



CASTINGS P.L.C.

ANNUAL REPORT

for the year ended
31 March 2025

Stock Code: CGS



An Introduction to **Castings P.L.C.**

Castings P.L.C. is a market-leading iron casting and machining group based in the UK supplying both the domestic and export markets.

Our continued strength is largely as a result of our investment in the latest technologies and manufacturing processes. Maintaining an ungeared balance sheet provides investment flexibility, enabling us to fully capitalise on commercial opportunities to generate strong returns for the benefit of shareholders, customers and employees alike.

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Company Information

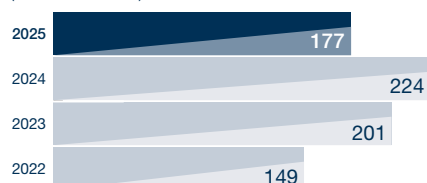
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Financial Highlights

Group revenue (£m)

£177m

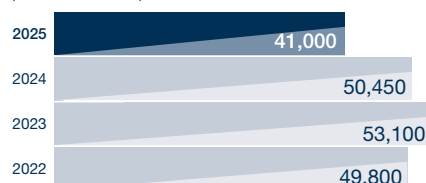
(2024: £224m)



Foundry sales volume (tonnes)

41,000

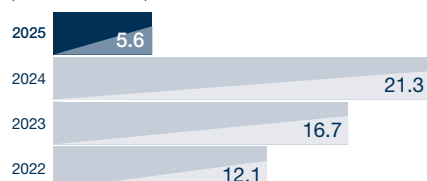
(2024: 50,450)



Profit before tax (£m)

£5.6m

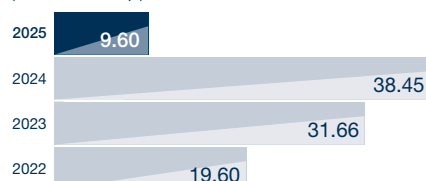
(2024: £21.3m)



EPS (basic)

9.60p

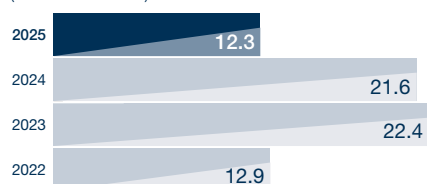
(2024: 38.45p)



Cash generated from operating activities (£m)

£12.3m

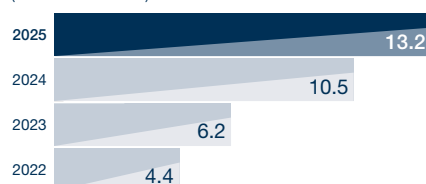
(2024: £21.6m)



Capital expenditure (£m)

£13.2m

(2024: £10.5m)



Dividend per share (excluding supplementary dividend) (pence)

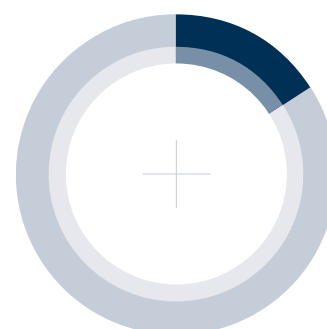
18.40p

(2024: 18.32p)



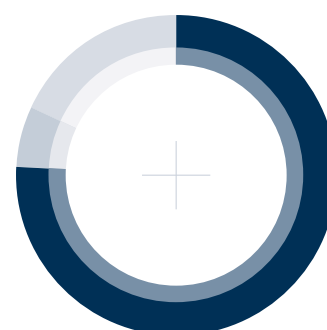
Revenue Profile

Geographical revenue split



- United Kingdom 16%
- Export 84%

Customer sector profile



- Commercial vehicle 76%
- Automotive 6%
- Other 18%

Chairman's Statement

Overview

Demand from our heavy truck customers, which make up over 75% of group revenue, was at a reduced level compared to the very strong levels of the previous year. These OEMs have been reporting a normalisation of demand throughout the year and this has naturally fed through to reduced schedules being placed on us. The reduction in schedules worsened during the first three quarters but recovered somewhat during the final quarter

The European market, which comprises nearly three-quarters of our revenue, was reduced generally but particularly in Germany and truck manufacturers with a greater exposure to this market were impacted more heavily. Demand from the US was strong in the first half of the year but this also declined as the year progressed and especially so in the last quarter with greater political and economic uncertainty in the region.

Turnover decreased by 21% compared with the previous year and operating profit reduced by 76%. The despatch weight fell by 19% compared to the prior year.

The year saw a significant increase in electricity costs as a direct result of lower customer demand. As a consequence of consuming less electricity, penalties were enforced on forward purchased electricity volumes that were not required. The total of these penalties was £1.5 million, which includes a provision for the period up to the end of the contract in September 2025. The forward volumes purchased from October 2025 onwards have been restricted and no further financial loss is anticipated for these periods.

In June 2024 the group purchased the fixed assets and stock from the administrators of a business making large iron castings (up to 7 tonnes) in Scunthorpe. The purchase represented an opportunity to supply products and customers that were new to the group. It also enables us to offer our existing customers a broader product range.

The Scunthorpe business, which traditionally supplies the capital goods market, is more exposed to spot-orders which creates greater short-term demand variability compared to the other foundries in the group. Whilst the initial level of demand following the purchase was high, this subsequently reduced during the second half of the financial year.

The overall loss during the nine months of operation was £1.3 million, although this does include £0.4 million of set-up costs to re-establish the business following a period of underinvestment. The business is now established and generating orders for new products from new customers as well as having re-established existing customer relationships.

Foundry businesses

Demand was down by nearly 20% on a sales weight basis (like-for-like) compared to the high levels of the previous year. This reduction has negatively impacted production efficiencies in these businesses during the year. The impact of the electricity penalties also affects the foundries to a much greater extent than the machining business due to the greater levels of consumption.

Last year the board approved the installation of an additional foundry production line at our William Lee site. We are nearing the end of the installation phase of the project and commissioning is expected to be complete later in the summer. The project is in line with budget. The new production line will add up to 12,000 tonnes of additional gross foundry capacity which represents a 15% increase on the group's current capacity. The additional facility will enable us to take advantage of new and growing market areas such as wind energy, agriculture and further opportunities in the US as well as satisfying additional demand from our existing customer base.

CNC Speedwell

It is pleasing to report a solid performance in the machining business against the backdrop of lower demand levels.

Investment has been focussed on replacing older equipment with more efficient machines in line with our on-going replacement programme.

Outlook

The schedules from our heavy truck customers suggest that the current lower levels of demand will continue in the short-term with improvements in the autumn.

The new foundry line can produce parts with slightly larger dimensions, thus providing the opportunity to quote for work that would have previously been outside of our scope. This will result in incremental business. The facility in Scunthorpe then allows for significantly larger castings to be supplied to existing and new customers.

At the time of writing, with the nature of the parts we supply, we do not consider the changes to tariffs to be a significant issue to our existing business in the US.

As is well reported, the UK has the highest energy prices relative to our overseas competition, on top of which the Government's decision to increase national insurance is a considerable burden for UK manufacturers. These issues impact on our competitive position. The group continues to invest in productivity and efficiency measures to try to mitigate these challenges.

We will continue to develop opportunities with existing customers in areas such as the electrification of lighter trucks and build relationships in other markets such as wind energy, agriculture and in the US.

Dividend

The directors have considered carefully the outlook described above and the strong balance sheet, even after significant capital investment during the year, and have decided to recommend the payment of a final dividend at the same level as last year. Accordingly the directors are recommending the payment of a final dividend of 14.19 pence per share to be paid on 26 August 2025 to shareholders on the register on 18 July 2025. This, together with the interim dividend, gives a total dividend for the year of 18.40 pence per share.

Directors

As part of our succession planning, Stephen Harrison was appointed to the board as a non-executive director on 26 September 2024. Having been CEO of Forterra plc and currently non-executive chairman of Epwin Group plc and Tungsten West plc, Stephen brings significant relevant experience to the group.

I would like to thank Andrew Eastgate, who is not seeking re-election at the AGM, for his outstanding contribution to the board over the last seven years. Andrew will retire as a non-executive director on 26 August 2025.

I also wish to thank the directors, senior management and all of our employees for their hard work and commitment during the year.

A. N. Jones

Chairman

11 June 2025

Group Overview and Strategy

Group overview

Castings P.L.C. is a market leading iron casting and machining group based in the UK, supplying both the domestic and export markets.

The original foundry operation dates back to 1835 and today the group comprises four trading businesses, employing approximately 1,100 people in the UK.

The group operates three iron foundries – Castings P.L.C. (Brownhills, West Midlands), William Lee Limited (Dronfield, Derbyshire) and Castings Ductile Limited (Scunthorpe, North Lincolnshire) – together with the CNC Speedwell Limited machining operation which is also based in Brownhills.

The group produces Ductile iron, SG iron, Austempered ductile iron (ADI), SiMo and Ni-resist castings up to 7,000kg in weight. Our three Disamatic moulding machines and three horizontal green sand moulding machines provide a foundry production capacity of over 70,000 tonnes per annum (equates to sales capacity of approximately 63,000 tonnes per annum after machining weight removed).

Our machining operation is invested to support the capacity requirements of the foundry customer base.

Strategy

Our continued strength is largely as a result of our investment in the latest technologies and manufacturing processes. Utilising high volume equipment in a medium batch environment, we are perfectly positioned to supply our commercial vehicle focussed customer base in Europe and beyond.

The management team is committed to developing the business for the benefit of shareholders, employees and customers.

Our focus is to deliver long-term sustainable revenues and higher than average margins through the following strategic priorities:

Reinvestment for innovation and efficiency

We invest in the latest technologies to provide our customers with innovative design and production offerings and to ensure we maximise production process efficiencies.

We seek to strike a balance in the allocation of strong cash flows between reinvestment and providing attractive returns for shareholders.

Increase OEM market share

By continuing to work collaboratively with customers to develop innovative, cost-effective solutions, we strive to increase our market share within our existing core commercial vehicle customer base.

With our investment in warehousing and logistics systems, we are well placed to take advantage of opportunities to bring additional products to our current OEM customers.

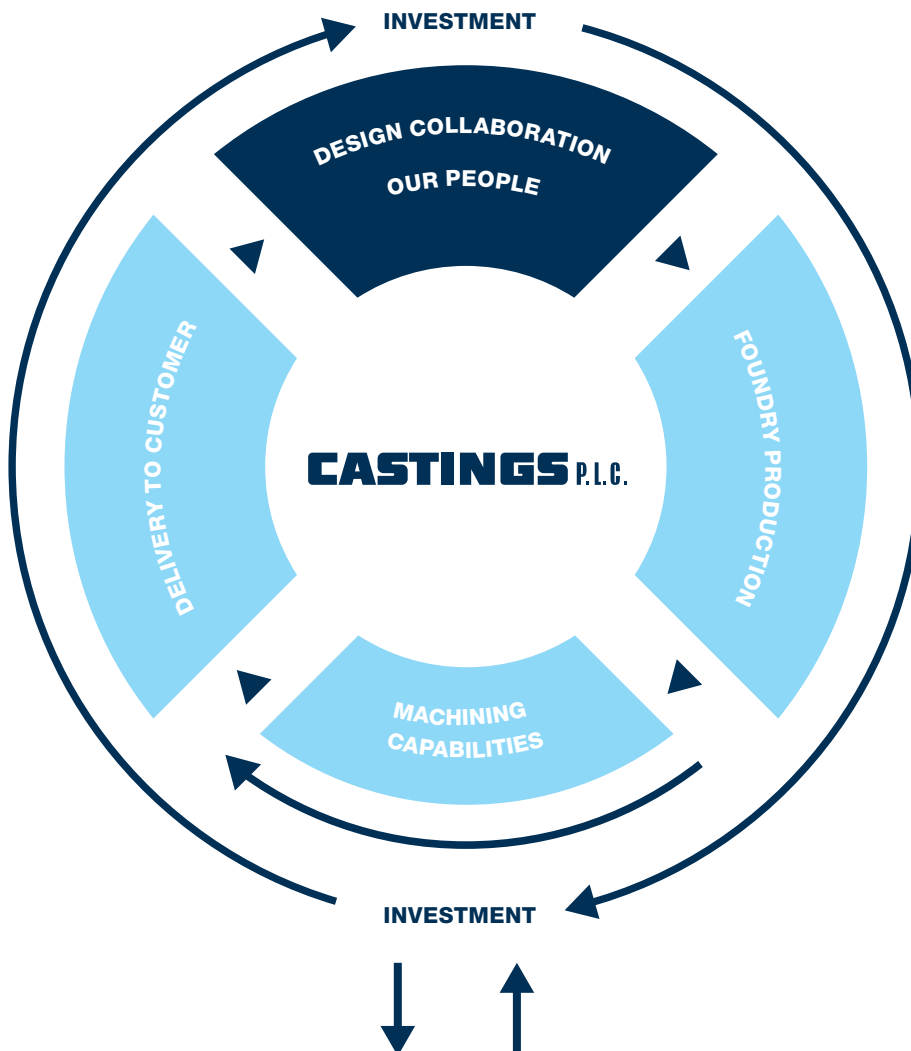
Strength of balance sheet

The group balance sheet is managed to ensure long-term financial stability and the ability to make efficient investment decisions to support our strategic objectives.

Investment in our people

With approximately 1,100 employees in the UK, our workforce is a critical element to the continued success of the group. We are committed to developing our people through targeted and balanced training across all levels, whilst maintaining an eye on the future with apprenticeship programmes in all companies in the group.

Business Model



VALUE FOR STAKEHOLDERS

Customers

Flexible, agile and cost-effective supply of high-quality and diverse product range.

Long-term security of supply.

Employees

Training and investment allowing our employees to develop in a challenging and ambitious environment.

Shareholders

Maintaining competitive position affords us growth opportunities to increase returns to our shareholders.

Strong cash generation and a progressive dividend policy.

Communities and environment

We aim to contribute positively to the communities and environment in which we operate.

A recycler of steel scrap metal produced in the UK.

Design collaboration

Work closely with customers to develop cost-effective solutions to meet their needs.

Use of 3D design simulation and rapid prototyping.

Our people

Committed, experienced workforce with a high degree of technical knowledge.

Foundry production

High-volume moulding equipment used in a flexible manner (zero time changeovers) to allow production of small or large volume batches.

Ability to produce a diverse range of parts.

Technical expertise, investment in flexible automation and efficient working practices ensure cost of production is kept low, whilst quality of output is very high.

Machining capability

Highly invested machine shop focussed on the prismatic machining of castings primarily for the group customer base.

Robotic feeding of machines being rolled out to aid efficiencies and quality standards.

Vertical integration of assembly processes available.

Delivery to customer

Investment in logistics systems ensures a diverse product range is managed effectively meeting strict customer delivery deadlines.

Experience in managing logistics both domestically and for the export market.

Business and Financial Review

General overview

The underlying demand from our commercial vehicle customers (approximately 75% of group revenue) was down 20% when compared to the elevated levels of the previous year.

Our OEM customers have reported demand normalisation throughout the year which, as expected, has flowed through to the schedule reductions we have seen from them.

Whilst the European truck market has been lower in general, the reductions have been particularly severe with customers who have more exposure to the German market.

The US market was a notable exception, in the first half of the year particularly, and we saw increased penetration with existing customers. However, we did see a slight slowing in Q4 as uncertainty levels increased in that market.

In addition to the reduced demand, the result has been impacted by two items in the second half of the financial year. The first is, as a direct impact of lower volumes, an increase in power costs resulting from enforced penalties payable on forward purchased electricity volumes that were not required. The second relates to the start-up costs and trading losses associated with the new business in Scunthorpe, Castings Ductile, certain assets of which were purchased from administration on 14 June 2024.

The increased electricity costs, including provision for expected losses on the contract through to September 2025, have negatively impacted the year by £1.5 million. The elevated costs are not expected to impact profitability during the year ending 31 March 2026.

The Castings Ductile business in Scunthorpe, which produces castings up to 7 tonnes, made a loss in the year of £1.3 million. This includes £0.4 million of non-recurring costs to re-establish the business which had been underinvested in during the period leading up to administration.

The demand for larger castings (typically the capital goods market) is inherently variable and a slowdown was seen in the second half of the year. The business is now established and the sales team are generating orders with

new customers in new markets, including leveraging off the customer base of the traditional foundry businesses.

Overview of business segment performance

The segmental revenue and results for the current and previous years are set out in note 2 on page 47. An overview of the performance, position and future prospects of each segment, and the relevant KPIs, are set out below.

Key Performance Indicators

The key performance indicators considered by the group are:

- Segmental revenue
- Segmental profit
- EPS
- Cash
- Dividends per share

Foundry operations

As set out previously, customer demand has been at lower levels throughout the year. The foundry businesses experienced a decrease in sales output of 18.7% to 41,000 tonnes. After taking into account the reduction in weight from machining, this equates to approximately 45,500 tonnes of production.

On a like-for-like basis, excluding Castings Ductile, the reduction in sales volume was 20.8%, down to 39,950 tonnes.

External sales revenue reduced by 21.1% to £175.5 million. Of the total output weight for the year, excluding Castings Ductile, 67.3% related to machined castings compared to 63.3% in the previous year. The change reflects the trend of an increasing proportion of more complex, machined parts.

The segmental profit of £2.9 million was down £13.3 million on the prior year. This includes £2.8 million of additional electricity costs and the Castings Ductile loss as set out previously.

The result represents a profit margin of 1.5% on total segmental sales (2024 – 6.4%) reflecting the impact of the significant fall in the demand schedules.

Investment of £15.1 million has been made in the foundry businesses during the year. The most significant element of this was £10.6 million of payments for the new production line at our William Lee site. Of

that, £6.7 million relates to down payments for undelivered plant; this has been classified within prepayments. The expected cost of the new production facility remains in line with budget and is on target to be completed later this summer.

The additional £4.5 million capitalised includes three additional automation cells and the replacement of older production equipment. These investments will enable further production efficiencies to be realised.

Machining

The machining business generated total sales of £32.1 million in the year compared to £37.6 million in the previous year, a reduction of 14.6%. Of the total revenue, 4.6% was generated from external customers compared to 5.0% in 2024.

The segmental result for the year was a profit of £2.0 million (2024 – £3.7 million).

There was a time-lag between the lower levels of customer demand for the group and the reduction in the output from the machining business. This resulted in a lower revenue and profitability reduction compared to the foundries, but also meant that finished stock levels increased during the year.

We have invested £3.0 million during the year, which included £1.6 million on more efficient machining capacity in line with our machine replacement programme.

Business review and performance

Revenue

Group revenues decreased by 21.1% to £177.0 million compared to £224.4 million reported in 2024, of which 84% was exported (2024 – 85%).

The revenue from the foundry operations to external customers decreased by 21.1% to £175.5 million (2024 – £222.5 million) with the dispatch weight of castings to third-party customers decreasing by 18.7% to 41,000 tonnes (2024 – 50,450 tonnes).

Revenue from the machining operation to external customers decreased by 21.1% during the year to £1.5 million (2024 – £1.9 million).

Operating profit and segmental result

The group operating profit for the year was £4.8 million compared to £19.8 million reported in 2024, which represents a return on sales of 2.7% (2024 – 8.8%).

Finance income

The level of finance income decreased to £0.96 million compared to £1.53 million in 2024, reflecting the lower interest rates available on deposits during the financial year and the reduced sums on deposit.

Profit before tax

Profit before tax has decreased to £5.6 million from £21.3 million in the prior year.

Taxation

The tax charge of £1.45 million (2024 – £4.57 million) is made up of a current tax charge of £0.47 million (2024 – £4.25 million) and a deferred tax charge of £0.98 million (2024 – £0.31 million).

The effective rate of tax of 25.8% (2024 – 21.4%) is marginally higher than the main rate of corporation tax of 25% (2024 – 25%). The effective rate in the previous year was lower due to a credit to the deferred tax estimate relating to the prior year.

Earnings per share

Basic earnings per share decreased 75.0% to 9.60 pence (2024 – 38.45 pence), reflecting the 75.0% decrease in profit before tax.

Options over 66,787 shares were granted during the year (2024 – options over 37,620 shares), as set out in note 19. The company did not purchase any shares during the year (2024 – 100,000). The diluted weighted average number of shares has decreased to 43,672,384 resulting in a diluted earnings per share of 9.56 pence per share (2024 – 38.32 pence per share).

Dividends

The directors are recommending a final dividend of 14.19 pence per share (2024 – 14.19 pence per share) to be paid on 26 August 2025 to shareholders on the register on 18 July 2025. This would give a total ordinary distribution for the year of 18.40 pence per share (2024 – 18.32 pence per share).

Cash flow

The cash position at 31 March 2025 was £15.6 million compared to £32.5 million in the previous year.

The group generated cash from operating activities of £12.3 million compared to £21.6 million in 2024. When compared to 2024, the variance is mainly due to the significant reduction in operating profit of £15.6 million and a lower working capital outflow.

In the year to 31 March 2025, the most significant increase to working capital relates to an increase in receivables of £6.8 million compared to the start of the year. This includes £6.7 million of payments made on the new foundry line project which have been classified as prepayments on the basis they are stage payments on assets not yet delivered.

Corporation tax payments, net of overpayments received relating to prior years, during the year totalled £1.0 million compared to £2.6 million in 2024.

Capital expenditure during the year amounted to £19.8 million (2024 – £9.6 million), including £6.7 million of advanced deposit payments. As set out previously, and the charge for depreciation was £8.9 million (2024 – £8.9 million).

The company pays pensions on behalf of the two final salary pension schemes and then reclaims these advances from the schemes (as set out in note 5). During the year repayments of £4.0 million (2024 – £2.1 million) were received from the schemes and advances were paid on behalf of the schemes of £2.3 million (2024 – £2.1 million). The outstanding amount of these advances of £0.5 million will be repaid to the company during the current financial year.

Dividends paid to shareholders were £11.0 million in the year (2024 – £14.2 million) which includes £3.0 million in relation to a supplementary dividend in respect of the year ended 31 March 2024.

The company did not purchase any shares to be held in treasury (2024 – 100,000 shares at a total cost of £0.40 million).

The net cash and cash equivalents movement for the year was a decrease of £17.0 million (2024 – decrease of £3.0 million).

At 31 March 2025, the total cash and deposits position was £15.7 million (2024 – £32.5 million).

Pensions

The pension valuation showed an increase in the surplus, on an IAS 19 (Revised) basis, to £12.2 million compared to £10.9 million in the previous year.

The majority of the liabilities of the schemes are covered by an insurance asset that fully matches, subject to final adjustment of the bulk annuity pricing, the remaining pension liabilities of the schemes. However, there remains the uninsured element relating to the GMP equalisation liability (further detail is set out in note 5).

The pension surplus continues not to be shown on the balance sheet due to the IAS 19 (Revised) restriction of recognition of assets where the company does not have an unconditional right to receive returns of contributions or refunds.

Balance sheet

Net assets at 31 March 2025 were £127.4 million (2024 – £134.0 million). Other than the total comprehensive income for the year of £4.3 million (2024 – £16.8 million), the only movements relate to the dividend payment of £11.0 million (2024 – £14.2 million) and share-based payment charge of £0.14 million (2024 – £0.10 million).

Non-current assets have increased to £68.2 million (2024 – £61.8 million). Property, plant and equipment has increased by £4.3 million with investment during the year being at a higher level than the depreciation charge. The group has recognised a right-of-use asset in the year in respect of the operating lease negotiated at the time of the Castings Ductile asset purchase; the year end balance being £2.1 million.

Current assets have decreased to £100.1 million (2024 – £112.3 million) with the receivables increase being offset by a reduction in cash levels.

Total liabilities have increased to £40.8 million (2024 – £40.1 million), reduction in trade payables being offset by the recognition of lease liabilities in respect of the property lease.

Principal Risks and Uncertainties

In common with all trading businesses, the group is exposed to a variety of risks in the conduct of its normal business operations.

The directors regularly assess the principal risks facing the entity. Whilst it is difficult to completely quantify every material risk that the group faces, below is a summary of those risks that the directors believe are most significant to the group's business and could have a material impact on future performance, causing it to differ materially from expected or historic achieved results.

Information is also provided as to how the risks are, where possible, being managed or mitigated.

The group does not operate a formal internal audit function; however, risk management is overseen by senior management and group risk registers are maintained and regularly reviewed, alongside factors which may result in changes to risk assessments or require additional mitigation measures to be implemented.

External consultants are used to assess the design and effectiveness of controls relating to IT security to provide specialist support to management in this area.

Key risks arising or increasing in impact are reviewed at both group and subsidiary board meetings.

The impact of each risk set out below has been described as increased, stable or decreased dependent upon whether the business environment and group activity has resulted in a change to the potential impact of that risk.

Risk description	Impact	Mitigation and control
Markets and competition		
<p>The group's revenues are dominated by the commercial vehicle sector which is a cyclical market exposed to macroeconomic trends.</p> <p>Global conflicts have continued in the year with inflation and interest rates, whilst falling, remaining elevated. These factors are impacting both the underlying demand for heavy goods vehicles and the affordability and timing of investment decisions by fleet operators.</p> <p>A high level of competition could lead to deflation in prices. Global sourcing models could also result in resourcing of work to low cost economies.</p> <p>A number of customers are now sourcing for common base engine parts and modular chassis, therefore there is pressure to ensure this business is generated by the group against global competition.</p>	<p>Stable</p> <p>The operational and commercial activity of the business is driven by customer demand. Demand has the potential to change rapidly dependent upon the significant variable factors in the macroeconomic environment such as inflation, interest rate changes or changing regulatory positions.</p> <p>Erosion of market share could result in loss of revenue and profit</p>	<p>The group's operations are set up in such a way as to ensure that variation in demand can be accommodated and rapidly responded to.</p> <p>Demand is closely reviewed by senior management on a constant basis.</p> <p>Whilst there can be no guarantee that business will not be lost on price, we are confident that we can remain competitive.</p> <p>The group continues to mitigate this risk through investment in productivity, with a strong focus on cost and customer value.</p>
Customer concentration and relationships		
<p>The group has relationships with key customers in the commercial vehicle market which forms the majority of the customer base.</p>	<p>Stable</p> <p>The loss of, or deterioration in, any major customer relationship could have a material impact on the group's results.</p>	<p>We build strong relationships with our customers to develop products to meet their specific needs. The ability to supply larger castings (up to 7 tonnes) through the new Castings Ductile business provides opportunity to reduce customer concentration.</p>
Product quality and liability		
<p>The group's businesses expose it to certain product liability risks which, in the event of failure, could give rise to material financial liabilities.</p>	<p>Stable</p> <p>Fines or penalties could result in a loss of revenue, additional costs and reduced profits.</p>	<p>Whilst it is a policy of the group to endeavour to limit its financial liability by contract in all long-term agreements ('LTAs'), it is not always possible to secure such limitations.</p> <p>The group's customers do require the maintenance of demanding quality systems to safeguard against quality-related risks and the group maintains appropriate external quality accreditations. The group maintains insurance for public liability-related claims but does not insure against the risk of product warranty or recall.</p>

Risk description	Impact	Mitigation and control
Technological change		
<p>Sustainability and climate change mean that customers continue to invest in the development of synthetic fuels, electric and hydrogen powered vehicles to reduce the emissions produced by the heavy-duty truck sector.</p> <p>The initial phase of this is focussed on passenger cars and smaller, short-range trucks which are not key markets for the group. However, the continued development of new technology does present a medium-term risk to the group as c. 30% of group revenue arises from the supply of cast iron powertrain components.</p> <p>It is important to note that such a change also presents an opportunity for the group to evolve its product offering, as has always been the case over the years.</p>	<p>Stable</p> <p>The group continues to work with key customers producing the next generation of internal combustion engine ('ICE') commercial vehicles, whilst monitoring opportunities for the future.</p>	<p>The strategic focus of the group is a matter addressed through group board meetings.</p> <p>Consideration is given to what opportunities might be available within alternative light-weight metals such as aluminium, value added opportunities and also investigating the potential within hydrogen fuel cells (considered to be the most likely replacement technology for heavy-duty trucks).</p> <p>Customers continue to invest in green iron solutions, the conditions for which the group already satisfies, and demonstrate a commitment to transition to a green iron supply chain by 2030.</p> <p>Electricity contracts have been fully REGO backed since October 2022 and from October 2023 our gas is purchased alongside contractual carbon offsets. This provides a platform to support customers' green iron aspirations.</p>
Foreign exchange		
<p>The group is exposed to foreign exchange risk on both sales and purchases denominated in currencies other than sterling, being primarily the euro and US dollar.</p>	<p>Stable</p> <p>The group is exposed to gains or losses that could be material to the group's financial results and can increase or decrease how competitive the group's pricing is to overseas markets.</p>	<p>The group's foreign exchange risk is well-mitigated through commercial arrangements with key customers.</p> <p>Foreign exchange rate risk is sometimes partially mitigated by using forward foreign exchange contracts. Such contracts are short term in nature, matched to contractual cash flows and non-speculative.</p>
Equipment		
<p>The group operates a number of specialist pieces of equipment, including foundry furnaces, moulding lines and CNC milling machines which, due to manufacturing lead times, would be difficult to replace sufficiently quickly to prevent major interruption and possible loss of business in the event of unforeseen failure.</p>	<p>Stable</p> <p>A large incident could disrupt business at the site affected and result in significant rectification costs or material asset impairments.</p>	<p>Whilst this risk cannot be entirely mitigated without the uneconomic duplication of all key equipment, the plant is maintained to a high standard and inventories of strategic equipment spares are maintained.</p> <p>The foundry facilities at Brownhills and Dronfield have similar equipment and work can be transferred from one location to another very quickly.</p> <p>Additional flexibility and resilience will be provided through investments in a new foundry based in Dronfield and the ongoing gradual machine replacement programme at CNC Speedwell.</p>

Principal Risks and Uncertainties

continued

Risk description	Impact	Mitigation and control
Suppliers		
<p>The group holds long-standing relationships with key suppliers and there is a risk that a business which the group is critically dependent upon could be subject to significant disruption and that this could materially impact the operations of the group.</p> <p>There are specifically high risks of supply disruption as a result of current geopolitical instability.</p>	<p>Stable</p> <p>The risk of a supplier's business interruption remains very high due to the current global business environment.</p>	<p>Although the group takes care to ensure alternative sources of supply remain available for materials or services on which the group's businesses are critically dependent, this is not always possible to guarantee without risk of short-term business disruption, additional costs and potential damage to relationships with key customers.</p> <p>The group continues to maintain productive dialogue with key suppliers, working together to adjust to changes to the business environment.</p>
Commodity and energy pricing		
<p>The group is exposed to the risk of price inflation on raw materials and energy contracts.</p> <p>The principal metal raw materials used by the group's businesses are steel scrap and various alloys. The most important alloy raw material inputs are premium graphite, magnesium ferro-silicon, copper, nickel and molybdenum.</p> <p>The availability, and therefore price, of steel scrap has the potential to be a risk to the group as a result of steel producers transitioning from blast furnaces to electric arc furnaces.</p>	<p>Decreased</p> <p>Changes to the pricing of the group's commodity and energy purchases could materially impact the financial performance of the group if no mitigating actions were taken.</p> <p>There remains some volatility in power markets due to the current conflict in Ukraine. The impact upon pricing has reduced during the year and whilst tensions remain in the Middle East, prices have become more stable than we have seen for the past two years.</p>	<p>Wherever possible, prices and quantities (except steel) are secured through long-term agreements with suppliers. In general, the risk of price inflation of these materials resides with the group's customers through price adjustment clauses.</p> <p>Historically, energy contracts have been locked in for at least 12 months. With the volatile power market, following the end of our fixed price contract on 30 September 2022, the group entered into a flexible power agreement and as markets stabilise we continue to review the most appropriate arrangement moving forwards.</p> <p>At 31 March 2025 a proportion of power purchased is no longer required for the group's own consumption as a result of lower demand. The excess power has been sold back to the market, resulting in an onerous contract provision of £0.7 million at the year end.</p>
Information technology, cyber security and systems reliability		
<p>The group is dependent on its information technology ('IT') systems to operate its business efficiently, without failure or interruption.</p> <p>The group continues to invest in IT systems to aid in the operational performance of the group and its reporting capabilities.</p> <p>There are increasing global threats faced by these systems as a result of sophisticated cyberattacks.</p>	<p>Stable</p> <p>Significant failures to the IT systems of the group as a result of external factors could result in operational disruption and a negative impact on customer delivery and reporting capabilities.</p>	<p>We continuously update our systems to mitigate current threats and align with good industry practice, including regular back-up schedules and, where appropriate, hardware duplication.</p> <p>We regularly discuss these risks at board level to ensure it remains a key focus area.</p> <p>Security awareness training is conducted for all relevant employees, including phishing simulation exercises. We also conduct external penetration testing and continue to evaluate additional security solutions.</p>

Risk description	Impact	Mitigation and control
Regulatory and legislative compliance		
<p>The group must comply with a wide range of legislative and regulatory requirements including modern slavery, anti-bribery and anti-competition legislation, taxation legislation, employment law and import and export controls.</p>	<p>Stable Failure to comply with legislation could lead to substantial financial penalties, business disruption, diversion of management time, personal and corporate liability and loss of reputation.</p>	<p>The group maintains a comprehensive range of policies, procedures and training programmes in order to ensure that both management and relevant employees are informed of legislative changes and it is clear how the group's business is expected to be carried out.</p> <p>Whistleblowing procedures and an open-door management style are in place to enable concerns to be raised and addressed.</p> <p>Specialist advice is made available to management when required to ensure that the group is up to date with changes in regulation and legislation.</p>
Climate change		
<p>The group's operations are energy intensive by their nature and therefore result in greenhouse gas emissions being produced, which either require reducing or offsetting.</p> <p>Whilst the group considers that its businesses provide fundamental components and services which will prove resilient in a transition towards a net zero economy, it also recognises policy targets have been set which may result in changes to the wider economy and societal attitudes towards industry.</p> <p>A fall in investor demand in the industrial sector could negatively impact share values; it is important to ensure that the group's sustainability strategy is communicated appropriately to ensure that stakeholders are aware of the group's progressive net zero position for scope 1 and 2 emissions, alongside the fact that the group is already well invested with plant that can support our customers' green iron aspirations (such as electric induction furnaces).</p> <p>The risk of business disruption due to extreme weather events may also increase if policy targets are not met.</p>	<p>Stable It is expected that green taxes on energy and the compliance cost of meeting developing reporting obligations for our stakeholders will result in increased energy prices and administrative expenses.</p> <p>Opportunities may present themselves as a result of the group's early adoption of green iron principles and strong sustainability credentials.</p>	<p>The group continues to develop its ESG strategy, reporting and practices and has appointed a Head of Sustainability to support this.</p> <p>The ESG working group continues to monitor ESG strategy, risks, opportunities and developments.</p> <p>The group is evolving its ESG reporting to communicate the positive story we have to tell, including our early adherence to green iron standard which is based on the fundamentals of electric furnaces, renewable energy and the use of scrap steel.</p> <p>The group is now powered by 100% renewable power and carbon offset gas, with a number of on-site renewables projects either under way or under application.</p> <p>The group operates in locations where the physical risks of climate change are relatively low but will continue to engage with and understand the needs of its stakeholders in this area.</p> <p>Insurance policies are maintained in relation to the group's property, plant and equipment.</p>
People risk		
<p>The group's operations depend upon the availability of both skilled and unskilled labour to operate manual equipment and fulfil our strategic goals.</p> <p>The nature of our activities and the equipment operated presents inherent health and safety risks. Our operations, if not properly managed, could have a significant impact on individual employees. Furthermore, poor safety and health practices could lead to disruption of business, financial penalties and loss of reputation.</p>	<p>Stable The inability to attract and retain talent could result in either a shortage of staff or a reduction in operating margins.</p>	<p>The group looks to provide safe, stable and long-term employment at competitive rates of pay.</p> <p>We invest in people development, including a structured apprenticeship programme, and utilise technology and productivity gains to ensure that our products remain competitively priced.</p> <p>We have clearly defined health and safety policies and practices which we regularly review and modify as circumstances and experiences dictate.</p>

Environmental, Social and Governance

Our strategy

Our approach to ESG and sustainability activities continues to focus on providing safe, long-term employment for the local economy whilst generating sustainable value for stakeholders (set out on page 5) in a manner which is consistent with our governance obligations.

The group presents this ESG Report for the year to 31 March 2025 taking note of relevant industrial data points suggested in the London Stock Exchange guidance on ESG reporting. These metrics are used both in the context of wider ESG reporting and to support our Task Force on Climate-related Financial Disclosures ('TCFD') metric reporting. The group's first Sustainability Report is available on our website.

At a glance

Completed initiatives	On-going initiatives
<ul style="list-style-type: none"> Solar photovoltaic installed at CNC Speedwell. 100% REGO-backed electricity powering the group's plant and 100% carbon offset gas from 1 October 2023. Energy efficient plant upgrades, including compressors and chillers, including an investment in energy efficient cooling plant in collaboration with the BEIS Industrial Energy Transformation Fund. Appointment of Head of Sustainability and publication of first Sustainability Report. Supported our customers with the implementation of the EU carbon border adjustment mechanism ('CBAM'). 	<ul style="list-style-type: none"> Technical appraisal of sand reclamation equipment to enable foundry sand to be re-used. Reviewing investment in further onsite renewable capacity. Development of approach to measuring scope 3 emissions. Working with customers and suppliers to report product carbon footprints. Working with industry bodies to understand the impacts of a UK carbon border adjustment mechanism.

Environmental

As an energy-intensive industry, we understand that we must evolve in order to meet the needs of our stakeholders. The group continues to improve its environmental credentials in a commercially viable manner, with numerous success stories to date. We are taking proactive steps to build on this further, working in collaboration with customers, suppliers, industry bodies and research organisations as set out in our report under the TCFD framework on pages 16 and 17. The data set out in this section corroborates the strong environmental credentials of the group.

Carbon emissions

We have calculated our carbon footprint according to the World Resources Institute ('WRI') and World Business Council for Sustainable Development ('WBCSD') GHG Protocol, which is the internationally recognised standard for corporate carbon reporting. The group's total CO₂ emission data is based on scope 1 and scope 2. Scope 1 emissions are direct emissions resulting from fuel usage and operation of facilities. Scope 2 emissions are indirect energy emissions resulting from purchased electricity and other power for own use.

The group collects monthly consumption information from each facility and converts to tonnes of CO₂e ('tCO₂e') produced using the DEFRA published national carbon conversion factors.

Energy consumption and intensity

A key priority of the group is to manage energy efficiently, thus reducing our carbon footprint and creating value for our stakeholders. With the lower production volumes in the year we have seen an increase in the MWh of energy consumption as a proportion of revenue generated.

	2025	2024	2023
Scope 1	15,778	18,240	20,011
Scope 2	118,589	140,898	137,160
Total energy consumption (MWh)	134,367	159,138	157,171
Total energy intensity (MWh per £000 revenue)	0.759	0.709	0.785

Greenhouse Gas ('GHG') emissions (tCO₂e)

GHG emissions are set out below under both location and market-based methods. The location-based method reflects the average emissions intensity of the grids on which energy consumption occurs (using mostly grid-average emission factor data), namely the UK grid for the group.

The market-based method reflects emissions from electricity that companies have specifically chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation. Market-based emissions are therefore shown net of electricity supplied to the group under OFGEM certified renewable contracts and gas supplied on contracts with offset arrangements.

Location-based	2025	2024	2023
Scope 1	2,886	3,283	3,602
Scope 2	24,303	28,878	26,524
Total location-based emissions	27,189	32,161	30,126

Market-based	2025	2024	2023
Scope 1	—	1,687	3,602
Scope 2	—	—	—
Total market-based emissions	—	1,687	3,602
GHG intensity (location-based)			
	2025	2024	2023
Revenue intensity (tCO ₂ e per £000 revenue)			
Foundry operations (gross revenue)	0.129	0.120	0.126
Machining operations (gross revenue)	0.050	0.052	0.067
Group total (net revenue)	0.153	0.143	0.151
Production intensity (tCO ₂ e per production tonne)			
Foundry operations	0.536	0.523	0.496
Group total	0.570	0.557	0.528

All operations in the group and therefore all energy consumption is UK only.

For the foundry businesses, the most appropriate metric to measure the intensity of GHG emissions is by production tonne; this has increased to 0.536 (2024 – 0.523) tCO₂e per production tonne. We actively seek to minimise energy use in the group, so it is disappointing to see an increase in GHG intensity. Consumption monitoring and reduction projects are ongoing to build on the longer term improvements made, which we anticipate will be clearer as production volumes return to more normalised levels.

The machining operation does not have a production weight, therefore, the relevant intensity metric used is emissions per thousand pounds of machining revenue; emissions have decreased to 0.050 (2024 – 0.052) tCO₂e per £000. This is pleasing given the lower volumes seen during the year and reflects investments in solar PV and energy efficient cooling systems made during 2024, with the benefits being seen during 2025.

Whilst many foundry competitors still utilise fossil fuels to power furnaces, generating direct emissions, the group's operations utilise furnaces and CNC machines which are powered by purchased electricity. This allows the plant and equipment to be fuelled by power purchased from commercial energy providers supplying power from OFGEM certified renewable sources.

Waste, water and recycling

The group has made significant investments in scrap metal, plastic and cardboard recycling in recent years. The table below sets out the group's waste classifications and water use:

	2025	2024	2023
Recycled waste (tonnes)	68	76	32
Non-recycled waste (tonnes)	28,597	36,355	36,553
Hazardous waste (tonnes)	867	1,500	688
Water use (m ³)	68,159	71,232	71,440
Intensity			
Recycled waste (tonnes per thousand tonnes produced)	1.42	1.32	0.56
Non-recycled waste (tonnes per thousand tonnes produced)	599.26	629.48	628.13
Hazardous waste (tonnes per thousand tonnes produced)	18.16	25.99	12.06
Water use (m ³ per thousand tonnes produced)	1.428	1.234	1.252

The group has compacted and sold waste bales of plastic and cardboard for several years and continues to seek ways of increasing the recycling profile. The level of recycled waste per tonne produced has increased by 0.1 tonnes during the year.

The vast majority of the non-recycled waste relates to sand. The group is seeking viable technical solutions to enable sand re-use in the production process and the commercial re-use of sand by-products.

Hazardous waste decreased due to an increase in the use of coolant evaporation plant. Additional coolant recycling facilities have been installed in 2025 with a view to reducing hazardous waste further.

The majority of the water consumed by the group is within the foundry production process, particularly within the sand mills. As a result, it is not anticipated that the volume of water consumed will reduce significantly other than with variations in production volumes.

There have been no environmental fines in the past three years and NO_x, SO_x and VOC emissions are not material.

The group's facilities are ISO 14001 accredited, and our practices and procedures are subject to regular environmental audits by external consultants.

The group demands that all activities and services comply with applicable laws and regulations.

Environmental, Social and Governance

continued

Social

The foundation of the group's strength is its people. We strive to support our employees' health and wellbeing whilst driving a performance culture of business understanding and shared values. The group's policy is to employ people who embody its core values of commitment and excellence. These values apply to all employees regardless of seniority or position, including directors.

	2025	2024	2023
Proportion of new employees joining on temporary or short-term contracts	23.8%	10.2%	0.0%
Number of apprentices recruited	9	10	6
Staff turnover*	18.5%	15.8%	18.5%

* Staff turnover is calculated by reference to the number of people who have left employment (having worked for at least a three month period) as a proportion of the average number of employees for the year.

The group takes pride in being a significant employer in each of the locations in which it operates and has traditionally enjoyed high staff retention levels and a dedicated, long-term, focussed workforce.

During the prior year, one part of the group started using an agency to support the hiring and on-boarding process of new employees, which had been an area of high employee turnover. As a result, the proportion of employees joining on temporary contracts has increased and remains elevated in the current year.

Staff turnover has increased during the year, which is partly driven by reducing volumes and, unfortunately, in some cases a reduction in the number of employees to reflect a reduced workload. The group continues to invest in employee facilities and our people with a view to offering career development and improving employee retention levels.

In addition to the structured apprenticeship training, the group provides internal, external and continuous on-the-job training for all staff as required. As a result of the nature of the training carried out, the group does not collate data concerning the number of hours of training conducted each year.

The group seeks to communicate with its employees in a structured, open manner, including regular briefings and dissemination of relevant information on the group and business unit. Employees are informed weekly of production levels and the relative production performance. Similarly, they are kept informed of any factor affecting the group and the industry generally.

Their involvement in the group's performance is encouraged by means of a production bonus and at the time of annual wages and salaries review they are made aware of all economic factors affecting the previous year's performance and the outlook for the ensuing year.

Equality, diversity and inclusion

Recognising the demands of our customers and our strategy, the group's diversity and recruitment policy is to recruit the best available people and to invest in their training and development to enable a high level of retention. We are committed to diversity and equality, judging applications for employment neither by race, nationality, gender, age, disability, sexual orientation nor political bias. We have made a commitment to consider applicants from a wide range of educational backgrounds and have an active apprenticeship programme.

The group gives full consideration to employment applications by disabled persons where they can adequately fulfil the requirements of the position. If necessary, we endeavour to retrain any employee who becomes disabled during their period of employment with the group.

The gender of our staff at 31 March 2025 was as follows:

	Male	Female
Non-executive directors	4	—
Executive directors	2	—
Senior managers	34	3
Other employees	1,024	87
	1,064	90

Human rights

The group's operations are all based in the United Kingdom. Each of the group's businesses has a core of long-standing, local suppliers and several key partners based in the European Union. The group has minimal activity with suppliers outside of these areas, therefore due to the existing regulatory controls in our core areas of geographical activity, human rights is not considered to be a material issue.

Management has a high level of involvement in the day-to-day activities of the business and its suppliers and is trained to identify areas of concern which may not align with the standards the group demands. The board receives regular updates on corporate responsibility issues including the UK Modern Slavery Act. We have a Code of Conduct that sets out our policy on compliance with legislation, child labour, anti-slavery and human trafficking and conditions of employment.

Health and safety

The board regards the promotion of health and safety measures as a mutual objective for management and employees at all levels. It is our policy to do all that is practicable to prevent personal injury and damage to property and to protect everyone from foreseeable hazards, including third parties in so far as they come into contact with the group's activities.

The group has clearly defined health and safety policies and we operate a system of strict reporting. Regular audits of health and safety at the group's manufacturing operations are carried out using independent agencies who make recommendations for improvements to achieve best practice wherever appropriate.

The group's health and safety policy is regularly reviewed and modified as circumstances and experiences dictate. The group encourages the maintenance of consistently high standards and each site is required to develop a safety management system. Health and safety training is a continual process at each site and therefore is completed on a regular basis and covers all levels within the group.

Lost time incidents	2025	2024	2023
Accidents	148	203	219
RIDDORs	10	8	8
Near misses	429	172	66
Intensity (per million hours worked)			
Accidents	70.0	81.9	89.9
RIDDORs	4.7	3.2	3.3
Near misses	203.0	107.2	39.3

We have seen a reduction in the total number of accidents and the intensity of accidents, but an increase in RIDDORs (defined as injuries to workers which result in them being incapacitated for more than seven consecutive days immediately following the day of the accident) during the year. As we continue to promote a health and safety focussed agenda across the group, the volume of near misses properly reported has again increased significantly. A near miss is an incident where an unplanned event occurred, posing a potential threat of injury, damage or loss, but no harm actually resulted. This is partly driven by the inclusion of the machining business within near miss data in 2025, meaning all group companies are now included. Increased reporting allows improvements to be made to prevent accidents moving forwards and management continues to invest in areas where the accident risks are the greatest.

It is with deep regret that we report a contractor sustained a fatal injury while working at our Scunthorpe facility during the year. The group has provided all relevant information to the Health and Safety Executive in respect of the incident and we extend our condolences to all of his family.

Governance

Strong and straightforward corporate governance underpins all our business activities. The group's arrangements are set out in the Corporate Governance section on pages 24 and 25. There have been no political contributions made in the past three years.

Board diversity

Gender identity	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	100%	4	—	—
Women	—	—	—	—	—
Prefer not to say	—	—	—	—	—
Ethnic background					
White British or other White (including minority-white groups)	6	100%	4	—	—
Mixed/Multiple Ethnic Groups	—	—	—	—	—
Asian/Asian British	—	—	—	—	—
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group including Arab	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

All six members of the board are white British males and therefore the targets under UKLR 6.6.6R (9) of 40% of the board being female and at least one of the four senior positions on the board being occupied by a female and having one board member of minority ethnic origin have not been met. This reflects an industry wide issue and is an area that remains under review by the nomination committee.

Environmental, Social and Governance

continued

Responsible business

We are committed to conducting business with the utmost integrity and in accordance with the Bribery Act 2010 and have a clear anti-bribery and corruption policy in place, which is available on the group website. We communicate our expectations to all employees and have a zero tolerance policy in respect of improper or criminal behaviours; all directors and employees are encouraged to report any suspicions of bribery.

Non-financial and sustainability statement

We comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. Information regarding our business model is set out on page 5; environmental matters on pages 12 to 14; employees, social matters and human rights on pages 14 and 15; and anti-corruption and anti-bribery matters are set out above.

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

The group has prepared disclosures based on TCFD recommendations in accordance with UKLR 6.6.6R(8) as set out below.

Governance	
Board oversight and management role	<p>Climate risk is a principal risk included on the group risk register and executive management has formed a working group, as set out in the process section on page 17, which has access to professional advice and support, to continue to understand the group's climate-related risks and opportunities and the associated impacts upon the group, its stakeholders and markets.</p> <p>Whilst no formal targets and scenarios have been established as yet, including the impact of the 2-degree climate scenario, the strategic focus of the group's activities and capital investment decisions include sustainability as a key consideration.</p>
Strategy	
Climate-related risks and opportunities	<p>Short term (0-2 years)</p> <p>The group can provide casting, machining, assembly and ancillary services with a low level of transport (and therefore GHG emissions emitted) between group sites and with manufacturing powered primarily by electricity generated from renewable sources. Management believes this places the business in a strong position to support its customers' and stakeholders' environmental aspirations, particularly when compared to coal-powered or geographically disparate competitors.</p> <p>Recycling, energy efficient plant solutions and waste management continue to be areas of focus with regard to reducing the group's carbon footprint and landfill waste. Through its participation in industry bodies the group supports several research projects to find commercial uses for remaining waste materials, such as sand.</p> <p>The group has introduced green power and gas contracts, which alongside our use of electric induction furnaces and 100% scrap steel makes us a strong supplier to those customers seeking a green iron based strategy.</p> <p>Medium term (2-5 years)</p> <p>There is an opportunity for the group to utilise its considerable production experience, financial resource and relationships as a supplier to the established commercial vehicle markets to enter new or additional product categories as they develop at scale. In the nearer term, this means supplying parts to the most fuel efficient combustion engines ever produced by OEMs for heavy goods vehicles ('HGVs') as well as expanding our supply of parts to offshore power generation customers.</p> <p>Further opportunities are expected to arise for supply into the smaller end of the truck sector which is naturally more suited to the battery electric vehicle ('BEV') technology. This is not a market that the group has served to any great extent previously.</p> <p>Long term (5 years+)</p> <p>As BEV and hydrogen fuel cell powertrain technologies evolve, there is a risk that the market for the group's cast iron internal combustion engine ('ICE') products could reduce, albeit the application of such technologies to the group's core heavy truck market is expected to be longer term. This would directly impact approximately one-third of group revenue, but opportunities will exist for the group within the new product ranges. The timing and certainty of any such powertrain technology development remains unclear.</p>

Impact on the group's strategy and financial planning	<p>The group's plant is depreciated over a maximum life of 15 years and is not considered at risk of impairment because of a reduction in cast iron business under currently reasonably foreseeable circumstances.</p> <p>It is expected that this transition away from ICEs will be a medium to long-term, gradual strategic issue and therefore investment will be appropriately managed to avoid redundant undepreciated plant that may become subject to impairment. Structural parts to heavy goods vehicles will potentially continue to be made from cast iron due to the material's favourable characteristics.</p>
Strategy	
Resilience of the group's strategy, taking into consideration different climate-related scenarios	<p>The group's production sites are based in the West Midlands, Derbyshire and Lincolnshire. The physical risks of climate change are not expected to materially impact the production capability of any of our UK sites.</p> <p>The most likely physical risk to the group's operations is considered to be flooding. The UK government flood risk assessment tool categorises all sites as low or very low risk for all types of flooding (being surface water, rivers and sea, groundwater and reservoirs) under all available timescales extending as far as 2069.</p> <p>Approximately one-third of the group's turnover arises from the sale of parts which are used by our customers to produce ICEs for heavy trucks. This revenue would be at risk in the event of a sudden technological or regulatory development which rendered the ICE obsolete.</p> <p>This scenario is considered unlikely to develop quickly given the reliance of the human population on a well-functioning transport and logistics infrastructure to transport essential items such as food. In addition, any technology breakthrough would need significant infrastructure changes to support the charging or re-fuelling of an alternative powertrain for heavy trucks. At present the group is working with OEMs on a variety of project opportunities, whilst research into the technical direction of the market (in response to climate-related scenarios) continues, including:</p> <ul style="list-style-type: none"> • Supplying parts which make current large diesel engines significantly more efficient. • Providing additional on-site ancillary services to reduce unnecessary transportation of parts. • Making our own product using renewable energy. • Collaborating to supply parts and potential capacity for the manufacture of electric trucks. <p>Whilst we are working with our key customers to facilitate movement away from ICEs and are active commercially in this area, our key customers continue to invest significantly in new, more efficient diesel engine production facilities and therefore we continue to see the phase out of diesel engines in the heavy truck market as a long term issue in our scenario planning.</p> <p>At present, we continue to focus on the short to medium term opportunities the transition to a zero-emission market can provide, whilst utilising our engineering expertise and customer relationships to develop our long term strategy alongside our customer base.</p> <p>This initial consideration of resilience has been set out by the group and consideration is being given to more detailed scenario analysis.</p>
Process for identifying and managing risks	<p>The working group formed to review climate-related risks and opportunities identifies and manages climate-related risks. This group is lead by the head of sustainability.</p> <p>The working group, which meets once per quarter, includes the group finance director, group financial controller, group health, safety and environment director, the group CEO where appropriate and other members of the group's senior management team when relevant issues are due for discussion.</p> <p>The working group has been supported by external advisers both with regard to market developments and ESG reporting during the year and following this the working group has established an appropriate internal response to developments.</p> <p>Any significant issues will continue to be raised to the audit and risk committee through the review of the group risk register and associated updates.</p>
Metrics and targets	<p>Metrics have been reported within the relevant sections of the group ESG Report on pages 12 to 15. Consideration is being given as to the targets that might be used by the group to manage climate-related risks and opportunities and performance against those targets and the impact of the 2-degree climate scenario.</p>

Viability Statement

In conducting the review of the group's long-term prospects, the directors considered economic and market conditions in conjunction with the strategy and the principal risks facing the group (as set out in the Strategic Report on pages 2 to 19). This assessment considered the impact of the principal risks on the business model and on future performance, liquidity and solvency and was mindful of the limited forward visibility that the group has in respect of its major market of commercial vehicles.

In preparing this statement of viability, the directors have considered the prospects of the group over the three year period immediately following the financial year ended 31 March 2025. This longer-term assessment process supports the board's statements on both viability, as set out below, and going concern (on page 25).

A three year period was determined as the most appropriate for the purpose of concluding on longer-term viability, given the limited forward visibility of the group.

The directors' viability assessment included a review of three year profit and cash flow estimates, alongside the group's current position, and a review of the sensitivity analysis performed on the three year estimate whereby the principal risks, particularly those related to markets and customers, were applied to the plan. The assessment was based on current demand schedules from customers and assumed that these levels, along with average selling prices and costs, remain consistent. The group's recent record of cash conversion was used to estimate the cash generation in the period under review.

A severe but plausible downside scenario was also prepared and assumed a 30% reduction in demand which would cover the loss of the group's most significant customer. Furthermore, such a reduction is also in line with the approximate revenue loss in the event that environmental legislation changes or a technological breakthrough rendered the internal combustion engine obsolete.

In making this viability statement, the directors considered the mitigating actions that would be taken by the group in the event that the principal risks of the company become realised. The directors also took into consideration the group's strong financial position at 31 March 2025, with freehold land and buildings, cash and deposits of £15.5 million, no debt and a history of strong cash generation.

The directors have assessed the viability of the group and, based on the procedures outlined above in addition to activities undertaken by the board in its normal course of business, confirm that they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2028.

S172(1) Statement

The following disclosures describe how the directors have had regard to the matters set out in section 172(1)(a) to (f), relating to the directors' duty to promote the success of the company, and forms the directors' statement required under section 414CZA(1) of the Companies Act 2006.

Stakeholder engagement

Our success depends on the relationships we have with the people, communities and organisations that have an interest in our business and may be impacted by the decisions we take. The key stakeholders are set out in the business model on page 5 and the manner of our engagement with them is described below.

Customers

Dedicated sales, technical and production teams engage with customers to foster a collaborative working relationship for the long term. Investment in the latest production technologies ensures we provide the quality, efficiency and on-time delivery they require.

Employees

An important part of the culture of the group is our open-door style of management. All senior personnel are visible throughout the business on a daily basis engaging with the workforce across all levels; it is important to both the company and our employees that they have that chance to share their opinions. In addition, regular function-specific committee meetings take place as well as regular information sharing to the whole workforce.

Shareholders

We engage with our shareholders through a number of channels which include the Annual Report, AGM, investor site visits, one-to-one meetings and telephone conversations. They are interested in the strategy and its execution, generating strong returns and maintaining financial discipline. We report and discuss these areas on a regular basis.

Communities and environment

As a significant employer for each area where we are based, we support local employment and apprenticeship schemes. We seek to engage and collaborate with local educational institutes where possible and increase the overall visibility of the group. The local communities are keen to ensure we are supporting and investing in local jobs, operating safely and ethically as well as reducing our environmental impact. We provide direct employment to approximately 1,100 people, invest in our facilities to provide a safe workplace and consider opportunities to ensure a more sustainable strategy.

Suppliers

We seek to improve our business relationships with our key suppliers to protect the operations of the company. We engage with suppliers to ensure they comply with our code of conduct to maintain high standards of supply.

Principal decisions taken during the year

Purchase of certain assets of large casting business

The board approved the purchase of the fixed assets and stock of Russell Ductile Castings Limited ("RDC") from its appointed administrators for £0.4 million in June 2024. The company was an iron foundry producing parts for the capital goods and energy market, some of which are common to the existing Castings group.

The plant offers the capability to manufacture castings with weights up to 7,000kg in cast iron. We have continued to operate the plant from the existing leasehold site in Scunthorpe.

The Strategic Report was approved by the board and signed on its behalf by

A. Vicary

Chief Executive Officer

11 June 2025

Board of Directors

Executive directors

Adam Vicary

Chief Executive Officer

Having obtained a degree in metallurgy and a business masters, Adam has worked in the foundry industry for all of his career and joined the company in September 2010 as joint managing director. He was appointed to the main board in April 2012, becoming chief executive on 31 March 2017.

Steve Mant

Finance Director

Steve is a fellow of the ICAEW and joined the company in June 2010. He was appointed company secretary and finance director on 1 November 2010. Prior to joining the company he had been working for BDO specialising in manufacturing, international and listed companies.

Non-executive directors

Alec Jones

Chairman

Alec was appointed a director in April 2012, becoming chairman on 1 January 2023, and is an independent director. He was a partner in PricewaterhouseCoopers for 27 years until his retirement in 2010.

Andrew Eastgate

Senior Independent Non-executive Director

Andrew was appointed a director on 1 September 2018 and is an independent director. He is a solicitor and was a partner in Pinsent Masons. He was chairman of Epwin Group plc until 21 May 2024 and was previously a non-executive director of Headlam Group plc. Andrew is chairman of the remuneration and nomination committees and is also a member of the audit and risk committee.

Mark Smith

Non-executive Director

Mark was appointed a director on 16 November 2022 and is an independent director. He was a partner in PricewaterhouseCoopers for 24 years until his retirement in 2021 and is currently the chair of the audit, risk and assurance committee of the West Midlands Combined Authority and the chair of the risk, audit and finance committee of the Royal Shakespeare Company. Mark is chairman of the audit and risk committee and is also a member of the remuneration and nomination committees.

Stephen Harrison

Non-executive Director

Stephen was appointed a director on 26 September 2024 and is an independent director.

Stephen is currently chairman of Epwin Group plc, the AIM-listed manufacturer of energy efficient and low maintenance building products and chairman of Tungsten West plc, the AIM listed mining company. He was chief executive officer at Forterra plc, a London Stock Exchange Main Market listed supplier of building materials to the UK's construction sector until May 2023. Stephen has over 20 years' experience in the construction materials sector. Stephen is a member of each of the audit and risk, remuneration and nomination committees.

Directors’ Report

The directors submit the Annual Report and audited consolidated financial statements of Castings P.L.C. for the year ended 31 March 2025.

Strategic Report

The Strategic Report, which contains a review of the group’s business, a description of the principal risks and uncertainties facing the group and commentary on the likely future developments, is set out on pages 2 to 19.

Financial results and dividend

The profit for the year after taxation was £4,173,000 (2024 – £16,721,000), full details of which are set out in the consolidated statement of comprehensive income on page 39.

An interim dividend of 4.21 pence per share was paid in January 2025 in respect of the year ended 31 March 2025.

The directors recommend a final dividend of 14.19 pence per share payable on 26 August 2025 to shareholders on the register on 18 July 2025, making a total ordinary distribution of 14.80 pence for the year.

Share capital

The company’s capital consists of 43,632,068 (2024 – 43,632,068) ordinary shares of 10 pence each with voting rights. There are no restrictions on voting rights.

There are no restrictions on the transfer of shares in the company and in particular there are no limitations on the holding of shares and no requirements to obtain the approval of the company, or of other shareholders, for a transfer of shares.

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the company’s registrar, MUFG Corporate Markets (UK) Limited, or to the company directly.

Subject to legislation and to any resolution of the company in general meeting, all unissued shares are at the disposal of the board who may allot, grant options over or otherwise dispose of them to such persons, on such terms and at such times as it may think fit.

The company is authorised to purchase its own shares; no shares were purchased during the year (2024 – 100,000 shares at a total cost of £396,000).

Directors

The directors of the company are listed on page 20 and their interests in the ordinary share capital at the beginning and end of the year were:

Beneficial holdings

	2025 Total	2024 Total
A. N. Jones	—	—
A. Vicary	40,000	35,000
S. J. Mant	20,037	13,500
A. K. Eastgate	1,000	1,000
M. L. Smith	—	—
S. R. Harrison (appointed 26 September 2024)	—	—

There have been no changes in the shareholdings of directors since the year end.

In accordance with Provision 18 of the UK Corporate Governance Code all directors are subject to annual re-election. The board considers that the performance of those directors proposed for re-election continues to be effective, that they remain independent in judgement and that they demonstrate a strong commitment to their role.

The unexpired period of the contracts of service for A. Vicary and S. J. Mant is one year. A. N. Jones, A. K. Eastgate, M. L. Smith and S. R. Harrison do not have contracts of service.

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were in force during the year and exist at the date of this report.

There are no agreements between the company and its directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

The number of directors is not subject to any maximum but shall not be less than two. The company may by ordinary resolution elect any person to be a director and the board has the power to appoint any person to be a director, but any director so appointed will be subject to election at the next Annual General Meeting.

There is no minimum shareholding requirement for directors.

The business of the company is managed by the board, who may exercise all such powers of the company as are not by legislation or by the company’s Articles required to be exercised in general meeting. The board may make such arrangements as it thinks fit for the management and transaction of the company’s affairs and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the board (other than the power to borrow and make calls on shares) with power to sub-delegate.

Other than the directors’ service contracts, the directors have no interests in any contract of the business.

Directors' Report

continued

Substantial shareholdings

As at 11 June 2025, the company had been notified, in accordance with DTR Rule 5, of the following disclosable interests, including directors, in its voting rights:

	Number	%
Threadneedle Asset Management Limited	7,356,634	16.9
Aberforth Partners' Clients	6,656,628	15.3
Ruffer LLP	3,870,330	8.9
Janus Henderson Group PLC	2,887,757	6.6
B. J. Cooke	2,036,626	4.7
NR Holdings Limited	1,800,000	4.1

Special business

There will be the following items of special business at the Annual General Meeting.

Directors' authority to allot shares

Approval will be sought to renew the authority given to the directors to allot shares in the company in accordance with section 551 of the Companies Act 2006. The present authority was granted on 20 August 2024 and under the Companies Act must be renewed at least every five years. The renewed authority would therefore expire on 20 August 2030, but will be put to annual shareholder approval.

Authority will also be sought from shareholders to allow the directors to allot equity securities for cash as if section 561 of the Act (which gives shareholders certain pre-emption rights on the issue of shares) did not apply. Such allotments being up to a maximum nominal amount of £218,160, being approximately 5% of the current issued share capital. The renewed authority would expire on 20 August 2026.

In any three year period no more than 7.5% of the issued share capital will be issued on a pre-emptive basis.

The proposed resolutions are set out as items 10 and 11 in the Notice of Meeting.

Authority to purchase own shares

At the Annual General Meeting in 2024, the board was given authority to purchase and cancel up to 4,358,844 of its own shares, representing 9.99% of the company's existing shares, through market purchases on The London Stock Exchange. The maximum price to be paid on any exercise of the authority was restricted to 105% of the average of the middle market quotation for the shares for the five dealing days immediately preceding the

day of a purchase. The minimum price which may be paid for each share is 10 pence.

The current authority to make market purchases expires at the forthcoming Annual General Meeting. The directors are now seeking the approval of shareholders for the renewal of this authority upon the same terms, namely to allow the company to purchase and cancel up to 4,358,844 of its own shares, representing 9.99% of its issued share capital at 31 March 2025. The authority is sought by way of a special resolution, details of which are also included in the Notice of Meeting as item 12.

This authority will only be exercised if the directors, in the light of market conditions prevailing at the time, expect it to result in an increase in future earnings per share, and if it is in the best interests of shareholders generally.

Stakeholder engagement

The key stakeholders are set out in the Business Model on page 5. The engagement and decisions taken during the year are set out in the Section 172(1) statement on page 19.

Employee involvement

Employees are informed weekly of production levels and the relative production performance. Similarly, they are kept informed of any factor affecting the group and the industry generally.

Their involvement in the group's performance is encouraged by means of a production bonus and at the time of annual wages and salaries review, they are made aware of all economic factors affecting the previous year's performance and the outlook for the ensuing year.

Further details of employee involvement and the group's policy on the employment of disabled persons are given under the Environmental, Social and Governance section on pages 12 to 17 and the S172(1) statement on page 19.

Health and safety

As required by legislation, the group's policy for securing the health, safety and welfare at work of all employees has been brought to their notice. In addition, safety committees hold regular meetings. Further details of health and safety are given under the Environmental, Social and Governance section on pages 12 to 17.

Financial instruments

Details of the use of financial instruments by the group are contained in note 22 in the notes to the consolidated financial statements.

Research and development

Activities and likely future developments for the business are described in the Strategic Report on pages 2 to 19.

Articles of Association

Any amendments to the Articles of Association have to be adopted by the members by a special resolution in general meeting. The current articles were adopted in August 2011.

Post balance sheet events

There were no reportable subsequent events following the balance sheet date.

Independent auditor

The auditor, Forvis Mazars LLP, have indicated their willingness to continue in office. A resolution proposing their reappointment as auditor of the company and authorising the directors to determine their remuneration will be submitted at the Annual General Meeting.

Each of the persons who are directors at the date when this report was approved confirms that so far as each of the directors is aware, there is no relevant audit information of which the group's auditor is unaware, and each of the directors has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Significant agreements

There are no significant agreements to which the company is party that take effect, alter or terminate upon a change of control of the company following a takeover bid.

Corporate governance

Details of the group's corporate governance policies are dealt with on pages 24 and 25.

Greenhouse gas emissions

Details of the group's greenhouse gas emissions are set out on pages 12 and 13.

Cautionary statement

Under the Companies Act, a company's Strategic Report and Directors' Report are required, among other matters, to contain a fair review by the directors of the group's business through a balanced and comprehensive analysis of the development and performance of the business of the group and the position of the group at the year end, consistent with the size and complexity of the business.

The Directors' Report set out above, including the Chairman's Statement, the Principal Risks and Uncertainties and Environmental, Social and Governance section incorporated into it by reference (together, the Directors' Report), has been prepared solely to provide additional information to shareholders to assess the company's strategies and the potential for those strategies to succeed. The Directors' Report should not be relied upon by any other party or for any other purpose.

The Directors' Report (as defined) contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Approval of Directors' Report and Responsibility Statement

Each of the persons who is a director at the date of approval of this report confirms that to the best of his knowledge:

- a. each of the group and parent company financial statements, prepared in accordance with International Financial Reporting Standards in accordance with the Companies Act 2006 and UK Financial Reporting Standards respectively, gives a true and fair view of the assets, liabilities, financial position and the profit or loss of the issuer and the undertakings included in the consolidation taken as a whole; and
- b. the Chairman's Statement, Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

The directors consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's and group's performance, business model and strategy.

On behalf of the board

A. N. Jones

Chairman

11 June 2025

Corporate Governance

General

Castings P.L.C. recognises the importance of high standards of corporate governance. The board has considered the principles and provisions of the 2018 UK Corporate Governance Code and will continue to adhere to them where it is in the interests of the business, and of the shareholders, to do so.

The manner in which the board provides leadership of the company within a framework of prudent and effective controls is set out in this section.

Board of directors

The board meets regularly to monitor the current state of business and to determine its future strategic direction.

During the financial year, the board comprised two executive directors and three non-executive directors, increasing to four on 26 September 2024. The non-executive directors are independent of executive management and none of the non-executive directors participate in share option or other executive remuneration schemes, nor do they qualify for pension benefits.

Notwithstanding the length of service, the board considers that the chairman, A. N. Jones, remains independent and that the skill and experience he brings and his overall contribution to the board remains of significant value to the group.

The directors maintain their knowledge through a combination of technical and market bulletins and attendance at seminars. The company secretary has responsibility for bringing new regulatory developments to the attention of the board.

Board committees

The principal committees established by the directors are:

Audit and risk committee

Further details are contained within the Audit and Risk Committee Report on page 26.

Remuneration committee

Further details are set out in the Directors' Remuneration Report on page 27.

Nomination committee

The nomination committee is chaired by A. K. Eastgate with M. L. Smith and S. R. Harrison also being members. The group chairman, whilst not a formal member of the committee, is also invited to attend meetings. The committee met once during the year. The committee takes an active role in considering, with the wider board, the overall culture of the company. It is also involved in ensuring the company considers equality, inclusion and diversity in senior management positions.

The terms of reference for the three committees are available on the company's website www.castings.plc.uk.

Effectiveness

The board undertakes an annual assessment of its own performance, its committees and the directors. The executive directors are appraised annually by the chairman and the non-executive directors. The chairman is appraised annually by the non-executive directors. The chairman considers the effectiveness of each non-executive director annually.

The results of these appraisals are considered by the remuneration committee for the determination of their remuneration recommendations.

Directors' conflicts of interest

A director has a statutory duty to avoid a situation in which he has, or can have, an interest that conflicts or possibly may conflict with the interests of the company. A director will not breach that duty if the relevant matter has been authorised in accordance with the Articles of Association by the other directors.

The board has conducted a review of actual or possible conflicts of interest in respect of each director. The board has an agreed process for identifying current conflicts, authorised conflicts that have been identified and stipulated conditions in accordance with the guiding principles and agreed a process to identify and authorise future conflicts. In practice, directors are asked to consider and disclose actual or potential conflicts as and when a matter arises. There have been no conflicts identified during the year.

Attendance at board and board committee meetings during the year is detailed in the table shown below:

Director	Board		Audit and risk committee		Remuneration committee	
	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended
A. N. Jones	10	10	—	4	—	3
A. Vicary	10	10	—	4	—	2
S. J. Mant	10	10	—	4	—	3
A. K. Eastgate	10	10	4	4	3	3
M. L. Smith	10	10	4	4	3	3
S. R. Harrison (app. 26 September 2024)	4	4	2	2	1	1

Relations with shareholders

The company holds meetings from time to time with institutional shareholders to discuss the company's strategy and financial performance. The board regularly receives copies of analysts' and brokers' briefings. The chairman is available to meet major shareholders on request to discuss governance and strategy. The senior independent director and other non-executive directors are also available to meet shareholders if requested. The Annual General Meeting is used to communicate with private and institutional investors.

Internal control

The board is ultimately responsible for the group's system of internal controls, including internal financial control, and for monitoring its effectiveness. There is a continuous process for identifying, evaluating and managing the significant risks faced by the group which is regularly reviewed and has been in place throughout the year under review and up to the date of approval of the Annual Report and financial statements. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The review covers all controls including financial, operational, compliance and risk management.

The directors confirm they have established procedures necessary to implement the internal control guidance for directors such that they comply with the 2018 UK Corporate Governance Code for the accounting year ended on 31 March 2025.

Internal financial control

The directors are responsible for maintaining the group's systems of internal financial control. These controls are designed to both safeguard the group's assets and ensure the reliability of financial information used within the business and for publication. As with any such systems, controls can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal financial control is operated within a clearly defined organisational structure with clear control responsibilities and authorities, and a practice throughout the group of regular management and board meetings to review all aspects of the group's businesses including those aspects where there is a potential risk to the group.

For each business there are regular weekly and monthly reports, reviewed by boards and management, which contain both written reports and management accounts. The accounts include income statements and balance sheets for the year under review, year to date and previous year and are compared with expected results. A variety of operational and financial ratios are also produced.

Continual monitoring of the systems of internal financial control is conducted by all management. The external auditor, who is engaged to express an opinion on the group financial statements, also considers the systems of internal financial control to the extent necessary to express that opinion. The external auditor reports the results of their work to management, including members of the board and the audit and risk committee.

The board does not consider there is a need for an internal audit function due to the size and non-complexity of the group.

Going concern

The directors have assessed the future funding requirements of the group and the company and compared them to the level of funding available. Details of the cash position are set out in note 22 to the financial statements. The group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk are also set out in notes 20 and 22 to the financial statements.

The directors' assessment of going concern, included a review of the group's financial forecasts for a period of at least 12 months from the date of approval of the financial statements. They modelled a base case, which reflects the directors' current expectations of future trading in addition to potential severe but plausible impacts on revenue, profits and cash flows in a downside scenario. The base case scenario is based on current demand schedules from customers and assumes that these levels, along with average selling prices and costs remain consistent. The group's recent record of cash conversion was used to estimate the cash generation in the period under review. The directors also considered severe but plausible downside scenarios, further details of which are set out in the viability statement on page 18 and the accounting policies in note 1.

The directors have a reasonable expectation that the company and the group have adequate resources to continue operations for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.

Summary

The board takes its responsibilities seriously albeit there are a number of areas in which it does not comply fully with the 2018 UK Corporate Governance Code. It does not feel that the size or complexity of the group and the way in which it governs would be enhanced or strengthened by further changing the already existing high standards of corporate governance practised.

For the year ended 31 March 2025 the company complied with the 2018 UK Corporate Governance Code other than the following points:

- Of the four non-executive directors who served during the year one, A. N. Jones, has been a member of the board for more than nine years. Notwithstanding his length of service, the board considers that A. N. Jones remains independent and that the skill and experience he brings and his overall contribution to the board remain of significant value to the group.
- The non-executive directors do not have specified term contracts.
- The finance director also performs the role of company secretary as there is no one else within the business qualified to fulfil the position. The role of company secretary is not full time.
- There is not a director appointed from the workforce, formal workforce advisory panel nor designated non-executive director for engagement with the workforce.

These are considered acceptable given the size of the company and the way in which it operates.

By order of the board

S. J. Mant
Company Secretary

11 June 2025

Audit and Risk Committee Report

Responsibilities

The main responsibilities of the audit and risk committee are:

- to monitor the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgements contained in them;
- to provide advice on whether the company's Annual Report is fair, balanced and understandable;
- to review the company's internal financial controls and internal control and risk management systems;
- to review the need for an internal audit function;
- to make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditors independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services; and
- to report to the board on how it has discharged its responsibilities.

Committee composition and meetings

The audit and risk committee is chaired by M. L. Smith with A. K. Eastgate and S. R. Harrison (from 26 September 2024) also being members of the committee. The chairman, finance director and other directors may also attend meetings as appropriate to the business in hand but are not members of the committee.

The board considers that M. L. Smith has the most recent and relevant financial experience as required by the code.

The committee meets at least four times a year. Meetings are also attended by representatives of the group's external auditor. At meetings attended by the external auditor, time is allowed for the committee

to discuss issues with the external auditor without the executive directors being present.

The committee operates under formal terms of reference and these are reviewed annually. The committee considers that it has discharged its responsibilities as set out in its terms of reference to the extent appropriate during the year. There were no changes to the terms of reference in the year under review.

Financial reporting and accounting judgements

During the year, the committee reviewed the appropriateness of the group's half-year and full-year financial statements, taking into account the reports of the group finance director and external auditor.

The main areas of focus considered by the committee during the year were as follows:

- revenue recognition processes have been reviewed to ensure revenue has been recognised appropriately and consistency of policy applied across the group; and
- reviewed the viability statement and agreed an appropriate assessment period and the reasonableness of the profit and loss and cash flow estimates, together with an evaluation of the main risks affecting the viability of the company over that time frame.
- reviewed the treatment of the volume-related penalties enforced on the electricity contract, including the year end provision.

Internal control

During the year, the committee reviewed the effectiveness of the group's system of internal controls and risk management and the disclosures of the results in this Annual Report. The committee concluded the system to be effective.

The committee again concurred with the board's view that there is no requirement for an internal audit function due to the size and non-complex nature of the group.

External auditor

The committee oversees the relationship with the external auditor and monitors all services provided by and fees payable to them, to ensure that potential conflicts of interest are considered and that an objective and professional relationship is maintained.

In particular, the committee reviews and monitors the independence and objectivity of the external auditor and the effectiveness of the audit process. At the outset of the audit process, the committee receives from the auditor a detailed audit plan, identifying their assessment of the key risks and their intended areas of focus. This is agreed with the committee to ensure coverage is appropriately focussed.

Feedback on the audit process is requested from management and for the 2025 financial year, management was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be satisfactory. The committee concurred with the view of management.

The committee also keeps under review the nature, extent, objectivity and cost of non-audit services provided by the external auditor; there have been no such services provided during the year.

Forvis Mazars LLP has been the group's external auditor since 2020 with the audit engagement partner rotating for this year's audit. In June 2025 the committee reviewed the external audit mandate and confirmed the continuing appointment of Forvis Mazars LLP. This was on the basis the committee was satisfied with the quality of the audit and that the Forvis Mazars LLP audit team remained objective and independent. The committee has recommended to the board that a resolution be put to shareholders for the reappointment of the auditor at the Annual General Meeting.

As part of its work, and in line with its terms of reference, the committee also considers the discharge of the board's responsibilities in the areas of corporate governance, financial reporting and internal control, including the internal management of risk, as identified in the UK Corporate Governance Code.

M. L. Smith

Chairman of the Audit and Risk Committee

11 June 2025

Directors' Remuneration Report

Annual statement

On behalf of the board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2025.

The overall objective of the remuneration policy, which was approved at the 2023 AGM, is to produce an outcome which is sufficiently competitive to retain, motivate and, where necessary, recruit executive directors and senior management whilst supporting the business objectives of the group. The policy is required to be put to shareholders once every three years and was approved at the AGM held in 2023 with over 88% of votes cast being in favour. The remuneration structure is straightforward and transparent, striking what we believe to be an appropriate balance between fixed and performance-related remuneration.

During the year, the executive directors received salary increases at a rate broadly in line with that awarded to group employees generally. Share awards (in the form of nil cost options) were granted to the value of 25% of salary. No annual bonus was paid. Full details of directors' remuneration are set out below

By order of the board

A. K. Eastgate

Chairman of the Remuneration Committee

11 June 2025

Remuneration committee

The remuneration committee is chaired by A. K. Eastgate with M. L. Smith and S. R. Harrison also being members. The group chairman, whilst not a formal member of the committee, is also invited to attend meetings. The remuneration committee is responsible within the authority delegated by the board for determining the remuneration policy and for determining the specific remuneration packages for each of the executive directors and the chairman. The committee also monitors the structure of remuneration of senior management. None of the executive directors were present at meetings of the committee during consideration of their own remuneration.

The remuneration committee's terms of reference are available on the company's website www.castings.plc.uk.

Remuneration policy

The underlying policy in setting the remuneration of the executive directors is that it shall be designed to attract, retain and motivate the directors and be reasonable and fair in relation to their responsibilities.

Directors' Remuneration Report

continued

Detailed policy

The table below sets out the directors' remuneration policy that was approved at the company's AGM in 2023 and will apply for three years from the date of that approval.

Remuneration element	Purpose and link to strategy	Operation	Maximum potential value
Base salary	To provide competitive fixed remuneration in order to attract and retain high calibre directors to deliver growth for the business.	Reviewed with effect from 1 April each year taking into account market rates, performance of the individual and the company and the rates of salary increase across the group.	Whilst no absolute maximum is prescribed, increases will take account of other salary increases across the group. However, in certain circumstances, including changing roles and responsibilities, market levels and individual and group performance, the committee will have discretion to award larger increases.
Benefits	To provide broadly market competitive benefits as part of the total remuneration package.	Currently include the provision of car benefit, private healthcare, life assurance and income protection. Benefits are reviewed annually taking into account market practice. The committee does have discretion to alter benefits.	Whilst the committee has not set an absolute maximum on the level of benefits, these are set at a level that the committee considers appropriate against the market.
Annual bonus	To reward contribution to the performance of the group, aligned to shareholder interests.	<p>Bonus is based on paying a proportion of salary subject to the achievement of a certain level of profits before tax and exceptional items ('pbt'). 5% of salary would be payable per £1 million of pbt between £10m and £18m, 7.5% of salary per £1 million of pbt between £18m and £21m and 10% of salary for every £1m of pbt above £21m. The committee does have discretion to pay an annual bonus (not to exceed 50% of base salary) if, in its opinion, the bonus otherwise payable does not adequately recognise the performance of the individual. It is anticipated that this discretion would only be used in unusual circumstances.</p> <p>The committee has discretion to make such changes as it thinks fit to the pbt targets, particularly having regard to any significant corporate events such as share issues.</p> <p>The annual bonus will be subject to malus and clawback provisions covering such matters as material misstatement of financial results, material irregularity and misconduct.</p>	The annual bonus cannot exceed 125% of base salary.
Pension	To provide competitive retirement benefits as part of the overall remuneration package.	Executive directors receive 7% of base salary as contributions to personal pension plans or a cash equivalent.	7% of base salary.
Share plan	To provide a mechanism to enable executive directors to build a shareholding in the company with a view to providing a further incentive and alignment with the interests of shareholders.	<p>Awards will be in the form of nil-cost options and will normally vest three years after the date of grant, subject to continued employment with the group. Awards are not subject to performance measures as the committee believes that the balance between certainty and a lower value of award achieves the objective of providing a further incentive to the executive directors and aligning them more closely with the interests of shareholders, whilst remaining straightforward and easily understood. Awards will normally be subject to a two year holding period after vesting and may be granted on the basis that the participant shall be entitled to an additional benefit (in cash or shares) in respect of dividends paid over the subsequent holding period.</p> <p>Awards are subject to malus and clawback provisions covering such matters as material misstatement of financial results, material irregularity and misconduct.</p>	Awards will normally be granted to a value of 25% of the base salary at the date of granting, though the committee has the discretion to increase this to 50% of base salary in exceptional circumstances.

Non-executive director remuneration

The fees paid to non-executive directors are set by reference to current levels in the market. Non-executive directors do not receive benefits or participate in the company's share option or bonus schemes, nor are they eligible to join a company pension scheme.

Statement of shareholding voting

The voting to approve last year's annual report on the directors' remuneration and the directors' remuneration policy at the respective AGMs are set out in the following table:

	Votes for (including discretionary) Number %	Votes against Number %	Total number of votes cast	Number of votes withheld
Annual report on remuneration – approved at AGM on 20 August 2024	29,579,763 99.99%	3,980 0.01%	29,583,743	1,891
Directors' remuneration policy – approved at AGM on 15 August 2023	27,633,050 88.47%	3,599,620 11.53%	31,232,670	2,061

Implementation in 2025/26

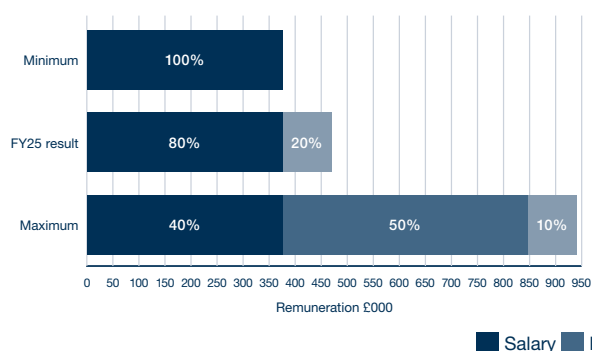
The committee has considered market rates and increases awarded to all employees in determining the base salary increases for the executive directors for 2025/26. The committee did not consult directly with the workforce or any external consultants. The chief executive officer and finance director will receive a base salary of £376,058 and £273,515 respectively during the year ending 31 March 2026. This represents an increase of 4%, which is broadly in line with the average rate of increase for employees across the group.

Scenario charts

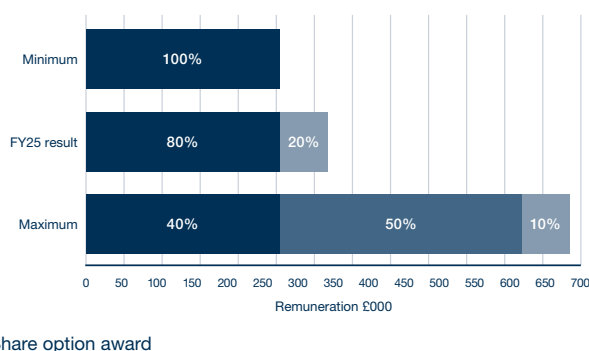
The following charts set out the potential total remuneration payments for the year ended 31 March 2026 under our remuneration policy based on the following assumptions:

- Minimum – base salary, no bonus payment and no share option award.
- Prior year – base salary, bonus based on profit as for year ended 31 March 2025 and 25% of base salary as share option award.
- Maximum – base salary, bonus of 125% of base salary and 25% of base salary as share option award.

Chief executive officer



Finance director



Recruitment policy

In the event of the recruitment of a new executive director, the remuneration package would reflect the policy set out above so far as is possible. The overall maximum level of variable remuneration which may be granted (excluding 'buyout' awards as referred to below) is 175% of salary.

The committee may make payments or awards in respect of hiring an employee to 'buyout' remuneration arrangements forfeited on leaving a previous employer. In doing so, the committee will take account of relevant factors, including any performance conditions attached to the forfeited arrangements and the time over which they would have vested. The committee will generally seek to structure 'buyout' awards or payments on a comparable basis to the remuneration arrangement forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to above. Fees payable on the appointment of a chairman or non-executive director would be in line with the fee policy in place at the time of appointment.

Directors' Remuneration Report

continued

Directors' shareholdings (audited)

The directors' interests in the ordinary share capital of the company (including the interest of connected persons) are set out in the Directors' Report on page 21.

Directors' contracts

The executive directors entered into new service contracts on 4 June 2020. The contracts are terminable on twelve months' notice, which is considered by the committee to be appropriate, and do not contain any provision for predetermined compensation in the event of termination. Any payments for loss of office would be determined at the time taking into account all the circumstances. Non-executive directors do not have a contract of service. There are no specific terms or notice periods stated in the letters of appointment of non-executive directors.

Professional advice

The committee has not received any external advice during the year.

Annual Report on Directors' Remuneration

Directors' remuneration during the year (audited)

The directors' remuneration for the year ended 31 March 2025 is set out in the table below.

	A. N. Jones		A. Vicary		S. J. Mant		A. K. Eastgate		M. L. Smith		S. R. Harrison ¹	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salary/fees	97	93	362	346	263	252	44	43	42	40	22	—
Benefits	—	—	6	14	15	15	—	—	—	—	—	—
Pension contributions	—	—	16	14	16	14	—	—	—	—	—	—
Total fixed remuneration	97	93	384	374	294	281	44	43	42	40	22	—
Performance-related bonus	—	—	—	242	—	176	—	—	—	—	—	—
Total variable remuneration	—	—	—	242	—	176	—	—	—	—	—	—
Total remuneration	97	93	384	616	294	457	44	43	42	40	22	—

1. S. R. Harrison was appointed a director on 26 September 2024.

In addition to the remuneration set out above, B. J. Cooke, who retired from the company on 15 August 2023, received remuneration in 2024 of £20,000 (being fees of £15,000 and benefits of £5,000).

Share options

Share options granted under the Castings 2020 Restricted Share Plan are nil-cost options which vest three years after the grant date and are subject to continued employment with the group. The options are also subject to a two year holding period during which the participant shall be entitled to an additional benefit (in cash or shares) in respect of dividends paid in that period. The following nil-cost options were granted during the year:

	Grant date	Number of shares	Market price at grant date ¹	Fair value at grant date
A. Vicary	10 July 2024	24,619	£3.672	£90,401
S. J. Mant	10 July 2024	17,906	£3.672	£65,751

1. The average closing share price of the five days preceding the grant date.

In the event that the share price on vesting is 50% higher than the market price at the date of grant, the value of the options granted to A. Vicary and S. J. Mant would be higher by £45,200 and £32,875 respectively. The following nil-cost options are outstanding as at 31 March 2025:

	As at 1 April 2024	Options granted	Options exercised	As at 31 March 2025
A. Vicary	85,409	24,619	—	110,028
S. J. Mant	62,120	17,906	—	80,026

Relative importance of spend on pay

The following table shows actual expenditure of the group and change in spend between the current and previous financial years on remuneration paid to all employees compared to distributions to shareholders.

	2025 £000	2024 £000	Change £000	Change %
Remuneration of all employees	50,429	57,177	(6,748)	-11.8%
Dividends declared to shareholders	7,996	7,960	36	0.5%

Chief executive officer remuneration

The total remuneration paid to the chief executive officer for the last ten years is as follows:

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Performance-related bonus	—	242	70	53	—	30	57	54	61	100
Percentage of maximum ¹	0.0%	56.0%	17.6%	14.2%	0.0%	n/a	n/a	n/a	n/a	n/a
Total remuneration	384	616	414	376	319	345	357	341	340	372

1. The performance-related bonus did not have a maximum level for years 2020 and earlier.

Percentage change in remuneration

The following table sets out the annual percentage change in directors' remuneration compared to the average remuneration of a Castings employee for each of the last five years.

	Salary/fees					Taxable benefits					Performance related bonus				
	2025 %	2024 %	2023 %	2022 %	2021 %	2025 %	2024 %	2023 %	2022 %	2021 %	2025 %	2024 %	2023 %	2022 %	2021 %
A. Vicary	4.5	9.1	6.4	1.4	1.4	-57.1	0.0	0.0	0.0	0.0	-100.0	245.7	32.1	n/a	100.0
S. J. Mant	4.5	9.1	6.5	1.4	1.4	0.0	7.1	0.0	0.0	0.0	-100.0	151.4	32.1	n/a	100.0
A. N. Jones ¹	4.5	82.4	30.8	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A. K. Eastgate ²	4.5	13.1	2.7	0.0	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M. L. Smith ³	4.5	185.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S. R. Harrison ⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Employee average	-6.4	8.6	13.7	6.4	2.1	n/a	n/a	n/a	n/a	n/a	-26.7	1.2	21.6	42.4	30.6

1. A. N. Jones was appointed chairman on 1 January 2023.

2. A. K. Eastgate was appointed senior independent director on 1 January 2023.

3. M. L. Smith was appointed as a director on 16 November 2022.

4. S. R. Harrison was appointed as a director on 26 September 2024.

Whilst the employee wage rates were increased by a percentage commensurate with the directors, the lower production hours and premium shifts due to reduced demand in the year has resulted in a negative salary percentage change in the table above.

Chief executive officer pay ratio

The table below shows the chief executive officer's pay ratio at 25th, median and 75th percentile of our employees for the year to 31 March 2025. The ratios have been determined using Option A of The Companies (Miscellaneous Reporting) Regulations 2018 which is considered the most accurate method for calculating the ratio.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Year ended 31 March 2025	14.4	12.4	10.0
Year ended 31 March 2024	14.7	12.7	10.3
Year ended 31 March 2023	14.0	11.4	9.2
Year ended 31 March 2022	14.3	11.1	9.1
Year ended 31 March 2021	13.6	9.9	8.3
Year ended 31 March 2020	13.8	10.6	8.8

There has not been a significant change in the ratios from 2024 to 2025.

Directors’ Remuneration Report

continued

Total shareholder return performance graph

The following graph shows the company’s performance, measured by total shareholder return, compared with the performance of the FTSE All Share – Industrial Engineering Index, also measured by total shareholder return. This index has been selected for this comparison because this is considered to be the most relevant index for the company.

Castings P.L.C. TSR performance vs FTSE All Share Industrials Engineering Index



Statement of Directors' Responsibilities in Respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

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

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

The directors are responsible for the maintenance and integrity of the 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

The directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group and parent company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Board of Directors on page 20 confirm that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the company;
- the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the business and financial review includes a fair review of the development and performance of the business and the position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.

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

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

Website publication

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to the Members of Castings P.L.C.

Opinion

We have audited the financial statements of Castings P.L.C (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity, Parent Company Balance Sheet, Parent Company Statement of Changes in Equity and Notes to the financial statements, including material accounting policy information.

The consolidated financial statements have been prepared in accordance with applicable law and UK-adopted international accounting standards. The parent company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework") as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;

- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the group's and the parent company's future financial performance;
- Testing the accuracy and functionality of the model used to prepare the directors' forecasts;
- Assessing the historical accuracy of forecasts prepared by the directors;
- Assessing and challenging the appropriateness of the directors' key assumptions in their base case cash flow forecasts, as described in note 1, by reviewing supporting and contradictory evidence in relation to those key assumptions;
- Assessing the directors' consideration of severe but plausible scenarios, including the viability of mitigating actions within the directors' control;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

In relation to Castings P.L.C.'s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter
<p>Revenue Recognition</p> <p>The group's and the parent company's accounting policy for revenue recognition is set out in the accounting policy notes on page 44 and 64 respectively.</p> <p>Revenue is material for the group and the parent company and represents the largest figure in the Consolidated Statement of Comprehensive Income. An error in this balance could significantly affect a user's interpretation of the financial statements.</p> <p>As a result, we identified revenue recognition for the cut-off assertion (where revenue may be manipulated close to the year end to record revenue in the incorrect financial period) as a key audit matter.</p>	<p>Our audit procedures included, but were not limited to:</p> <p>Reviewing key controls relating to revenue recognition and performing a walkthrough to evaluate their design and implementation;</p> <p>Reviewing managements cut off assessment and substantively testing a sample of accrued or deferred income recognised at the year end;</p> <p>Performing substantive testing on the full reconciliation management prepare from the order system to the financial reporting system to assess whether the revenue recognised is complete;</p> <p>Selecting a sample of transactions close to the year-end and post year end to assess whether that they had been posted to the correct financial period in line with the agreed International Commercial Terms.</p> <p>Our observations</p> <p>Based on the procedures performed we did not identify any material misstatements in relation to revenue recognition.</p>

Our application of materiality and an overview of the scope of our audit

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

Group materiality

Overall materiality	£1,238k
How we determined it	0.7% of Revenue
Rationale for benchmark applied	<p>We consider revenue to be the most appropriate benchmark for selecting materiality for the following reasons:</p> <ul style="list-style-type: none"> Revenue is a significant KPI for the business with the financial statements demonstrating the significant focus on revenues and associated tonnage. <p>The profit before tax balance in prior years has been volatile and therefore not an appropriate reflection of the group's trading activities and production volumes therefore revenue has been used as the benchmark in previous years.</p> <p>Revenue remains appropriate for 2025 given the continued profit volatility in the 2025 financial year.</p>
Performance materiality	<p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.</p> <p>We set performance materiality at £867k, which represents 70% of overall materiality.</p>
Reporting threshold	We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £37k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditor's Report to the Members of Castings P.L.C.

continued

Parent company materiality

Overall materiality	£877k
How we determined it	0.7% of Revenue
Rationale for benchmark applied	<p>We consider revenue to be the most appropriate benchmark for selecting materiality for the following reasons:</p> <ul style="list-style-type: none"> – Revenue is a significant KPI for the business with the financial statements demonstrating the significant focus on revenues and associated tonnage. <p>The rationale for selecting revenue as the basis for determining materiality for the parent company financial statements is the same as that for the group, as set out above.</p>
Performance materiality	We set performance materiality at £614k, which represents 70% of overall materiality.
Reporting threshold	We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £26k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, three components were subject to full scope audit performed by the group audit team while one component was subject to specified procedures at group level.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the parent company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the:

- strategic report or the directors' report; or
- information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the parent company.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to Castings P.L.C.'s compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 25;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on page 18;
- Directors' statement on fair, balanced and understandable, set out on page 23;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 8;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 25; and;
- The section describing the work of the Audit and Risk Committee, set out on page 26.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 33, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Members of Castings P.L.C.

continued

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation and health and safety regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate reported financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing;
- Reviewing directors and Key Managements bonus scheme and performance conditions attached to the bonus.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board on 08 January 2020, to audit the financial statements for the year ending 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ending 31 March 2020 to 31 March 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with our additional report to the Audit and Risk Committee.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules, these financial statements will form part of the electronic reporting format annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor's report provides no assurance over whether the annual financial report has been prepared using the correct electronic reporting format.

Jennifer Birch (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Two Chamberlain Square
Birmingham
B3 3AX
11 June 2025

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Revenue	2	176,969	224,414
Cost of sales	3	(149,478)	(181,124)
Gross profit		27,491	43,290
Distribution costs	3	(3,207)	(4,694)
Administrative expenses	3	(19,512)	(18,837)
Profit from operations		4,772	19,759
Finance income	6	962	1,527
Finance expenses	7	(107)	—
Profit before income tax		5,627	21,286
Income tax expense	8	(1,454)	(4,565)
Profit for the year attributable to equity holders of the parent company		4,173	16,721
Profit for the year attributable to equity holders of the parent company		4,173	16,721
Other comprehensive income for the year:			
Items that will not be reclassified to profit and loss:			
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses	5	165	112
Other comprehensive income for the year (net of tax)		165	112
Total comprehensive income for the year attributable to the equity holders of the parent company		4,338	16,833
Earnings per share attributable to the equity holders of the parent company	10		
Basic		9.60p	38.45p
Diluted		9.56p	38.32p

Notes to the consolidated financial statements are on pages 43 to 60.

Consolidated Balance Sheet

as at 31 March 2025

	Notes	2025 £000	2024 £000
ASSETS			
Non-current assets			
Property, plant and equipment	11	66,123	61,799
Right-of-use assets	12	2,056	—
Financial assets	13	—	—
		68,179	61,799
Current assets			
Inventories	14	32,780	33,136
Trade and other receivables	15	51,743	46,593
Cash and cash equivalents		15,564	32,527
		100,087	112,256
Total assets		168,266	174,055
LIABILITIES			
Current liabilities			
Trade and other payables	16	31,557	33,329
Lease liabilities	12	228	—
Current tax liabilities		132	706
		31,917	34,035
Non-current liabilities			
Lease liabilities	12	1,901	—
Deferred tax liabilities	17	7,013	6,030
		8,914	6,030
Total liabilities		40,831	40,065
Net assets		127,435	133,990
Equity attributable to equity holders of the parent company			
Share capital	18	4,363	4,363
Share premium account		874	874
Treasury shares		(627)	(627)
Other reserve		13	13
Retained earnings		122,812	129,367
Total equity		127,435	133,990

The consolidated financial statements on pages 39 to 60 were approved and authorised for issue by the board of directors on 11 June 2025, and were signed on its behalf by:

A. N. Jones
Chairman

S. J. Mant
Finance Director

Notes to the consolidated financial statements are on pages 43 to 60.

Company registration number – 91580.

Consolidated Cash Flow Statement

for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Cash flows from operating activities			
Profit before income tax		5,627	21,286
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets	11, 12	8,898	8,851
Loss on disposal of property, plant and equipment	3	2	25
Finance income	6	(962)	(1,527)
Finance expenses	7	107	—
Equity-settled share-based payment expense	19	145	102
Pension administrative costs	5	165	112
Operating cash flow before changes in working capital		13,982	28,849
Decrease/(increase) in inventories		356	(7,041)
(Increase)/decrease in receivables		(130)	4,486
Decrease in payables		(1,876)	(4,651)
Cash generated from operating activities		12,332	21,643
Tax paid		(1,045)	(2,568)
Interest received	6	957	1,474
Finance expenses	7	(107)	—
Net cash generated from operating activities		12,137	20,549
Cash flows from investing activities			
Dividends received from listed investments	6	5	12
Purchase of property, plant and equipment		(13,078)	(9,584)
Advanced payments in respect of property, plant and equipment		(6,676)	—
Proceeds from disposal of property, plant and equipment		31	191
Proceeds from sale of financial assets		—	397
Repayments from pension schemes	5	3,990	2,120
Advances on behalf of the pension schemes	5	(2,334)	(2,119)
Net cash used in investing activities		(18,062)	(8,983)
Cash flows from financing activities			
Dividends paid to shareholders	9	(11,038)	(14,209)
Purchase of own shares		—	(396)
Net cash used in financing activities		(11,038)	(14,605)
Decrease in cash and cash equivalents		(16,963)	(3,039)
Cash and cash equivalents at beginning of year		32,527	35,566
Cash and cash equivalents at end of year	22	15,564	32,527
Cash and cash equivalents:			
Short-term deposits		554	13,230
Cash available on demand		15,010	19,297
		15,564	32,527

Notes to the consolidated financial statements are on pages 43 to 60.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

	Equity attributable to equity holders of the parent					
	Share capital ^{a)}	Share premium ^{b)}	Treasury shares ^{c)}	Other reserve ^{d)}	Retained earnings ^{e)}	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2024	4,363	874	(627)	13	129,367	133,990
Profit for the year	—	—	—	—	4,173	4,173
Other comprehensive income:						
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses (note 5)	—	—	—	—	165	165
Total comprehensive income for the year	—	—	—	—	4,338	4,338
Equity-settled share-based payments (see note 19)	—	—	—	—	145	145
Dividends (see note 9)	—	—	—	—	(11,038)	(11,038)
At 31 March 2025	4,363	874	(627)	13	122,812	127,435

	Equity attributable to equity holders of the parent					
	Share capital ^{a)}	Share premium ^{b)}	Treasury shares ^{c)}	Other reserve ^{d)}	Retained earnings ^{e)}	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2023	4,363	874	(231)	13	126,641	131,660
Profit for the year	—	—	—	—	16,721	16,721
Other comprehensive income/(losses):						
Movement in unrecognised surplus on defined benefit pension schemes net of actuarial gains and losses (note 5)	—	—	—	—	112	112
Total comprehensive income for the year	—	—	—	—	16,833	16,833
Shares acquired in the year	—	—	(396)	—	—	(396)
Equity-settled share-based payments (see note 19)	—	—	—	—	102	102
Dividends (see note 9)	—	—	—	—	(14,209)	(14,209)
At 31 March 2024	4,363	874	(627)	13	129,367	133,990

a) Share capital (note 18) – The nominal value of allotted and fully paid up ordinary share capital in issue.

b) Share premium – Amount subscribed for share capital in excess of nominal value.

c) Treasury shares – Value of shares acquired by the company.

d) Other reserve – Amounts transferred from share capital on redemption of issued shares.

e) Retained earnings – Cumulative net gains and losses recognised in the statement of comprehensive income.

Notes to the Consolidated Financial Statements

1 Accounting policies

General information

Castings Public Limited Company (the 'company', 'Castings P.L.C.') is incorporated and domiciled in the United Kingdom and registered in England as a public company limited by shares. The company's registered office is at Lichfield Road, Brownhills, West Midlands, WS8 6JZ, United Kingdom. The company's ordinary shares are listed on the London Stock Exchange. There has been no change in this information since the Annual Report for the year ended 31 March 2024.

Basis of preparation

The group financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The IFRSs applied in the group financial statements are subject to ongoing amendment by the IASB and therefore subject to possible change in the future. Further standards and interpretations may be issued that will be applicable for financial years beginning on or after 1 April 2025 or later accounting periods but may be adopted early.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The primary statements within the financial information contained in this document have been presented in accordance with IAS 1 Presentation of Financial Statements.

The financial statements are prepared on a going concern basis and under the historical cost convention, except where adjusted for revaluations of certain assets, and in accordance with applicable Accounting Standards and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of the principal group IFRS accounting policies is set out below. The presentation currency used is sterling and the amounts have been presented in round thousands ('£000').

New standards effective and adopted by the group in the year

There have been no new standards, or amendments to standards, applied in the year that had a material effect on the group.

Going concern

In determining the basis of preparation for the consolidated financial statements, the directors have considered the group's business activities, together with factors likely to affect its future development, performance and position. The group has modelled a base case, which reflects the directors' current expectations of future trading in addition to potential severe but plausible impacts on revenue, profits and cash flows in a downside scenario. The base case scenario is based on current demand schedules from customers and assumed that these levels, along with average selling prices and costs remain consistent. The group's recent record of cash conversion was used to estimate the cash generation in the period under review.

The severe but plausible downside scenario assumed a 30% reduction in demand which would cover the loss of the group's most significant customer. Furthermore, such a reduction is also in line with the approximate revenue loss in the event that environmental legislation changes or a technological breakthrough rendered the internal combustion engine obsolete.

The directors are confident that the group will have sufficient funds to continue to meet their liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. Further details are set out in the viability statement on page 18 and the corporate governance statement on page 25.

Basis of consolidation

The consolidated statement of comprehensive income and balance sheet include the financial statements of the parent company and its subsidiaries made up to the end of the financial year. These subsidiaries include William Lee Limited, CNC Speedwell Limited and Castings Ductile Limited, all of which are 100% owned, controlled by the company and are based in the UK. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Intercompany transactions and balances between group companies are eliminated in full.

Business combinations and goodwill

Shares issued as consideration for the acquisition of companies have a fair value attributed to them, which is normally their market value at the date of acquisition. Net assets acquired are consolidated at a fair value to the group at the date of acquisition. All changes to these assets and liabilities, and the resulting gains and losses that arise after the group has gained control of the subsidiary, are credited and charged to the post-acquisition income statement.

Notes to the Consolidated Financial Statements

continued

1 Accounting policies continued

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT. Revenue from the sale of goods relates to the sale of castings. Revenue from the sale of services relates to machining and minor assembly work performed on a subcontract basis for external customers. Revenue is recognised once the performance obligation has been met. This is deemed to be when the goods and services have been collected by, or delivered to, the customer in accordance with the agreed delivery terms. Payment terms are based on usual market practices and commercial terms agreed with the customer.

Post-retirement benefits

Two of the group's pension plans are of a defined benefit type. Under IAS 19 Employee Benefits the employer's portion of the current service costs, scheme administrative costs and curtailment gains are charged to operating profit for these plans, with the net interest also being charged/credited to operating profit subject to the asset ceiling. Actuarial gains and losses are recognised in other comprehensive income and the balance sheet reflects the schemes' surplus or deficit at the balance sheet date. A full valuation is carried out triennially using the projected unit credit method. Where the group cannot benefit from a scheme surplus in the form of refunds from the plans or reductions in future contributions, any asset resulting from the above policy is restricted accordingly.

Payments to the defined contribution scheme are charged to the consolidated statement of comprehensive income as they become payable.

Property, plant and equipment

Property, plant and equipment assets are held at cost less accumulated depreciation. Depreciation is provided on property, plant and equipment, other than freehold land and assets in the course of construction, on a straight-line basis. The periods of write-off used are as follows:

- i. Freehold buildings over 50 years.
- ii. Plant and equipment over a period of 3 to 15 years.

The group annually reviews the assessment of residual values and useful lives in accordance with IAS 16.

Impairment of tangible assets

At each balance sheet date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists or an asset is not in use and therefore requires an annual test, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are largely independent from other assets, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the consolidated income statement.

Inventories

The group's inventories are valued at the lower of cost on a first-in, first-out basis and net realisable value. Cost includes a proportion of production overheads based on normal levels of activity. Provision is made for obsolete and slow-moving items based on a review of parts with no demand during the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits at call with banks and other short-term highly liquid investments with original maturities of three months or less from inception.

Foreign currencies

Assets and liabilities in foreign currencies are translated at the spot rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction; all differences are dealt with through the consolidated statement of comprehensive income.

Leases

The group operates one production site under a lease arrangement. At the commencement date of a lease arrangement the group recognises a right-of-use asset and a lease liability for rental payments due.

Right-of-use assets are initially measured at cost, being the present value of the lease liability plus any initial costs incurred in entering the lease together with anticipated restoration costs.

Right-of-use assets are subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life or the end of the lease term where it is not likely the group will utilise the asset for the entirety of its useful life. At the commencement date of this property lease the group determined the lease term to be the full term of the lease, assuming that any option to break or extend the lease is unlikely to be exercised.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit within the lease agreement. Where that rate cannot be determined, the incremental borrowing rate is used as an alternative, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently measured at amortised cost using the effective interest method and is remeasured if there is a change in future lease payments arising from a change in an index or rate (such as the Bank of England base rate) or if there is a change in the group's assessment of whether it will exercise an extension or termination option. In such an event, there would be a corresponding adjustment to the right-of-use asset.

Where the group enters into leases with a lease term of 12-months or less, these are treated as 'short-term' leases and are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income. The same treatment applies to low-value assets, which are typically IT equipment and office equipment.

Financial instruments

a) Financial assets

The group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The group's accounting policy for each category is as follows:

Fair value through profit and loss

Fair value through profit and loss financial assets comprise the group's strategic investments in entities not qualifying as subsidiaries. They are carried at fair value with changes in fair value recognised in the income statement. The cumulative fair value gains and losses are held within retained earnings and are not treated as distributable. The dividend income from listed investments is presented within finance income.

Amortised cost

These assets are held in order to collect contractual cash flows, on specific dates, which are solely payments of the principal and interest on the principal amount outstanding. They arise principally through the provision of goods and services to customers (e.g. trade receivables) and deposits held at banks and building societies, but may also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. Where specific receivables are known to be 'bad' or it becomes apparent that payment is 'doubtful' then a credit loss allowance of 100% is applied. Such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the deposit or receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

b) Financial liabilities

The group classifies its financial liabilities into liabilities measured at fair value on recognition and subsequently at amortised cost. Although the group uses derivative financial instruments in economic hedges of currency risk, it does not hedge account for these transactions, and the amounts are not material. These derivative financial instruments are accounted for at fair value through the consolidated statement of income where material to the financial statements.

Unless otherwise indicated, the carrying amounts of the group's financial liabilities are a reasonable approximation of their fair values.

Notes to the Consolidated Financial Statements

continued

1 Accounting policies continued

Financial liabilities measured at amortised cost

Financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value is calculated by discounting estimated future cash flows using a market rate of interest.

c) Share capital

The group's ordinary shares are classified as equity instruments. Share capital includes the nominal value of the shares and any share premium attaching to the shares.

Current and deferred tax

Deferred tax is provided using the liability method. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is measured at the actual tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax is provided for on the taxable profits of each company in the group, using current tax rates and legislation that has been enacted or substantively enacted by the balance sheet date.

Share-based payments

The cost of equity-settled transactions with employees of the company is measured by reference to the fair value at the date at which they are granted using the Black-Scholes model, taking into the account the two year holding period at the end of the vesting period. The cost is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service conditions are met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service conditions at the vesting date.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are only recognised when approved by the shareholders at the Annual General Meeting.

Finance income and expense

Finance income and expense is recognised in the consolidated statement of comprehensive income as it accrues.

Standards, interpretations and amendments to published standards that are not yet effective

There are no significant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

Material accounting estimates and judgements

The group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Estimates

Pension assumptions

The costs, assets and liabilities of the defined benefit pension schemes operated by the group are determined using methods relying on actuarial estimates and assumptions. Whilst this is a source of estimation uncertainty for the group, the scheme surplus is not recognised on the balance sheet (as set out below). Details of the key assumptions are set out in note 5.

Judgements

Useful economic lives of property, plant and equipment

The assessment of useful economic lives and residual values of property, plant and equipment.

Lease terms

The assessment of the lease term where a lease contract includes renewal options and break clauses.

Pension surplus

In line with previous years, the group continues to take the decision not to recognise the asset in relation to the surplus on the defined benefit pension scheme, as set out in note 5.

2 Operating segments

For internal decision-making purposes, the group is organised into four operating companies which are considered to be the operating segments of the group: Castings P.L.C., William Lee Limited and Castings Ductile Limited are aggregated into Foundry operations, due to the similar nature of the businesses, and CNC Speedwell Limited is the Machining operation. All non-current assets are based in the United Kingdom. Inter-segment transactions are entered into under the normal commercial terms and conditions that would be available to third parties.

The following shows the revenues, results and total assets by reportable segment in the year to 31 March 2025:

	Foundry operations £000	Machining operations £000	Elimination £000	Total £000
Revenue from external customers	175,492	1,477	—	176,969
Inter-segmental revenue	22,447	30,655	(53,102)	—
Segmental result (profit from operations before pension cost)	2,894	2,028	15	4,937
Unallocated costs:				
Defined benefit pension cost				(165)
Finance income				962
Finance expenses				(107)
Profit before income tax				5,627
Total assets	153,887	28,485	(14,106)	168,266
Non-current asset additions	10,203	2,988	—	13,191
Depreciation (including right-of-use asset depreciation)	5,027	3,871	—	8,898
Total liabilities	(42,976)	(6,677)	8,822	(40,831)

The following shows the revenues, results and total assets by reportable segment in the year to 31 March 2024:

	Foundry operations £000	Machining operations £000	Elimination £000	Total £000
Revenue from external customers	222,542	1,872	—	224,414
Inter-segmental revenue	28,433	35,774	(64,207)	—
Segmental result (profit from operations before pension cost)	16,184	3,719	(32)	19,871
Unallocated costs:				
Defined benefit pension cost				(112)
Finance income				1,527
Profit before income tax				21,286
Total assets	156,605	30,822	(13,372)	174,055
Non-current asset additions	5,179	5,334	—	10,513
Depreciation	5,069	3,782	—	8,851
Total liabilities	(40,424)	(7,719)	8,078	(40,065)

	2025 £000	2024 £000
The geographical analysis of revenues by destination for the year is as follows:		
United Kingdom	28,742	34,296
Sweden	50,623	63,814
Germany	25,056	36,926
Netherlands	25,962	35,400
Rest of Europe	29,195	35,889
North and South America	16,462	16,927
Other	929	1,162
	176,969	224,414

All revenue arises in the United Kingdom from the group's continuing activities.

Information about major customers

Included in revenues arising from Foundry operations are revenues of approximately £54,306,000, £30,611,000 and £17,447,000 from three ultimate customer groups (2024 – £67,987,000, £36,918,000 and £24,339,000 respectively).

Notes to the Consolidated Financial Statements

continued

3 Net operating costs

	2025 £000	2024 £000
Raw materials and consumables	42,914	50,358
Staff costs (note 4)	55,841	63,256
Depreciation of property, plant and equipment and right-of-use assets	8,898	8,851
Light, heat and power	25,123	39,284
Sub-contract processing	17,725	20,282
Carriage	3,207	4,694
Repairs and maintenance	7,369	8,943
Rates and insurance	2,457	2,313
Loss on disposal of property, plant and equipment	2	25
Other costs	8,661	6,649
Total cost of sales, distribution costs and administrative expenses	172,197	204,655

During the year the group obtained the following services from the company's auditor:

	2025 £000	2024 £000
Fees payable to the company's auditor for the audit of the parent company and group financial statements	123	82
Fees payable to the company's auditor for other services – the audit of the company's subsidiaries	87	57

4 Employee information

	2025	2024
Average monthly number of employees during the year was:		
Production	1,043	1,120
Management and administration	135	121
	1,178	1,241

	2025 £000	2024 £000
Staff costs (including directors) comprise:		
Wages and salaries	48,738	55,412
Social security costs	5,247	5,967
Other pension costs – defined contribution plans	1,691	1,765
Other pension costs – defined benefit plans (note 5)	165	112
	55,841	63,256

The directors represent the key management personnel. Details of their compensation are given in the Directors' Remuneration Report on page 30.

5 Pensions

The group operates two pension schemes providing benefits based on final pensionable pay, which are closed to new entrants and were closed to future accruals on 6 April 2009. The assets are independent of the finances of the group and are administered by Trustees. The Trustee board is appointed by both the company and the members of the schemes and acts in the interest of the schemes and all relevant stakeholders, including the members and the company. The Trustees are responsible for the investment of the assets of the schemes.

The latest actuarial valuation was performed with an effective date of 6 April 2023 using the defined accrued benefit method. It assumed that the rate of return on investments was 3.3% per annum for pre-retirement and 3.6% for post-retirement and price inflation was 3.4% under RPI and 2.9% under CPI. The demographic assumptions were based on S3PA (YoB) tables with an age rating of -1 year being applied to the tables for shop floor and staff schemes. The future mortality improvements were based on CMI 2020 projections with a 1.75% per annum long-term improvement rate. The next actuarial valuation due will be with an effective date of 6 April 2026.

In order to help optimise the return on assets held by the pension schemes, the pension payments and administration costs incurred by the schemes are paid by the company. The net amount due from the schemes (being pension payments made plus administrative costs less repayments received from the schemes) are subject to repayment to the company and recorded as amounts receivable from pension schemes in the group and company financial statements (notes 15 and 9 respectively). The amounts are recorded as payables by the schemes and shown as a reduction to asset values in the pension disclosures set out below.

The pension schemes are related parties of the company and during the year £2,334,000 (2024 – £2,119,000) was paid by the company on behalf of the schemes in respect of pension payments and administration costs. There are no funding arrangements in place that would impact on future contributions and no contributions are expected to be made in the next financial year. The pension schemes made repayments to the company during the year of £3,990,000 (2024 – £2,120,000). At 31 March 2025 the outstanding balance due from the schemes to the company was £463,000 (2024 – £2,119,000) as set out in note 15. In addition, the group made contributions to individual members' group personal pension plans during the year.

Related risks

Through its defined benefit pension plans, the group was exposed to a number of risks that are inherent in such plans and arrangements. The main risks are summarised below and there are no unusual, entity-specific or plan-specific risks and no significant concentration risks:

- asset value volatility, with the associated impact on the assets held in connection with the funding of pension obligations and the related cash flows;
- changes in bond yields, with any reduction resulting in an increase in the present value of pension obligations, mitigated by an increase in the value of some of the plan assets;
- inflation, as pension obligations are linked to inflation; and
- life expectancy, as pension benefits are generally provided for the life of beneficiaries and their dependants.

The company acknowledges the UK High Court's ruling in June 2023 in the case of Virgin Media Limited vs. NTL Pension Trustees II Limited, which found that certain historical amendments to a previously contracted-out final salary pension scheme were invalid without actuarial certifications. This ruling was appealed, and in July 2024, the Court of Appeal upheld the High Court's decision. The company, along with the fund administrators, is evaluating the potential impact of this ruling. As it is currently not possible to estimate any impact, no adjustments have been made to the defined obligation disclosed in the financial statements.

Composition of the schemes

The group operates defined benefit schemes (in addition to a defined contribution scheme) in the UK. Full actuarial valuations of the defined benefit schemes were carried out at 6 April 2023 and updated to 31 March 2025 using the projected unit method by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	2025	2024
Rate of increase of pensions in payment	2.7%	2.7%
Discount rate	5.8%	4.9%
Inflation assumption (RPI)	3.1%	3.1%
Inflation assumption (CPI)	2.8%	2.8%
	2025	2024
	£000	£000
Change in benefit obligation		
Benefit obligation at beginning of year	37,264	37,924
Past service cost	—	—
Interest cost on defined benefit obligation	1,769	1,808
Actuarial (gains)/losses arising from changes in financial assumptions	(2,864)	235
Actuarial gains arising from changes in demographic assumptions	(724)	(594)
Other experience losses/(gains)	(2,430)	(34)
Benefits paid	(2,286)	(2,075)
Benefit obligation at end of year	30,729	37,264
Change in plan assets		
Fair value of plan assets at beginning of year	48,127	48,337
Interest income on plan assets	2,298	2,315
Return on plan assets less than discount rate	(5,012)	(338)
Administrative expenses	(165)	(112)
Benefits paid	(2,286)	(2,075)
Fair value of plan assets at end of year	42,962	48,127
Surplus	12,233	10,863
Unrecognised pension surplus (asset ceiling)	(12,233)	(10,863)
Net amount recognised in the balance sheet	—	—

Notes to the Consolidated Financial Statements

continued

5 Pensions continued

The asset held by insurance company has been adjusted to reflect an amount of £1,470,000 which was previously omitted from the disclosure. On purchase of the insurance asset a supplementary premium was transferred to the insurer to facilitate the transition to buy out in the future. Given that it has no impact on the net position presented in the balance sheet as a result of the restriction in the asset surplus, the supplementary premium has been included within the return on plan assets less than discount rate in the current year.

The pension surplus has not been recognised as the group does not have an unconditional right to receive returns of contributions or refunds under the scheme rules.

	Year to 31 March 2025 £000	Year to 31 March 2024 £000
Components of pension cost		
Current service cost	—	—
Past service cost	—	—
Interest cost on defined benefit obligation	1,769	1,808
Interest income on plan assets	(2,298)	(2,315)
Interest expense on effect of asset ceiling on unrecognised surplus	529	507
Administrative expenses	165	112
Total pension cost recognised within administrative expenses (note 4)	165	112
(Gain)/loss arising from changes in financial assumptions	(2,864)	235
Gain arising from changes in demographic assumptions	(724)	(594)
Experience gain	(2,430)	(34)
Return on plan assets less than discount rate	5,012	338
Changes in asset ceiling on unrecognised surplus	841	(57)
Pension gain shown in statement of comprehensive income	(165)	(112)
Total defined benefit cost recognised in the year	—	—
Defined benefit obligation by participant category		
	31 March 2025 £000	31 March 2024 £000
Participant category		
Active participants	—	—
Deferred participants	9,175	17,447
Pensioners	21,554	19,817
	30,729	37,264

Scheme assets

Investments of the defined benefit schemes are diversified, such that failure of any single investment would not have a material impact on the overall level of assets. On 24 March 2020, the Trustees of the schemes completed a bulk annuity insurance buy-in with Aviva Life & Pensions UK Limited ('Aviva') thus providing certainty and security for all members of the schemes. The buy-in secures an insurance asset from Aviva that fully matches, subject to final price adjustment of the bulk annuity pricing, the remaining pension liabilities of the schemes (excluding those relating to GMP equalisation). The buy-in covers the investment, longevity, interest rate and inflation risks in respect of the schemes and therefore substantially reduces the pension risk to the company.

The asset allocations at the year end were as follows:

	Plan assets at 31 March 2025 £000	Plan assets at 31 March 2024 £000
Assets category		
Cash and cash equivalents	12,544	13,919
Asset held by insurance company	30,880	36,327
	43,424	50,246
Amounts repayable to the group	(462)	(2,119)
	42,962	48,127

In determining the appropriate discount rate, the company considers the interest rates of corporate bonds with at least an 'AA' rating.

The projected pension cost for the year ending 31 March 2026 is £171,000.

Weighted average life expectancy for mortality tables* used to determine benefit obligations at:

	2025		2024	
	Male Staff/ Shopfloor	Female Staff/ Shopfloor	Male Staff/ Shopfloor	Female Staff/ Shopfloor
Scheme member age 65 (current life expectancy)	21.6/21.6	24.3/24.3	22.4/22.4	25.0/25.0
Scheme member age 45 (life expectancy at age 65)	23.2/23.2	26.0/26.0	24.1/24.1	26.7/26.7

* Mortality tables 102% for Males and 99% for Females of S3PA CMI 2022 projections with a 1.5% long-term rate of improvement have been used for both schemes.

Sensitivities

The calculations of the defined benefit obligations are sensitive to the assumptions set out on pages 48 to 51. The following table sets out the estimated impact of a change in the assumptions on the defined benefit obligation at 31 March 2025, whilst holding all other assumptions constant. The sensitivity analysis may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation as some of the assumptions may be correlated.

	31 March 2025 £000
Defined benefit obligation as a result of:	
Reduction in the discount rate of 0.25%	31,484
Increase in inflation of 0.25%	31,191
One year increase in life expectancy	31,498

Maturity profile of defined benefit obligation

	31 March 2025 £000	31 March 2024 £000
Expected benefit payments during:		
Year 1	2,157	2,034
Year 2	2,316	2,035
Year 3	2,401	2,154
Year 4	2,532	2,314
Year 5	2,613	2,531
Years 6–10	14,070	13,781

The maturity profile shown above is not the full maturity profile but that of the next ten years, based on an analysis of the present value of the defined benefit obligation.

The weighted average duration of the defined benefit obligation of the schemes is 12 years.

Notes to the Consolidated Financial Statements

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6 Finance income

	2025 £000	2024 £000
Interest on short-term deposits	957	1,474
Income from listed investments	5	12
Profit on sale of listed investments	—	41
	962	1,527

7 Finance expenses

	2025 £000	2024 £000
Interest on lease liability	107	—
	107	—

8 Income tax expense

	2025 £000	2024 £000
Corporation tax based on a rate of 25% (2024 – 25%)		
UK corporation tax		
Current tax on profits for the year	531	4,425
Adjustments to tax charge in respect of prior years	(60)	(171)
	471	4,254
Deferred tax		
Current year origination and reversal of temporary differences	999	1,011
Adjustment to deferred tax charge in respect of prior years	(16)	(700)
	983	311
Taxation on profit	1,454	4,565
Profit before income tax	5,627	21,286
Tax on profit at the standard rate of corporation tax in the UK of 25% (2024 – 25%)	1,407	5,322
Effect of:		
Expenses not deductible for tax purposes	82	86
Adjustment to tax charge in respect of prior years	(60)	(171)
Adjustment to deferred tax charge in respect of prior years	(16)	(700)
Pension adjustments	41	28
Total tax charge for the year	1,454	4,565
Effective rate of tax (%)	25.8	21.4

9 Dividends

	2025 £000	2024 £000
Final paid of 14.19p per share for the year ended 31 March 2024 (2023 – 13.51p)	6,167	5,881
Interim paid of 4.21p per share (2024 – 4.13p)	1,829	1,794
Supplementary dividend of 7.00p per share for the year ended 31 March 2024 (2023 – 15.00p)	3,042	6,534
	11,038	14,209

The directors are proposing a final dividend of 14.19 pence (2024 – 14.19 pence) per share totalling £6,166,700 (2024 – £6,166,700). This dividend has not been accrued at the balance sheet date.

10 Earnings per share and diluted earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2025	2024
Profit after taxation (£000)	4,173	16,721
Weighted average number of shares – basic calculation	43,458,068	43,488,441
Earnings per share – basic calculation (pence per share)	9.60p	38.45p
Number of dilutive share options in issue	214,316	147,529
Weighted average number of shares – diluted calculation	43,672,384	43,635,970
Earnings per share – diluted calculation (pence per share)	9.56p	38.32p

11 Property, plant and equipment

	Freehold land and buildings £000	Plant and equipment £000	Total £000
Cost			
At 1 April 2024	41,501	166,031	207,532
Additions during the year	744	12,447	13,191
Disposals	—	(8,512)	(8,512)
At 31 March 2025	42,245	169,966	212,211
Accumulated depreciation			
At 1 April 2024	14,689	131,044	145,733
Charge for year	968	7,866	8,834
Disposals	—	(8,479)	(8,479)
At 31 March 2025	15,657	130,431	146,088
Net book values			
At 31 March 2025	26,588	39,535	66,123
At 31 March 2024	26,812	34,987	61,799
Cost			
At 1 April 2023	40,957	160,396	201,353
Additions during the year	544	9,969	10,513
Disposals	—	(4,334)	(4,334)
At 31 March 2024	41,501	166,031	207,532
Accumulated depreciation			
At 1 April 2023	13,720	127,280	141,000
Charge for year	969	7,882	8,851
Disposals	—	(4,118)	(4,118)
At 31 March 2024	14,689	131,044	145,733
Net book values			
At 31 March 2024	26,812	34,987	61,799
At 31 March 2023	27,237	33,116	60,353

The net book value of land and buildings includes £2,168,000 (2024 – £2,168,000) for land which is not depreciated.

Included within plant and equipment are assets in the course of construction with a net book value of £5,630,000 (2024 – £890,000) which are not depreciated.

Notes to the Consolidated Financial Statements

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12 Right-of-use assets and leases

	Leasehold land and buildings £000	Total £000
Cost		
At 1 April 2024	—	—
Additions during the year	2,120	2,120
At 31 March 2025	2,120	2,120
Accumulated depreciation		
At 1 April 2024	—	—
Charge for year	64	64
At 31 March 2025	64	64
Net book values		
At 31 March 2025	2,056	2,056
At 31 March 2024	—	—

The group acts as a lessee and lease liabilities are due in respect of buildings from which a group company operates, the undiscounted liabilities falling due as follows:

	2025 £000	2024 £000
Not later than one year	125	—
Between one and five years	600	—
Later than five years	3,963	—
	4,688	—

The interest expense of lease liabilities is £107,000 (2024 - £nil) and the agreement is for a 25 year term with break clauses after 3 and 10 years which are not expected to be exercised.

13 Financial assets

	2025 £000	2024 £000
Financial assets at FVTPL	—	—
	2025 £000	2024 £000
At 1 April 2024	—	356
Net losses recognised in other comprehensive income	—	—
Disposals	—	(356)
At 31 March 2025	—	—

Financial assets at fair value through profit and loss (FVTPL) were UK quoted equity securities and were denominated in sterling. The fair value of the securities was based on published quoted prices in an active market. The financial assets were disposed of during the previous year, the profit on sale of £41,000 being recognised within finance income.

The cumulative fair value gains and losses which were undistributable and held within retained earnings totalled £nil (2024 - £nil).

14 Inventories

	2025 £000	2024 £000
Raw materials	4,588	6,059
Work in progress	11,588	12,913
Finished goods	16,604	14,164
	32,780	33,136

Inventories are net of impairment provisions of £557,000 (2024 - £811,000). The cost of inventories recognised as an expense is £42,914,000 (2024 - £50,358,000).

15 Trade and other receivables

	2025 £000	2024 £000
Due within one year:		
Trade receivables	34,643	33,757
Other receivables	2,332	3,010
Receivable from pension schemes (see note 5)	463	2,119
Prepayments and accrued income	14,305	7,707
	51,743	46,593

16 Trade and other payables

	2025 £000	2024 £000
Current trade and other payables:		
Trade payables	19,872	22,683
Social security	1,949	2,398
Other payables	1,242	1,265
Accruals and deferred income	8,494	6,983
	31,557	33,329

Included within accruals is a warranty provision that is not material to the financial statements and an onerous contract provision of £661,000 (2024 – £nil) in respect of power contracts.

17 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using the large company tax rate applicable in future years of 25% (2024 – 25%). The movement on the deferred tax account is shown below:

Deferred tax – net

	2025 £000	2024 £000
At 1 April 2024	6,030	5,719
Credited to other comprehensive income	—	—
Charged to profit	983	311
At 31 March 2025	7,013	6,030

The movement in deferred tax assets and liabilities during the year is shown below:

Deferred tax – liabilities

	Accelerated tax depreciation £000	Other £000	Total £000
At 1 April 2024	6,130	(100)	6,030
Charged/(credited) to profit	1,122	(139)	983
Credited to other comprehensive income	—	—	—
At 31 March 2025	7,252	(239)	7,013

Of the deferred tax liabilities, £1,305,000 (2024 – £1,265,000) is expected to be settled within 12 months with £5,708,000 (2024 – £4,765,000) expected to be settled after more than 12 months.

Notes to the Consolidated Financial Statements

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17 Deferred tax continued

The movement in the deferred tax assets and liabilities during the prior year is shown below:

	Accelerated tax depreciation £000	Other £000	Total £000
At 1 April 2023	5,752	(33)	5,719
Charged/(credited) to profit	378	(67)	311
Credited to other comprehensive income	—	—	—
At 31 March 2024	6,130	(100)	6,030

18 Share capital

	2025 £000	2024 £000
Authorised 50,000,000 10p ordinary shares	5,000	5,000
Allotted and fully paid 43,632,068 10p ordinary shares	4,363	4,363

The group considers its capital to comprise its ordinary share capital, share premium and accumulated retained earnings. In managing its capital, the group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. Each share entitles the holder to receive the amount of dividends per share declared by the company and a vote at any meetings of the company.

In order to achieve this objective, the group monitors its gearing to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy or new share issues, the group considers not only its short-term position but also its long-term operational and strategic objectives.

19 Share-based payments

The company operates the Castings 2020 Restricted Share Plan under which nil-cost options have been granted to executive directors and certain members of the senior management team. The options vest three years after the grant date and are subject to continued employment with the group. The options are also subject to a two year holding period during which the participant shall be entitled to additional benefit (in cash or shares) in respect of dividends paid in that period.

	2025	2024
At 1 April 2024	147,529	109,909
Granted during the year	66,787	37,620
Exercised or expired during the year	—	—
At 31 March 2025	214,316	147,529
Average fair value of share awards granted during the year at date of grant (pence)	329.8	368.8
Fair value of awards granted during the year (£)	220,264	138,758

The options were all granted on 10 July 2024 at a fair value, under the Black-Scholes model, of £3.298 per option. The inputs used in the valuation model, used to determine the charge to the income statement are as follows:

	2025	2024
Weighted average share price (pence)	381.0	394.0
Weighted average exercise price (pence)	Nil	Nil
Expected dividend yield (%)	4.81	4.40
Weighted average remaining contractual life of shares outstanding (years)	3	3
Average fair value of share awards granted during the year at date of grant (pence)	329.8	368.8
Fair value of awards granted during the year (£)	220,264	138,758

The group recognised a total charge to the consolidated income statement of £145,000 (2024 – £102,000) in respect of equity-settled share-based payment transactions.

20 Commitments and contingencies

	2025 £000	2024 £000
Capital commitments contracted for by the group but not provided for in the financial statements	7,376	16,151

Capital commitments primarily relate to the investment in the new foundry line as discussed on page 6.

As set out on page 8, the group does not insure against the potential cost of product warranty or recall. Accordingly, there is always the possibility of claims against the group for quality related issues on parts supplied to customers. As at 31 March 2025, the directors do not consider any significant liability will arise in respect of any such claims (2024 – £nil).

21 Related party transactions

The group has a related party relationship with its directors; details of salaries and other benefits paid to directors are disclosed in the Directors' Remuneration Report on pages 27 to 32. Transactions with the group's pension schemes and balances owed to the company by the schemes are disclosed in note 5.

Controlling party

The company's shares are listed on the London Stock Exchange and are widely held. There is no one controlling party or group of related parties who have control of the group.

22 Financial instrument risk exposure and management

In common with all other businesses, the group is exposed to risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the group, from which financial instrument risk arises, are trade receivables, other receivables, cash at bank, other interest-bearing deposits and trade and other payables.

General objectives, policies and processes

The board has overall responsibility for the determination of the group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the group's finance function. The board receives reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are set out below:

Notes to the Consolidated Financial Statements

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22 Financial instrument risk exposure and management continued

Categories of financial assets and financial liabilities

	Financial assets	
	2025	2024
	£000	£000
Financial assets measured at amortised cost		
Trade receivables	34,643	33,757
Other receivables	2,795	5,129
Cash and cash equivalents	15,564	32,527
Total current financial assets	53,002	71,413
Total non-current financial assets	—	—
Total financial assets	53,002	71,413

The maximum exposure to credit risks is detailed in the above table, being the total financial assets.

	Financial liabilities measured at amortised cost	
	2025	2024
	£000	£000
Current financial liabilities		
Trade payables	19,872	22,683
Other payables	1,242	1,265
Accruals	8,494	6,983
Total current financial liabilities	29,608	30,931
Leases	1,901	—
Total non-current financial liabilities	1,901	—
Total financial liabilities	31,509	30,931

The non-derivative financial liabilities presented above are due within one year with the exception of the Lease liabilities, the maturity profile for which is set out in note 12.

Credit risk

Credit risk arises principally from the group's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. As at 31 March 2025, trade receivables of £33,332,000 (2024 – £33,157,000) were not past due.

Apart from the largest customers set out in note 2, the group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, being related entities. Concentration of credit risk to any of the direct customers included in note 2 did not exceed 35% of trade receivables at any time during the year. Concentration of credit risk to any other counterparty did not exceed 4% of trade receivables at any time during the year.

Intercompany balances owed to Castings P.L.C. are reviewed regularly to monitor credit risk for the parent company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables

Credit risk is managed locally by the management of each subsidiary. Prior to accepting new customers, credit checks are obtained from a reputable external source (e.g. Creditsafe) and trade references are taken up.

Based on this information, credit limits and payment terms are established, although for some large customers and contracts, credit risk is not considered to be high risk, and credit limits can sometimes be exceeded. These exceeded accounts are closely monitored and if there is a concern over recoverability accounts are put on stop and no further goods will be sold before receiving payment. Proforma invoicing is sometimes used for new customers, or customers with a poor payment history, until creditworthiness can be proven or re-established.

Management teams at each subsidiary receive regular ageing reports, and these are used to chase relevant customers for outstanding balances. Impairment provisions are made against trade receivables when there is no reasonable expectation of recovery based upon objective evidence. Impairment provisions are also recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk and the days past due. The expected loss rates are based on the payment profiles and historical credit losses experience over a three year period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Whilst credit terms have been renegotiated during the year this has involved both increases and reductions in terms; none have been increased in excess of the standard levels operated by the group.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates. The credit quality of trade receivables that are neither past due nor impaired are all assessed to be virtually fully recoverable (2024 – virtually fully recoverable).

At 31 March 2025 trade receivables of £1,014,000 (2024 – £488,000) were past due but not impaired. They relate to customers with no default history that has resulted in financial loss to the group. The ageing of these receivables is as follows:

	2025 £000	2024 £000
30–60 days	326	213
60–90 days	638	105
90+ days	50	170
	1,014	488

The group records impairment losses on its trade receivables (including an impairment provision for trade receivables not past due) separately from gross receivables. The movements on this allowance account during the year are summarised below:

	2025 £000	2024 £000
Opening balance	488	584
Increase/(decrease) in provisions	410	(87)
Written off against provisions	—	(9)
Closing balance	898	488

Impairment charges on trade receivables of £410,000 (2024 – credits of £96,000) were recognised in administrative expenses.

Liquidity risk

Liquidity risk arises from the group's management of working capital. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

To achieve this aim, it seeks to maintain sufficient cash balances on instant access deposits. The cash position is continuously monitored to ensure that there is sufficient cash and that the optimum interest rate is obtained.

Based on projected cash flows, the group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Market risk

Market risk arises from the group's use of interest-bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Where the group has generated a significant amount of surplus cash it will invest in term deposits if liquidity risk is not unduly compromised. Whilst a review of credit ratings is performed for each counterparty, there will always remain an element of risk over deposits. The directors believe that the exposure to market price risk from these activities is acceptable in the group's circumstances.

Interest rate and currency risk

The group does not have any financial liabilities subject to interest rate risk at the balance sheet date (2024 – £nil).

Foreign exchange risk arises when individual group operations enter into transactions denominated in a currency other than their functional currency. It is the group's policy to convert all non-functional currency to sterling at the first opportunity after allowing for similar functional currency outlays. It does not consider the use of hedging facilities would significantly minimise this risk. At the balance sheet date the group did not have any forward contracts in place to sell foreign currency (2024 – £nil).

At the balance sheet date foreign exchange facilities of £1.3 million (2024 – £1.3 million) were unused and available to the group to enable it to enter into forward exchange contracts.

Notes to the Consolidated Financial Statements

continued

22 Financial instrument risk exposure and management continued

The currency and interest profile of the group's financial assets and financial liabilities are as follows:

	Floating rate assets 2025 £000	Fixed rate assets 2025 £000	Interest-free assets 2025 £000	Total 2025 £000
Sterling	10,079	554	31,864	42,497
US\$	650	—	2,045	2,695
Euro	4,281	—	3,529	7,810
	15,010	554	37,438	53,002

	Floating rate assets 2024 £000	Fixed rate assets 2024 £000	Interest-free assets 2024 £000	Total 2024 £000
Sterling	15,390	13,230	32,431	61,051
US\$	726	—	2,899	3,625
Euro	3,181	—	3,556	6,737
	19,297	13,230	38,886	71,413

	Interest-free liabilities 2025 £000	Interest-free liabilities 2024 £000
Sterling	28,616	29,303
US\$	205	105
Euro	787	1,523
	29,608	30,931

Fixed rate assets attracted interest rates of between 1.25% and 5.2% (2024 – 1.5% and 5.2%) on sterling deposits.

Floating rate assets consisted of overnight cash at bank at nominal interest rates.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits on call with banks and short-term deposits that have fixed interest rates and original maturities of three months or less on inception.

The effect of a +25/(25) increase/(decrease) in basis points with all other variables held constant would have the effect of increasing/(decreasing) profit before tax by £60,000/(£60,000) (2024 – £81,000/(£81,000)).

The group believes that movements on exchange rates of +/-5% could be possible, the effect of which is that profit before tax would (decrease)/increase by (£168,000)/£186,000 (2024 – (£169,000)/£187,000).

Fair value

Unless otherwise indicated, the carrying amounts of the group's financial instruments are a reasonable approximation of their fair values.

Five Year Financial History – unaudited

For the years ended 31 March	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Trading results					
Revenue	176,969	224,414	200,990	148,583	114,702
Profit before tax	5,627	21,286	16,713	12,074	4,987
Profit after tax	4,173	16,721	13,790	8,552	4,149
Dividends paid	11,038	14,209	13,682	6,698	6,532
Balance sheet summary					
Equity					
Share capital	4,363	4,363	4,363	4,363	4,363
Reserves	123,072	129,627	127,297	127,135	125,101
Total equity	127,435	133,990	131,660	131,498	129,464
Assets					
Property, plant and equipment	66,123	61,799	60,353	62,801	67,112
Right-of-use assets	2,056	—	—	—	—
Financial assets	—	—	356	396	308
	68,179	61,799	60,709	63,197	67,420
Current assets	100,087	112,256	113,721	101,997	90,169
Total liabilities	(40,831)	(40,065)	(42,770)	(33,696)	(28,125)
Net assets	127,435	133,990	131,660	131,498	129,464
Dividends and earnings					
Pence per share declared (excluding special)	18.40	18.32	17.35	16.23	15.26
Number of times covered (dividend paid, excluding special)	0.5	2.2	1.9	1.3	0.6
Earnings per share – basic	9.60p	38.45p	31.66p	19.60p	9.51p
Earnings per share – diluted	9.56p	38.32p	31.58p	19.57p	9.50p

Parent Company Balance Sheet

as at 31 March 2025

	Notes	2025 £000	2024 £000
ASSETS			
Non-current assets			
Property, plant and equipment	5	23,735	21,982
Investments	6	4,995	4,995
Financial assets	7	—	—
		28,730	26,977
Current assets			
Inventories	8	25,046	23,129
Trade and other receivables	9	35,573	35,734
Cash and cash equivalents		7,052	19,666
		67,671	78,529
Total assets		96,401	105,506
LIABILITIES			
Current liabilities			
Trade and other payables	10	18,050	22,327
Current tax liabilities		174	1,158
		18,224	23,485
Non-current liabilities			
Deferred tax liabilities	12	1,638	1,181
Total liabilities		19,862	24,666
Net assets		76,539	80,840
Equity attributable to the equity holders of the company			
Share capital	13	4,363	4,363
Share premium account		874	874
Treasury shares		(627)	(627)
Other reserve		13	13
Retained earnings		71,916	76,217
Total shareholders' funds		76,539	80,840

The company's profit for the financial year was £6,592,000 (2024 – £10,885,000).

The parent company financial statements on pages 62 to 69 were approved and authorised for issue by the board of directors on 11 June 2025, and were signed on its behalf by:

A. N. Jones
Chairman

S. J. Mant
Finance Director

Notes to the parent company financial statements are on pages 64 to 69.

Registered number – 91580.

Parent Company Statement of Changes in Equity

for the year ended 31 March 2025

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital ^{a)} £000	Share premium ^{b)} £000	Treasury shares ^{c)} £000	Other reserve ^{d)} £000	Retained earnings ^{e)} £000	
At 1 April 2024	4,363	874	(627)	13	76,217	80,840
Profit for the year and total comprehensive income for the year	—	—	—	—	6,592	6,592
Shares acquired in the year	—	—	—	—	—	—
Equity-settled share-based payments	—	—	—	—	145	145
Dividends (see note 4)	—	—	—	—	(11,038)	(11,038)
At 31 March 2025	4,363	874	(627)	13	71,916	76,539

	Equity attributable to equity holders of the parent					Total equity £000
	Share capital ^{a)} £000	Share premium ^{b)} £000	Treasury shares ^{c)} £000	Other reserve ^{d)} £000	Retained earnings ^{e)} £000	
At 1 April 2023	4,363	874	(231)	13	79,439	84,458
Profit for the year and total comprehensive income for the year	—	—	—	—	10,885	10,885
Shares acquired in the year	—	—	(396)	—	—	(396)
Equity-settled share-based payments	—	—	—	—	102	102
Dividends (see note 4)	—	—	—	—	(14,209)	(14,209)
At 31 March 2024	4,363	874	(627)	13	76,217	80,840

a) Share capital – The nominal value of allotted and fully paid up ordinary share capital in issue.

b) Share premium – Amount subscribed for share capital in excess of nominal value.

c) Treasury shares – Value of shares acquired by the company.

d) Other reserve – Amounts transferred from share capital on redemption of issued shares.

e) Retained earnings – Cumulative net gains and losses recognised in the statement of comprehensive income.

Notes to the Parent Company Financial Statements

The Directors' Report is on pages 21 to 23 of the Annual Report and Financial Statements

1 Accounting policies

General information

Castings Public Limited Company (the 'company', 'Castings P.L.C.') is incorporated and domiciled in the United Kingdom and registered in England as a public company limited by shares. The company's registered office is at Lichfield Road, Brownhills, West Midlands, WS8 6JZ, United Kingdom. The company's ordinary shares are listed on the London Stock Exchange. There has been no change in this information since the Annual Report for the year ended 31 March 2024.

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis and under the historical cost convention, except for the revaluation of certain financial instruments, and in accordance with the Companies Act 2006. As permitted by FRS 101, the company has taken advantage of certain disclosure exemptions available under that standard and, therefore, these financial statements do not include:

- certain comparative information otherwise required;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by the company.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the group financial statements. Therefore, these financial statements do not include certain disclosures in respect of business combinations, financial instruments (other than certain disclosures required as a result of recording instruments at fair value) and impairment of assets.

Going concern

In determining the basis of preparation for the financial statements, the directors have considered the group's business activities as a whole. Further details of the going concern assessment are set out in note 1 of the group financial statements.

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales-related taxes. Revenue from the sale of goods relates to the sale of castings. Revenue from the sale of services relates to machining and minor assembly work performed on a subcontract basis for external customers. Revenue is recognised once the performance obligation has been met. This is deemed to be when the goods and services have been collected by, or delivered to, the customer in accordance with the agreed delivery terms.

Post-retirement benefits

Two of the company's pension plans are of a defined benefit type. Under IAS 19 Employee Benefits the employer's portion of the current service costs and curtailment gains are charged to operating profit for these plans, with the net interest also being charged/credited to operating profit subject to the asset ceiling. Actuarial gains and losses are recognised in other comprehensive income and the balance sheet reflects the schemes' surplus or deficit at the balance sheet date. A full valuation is carried out triennially using the projected unit credit method. Where the company cannot benefit from a scheme surplus in the form of refunds from the plans or reductions in future contributions, any asset resulting from the above policy is restricted accordingly. Payments to the defined contribution scheme are charged to the consolidated statement of comprehensive income as they become payable.

Inventories

The company's inventories are valued at the lower of cost on a first-in, first-out basis and net realisable value. Cost includes a proportion of production overheads based on normal levels of activity. Provision is made for obsolete and slow-moving items based on a review of parts with no demand during the year.

Property, plant and equipment

Property, plant and equipment assets are held at cost less accumulated depreciation. Depreciation is provided on property, plant and equipment, other than freehold land and assets in the course of construction, on a straight-line basis. The periods of write-off used are as follows:

- Freehold buildings over 50 years.
- Plant and equipment over a period of 3 to 15 years.

The company annually reviews the assessment of residual values and useful lives in accordance with IAS 16.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits at call with banks and other short-term highly liquid investments with original maturities of three months or less from inception.

Foreign currencies

Assets and liabilities in foreign currencies are translated at the spot rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction; all differences are dealt with through the statement of comprehensive income.

Financial instruments**a) Financial assets**

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Fair value through profit and loss

Fair value through profit and loss financial assets comprise the group's strategic investments in entities not qualifying as subsidiaries. They are carried at fair value with changes in fair value recognised in the income statement. The cumulative fair value gains and losses are held within retained earnings and are not treated as distributable. This treatment is considered more appropriate than in the prior year when the investments were treated as fair value through other comprehensive income. The impact of this change is not material to the current or prior year financial statements. Fair value is determined with reference to published quoted prices in an active market. The dividend income from listed investments is presented within finance income.

Amortised cost

These assets are held in order to collect contractual cash flows, on specific dates, which are solely payments of the principal and interest on the principal amount outstanding. They arise principally through the provision of goods and services to customers (e.g. trade receivables) and deposits held at banks and building societies, but may also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. Where specific receivables are known to be 'bad' or it becomes apparent that payment is 'doubtful' then a credit loss allowance of 100% is applied. Such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the deposit or receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

b) Financial liabilities

The company classifies its financial liabilities into liabilities measured at amortised cost. Although the company uses derivative financial instruments in economic hedges of currency risk, it does not hedge account for these transactions and the amounts are not material.

Financial liabilities measured at amortised cost

Financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value is calculated by discounting estimated future cash flows using a market rate of interest.

c) Share capital

The company's ordinary shares are classified as equity instruments. Share capital includes the nominal value of the shares and any share premium attaching to the shares.

Current and deferred tax

Deferred tax is provided using the liability method. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is measured at the actual tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax is provided for on the taxable profits of each company in the group, using current tax rates and legislation that has been enacted or substantively enacted by the balance sheet date.

Notes to the Parent Company Financial Statements

continued

The Directors' Report is on pages 21 to 23 of the Annual Report and Financial Statements

1 Accounting policies continued

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

Share-based payments

The cost of equity-settled transactions with employees of the company is measured by reference to the fair value at the date at which they are granted using the Black-Scholes model, taking into the account the two year holding period at the end of the vesting period. The cost is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service conditions are met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service conditions at the vesting date.

Investments

Investments in subsidiaries are held at cost and reviewed for impairment annually.

Material accounting estimates and judgements

The company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out on page 46 of the group financial statements.

2 Company profit and loss account

Castings P.L.C. has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The company's profit for the financial year was £6,592,000 (2024 – £10,885,000).

The profit and loss account includes £123,0000 (2024 – £82,000) for audit fees.

The cost of inventories recognised as an expense during the year was £18,616,000 (2024 – £24,790,000).

3 Employee information

	2025	2024
Average monthly number of employees during the year was:		
Production	346	371
Management and administration	26	27
	372	398
	2025	2024
	£000	£000
Staff costs (including directors) comprise:		
Wages and salaries	18,060	21,460
Social security costs	2,002	2,354
Other pension costs	714	743
	20,776	24,557

The directors represent the key management personnel. Details of their compensation are given in the Directors' Remuneration Report on page 30.

4 Dividends

	2025	2024
	£000	£000
Final paid of 14.19p per share for the year ended 31 March 2024 (2023 – 13.51p)	6,167	5,881
Interim paid of 4.21p per share (2024 – 4.13p)	1,829	1,794
Supplementary dividend of 7.00p per share for the year ended 31 March 2024 (2023 – 15.00p)	3,042	6,534
	11,038	14,209

The directors are proposing a final dividend of 14.19 pence (2024 – 14.19 pence) per share totalling £6,166,700 (2024 – £6,166,700). This dividend has not been accrued at the balance sheet date.

5 Property, plant and equipment

	Freehold and leasehold land and buildings £000	Plant and equipment £000	Total £000
Cost			
At 1 April 2024	22,286	36,503	58,789
Additions during year	610	2,960	3,570
Disposals	—	(377)	(377)
At 31 March 2025	22,896	39,086	61,982
Accumulated depreciation			
At 1 April 2024	6,034	30,773	36,807
Charge for year	415	1,373	1,788
Disposals	—	(348)	(348)
At 31 March 2025	6,449	31,798	38,247
Net book values			
At 31 March 2025	16,447	7,288	23,735
At 31 March 2024	16,252	5,730	21,982

The net book value of land and buildings includes £1,768,000 (2024 – £1,768,000) for land which is not depreciated.

6 Investments

	2025 £000	2024 £000
Subsidiary companies		
At cost	4,995	4,995
	4,995	4,995
	2025 £000	2024 £000
At 1 April 2024	4,995	4,995
Impairment losses	—	—
At 31 March 2025	4,995	4,995

The company owns 100% of the issued share capital of William Lee Limited, CNC Speedwell Limited, Castings Ductile Limited and W. H. Booth & Co. Limited, companies which operate in the United Kingdom. William Lee Limited and Castings Ductile Limited both supply spheroidal graphite iron castings and CNC Speedwell Limited is a machinist operation. W. H. Booth & Co. Limited does not trade and is dormant. The registered office of William Lee Limited is Callywhite Lane, Dronfield, Sheffield, S18 2XU. The registered office for all other subsidiaries is Lichfield Road, Brownhills, West Midlands, WS8 6JZ.

For the year ended 31 March 2025, Castings Ductile Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the company guarantees all outstanding liabilities to which Castings Ductile Limited is subject.

7 Financial assets

	2025 £000	2024 £000
Financial assets at FVTPL	—	—

Notes to the Parent Company Financial Statements

continued

The Directors' Report is on pages 21 to 23 of the Annual Report and Financial Statements

7 Financial assets continued

	2025 £000	2024 £000
At 1 April 2024	—	356
Net (losses)/gains recognised through profit and loss	—	—
Disposals	—	(356)
At 31 March 2025	—	—

Financial assets at fair value through profit and loss (FVTPL) were UK quoted equity securities and are denominated in sterling. The fair value of the securities was based on published quoted prices in an active market. The financial assets were disposed of during the prior year, the profit on sale of £41,000 being recognised within finance income in that year. The cumulative fair value gains and losses which are undistributable and held within retained earnings totalled £nil (2024 – £nil).

8 Inventories

	2025 £000	2024 £000
Raw materials	2,410	2,858
Work in progress	8,299	8,968
Finished goods	14,337	11,303
	25,046	23,129

Inventories are net of impairment provisions of £192,000 (2024 – £393,000).

9 Trade and other receivables

	2025 £000	2024 £000
Due within one year:		
Trade receivables	27,816	28,073
Amounts owed by subsidiary companies	1,687	—
Other receivables	1,592	1,818
Receivable from pension schemes (see note 5 of group financial statements)	463	2,119
Prepayments and accrued income	4,015	3,724
	35,573	35,734

Trade receivables are net of impairment provisions of £402,000 (2024 – £277,000). Loan amounts owed by subsidiary companies are interest free and have no fixed repayment terms; trading balances are paid in accordance with normal payment terms. The directors consider that the carrying value of amounts owed by group undertakings approximate to their fair values.

The parent company also holds material receivable balances with its subsidiaries for which the expected credit loss model is also used in establishing a provision for impairment, in accordance with IFRS 9. Information about the parent company loans to group undertakings can be found in note 15.

10 Trade and other payables

	2025 £000	2024 £000
Current trade and other payables		
Trade payables	10,748	12,062
Amounts owed to subsidiary companies	2,800	5,698
Social security	654	1,076
Other payables	506	601
Accruals and deferred income	3,342	2,890
	18,050	22,327

Amounts owed by subsidiary companies are interest free and have no fixed repayment terms.

11 Share-based payments

The disclosures in respect of share-based payments are set out in note 18 of the group financial statements.

12 Deferred tax liabilities

Deferred tax is calculated in full on temporary differences under the liability method using the large company tax rate applicable in future years of 25% (2024 – 25%). The movement on the deferred tax account is shown below:

Deferred tax liabilities

	2025 £000	2024 £000
At 1 April 2024	1,181	1,326
Credited to other comprehensive income	—	—
Charged/(credited) to profit	457	(145)
At 31 March 2025	1,638	1,181

The movement in deferred tax liabilities during the year is shown below:

Deferred tax liabilities

	Accelerated tax depreciation £000	Other £000	Total £000
At 1 April 2024	1,190	(9)	1,181
Credited to profit	570	(113)	457
Credited to other comprehensive income	—	—	—
At 31 March 2025	1,760	(122)	1,638

The movement in the deferred tax liabilities during the prior year is shown below:

	Accelerated tax depreciation £000	Other £000	Total £000
At 1 April 2023	1,276	50	1,326
Credited to profit	(86)	(59)	(145)
Credited to other comprehensive income	—	—	—
At 31 March 2024	1,190	(9)	1,181

13 Share capital

	2025 £000	2024 £000
Allotted and fully paid 43,632,068 (2024 – 43,632,068) 10p ordinary shares	4,363	4,363

14 Pensions

Castings P.L.C. has no contractual agreement or stated policy for charging its subsidiary entities for the net defined benefit cost on an IAS 19 Employee Benefits measurement basis. Legally, Castings P.L.C. is the sponsoring employer for the plan, so it recognises the full defined benefit cost or asset (where recoverable) in its financial statements. The last valuation was performed with the effective date of 6 April 2023. Further details of the schemes are contained in note 5 to the group financial statements.

15 Capital commitments and contingencies

	2025 £000	2024 £000
Contracted for but not provided in the financial statements	—	745

The company does not insure against the potential cost of product warranty or recall. Accordingly, there is always the possibility of claims against the company for quality-related issues on parts supplied to customers. As at 31 March 2025, the directors do not consider any significant liability will arise in respect of any such claims (2024 – £nil).

Notice of Meeting

Notice is hereby given that the one hundred and eighteenth Annual General Meeting of Castings P.L.C. (the 'company') will be held at Castings P.L.C., Lichfield Road, Brownhills, WS8 6JZ on 21 August 2025 at 3.30 pm for the purposes set out below.

As ordinary business

- 1 To receive and adopt the Directors' Report and audited financial statements for the year ended 31 March 2025.
- 2 To declare a final dividend.
- 3 To re-elect A. N. Jones as a director.
- 4 To re-elect A. Vicary as a director.
- 5 To re-elect S. J. Mant as a director.
- 6 To re-elect M. L. Smith as a director.
- 7 To elect S. R. Harrison as a director.
- 8 To approve the Directors' Remuneration Report for the year ended 31 March 2025.
- 9 To reappoint Forvis Mazars LLP as auditors of the company at a fee to be agreed with the directors.

As special business

To consider and, if thought fit, pass the following resolutions, of which resolution 10 will be proposed as an ordinary resolution and resolutions 11 and 12 will be proposed as special resolutions.

The share capital consists of 43,632,068 ordinary shares with voting rights.

As ordinary resolutions

10 THAT:

- (a) the directors be and are hereby generally and unconditionally authorised in accordance with the Companies Act 2006 to exercise all the powers of the company to allot relevant securities provided that the aggregate nominal value of such securities shall not exceed £636,793, which represents approximately 14.6% of the current issued share capital of the company;
- (b) the foregoing authority shall expire on 20 August 2030 save that the company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such period and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred had not expired;
- (c) the foregoing authority shall be in substitution for the authorities given to the directors under the Companies Act 2006 on 20 August 2024, which authorities are accordingly hereby revoked; and
- (d) this authority will be put to annual shareholder approval.

As special resolutions

11 THAT the directors be and are hereby empowered pursuant to the Companies Act 2006 to allot equity securities (within the meaning of that Act) for cash pursuant to the general authority conferred by the ordinary resolution numbered 10 set out in the notice convening this meeting as if the said Act did not apply to any such allotment provided that this power shall be limited:

- (a) to allotments in connection with an offer of equity securities to the ordinary shareholders of the Company where the securities respectively attributable to the interests of such holders are proportionate (as nearly as may be and subject to such exclusions or other arrangement as the directors may consider appropriate, necessary or expedient to deal with any fractional entitlements or with any legal or practical difficulties in respect of overseas holders or otherwise) to the respective numbers of ordinary shares then held by such shareholders; and
- (b) to the allotment (otherwise than pursuant to subparagraph (a) of this resolution) of equity securities having, in the case of relevant shares, an aggregate nominal amount, or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having an aggregate nominal amount not exceeding £218,160, which represents approximately 5% of the current issued share capital of the company,

and shall expire at the conclusion of the next Annual General Meeting following the date of this resolution save that the company shall be entitled before such expiry to make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. In any three year period no more than 7.5% of the issued share capital will be issued on a pre-emptive basis.

12 THAT the company be and is hereby generally and unconditionally authorised for the purposes of the Companies Act 2006 to make one or more market purchases of any of its ordinary shares of 10p each (the 'ordinary shares'), provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 4,358,844, representing 9.99% of the issued share capital at 31 March 2025;
- (b) the minimum price which may be paid for each ordinary share is 10p, exclusive of the expenses of purchase;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for the ordinary shares as derived from the Daily Official List of the London Stock Exchange Limited for the five business days immediately preceding the day of purchase;
- (d) unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the company following the date of this resolution, unless such authority is renewed on or prior to such date;
- (e) the company may, before the expiry of this authority, conclude a contract to purchase ordinary shares under this authority which will or may be executed wholly or partly after such expiry and may make a purchase of ordinary shares pursuant to any such contract, as if such authority had not expired.

The record date for payment of the final dividend is 18 July 2025. Assuming the final dividend is approved by the members, the dividend will be paid on 26 August 2025.

Information about the meeting can be found on the company's website (www.castings.plc.uk). The right to vote at the meeting is determined by reference to the register of members as it stands on 18 August 2025.

By order of the board

S. J. Mant

Company Secretary
Registered Office:
Lichfield Road, Brownhills,
West Midlands, WS8 6JZ
11 June 2025

Note 1 - Proxy voting

Any member of the company entitled to attend and vote at this meeting may appoint one or more proxies, who need not also be a member, to attend and vote, on a poll, in their stead. The instrument appointing a proxy, including authority under which it is signed (or a notarially certified copy of such authority), must be deposited at the offices of the company's registrars: MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, not less than 48 hours before the time appointed for the meeting.

Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: <https://uk.investorcentre.mpms.mufg.com/>



CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST manual (available from www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Notice of Meeting

continued

Note 1 - Proxy voting *Continued*

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 3.30 pm on 19 August 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Note 2 - Beneficial owners

In accordance with Section 325 of the Companies Act 2006, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Act.

Persons nominated to receive information rights under Section 146 of the Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with Section 149 (2) of the Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the company's register of members at the close of business on the day which is two working days before the day of the meeting or, if the meeting is adjourned, shareholders entered on the company's register of members at the close of business on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.

Directors, Officers and Advisers

Directors

A. N. Jones, BA (Hons), FCA *Non-executive Chairman*
 A. Vicary, BEng, MSc, FICME *Chief Executive Officer*
 S. J. Mant, BCom (Hons) FCA *Finance Director*
 A. K. Eastgate, BA (Hons) *Senior Independent Non-executive*
 M. L. Smith, BA Econ (Hons), FCA *Non-executive*
 S. R. Harrison, BA (Hons), MBA, *Non-executive*

Secretary and Registered Office

S. J. Mant, FCA
 Lichfield Road,
 Brownhills,
 West Midlands, WS8 6JZ
 Tel: 01543 374341
 Fax: 01543 377483
 Web: www.castings.plc.uk

Registrars

MUFG Corporate Markets
 10th Floor,
 Central Square,
 29 Wellington Street,
 Leeds, LS1 4DL
 Tel: 0371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open 9.00 am to 5.30 pm Mon – Fri)
 Email: shareholderenquiries@linkgroup.co.uk

Auditors

Forvis Mazars LLP
 Two Chamberlain Square,
 Birmingham, B3 3AX

Solicitors

Pinsent Masons LLP
 55 Colmore Row,
 Birmingham, B3 2FG

Bankers

HSBC Bank plc
 49 Market Street,
 Lichfield,
 Staffordshire, WS13 6LB

Stockbrokers

Canaccord Genuity Limited
 88 Wood Street
 London
 EC2V 7QR

Zeus Capital Limited
 125 Old Broad Street
 London
 EC4N 1AR

Registered No.

91580

Shareholder Information

Capital gains tax

The official price of Castings P.L.C. ordinary shares on 31 March 1982, adjusted for bonus issues, was 4.92 pence.

Warning to shareholders

The following guidance has been issued by the Financial Conduct Authority:

Over the last year many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. They can be very persistent and extremely persuasive and a 2006 survey by the then Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000. It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free reports into the company.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation.
- Check that they are properly authorised by the FCA before getting involved. You can check at <http://www.fca.org.uk/register/>
- The FCA also maintains on its website a list of unauthorised overseas firms who are targeting, or have targeted, UK investors and any approach from such organisations should be reported to the FCA so that this list can be kept up to date and any other appropriate action can be considered. If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme.
- If the calls persist, hang up.

More detailed information on this or similar activity can be found on the FCA website www.fca.org.uk/consumers/scams

Website

Castings P.L.C.'s website www.castings.plc.uk gives additional information on the group. Notwithstanding the references we make in this Annual Report to Castings P.L.C.'s website, none of the information made available on the website constitutes part of this Annual Report or shall be deemed to be incorporated by reference herein.



The production of this report supports the work of the Woodland Trust, the UK’s leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.





CASTINGS P.L.C.

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Lichfield Road
Brownhills
West Midlands
WS8 6JZ