'000	Other £'000	Total £'000
At 1 January 2024	(96)	105	9
Charged to profit and loss account	285	178	463
Utilised in the year	-	(19)	(19)
Released in the year	-	(114)	(114)
At 31 December 2024	189	150	339

Other provisions represent estimated amounts in respect of dilapidations, reparations and other matters as advised by our legal advisors. 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 advisors, and other experts, as appropriate.

Deferred tax

	2024 £'000	2023 £'000
Accelerated capital allowances	741	556
Other short-term timing differences	(552)	(652)
Deferred tax liability / (asset)	189	(96)

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

19 Provisions for liabilities *(continued)*

Deferred tax liability relating to Defined Benefit Pension Scheme asset

	2024	2023
	£'000	£'000
At 1 January	1,391	3,767
Deferred tax charge to Profit and loss account	77	194
Deferred tax charge / (credit) to Other comprehensive income	116	(2,570)
At 31 December	1,584	1,391

20 Operating lease commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each reporting period:

	2024		2023	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases expiring:				
within one year	256	538	248	358
between one and five years	405	966	594	639
after five years	2,719	-	2,720	-
	3,380	1,504	3,562	997

Other leases primarily comprises of vehicles and other plant and machinery.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

21 Retirement benefits

(a) Defined Benefit Pension Scheme (DB Scheme)

The Company 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 2024 by a qualified independent actuary and showed a surplus at that date of £6,338k (2023: £5,563k) 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 funding deficit through an agreed contribution of £2,800k (2023: £2,800k) per year going forward.

i) Net pension asset

The pension asset at 31 December was as follows:

	2024 £'000	2023 £'000
Fair value of DB Scheme assets	90,748	100,750
Present value of DB Scheme liabilities	(84,410)	(95,187)
Net pension asset	6,338	5,563

The present value of unfunded DB Scheme liabilities is nil (2023: nil). The irrecoverable surplus in the DB Scheme is nil (2023: nil).

ii) Analysis of assets and expected rates of return

The fair value of plan assets at 31 December were:

	2024 £'000	2023 £'000
Debt instruments	88,512	99,583
Cash	2,236	1,167
Fair value of DB Scheme assets	90,748	100,750

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.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

21 Retirement benefits *(continued)*

(a) Defined Benefit Pension Scheme (DB Scheme) *(continued)*

iii) Financial and demographic assumptions

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

	2024	2023
	%	%
Rate of increase in pensions in payment (post 2006)	2.0	2.2
Rate of increase in pensions in payment (post 1997, pre 2006)	3.7	3.5
Rate of increase in pensions in payment (pre 1997)	3.0	3.0
Discount rate	5.5	4.5
RPI Inflation	3.1	3.0
CPI Inflation	2.8	2.6

The assumed life expectancies on retirement at age 65 were:

		2024	2023
		Years	Years
Retiring today	males	21.4	21.4
	females	23.9	23.8
Retiring in 20 years' time	males	22.6	22.6
	females	25.3	25.2

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

	2024	2023
	£'000	£'000
Fair value of DB Scheme assets at 1 January	100,750	99,256
Interest income on DB Scheme assets	4,511	4,642
Actuarial loss	(13,513)	(2,177)
Contributions by employer	2,800	2,800
Benefits paid	(3,800)	(3,771)
Fair value of DB Scheme assets at 31 December	90,748	100,750

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

21 Retirement benefits *(continued)*

(a) Defined Benefit Pension Scheme (DB Scheme) *(continued)*

v) Changes in present value of DB Scheme liabilities

	2024	2023
	£'000	£'000
Present value of DB Scheme liabilities at 1 January	95,187	84,188
Interest cost	4,199	3,869
Remeasurement (gain) / loss	(11,176)	10,901
Benefits paid	(3,800)	(3,771)
Present value of DB Scheme liabilities at 31 December	84,410	95,187

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

	2024	2023
	£'000	£'000
Administration expenses	483	477
Total operating charge	483	477
Interest income on DB Scheme net asset	(313)	(773)
Total finance income (note 8)	(313)	(773)

vii) Amounts recognised in Other comprehensive expense

	2024	2023
	£'000	£'000
Actual return on DB Scheme assets less interest income	(13,513)	(2,177)
Remeasurement gain / (loss) on DB Scheme liabilities	11,176	(10,901)
	(2,337)	(13,078)

viii) Pension scheme contingent liabilities

The Company is aware of a UK High Court legal ruling that took place in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial confirmations. The ruling was subject to an appeal with a judgement delivered on 25 July 2024. The Court of Appeal unanimously upheld the decision of the High Court.

The Company has been liaising with the Trustee of the DB Scheme to determine the relevance of this judgement to the DB Scheme, given this ruling was in respect of another unrelated scheme. The Trustee's current position following discussions with the Scheme's lawyers is that they have decided not to review the historic documentation to consider whether the relevant confirmations were provided on the basis that there is no reason to believe that historic documents had not been executed correctly. The Company is supportive of this position and therefore no adjustments have been made to the Financial Statements as at 31 December 2024. The Company will monitor the impact of any future developments arising from this.

(b) Defined Contribution Pension Schemes (DC Schemes)

The Company makes contributions into a number of Defined Contribution Pension Schemes, whose assets are held in separate funds. The total contributions payable by the Company in the year in respect of these schemes were £1,570k (2023: £1,497k). There were no accrued contributions at the year end (2023: none) at the year end. Contributions of £233k (2023: £419k) were prepaid at the year end.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

22 Financial instruments

The Company has the following financial instruments:

	2024 £'000	2023 £'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	12,098	12,295
- Amounts owed by group undertakings	17,626	14,229
- Other debtors	412	943
	30,136	27,467
Financial liabilities at fair value through profit or loss		
Foreign exchange forward contracts	207	-
Financial liabilities measured at amortised cost		
- Trade creditors	4,943	5,172
- Other creditors	7	7
- Accruals	7,168	6,278
- Amounts owed to group undertakings	5,139	4,682
	17,257	16,139

Derivative financial instruments - forward contracts

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for purchases and sales. As at 31 December 2024, the outstanding contracts all mature within 12 months (2023: 12 months) of the year end. The Company committed to buy £nil for a fixed sterling amount (2023: €1,000k). At 31 December 2024 the Company had also committed to sell AUD\$1,000k, CAD\$3,000k, SEK7,000k and US\$11,000k for fixed sterling amounts (2023: AUD\$2,000k, CAD\$2,000k, SEK14,000k and US\$11,000k).

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 £207k loss (2023: £54k gain). This balance is included within the Other Creditors (note 17) (2023 Other Debtors (note 18)). The loss on forward foreign currency contracts charged to the profit and loss account in the year was £261k (2023: £188k profit).

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

23 Share-based payment

During the year ended 31 December 2024, the Company 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 of Altro Group Limited (formerly The Altro Group plc) can grant options over shares in Altro Group Limited (formerly The Altro Group plc) to employees of the Company. 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 at the balance sheet date (2023: three), and one in the 2018 CSOP (2023: zero). As appropriate, the board of Altro Group Limited (formerly The Altro Group plc) 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 of Altro Group Limited (formerly The Altro Group plc) can grant options over notional shares in Altro Group Limited (formerly The Altro Group plc) to employees of the Company. 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 no participants remaining in the Phantom Plan 2005 (2023: four) and five participants in the Phantom Plan 2018 at the balance sheet date (2023: four). As appropriate, the board of Altro Group Limited (formerly The Altro Group plc) 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 Altro Group Limited (formerly The Altro Group plc).

Share Incentive Plan

The SIP was introduced in 2003 and the board of Altro Group Limited (formerly The Altro Group plc) can award free shares in Altro Group Limited (formerly The Altro Group plc) to UK-based employees of the Company. 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 460 participating employees at the balance sheet date (2023: 446). The board of Altro Group Limited (formerly The Altro Group plc) has made annual awards since 2003, with the exception of 2020 to 2023, and there are no performance conditions attached to an award. An award is satisfied by the issue of equity shares in Altro Group Limited (formerly The Altro Group plc). 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 Company's profit and loss account for the year is:

	2024	2023
	£'000	£'000
(Income) / Expense arising from share-based payment arrangements	(77)	547

A reconciliation of option and SIP movements over the year to 31 December 2024 is shown on page 48. 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.

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

23 Share-based payment *(continued)*

	2024		2023	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Outstanding at 1 January	841,947	582	698,134	661
Granted during the year	146,632	664	235,627	196
Exercised during the year	(49,687)	-	(47,126)	-
Cancelled during the year	-	-	-	-
Expired during the year	(62,245)	669	(44,688)	842
Outstanding at 31 December	876,647	588	841,947	582
Exercisable at 31 December	441,256	639	477,423	625

During the year none of the directors exercised share options (2023: none).

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:	2024	2023
Risk-free interest rate	3.4% - 4.6%	3.4% - 5.0%
Expected volatility	30%	30%
Expected option life	3-7 years	3-7 years
Expected dividend yield	2.0%	2.0%

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		Exercise price pence	Exercisable between
		2024	2023		
CSOP	Equity	10,506	10,506	571	10.04.2018 and 10.04.2025
		3,562	3,562	842	29.09.2019 and 28.09.2026
		4,518	-	664	26.09.2027 and 25.09.2034
Total CSOP		18,586	14,068		
Phantom	Cash	-	62,245	669	25.05.2020 and 24.05.2024
		68,178	68,178	623	25.10.2021 and 24.10.2025
		85,282	85,282	511	05.09.2022 and 04.09.2026
		60,586	60,586	738	30.01.2023 and 29.01.2027
		65,753	65,753	730	17.06.2024 and 16.06.2028
		73,694	73,694	631	30.06.2025 and 29.06.2029
		66,284	66,284	196	27.07.2026 and 26.07.2030
		96,632	-	664	05.09.2027 and 04.09.2031
Total Phantom		516,409	482,022		
Share Incentive Plan	Equity	341,652	345,857		
Total Share Incentive Plan		341,652	345,857		
Total share options outstanding		876,647	841,947		

Notes to the Financial Statements *(continued)*

for the year ended 31 December 2024

24 Called up share capital

Authorised, called up, allotted and fully paid share capital

	2024	2023
	£'000	£'000
Authorised:		
200,000 ordinary shares of £1 each (2023: 200,000 ordinary shares of £1 each)	200	200
Called up, allotted and fully paid:		
180,433 ordinary shares of £1 each (2023: 180,433 ordinary shares of £1 each)	180	180

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

25 Capital commitments

	2024	2023
	£'000	£'000
Contracted but not provided for	971	585

26 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.

27 Ultimate parent company

The immediate and ultimate parent company and controlling party is Altro Group Limited (formerly The Altro Group plc), for which Group financial statements are prepared. The Company is incorporated in the United Kingdom and registered in England and Wales. Copies of the Group financial statements are available from the Company Secretary at Altro Group Limited (formerly The Altro Group plc), Works Road, Letchworth Garden City, SG6 1NW. For the year ended 31 December 2024, the largest and smallest group in which the results of the Company are consolidated is that headed by Altro Group Limited (formerly The Altro Group plc). The registered office of Altro Group Limited (formerly The Altro Group plc) is the same as the Company.