Carclo plc
("Carclo" or the "Group")

Interim Report and Accounts

Half-year results for the six months ended 30 September 2024

Carclo plc, a global leader in high-precision components with comprehensive, end-to-end manufacturing capabilities, announces its results for the six months ended 30 September 2024 ('HY25'). With expertise spanning mould design, automation, production, assembly, and printing, Carclo supports critical growth sectors, particularly life sciences, aerospace, and optics, with tailored, precision solutions.

Key Achievements:

Carclo plc has made substantial progress in HY25, with strategic execution across operational efficiency, profitability, and restructuring initiatives, all aligned with our planned objectives. Key achievements include:

Health & Safety Excellence:

- Significant achievement in health & safety across all operations, with total incident rate reduced by 43.0% compared to HY24.

Financial Highlights:

- **Revenue Performance**
  Revenue aligned with expectations at £61.0 million (HY24: £66.9 million), marking a decrease of 8.9% (7.4% at constant currency) due to strategic exits from non-scalable business, as outlined in the 2024 full-year results.
- **Profitability Gains**
  Profitability improved on reduced revenue, with operational efficiencies yielding a higher underlying return on sales, increasing to 5.7% from 3.3% in HY24.
- **Operating Profit**
  Underlying operating profit from continuing operations rose to £3.4 million (HY24: £2.2 million), reflecting an increase of £1.5 million on a constant currency basis.
- **Exceptional Costs and Cash Management**
  Net exceptional costs in the period were reduced to £1.0 million (HY24: £2.1 million), with £1.3 million for refinancing of the Group's bank debt facilities (expected to complete in Q4 FY25) and a net £0.3 million credit following completion of the Tucson site closure. Exceptional costs resulted in a net cash outflow of £1.9 million, which is below anticipated restructuring plan expenses.

Operational Achievements:

- **Efficiency and Cost Management**
  Operational performance was elevated through increased machine utilisation and effective cost control measures, with improved contribution margins supporting enhanced underlying operating profit.
- **Margin Improvements**
  Manufacturing contribution margins improved significantly, more than offsetting the decrease in revenue and driving a stronger underlying return on sales.

Strategic Initiatives:

- **Restructuring Plan Execution**
  Carclo continues to execute its turnaround plan, successfully increasing profitability despite planned reductions in revenue and a focus on core, scalable operations.
- **Debt and Cash Flow**
  Cash management remained strong through disciplined working capital management and capital expenditure control. The refinancing of the Group's debt facilities is expected to complete in Q4 FY25.
- **Debt Reduction**
  Net debt, inclusive of IFRS16 lease liabilities, was lowered to £25.2 million (31 March 2024: £29.5 million), reducing the Trailing Twelve Months ("TTM") net debt-to-underlying EBITDA ratio to 1.6 times (31 March 2024: 2.0 times).

Outlook:

The markets for our businesses are stable, this along with our solid HY25 performance, provide the Board with increasing confidence in meeting its full-year expectations. The strategic changes underway are building a strong foundation for sustained performance improvement and we are confident that we remain on track to achieve our long-term strategic goals.

Commenting on the results, Frank Doorenbosch, Chief Executive Officer said:

"I'm pleased to report the meaningful progress achieved by the Carclo team in revitalising our operations and focusing on factory specialisation. Through continued execution of our restructuring plan, Carclo has reinforced its foundation, ensuring long-term resilience and positioning the business for sustainable growth. Our operational shifts—guided by efficiency, specialisation, and valued partnerships with our key customers—act as a catalyst to elevate Carclo's performance and support sustainable value creation. With a steadfast commitment to innovation and excellence, we are confident in Carclo's trajectory and growth potential."

The key financial performance measures for the period are as follows:

	HY25 £000	HY24 £000
Continuing operations		
Revenue	**60,957**	66,921
Underlying operating profit[1]	**3,445**	2,232
Exceptional items	**(973)**	(2,095)
Operating profit	**2,472**	137
Underlying earnings / (loss) per share – basic[1]	**0.7p**	(0.5p)
Basic loss per share	**(0.8p)**	(3.0p)
	£000	£000
Cash generated from operations	**7,255**	12,882
	HY25 £000	HY24 £000
Net debt excluding lease liabilities	**16,844**	17,838
Net debt	**25,249**	29,500
IAS 19 retirement benefit liability	**37,878**	36,683

Continuing operations

Revenue	**HY25 £000**	HY24 £000
CTP	53,968	60,949
Speciality	6,989	5,972
Total	**60,957**	**66,921**
Underlying operating profit[1]		
CTP	4,447	3,504
Speciality	1,386	1,185
Segment total	**5,833**	**4,689**
Central	(2,388)	(2,457)
Total	**3,445**	**2,232**

Notes: (1) Underlying results are those calculated before exceptional items. A reconciliation to statutory figures is set out below.

Reconciliation of non-GAAP financial measures - HY25

£000	Underlying	Exceptional items	Statutory
CTP operating profit	4,447	378	4,825
Speciality operating profit	1,386	-	1,386
Central costs	(2,388)	(1,351)	(3,739)
Operating profit / (loss)	3,445	(973)	2,472
Net finance expense	(2,563)	-	(2,563)
Profit / (loss) before tax	882	(973)	(91)
Income tax expense	(376)	(140)	(516)
Profit / (loss) for the period	506	(1,113)	(607)
Basic earnings / (loss) per share (pence)	0.7p	(1.5)p	(0.8)p

Enquiries

Please contact:

Frank Doorenbosch - Chief Executive Officer, Carclo plc +44 (0)20 8685 0500

Eric Hutchinson - Chief Financial Officer, Carclo plc +44 (0)20 8685 0500

Forward-looking statements

Certain statements made in these reports & accounts are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause outcomes to differ materially from those expected.

Alternative performance measures

Alternative performance measures are defined in the financial review of the Annual Report and Accounts (ARA) for the year ended 31 March 2024, with a reconciliation to statutory figures included in this Half Year Report to aid the user of these accounts. The Directors believe that alternative performance measures provide a more useful comparison of business trends and performance. The term 'underlying' is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

Overview of Results

The Group continues to successfully execute its turnaround plan, achieving increased profitability despite a planned reduction in revenue, as outlined in the full-year 2024 results. Revenue decreased in line with expectations to £61.0 million (HY24: £66.9 million), representing a decline of 8.9% (7.4% at constant currency).

Revenue	**HY25 £000**	HY24 £000
CTP Design & Engineering	7,173	11,317
CTP Manufacturing Solutions	46,795	49,632
CTP Total Revenue	**53,968**	**60,949**
Speciality	6,989	5,972
Total	**60,957**	**66,921**
Underlying operating profit		
CTP	4,447	3,504
Speciality	1,386	1,185
Segment total	**5,833**	**4,689**
Central	(2,388)	(2,457)
Total	**3,445**	**2,232**
	%	%
Underlying return on sales	**5.7**	3.3

Carclo's operational performance continued to improve in HY25, driven by enhanced machine utilisation and rigorous cost control measures. These initiatives resulted in improved manufacturing contribution margins, which more than offset the planned revenue decline. Underlying return on sales increased to 5.7%, up from 3.3% in HY24.

Underlying operating profit from continuing operations rose to £3.4 million (HY24: £2.2 million), reflecting an increase of £1.5 million on a constant currency basis.

Exceptional costs in the period reduced to £1.0 million (HY24: £2.1 million), with £1.3 million primarily attributed to refinancing the Group's bank debt facilities, expected to complete in Q4 FY25. Exceptional costs resulted in a net cash outflow of £1.9 million, which is below anticipated restructuring plan expenses.

Net finance costs remained flat at £2.6 million (HY24: £2.6 million). This included £0.9 million (HY24: £0.8 million) in imputed net interest on the defined benefit pension liability.

The Group reported a pre-tax loss of £0.1 million (HY24: £2.5 million loss). The income tax expense was £0.5 million (HY24: £0.3 million credit), and the underlying tax expense was £0.4 million (HY24: £0.1 million credit). The tax charge is driven by increased taxable profits in the US and India.

Underlying earnings per share recorded a profit of 0.7 pence (HY24: 0.5 pence loss), while statutory earnings per share also improved to a 0.8 pence loss (HY24: 3.0 pence loss).

Return on capital employed (ROCE) increased to 17.5% (HY24: 8.6%), underscoring continued discipline in capital expenditure and working capital management. As a result, the fixed asset utilisation ratio improved to 3.5 times (HY24: 3.2 times).

Segment and Division Overview:

Carclo has strategically realigned its operations by integrating Aerospace and Optics into the newly formed Speciality Division, enhancing operational efficiency and financial resilience. This move leverages Aerospace's established expertise and leadership to strengthen Optics' focus on short-series, value-added solutions in niche markets.

In HY25, CTP continued to drive innovation in diagnostics and drug delivery, while the Speciality Division delivered progress in precision aerospace components and advanced automotive and LED lighting solutions. Together, these divisions are aligned to Carclo's long-term objectives, supporting sustained growth and value creation.

CTP Division:

- ***Revenue and Restructuring***
  CTP revenues decreased by 11.5% to £54.0 million (HY24: £60.9 million), impacted by currency translation of £1.0 million and the planned exit from small series, non-scalable business in the US, which resulted in site closures. The division's focus on factory specialisation has driven operational efficiency.

- ***Manufacturing Solutions***
  Revenue from manufacturing solutions decreased to £46.8 million (HY24: £49.6 million) due to strategic exits from short-run non-core business lines. Growth, adjusted for strategic exits from the Derry and Tucson facilities in this segment, amounted to £4.2 million, with increased machine utilisation and strengthening of the European businesses supporting margin improvement.

- ***Return on Sales***
  CTP return on sales improved to 8.2% (HY24: 5.7%), reflecting operational improvements and overhead expense reductions.

Speciality Division:

The newly formed Speciality Division focuses on critical components for the Aerospace and advanced optics markets. The key product groups serving these markets are:

- **Cables & Wires** and **Machined Critical Components**
  Delivering precision-engineered solutions for Aerospace applications, ensuring reliability and performance in demanding environments.

- **Light & Motion**
  Providing innovative LED lighting solutions including aftermarket for automotive lighting, Fresnel lenses for diverse applications, and visual aids under the Coil brand for eye care optics.

In HY25, the Speciality Division achieved revenue growth of 17.0% to £7.0 million, reflecting robust demand in Aerospace and a return to growth for Light & Motion. The success of the division was underpinned by disciplined cost management, maintaining a return on sales of 19.8% and which solidified its positive contribution to Carclo's overall performance.

Central costs:

Central costs were well-controlled during HY25, achieving a slight reduction to £2.4 million (HY24: £2.5 million). This reflects Carclo's continued focus on cost discipline and efficiency across all group functions, ensuring that resources are aligned with strategic priorities while supporting the delivery of operational and financial improvements.

Carclo 2025 Strategy

The Carclo 2025 strategy, 'Focus and Value,' remains the cornerstone of our efforts to drive improved returns and cash flow. This plan aims to reset our operational model, restore margins, and achieve a medium-term target of a through-cycle return on capital employed (ROCE) of 25%.

Key elements of the Carclo 2025 strategy include:

- **Operational Excellence**: Enhancing efficiency and customer service across the business by embedding best practices and process improvements.

- **Asset Utilisation**: Maximising the use of our asset base, particularly within the CTP division, through targeted near-term investments that deliver continuous improvements and more predictable, higher returns.

- **Strategic Growth**: Prioritising growth in less capital-intensive areas to optimise value creation and financial resilience.

- **One Carclo Culture**: Fostering a collaborative and entrepreneurial culture across the organisation, reinforcing Carclo as a destination for talent and career development.

We have made excellent progress, particularly in improving the efficiency of our US operations and sustaining operational improvements in Europe. Additionally, our disciplined approach to cash management has maintained strong cash generation, enabling further reductions in the Group's debt burden.

Board changes

Natalia Kozmina was appointed as a Non-Executive Director effective 22 April 2024. She also joined the Audit & Risk, Nomination and Remuneration Committees on this date. She took over as Chair of the Remuneration Committee on 1 May 2024. There have been no Board leavers.

Eric Hutchinson joined the Board as a Non-Executive Director in 2021 and in 2023 took up the role of Chief Financial Officer and Executive Director to advance the turnaround and put the Group into a more resilient financial position. With these being substantially achieved, Eric has informed the Board of his intention to retire in 2025; the Company will provide a further update on the appointment of his successor in due course.

Financial Position

Net debt excluding lease liabilities decreased by £1.4 million during the first half to £16.8 million (31 March 2024: £18.3 million). Total net debt decreased by £4.2 million to £25.2 million (31 March 2024: £29.5 million). Cash was £7.3 million (31 March 2024: £6.0 million).

Cash

Net cash inflow from operating activities during the first half was £3.4 million (HY24: net cash inflow £8.5 million), comprising underlying EBITDA of £7.1 million (HY24: £6.2 million), net working capital inflows of £2.0 million (HY24: inflow £7.0 million), net pension contributions of £1.1 million (HY24: £1.4 million), interest costs of £2.1 million (HY24: £2.2 million), taxes of £0.6 million (HY24: £0.7 million), exceptional costs of £1.9 million (HY24: £0.4 million).

Net cash outflow from investing activities during the first half was negligible (HY24: outflow £1.7 million) being £0.3 million interest received less £0.3 million capital expenditure.

Net cash outflow from financing activities during the first half was £1.6 million (HY24: outflow £10.0 million), comprising £2.1 million repayment of lease liabilities (HY24: £2.1 million) and net drawings of other borrowings £0.5 million (HY24: £7.9 million repayment).

A foreign exchange loss on cash of £0.4 million (HY24: negligible gain), coupled with the £1.8 million net cash inflow (HY24: net cash outflow £3.2 million) resulted in an overall £1.4 million increase in cash during the first half (HY24: reduction £3.2 million).

Debt

Gross debt decreased by £2.8 million during the first half of the financial year to £32.6 million (31 March 2024: £35.4 million). It was reduced by £1.0 million repayments of term loans, £2.1 million repayments of lease liabilities, £0.3 million from termination lease debt and £1.1 million favourable foreign exchange movements. It was increased by £1.7 million drawn on the revolving credit facility.

The debt facilities available to the Group at 30 September 2024 comprise term loans of £22.3 million (31 March 2024: £24.0 million), denominated in sterling 8.2 million, in US Dollar 13.3 million and in Euro 4.9 million. Of the sterling loan, £1.3 million will be amortised by 31 March 2025, a further £3.8 million in the period between 31 May 2025 and 30 November 2025, before the balance, along with that of the US Dollar and the Euro loan balances become payable by the termination date, 31 December 2025. The facility also includes a £3.5 million revolving credit facility, denominated in sterling, maturing 31 December 2025 (31 March 2024: £3.5 million).

The revolving credit facility had an amount drawn of £2.0 million at 30 September 2024 (31 March 2024: £0.3 million).

Refinancing

The group is currently refinancing its debt facilities to obtain new committed facilities for a three-year term. The funding is to facilitate the change strategy for Carclo to enable the elevation of future performance by funding investment in the business automation to achieve greater efficiency and thereby increase capacity.

Pensions

The statutory accounting method of valuing the Group pension scheme deficit under IAS 19 resulted in net liability of £37.9 million at 30 September 2024 (31 March 2024: £37.2 million). Remeasurement gains during the first half of the financial year were £1.9 million, due mainly to a change in the discount rate from 4.85% to 4.95%. These were offset by £2.9 million adverse asset return experience over the period due to the Scheme's liability-driven investments being designed to hedge the larger actuarial liabilities and therefore being over-hedged relative to the IAS 19 liabilities and due to falls in the Scheme's growth assets, offset partially by an increase in corporate bond spreads. Further, a GMP equalisation past service cost of £1.0 million was recognised as an exceptional item in the period to 30 September 2023.

Over the period, the Group's contributions to the scheme were £1.5 million (HY24: £1.8 million).
The most recent triennial actuarial valuation of the Group pension scheme was carried out as at 31 March 2021. This reported a significantly reduced actuarial technical deficit of £82.8 million (previously £90.4 million based upon the 31 March 2018 valuation). There is a Triennial Revaluation as at 31 March 2024 underway which is expected to conclude by 31 March 2025.

Dividend

Under the terms of its financing agreements the Company is not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025.

Outlook

The Life Sciences market is expected to remain stable in the near term, with growth anticipated to outpace GDP over the medium term. The aerospace market is also expected to remain robust. The recent accelerated and cost-effective closure of the Tucson site, combined with steady progress in our US restructuring efforts, further bolsters our operational foundation in our CTP Division.

In the Speciality Division, we have strengthened our position in aerospace, particularly in precision machined components, providing opportunities for future market share growth.

These factors, along with our solid HY25 performance, provide the Board with increasing confidence in meeting its full-year expectations. The strategic changes underway are building a strong foundation for sustained performance improvement and we are confident that we remain on track to achieve our long-term strategic goals.

Principal Risks and Uncertainties

In the Annual Report for the year ended 31 March 2024 Carclo provided a detailed review of the principal risks faced by the Group and how these risks were being managed. The Group continues to face and proactively manage the risks and uncertainties in our business and, whilst the Board considers that these principal risks and uncertainties have not materially changed since the publication of the 2024 Annual Report, it is worth noting that the following risks remain particularly relevant for the remainder of the financial year:

- Given the current global geopolitical environment, supply chain and political disruption risk is enhanced putting pressure on both material and utility supply and also demand for products.
- Whilst customer concentration continues to be a principal risk, there continues to be a close partnership between Carclo and its blue-chip customers.
- Global interest rates remain high which continues to demand a significant cash outflow.

Mitigating actions being taken include:

- Strengthening procurement management to improve supply chain logistics and lower input costs;
- Pursuing operating efficiencies to lower the cost of production;
- Increasing asset utilisation to create additional capacity for customers who demand higher volumes of existing products;
- Increasing flexibility to transfer products between manufacturing sites;
- Marketing to win new customers and;
- Focus on debt reduction to mitigate the interest burden that faces the Group.

Going Concern

These interim financial statements have been prepared on a going concern basis as detailed in Note 1. The Board's forecasts show that the Group can operate within its available facilities and meet its covenants as they fall due.

Responsibility Statement

We confirm to the best of our knowledge:

a. the condensed consolidated set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting;

b. the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c. the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board,

Frank Doorenbosch	Eric Hutchinson
Chief Executive Officer	Chief Financial Officer

4 December 2024

Glossary of Terms

CASH CONVERSION RATE	Cash generated from operations divided by EBITDA as defined below
CONTRIBUTION MARGIN	Key performance indicator used by management internally, defined as manufacturing revenue less direct costs
CONSTANT CURRENCY	Prior period translated at the current period's average exchange rate. Included to explain the effect of changing exchange rates during volatile times to assist the reader's understanding
EBIT	Profit before interest and tax
EBITDA	Profit before interest, tax, depreciation, and amortisation
FIXED ASSET UTILISATION RATIO	Trailing twelve months (defined below) revenue from continuing operations divided by tangible fixed assets at period end date
GROUP CAPITAL EXPENDITURE	Non-current asset additions
NET BANK INTEREST	Interest receivable on cash at bank less interest payable on bank loans and overdrafts. Reported in this manner due to the global nature of the Group and its banking agreements
NET CASH FLOW	Cash generated from operations, add back pension contributions net of pension administration costs and cash from exceptional items, less total capex and net interest paid
NET DEBT	Cash and cash deposits less loans and borrowings. Used to report the overall financial debt of the Group in a manner that is easy to understand
NET DEBT EXCLUDING LEASE LIABILITIES	Net debt, as defined above, excluding lease liabilities. Used to report the overall non-leasing debt of the Group in a manner that is easy to understand
OPERATIONAL GEARING	Ratio of fixed overheads to revenue
RETURN ON CAPITAL EMPLOYED ("ROCE")	Trailing twelve months (defined below) underlying operating profit for the Group as a percentage of assets employed, defined as working capital plus tangible assets at period end date
TRAILING TWELVE MONTHS ("TTM")	Previous twelve months from period end date. Used to present a more meaningful comparative
UNDERLYING	Adjusted to exclude all exceptional items
UNDERLYING EBIT	Profit before interest and tax adjusted to exclude all exceptional items
UNDERLYING EBITDA	Profit before interest, tax, depreciation, and amortisation adjusted to exclude all exceptional items
UNDERLYING EARNINGS PER SHARE	Earnings per share adjusted to exclude all exceptional items
UNDERLYING OPERATING PROFIT	Operating profit adjusted to exclude all exceptional items
UNDERLYING PROFIT BEFORE TAX	Profit before tax adjusted to exclude all exceptional items
UNDERLYING RETURN ON SALES	Underlying operating profit, as defined above, as a percentage of revenue from continuing operations

Condensed consolidated income statement

	Notes	**Six months ended 30 September 2024 Unaudited £000**	Six months ended 30 September 2023 Unaudited £000	Year ended 31 March 2024 Audited £000
Continuing operations:				
Revenue	4	**60,957**	66,921	132,672
Underlying operating profit		**3,445**	2,232	6,647
Exceptional items	5	**(973)**	(2,095)	(4,857)
Operating profit	4	**2,472**	137	1,790
Finance revenue	6	**279**	283	424
Finance expense	6	**(2,842)**	(2,918)	(6,011)
Loss before tax		**(91)**	(2,498)	(3,797)
Income tax (expense) / credit	7	**(516)**	330	498
Loss for the period		**(607)**	(2,168)	(3,299)
Attributable to:				
Equity holders of the parent company		**(607)**	(2,168)	(3,299)
Non-controlling interests		**-**	-	-
		(607)	(2,168)	(3,299)
Loss per ordinary share	8			
Basic		**(0.8) p**	(3.0) p	(4.5)p
Diluted		**(0.8) p**	(3.0) p	(4.5)p

Condensed consolidated statement of comprehensive income

	Notes	**Six months ended 30 September 2024 Unaudited £000**	Six months ended 30 September 2023 Unaudited £000	Year ended 31 March 2024 Audited £000
Loss for the period		**(607)**	(2,168)	(3,299)
Other comprehensive (expense) / income:				
Items that will not be reclassified to the income statement				
Remeasurement losses on defined benefit scheme	12	**(905)**	(1,719)	(2,668)
Total items that will not be reclassified to the income statement		**(905)**	(1,719)	(2,668)
Items that are or may in the future be classified to the income statement				
Foreign exchange translation differences		**(2,018)**	(696)	(2,387)
Net investment hedge		**728**	(94)	332
Deferred tax arising		**(48)**	1	33
Total items that are or may in future be classified to the income statement		**(1,338)**	(789)	(2,022)
Other comprehensive expenses net of income tax		**(2,243)**	(2,508)	(4,690)
Total comprehensive expense for the period		**(2,850)**	(4,676)	(7,989)
Attributable to:				
Equity holders of the parent		**(2,850)**	(4,676)	(7,989)
Non-controlling interests		**-**	-	-
Total comprehensive expense for the period		**(2,850)**	(4,676)	(7,989)

Condensed consolidated statement of financial position

	Notes	**30 September 2024 Unaudited £000**	30 September 2023 Unaudited £000	31 March 2024 Audited £000
Non-current assets				
Intangible assets	10	**21,476**	23,136	22,197
Property, plant and equipment	11	**35,700**	43,776	40,071
Deferred tax assets		**1,084**	1,732	864
Total non-current assets		**58,260**	68,644	63,132
Current assets				
Inventories		**11,678**	12,510	11,289
Contract assets		**1,531**	3,503	1,663
Trade and other receivables		**18,465**	19,578	18,800
Cash and cash deposits	14	**7,344**	7,185	5,974
Current Tax assets		**-**	-	82
Total current assets		**39,018**	42,776	37,808
Total assets		**97,278**	111,420	100,940
Current liabilities				
Loans and borrowings	15	**7,571**	6,102	6,753
Trade payables		**9,298**	11,401	10,005
Other payables		**10,371**	8,878	7,485
Current tax liabilities		**410**	93	564
Contract liabilities		**2,565**	4,364	2,998
Provisions		**111**	96	721
Total current liabilities		**30,326**	30,934	28,526
Non-current liabilities				
Loans and borrowings	15	**25,022**	30,583	28,678
Deferred tax liabilities		**3,113**	4,693	2,890
Contract liabilities		**-**	1,458	-
Trade and other payables		**102**	124	-
Retirement benefit obligations	12	**37,878**	36,683	37,186
Total non-current liabilities		**66,115**	73,541	68,754
Total liabilities		**96,441**	104,475	97,280
Net assets		**837**	6,945	3,660
Equity				
Ordinary share capital issued	17	**3,671**	3,671	3,671
Share premium		**7,359**	7,359	7,359
Translation reserve		**5,883**	8,454	7,221
Retained earnings		**(16,050)**	(12,513)	(14,565)
Total equity attributable to equity holders of the Company		**863**	6,971	3,686
Non-controlling interests		**(26)**	(26)	(26)
Total equity		**837**	6,945	3,660

Condensed consolidated statement of changes in equity

	Attributable to equity holders of the Company						
	Share capital £000	**Share premium £000**	**Translation reserve £000**	**Retained earnings £000**	**Total £000**	**Non-controlling interests £000**	**Total equity £000**
Current half year period - unaudited							
Balance at 1 April 2024	3,671	7,359	7,221	(14,565)	3,686	(26)	3,660
Loss for the period	**-**	**-**	**-**	**(607)**	**(607)**	**-**	**(607)**
Other comprehensive (expense) / income -							
Foreign exchange translation differences	**-**	**-**	**(2,018)**	**-**	**(2,018)**	**-**	**(2,018)**
Net investment hedge	**-**	**-**	**728**	**-**	**728**	**-**	**728**
Remeasurement losses on defined benefit scheme	**-**	**-**	**-**	**(905)**	**(905)**	**-**	**(905)**
Taxation on items above	**-**	**-**	**(48)**	**-**	**(48)**	**-**	**(48)**
Total comprehensive expense for the period	**-**	**-**	**(1,338)**	**(1,512)**	**(2,850)**	**-**	**(2,850)**
Transactions with owners recorded directly in equity -							
Share based payments	**-**	**-**	**-**	**27**	**27**	**-**	**27**
Balance at 30 September 2024	**3,671**	**7,359**	**5,883**	**(16,050)**	**863**	**(26)**	**837**
Prior half year period - unaudited							
Balance at 1 April 2023	3,671	7,359	9,243	(8,641)	11,632	(26)	11,606
Loss for the period	-	-	-	(2,168)	(2,168)	-	(2,168)
Other comprehensive (expense) / income -							
Foreign exchange translation differences	-	-	(696)	-	(696)	-	(696)
Net investment hedge	-	-	(94)	-	(94)	-	(94)
Remeasurement losses on defined benefit scheme	-	-	-	(1,719)	(1,719)	-	(1,719)
Taxation on items above	-	-	1	-	1	-	1
Total comprehensive expense for the period	-	-	(789)	(3,887)	(4,676)	-	(4,676)
Transactions with owners recorded directly in equity -							
Share based payments	-	-	-	15	15	-	15
Balance at 30 September 2023	3,671	7,359	8,454	(12,513)	6,971	(26)	6,945

	Attributable to equity holders of the Company						
	Share capital £000	**Share premium £000**	**Translation reserve £000**	**Retained earnings £000**	**Total £000**	**Non-controlling interests £000**	**Total equity £000**
Prior year period - audited							
Balance at 1 April 2023	3,671	7,359	9,243	(8,641)	11,632	(26)	11,606
Loss for the year	-	-	-	(3,299)	(3,299)	-	(3,299)
Other comprehensive (expense) / income -							
Foreign exchange translation differences	-	-	(2,387)	-	(2,387)	-	(2,387)
Net investment hedge	-	-	332	-	332	-	332
Remeasurement losses on defined benefit scheme	-	-	-	(2,668)	(2,668)	-	(2,668)
Taxation on items above	-	-	33	-	33	-	33
Total comprehensive expense for the period	-	-	(2,022)	(5,967)	(7,989)	-	(7,989)
Transactions with owners recorded directly in equity -							
Share based payments	-	-	-	43	43	-	43
Balance at 31 March 2024	3,671	7,359	7,221	(14,565)	3,686	(26)	3,660

Condensed consolidated statement of cash flows

	Notes	**30 September 2024 Unaudited £000**	30 September 2023 Unaudited £000	31 March 2024 Audited £000
Cash generated from operations	13	**7,255**	12,882	18,587
Interest paid		**(2,051)**	(2,204)	(4,193)
Tax paid		**(633)**	(719)	(1,056)
Pension scheme contributions net of Company settled administration costs		**(1,187)**	(1,443)	(2,972)
Net cash from operating activities		**3,384**	8,516	10,366
Cash flows from / (used in) investing activities				
Proceeds from sale of intangible assets		**-**	-	212
Proceeds from sale of property, plant and equipment		**65**	225	-
Interest received		**279**	283	424
Purchase of property, plant and equipment		**(270)**	(2,142)	(2,937)
Purchase of intangible assets		**(49)**	(77)	(95)
Net cash from / (used in) investing activities		**25**	(1,711)	(2,396)
Cash flows from / (used in) financing activities				
Drawings on existing and new facilities		**1,700**	74	-
Refinancing costs capitalised		**(150)**	(50)	(100)
Repayment of borrowings excluding lease liabilities		**(975)**	(7,868)	(8,190)
Repayment of other loan facilities		**(48)**	(103)	(192)
Repayment of lease liabilities		**(2,149)**	(2,060)	(3,659)
Net cash used in financing activities		**(1,622)**	(10,007)	(12,141)
Net increase / (decrease) in cash and cash equivalents		**1,787**	(3,202)	(4,171)
Cash and cash equivalents at beginning of period		**5,974**	10,354	10,354
Effect of exchange rate fluctuations on cash held		**(417)**	33	(209)
Cash and cash equivalents at end of period	14	**7,344**	7,185	5,974

Notes to the accounts

Basis of preparation

The condensed consolidated half year report for Carclo plc ("Carclo" or "the Group") for the six months ended 30 September 2024 has been prepared on the basis of the accounting policies set out in the audited accounts for the year ended 31 March 2024 and in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority and the requirements of UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

The financial information is unaudited.

The half year report does not constitute financial statements and does not include all the information and disclosures required for full annual statements. It should be read in conjunction with the annual report and financial statements for the year ended 31 March 2024 which is available either on request from the Company's registered office, 47 Wates Way, Mitcham, Surrey, CR4 4HR, or can be downloaded from the corporate website www.carclo-plc.com.

The comparative figures for the financial year ended 31 March 2024 are not the Company's complete statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain statements under Section 498 (2) of the Companies Act 2006.

The half year report was approved by the Board of Directors on 4 December 2024. Copies are available from the corporate website.

The Group financial statements for the year ended 31 March 2024 have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards.

Going concern

These interim financial statements have been prepared on the going concern basis.

The Directors have reviewed cash flow and covenant forecasts to cover the twelve-month period from the date of the approval of these condensed interim financial statements considering the Group's available debt facilities and the terms of the arrangements with the Group's bank and the Group pension scheme.

The debt facilities currently available to the Group comprise a term loan of £22.3 million, of which £1.3 million will be amortised by 31 March 2025, a further £3.8 million in the period between 31 May 2025 and 30 November 2025, before the balance becomes payable by 31 December 2025. At 30 September 2024, the term loans are denominated as follows: sterling 8.2 million, US Dollar 13.3 million and Euro 4.9 million. The facility also includes a £3.5 million revolving credit facility, denominated in sterling, maturing on 31 December 2025. The revolving credit facility had an amount drawn of £2.0 million at 30 September 2024 (31 March 2024: £0.3 million). Net debt at 30 September 2024 was £25.2 million, a significant decrease from £29.5 million at 31 March 2024 (30 September 2023: £29.5 million).

A schedule of contributions is also in place with the pension trustees with an agreed £3.5 million to be paid annually until 31 October 2039. Additional contributions also agreed are 26% of any surplus of 2024/25 underlying EBITDA over £18.0 million payable from 30 June 2025 to 31 May 2026.

The Group is subject to bank facility covenant tests, as described in note 1 of the Annual Report and Accounts for the year to 31 March 2024.

The Group is subject to a number of key risks and uncertainties, as detailed in the Principal risks and uncertainties section on pages 37 to 42 of the Annual Report and Accounts for the year to 31 March 2024. Mitigation actions are also considered in this section. These risks and uncertainties have been considered in the base case and severe downside sensitivities and have been modelled accordingly.

The base case forecast includes assumptions around sales, margins, working capital and interest rates. The sensitivity analysis has considered the risks facing the Group and has modelled the impact of each in turn, as well as considering the impact of aggregating certain risk types, and shows that the Group is able to operate within its available facilities and meet its agreed covenants as they arise.

Severe downside sensitivities modelled included a range of scenarios modelling the financial effects of: loss of business from discrete sites, an overall fall in gross margin of 1% across the Group, a fall in Group revenue of 3% matched by a corresponding fall in cost of sales of the same amount, and interest rate risk. Under these scenarios the Group would continue to meet minimum covenant requirements, although with minimal headroom under these scenarios in the next twelve months. The downside testing did not allow for the benefit of any action that could be taken by management to mitigate the impact of the scenarios. Using the base case forecast the minimal underlying operating profit headroom, observed on the underlying interest cover, would be £0.8 million. This suggests that a £16.0 million drop in revenue or a 12% drop in underlying operating profit would result in a breach of covenants.

On the basis of this forecast and sensitivity testing, the Board has determined that it is reasonable to assume that the Group will continue to operate within the facilities available and will be able to adhere to the covenant tests to which it is subject throughout at least the twelve-month period from the date of signing the interim financial statements. The Group is in negotiation with lenders on the terms for the refinancing of its debt facilities to obtain new committed facilities for a three-year term. The funding is to facilitate the change strategy for Carclo to enable the elevation of future performance by funding investment in the business automation to achieve greater efficiency and thereby increase capacity.

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

Accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at, and for the year ended 31 March 2024. Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting period beginning on 1 April 2024 but they are not expected to have a material effect on the Group's financial statements.

Accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. In preparing these half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at, and for the year ended, 31 March 2024.

Segment reporting

The Group is organised into two, separately managed, business segments - CTP and Speciality. These are the segments for which summarised management information is presented to the Group's chief operating decision maker (comprising the Main Board and Group Executive Committee). Since 31 March 2024, the Group's Aerospace division has been combined with the Specialised Optics business to form the Speciality segment. This move leverages Aerospace's established expertise and leadership to strengthen Optics' focus on short-series, value-added solutions in niche markets and will maximise synergies for both businesses. Previously, the Specialised Optics business was operated as part of the CTP UK business and was hence part of the CTP segment. The prior period comparatives for 30 September 2023 and 31 March 2024 have been restated to reflect this change. There is no change to the Group total in either period.

The CTP segment supplies value-adding engineered solutions from mould design, automation, and production to assembly and printing, for the life science and precision component industries. This business operates internationally in a fast growing and dynamic market underpinned by rapid technological development.

The Speciality segment delivers precise and durable components for the safety and performance of aircraft manufacturing, aerospace and optical industries.

The Central costs relate to the cost of running the Group, plc and non-trading companies.

	CTP £000	Speciality £000	Central £000	Group Total £000
The segment results for the six months ended 30 September 2024 were as follows:				
Consolidated income statement				
Continuing operations:				
External revenue	**53,968**	**6,989**	**-**	**60,957**
External expenses	**(49,521)**	**(5,603)**	**(2,388)**	**(57,512)**
Underlying operating profit / (loss)	**4,447**	**1,386**	**(2,388)**	**3,445**
Exceptional operating items	**378**	**-**	**(1,351)**	**(973)**
Operating profit / (loss)	**4,825**	**1,386**	**(3,739)**	**2,472**
Net finance expense				**(2,563)**
Income tax expense				**(516)**
Loss for the period				**(607)**
Consolidated statement of financial position				
Segment assets	**87,420**	**8,739**	**1,119**	**97,278**
Segment liabilities	**(29,245)**	**(2,738)**	**(64,458)**	**(96,441)**
Net assets / (liabilities)	**58,175**	**6,001**	**(63,339)**	**837**
Other segmental information				
Capital expenditure on property, plant and equipment	**249**	**34**	**-**	**283**
Capital expenditure on computer software	**-**	**-**	**49**	**49**
Depreciation	**3,304**	**206**	**51**	**3,561**
Reversal of impairment of property, plant and equipment	**143**	**-**	**-**	**143**
Amortisation of intangibles	**5**	**6**	**33**	**44**
Disaggregation of revenue				
Major products/service lines				
Manufacturing Solutions	**46,795**	**6,989**	**-**	**53,784**
Design & Engineering	**7,173**	**-**	**-**	**7,173**
	53,968	**6,989**	**-**	**60,957**
Timing of revenue recognition				
Products transferred at a point in time	**46,795**	**6,989**	**-**	**53,784**
Products and services transferred over time	**7,173**	**-**	**-**	**7,173**
	53,968	**6,989**	**-**	**60,957**

	Restated* CTP £000	Restated* Speciality £000	Central £000	Group Total £000
The segment results for the six months ended 30 September 2023 were as follows:				
Consolidated income statement				
Continuing operations:				
External revenue	60,949	5,972	-	66,921
Expenses	(57,445)	(4,787)	(2,457)	(64,689)
Underlying operating profit / (loss)	3,504	1,185	(2,457)	2,232
Exceptional operating items	(841)	(50)	(1,204)	(2,095)
Operating profit / (loss)	2,663	1,135	(3,661)	137
Net finance expense				(2,635)
Income tax credit				330
Loss for the period				(2,168)
Consolidated statement of financial position				
Segment assets	100,026	8,933	2,461	111,420
Segment Liabilities	(37,789)	(2,373)	(64,313)	(104,475)
Net assets / (liabilities)	62,237	6,560	(61,852)	6,945
Other segmental information				
Capital expenditure on property, plant and equipment	3,124	608	154	3,886
Capital expenditure on computer software	-	-	77	77
Depreciation	3,609	226	41	3,876
Impairment of property, plant and equipment	1,006	-	-	1,006
Amortisation of intangible assets	10	40	35	85
Disaggregation of revenue				
Major products/service lines				
Manufacturing Solutions	49,632	5,967	-	55,599
Design & Engineering	11,317	5	-	11,322
	60,949	5,972	-	66,921
Timing of revenue recognition				
Products transferred at a point in time	49,632	5,967	-	55,599
Products and services transferred over time	11,317	5	-	11,322
	60,949	5,972	-	66,921

* Since 31 March 2024, the Group's Aerospace division has been combined with the Specialised Optics business to form the Speciality segment. Previously, the Specialised Optics business was part of the CTP segment. Prior period comparatives have been restated to reflect this change.

	Restated* CTP £000	Restated* Speciality £000	Central £000	Group Total £000
The segment results for the year ended 31 March 2024 were as follows:				
Consolidated income statement				
Continuing operations:				
External revenue	121,773	10,899	-	132,672
Expenses	(112,676)	(8,880)	(4,469)	(126,025)
Underlying operating profit / (loss)	9,097	2,019	(4,469)	6,647
Exceptional operating items	(3,014)	(295)	(1,548)	(4,857)
Operating profit / (loss)	6,083	1,724	(6,017)	1,790
Net finance expense				(5,587)
Income tax credit				498
Loss for the period				(3,299)
Consolidated statement of financial position				
Segment assets	91,014	8,241	1,685	100,940
Segment liabilities	(31,018)	(2,449)	(63,813)	(97,280)
Net assets / (liabilities)	59,996	5,792	(62,128)	3,660
Other segmental information				
Capital expenditure on property, plant and equipment	6,701	620	166	7,487
Capital expenditure on computer software	-	-	95	95
Depreciation	7,158	519	92	7,769
Impairment of property, plant and equipment	1,892	-	-	1,892
Amortisation of intangible assets	93	-	70	163
Disaggregation of revenue				
Major products/service lines				
Manufacturing Solutions	100,203	10,899	-	111,102
Design & Engineering	21,570	-	-	21,570
	121,773	10,899	-	132,672
Timing of revenue recognition				
Products transferred at a point in time	100,372	10,899	-	111,271
Products and services transferred over time	21,401	-	-	21,401
	121,773	10,899	-	132,672

* Since 31 March 2024, the Group's Aerospace division has been combined with the Specialised Optics business to form the Speciality segment. Previously, the Specialised Optics business was part of the CTP segment. Prior period comparatives have been restated to reflect this change.

Exceptional items

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Continuing operations			
Rationalisation credit / (costs)	**310**	(817)	(3,360)
Refinancing costs	**(1,284)**	(154)	(433)
Settlement credit in respect to legacy claims	1	292	284
Past service cost in respect to retirement benefits	**-**	(1,020)	(1,020)
Net costs arising from cancellation of future supply agreement	**-**	(396)	(188)
Doubtful debt and related inventory provision	**-**	-	(140)
Exceptional items recognised in operating profit	**(973)**	(2,095)	(4,857)

The cash element of exceptional items is a net outflow of £1.9 million (HY24: £0.4 million, FY24 £0.6 million).

Rationalisation credit £0.3 million from continuing operations during the six months ended 30 September 2024 relates to the restructuring of the Group. This is primarily costs and credits arising from the USA facility closures as part of the turnaround plan and includes the following: £0.5 million employee related costs for severance and retention bonuses, £0.6 million other closure related costs including costs to relocate machinery and equipment, less £1.0 million of balance sheet credits. The credits are £0.7 million provisions and liabilities released following surrender of the leased properties at the Tucson, Arizona facility and £0.3 million for the reversal of asset provisions booked at 31 March 2024 no longer required (£0.2 million plant and equipment, see note 11 and £0.1 million inventory provision). Prior period costs were similar in nature, including a combination of employee redundancy costs, site closure provisions and asset impairments.

During the period to 30 September 2024, the Group has incurred £1.3 million of costs towards refinancing of the bank debt facilities, this is expected to be completed in the fourth quarter of the current financial year.

Credits in the current and prior periods on settlement of legacy claims is the release of provisions booked for specific claims that have not been fully utilised following final settlement.

During the prior period the trustees of the Carclo Group Pension Scheme identified that a group of members required an adjustment to their benefits in respect of the requirement to provide equal benefits to males and females following the Barber judgment in 1990. In summary, the adjustment consisted of decreasing the normal retirement age from 65 to 60 for some members' benefits for some elements of service after 17 May 1990. This resulted in additional liabilities in the Scheme which were accounted for as a £1.0 million past service cost in the income statement (approximately 0.8% of liabilities).

Prior period net costs arising from cancellation of future supply agreement relate to an OEM customer who gave notice in December 2022. There have been no further costs in the current period.

In the financial year to March 2023, a customer of the CTP division provided notice that it would cease to operate. Provision was made at the time for assets not expected to be recovered through credit insurance with a final provision being recognised in the prior period.

Net finance expense

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Continuing operations:			
The net expense recognised in the condensed consolidated income statement comprises:			
Interest receivable on cash and cash deposits	**242**	283	424
Other interest receivable	**37**	-	-
Interest payable on bank loans and overdrafts	**(1,446)**	(1,559)	(3,141)
Lease interest	**(379)**	(422)	(1,042)
Other interest payable	**(139)**	(118)	(2)
Net interest on the net defined benefit liability	**(878)**	(819)	(1,826)
Net finance expense	**(2,563)**	(2,635)	(5,587)

Income tax (expense) / credit

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Continuing operations:			
The (expense) / credit recognised in the condensed consolidated income statement comprises:			
Current tax expense on ordinary activities	**(426)**	(701)	(1,175)
Deferred tax credit on ordinary activities	**50**	772	1,673
Current tax (expense) / credit on exceptional items	**(140)**	259	-
Total income tax (expense) / credit recognised in the condensed consolidated income statement	**(516)**	330	498

The half year tax expense represents -567.0% of statutory loss before tax (6 months to 30 September 2023: tax credit 13.2%) based on the estimated average effective tax rate on ordinary activities for the full year. The half year effective tax rate is greater than the UK underlying tax rate of 25% because losses are not recognised in the UK for deferred tax purposes, withholding tax is payable on dividends and royalties from certain tax jurisdictions and because of the proportion of taxable profits achieved in the 6 months to 30 September 2024 compared to full year forecast (on which the ETR is based).

The half year underlying effective tax rate amounts to 42.6% of underlying loss before tax and exceptional items (6 months to 30 September 2023: 17.7% credit). The Group's underlying effective tax rate is higher than the underlying UK tax rate of 25.0% because of the reasons given above but by a lesser extent because of a net exceptional credit in tax paying jurisdictions.

Deferred tax assets and liabilities at 30 September 2024 have been calculated on the rates substantively enacted at the balance sheet date. The main rate of corporation tax became 25% from 1 April 2023. Overseas taxes are calculated at the rates prevailing in the respective jurisdictions.

(Loss) / earnings per share

Continuing operations:

The calculation of basic (loss) / earnings per share is based on the loss attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the period.

The calculation of diluted (loss) / earnings per share is based on the loss attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the period (adjusted for dilutive options).

The following details the result and average number of shares used in calculating the basic and diluted earnings per share:

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Loss after tax	**(607)**	(2,168)	(3,299)
Loss attributable to non-controlling interests	**-**	-	-
Loss after tax, attributable to equity holders of the parent	**(607)**	(2,168)	(3,299)

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Weighted average number of ordinary shares (basic) in the period	**73,419,193**	73,419,193	73,419,193
Effect of dilutive share options in issue[1]	**15,974**	15,974	15,974
Weighted average number of ordinary shares (diluted) in the period for loss per share calculation	**73,435,167**	73,435,167	73,435,167
Effect of dilutive share options in issue	**1,557,500**	-	817,049
Weighted average number of ordinary shares (diluted) in the period for underlying earnings per share calculation	**74,992,667**	73,435,167	74,252,216

[1] There are 15,974 vested share options outstanding that are yet to be issued. 1,557,500 of share options granted on 21 September 2023 have been excluded from the calculation of weighted average number of dilutive earnings per share in the current period as they are antidilutive. These options could potentially dilute basic earnings per share in the future.

In addition to the above, the Company also calculates earnings / (loss) per share based on underlying profit / (loss) as the Board believe this provides a more useful comparison of business trends and performance. Underlying profit / (loss) is defined as profit / (loss) before impairments, rationalisation costs, one-off retirement benefit effects, exceptional bad debts, business closure costs, litigation costs, other one-off costs and the impact of property and business disposals, net of attributable taxes.

The following table reconciles the Group's loss to underlying profit/(loss) used in the numerator in calculating underlying earnings/(loss) per share:

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Loss after tax, attributable to equity holders of the parent	**(607)**	(2,168)	(3,299)
Exceptional - rationalisation (credit) / costs, net of tax	**(118)**	890	2,690
Exceptional - past service cost in respect to retirement benefits	**-**	1,020	1,020
Exceptional - refinancing costs, net of tax	**1,232**	-	433
Exceptional – net costs arising from cancellation of future supply agreement, net of tax	**-**	218	146
Exceptional - settlement credit in respect to legacy claims, net of tax	**(1)**	(292)	(284)
Exceptional - doubtful debt and related inventory provision, net of tax	**-**	-	109
Profit / (loss) after tax but before exceptional items, attributable to equity holders of the parent	**506**	(332)	815
Underlying operating profit	**3,445**	2,232	6,647
Finance revenue	**279**	283	424
Finance expense	**(2,842)**	(2,918)	(6,011)
Income tax (expense) / credit	**(376)**	71	(245)
Profit / (loss) after tax but before exceptional items - continuing operations	**506**	(332)	815

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
The following table summarises the (loss) / earnings per share figures based on the above data:			
Basic loss per share	**(0.8)**	(3.0)	(4.5)
Diluted loss per share	**(0.8)**	(3.0)	(4.5)
Underlying earnings per share - basic	**0.7**	(0.5)	1.1
Underlying earnings per share - diluted	**0.7**	(0.5)	1.1

Dividends paid and proposed

No dividends were paid in the period or the comparative periods.

Under the terms of the amended and restated bank facilities agreement, the Group is not permitted to make a dividend payment to shareholders up to the period ending 31 December 2025.

Intangible assets

The movements in the carrying value of intangible assets are summarised as follows:

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Net book value at the start of the period	**22,197**	23,463	23,463
Additions	**49**	77	95
Disposals	**-**	-	(212)
Amortisation	**(44)**	(85)	(163)
Effect of movements in foreign exchange	**(726)**	(319)	(986)
Net book value at the end of the period	**21,476**	23,136	22,197

Included within intangible assets is goodwill of £21.3 million (31 March 2024 - £22.0 million). The carrying value of goodwill is subject to annual impairment tests by reviewing detailed projections of the recoverable amounts from the underlying cash generating units. At 31 March 2024, the carrying value of goodwill was supported by value-in-use calculations. There has been no indication of subsequent impairment in the current financial period.

Property, plant and equipment

The movements in the carrying value of property, plant and equipment are summarised as follows:

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Net book value at the start of the period	**40,071**	45,321	45,321
Additions	**283**	3,886	7,487
Depreciation	**(3,561)**	(3,876)	(7,769)
Disposals	**(77)**	(384)	(706)
Impairment arising on site rationalisation	**(66)**	(1,006)	(1,966)
Reversal of impairment	**209**	-	74
Reassessment of lease term	**-**	-	(1,310)
Effect of movements in foreign exchange	**(1,159)**	(165)	(1,060)
Net book value at the end of the period	**35,700**	43,776	40,071

Of the net book value at 30 September 2024, £20.2 million is land and buildings and £15.5 million is plant and equipment (31 March 2024: £23.3 million and £16.7 million respectively). Additions to 30 September 2024 were £0.1 million to land and buildings and £0.2 million to plant and equipment, disposals were land and buildings £nil and plant and equipment £0.1 million.

The impairment to right of use assets relates to two leased properties. Firstly, one of the properties at Tucson, Arizona, USA which has now been surrendered following exit from the site, and secondly the Ossett, UK property which has been vacated following the move of the Carclo plc registered office from Ossett to Mitcham, UK. The value in use of these properties is £nil at 30 September 2024, the cost has been recognised as part of exceptional rationalisation costs.

In the prior year, the Group announced the intended closure of the Tucson, Arizona, USA facility which led to impairment of certain assets at that site at 31 March 2024. This site has now been closed and the plant and equipment either sold, scrapped or transferred to the site at Latrobe, Pennsylvania, USA for continued use in the business. The impairment previously recognised against any assets either sold or transferred has been reversed in the 6 months to 30 September 2024. Those assets transferred to Latrobe will continue to be depreciated as normal. This has been recognised as a credit within exceptional rationalisation costs in the income statement.

Included within plant and equipment are assets valued at fair value less costs to dispose (FVLCD) totalling £0.5 million ($0.65 million), this was determined in the prior reporting period, resulting in an impairment being recognised in that period. There has been no change in the period to 30 September 2024 and therefore this is an approximation for historical cost at that date. FVLCD uses an estimate of the value which would be expected to be received from a third party in a sale of the asset, net of estimated sale costs. This valuation is a level 3 measurement which is based on inputs which are normally unobservable to market participants, including offers received and management's experience of selling similar assets.

Right-of-use assets
Right-of-use assets related to lease agreements are presented within property, plant and equipment above. The movements are summarised as follows:

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Net book value at the start of the period	**11,120**	12,451	12,451
Additions	**24**	2,063	4,561
Depreciation	**(1,506)**	(1,701)	(3,452)
Asset transferred to right-of-use assets from owned property, plant and equipment	**-**	-	732
Derecognition of right-of-use assets	**-**	(93)	(95)
Reassessment of lease term	**-**	-	(1,310)
Impairment to right-of-use assets	**(66)**	(861)	(1,582)
Effect of movements in foreign exchange	**(312)**	30	(185)
Net book value at the end of the period	**9,260**	11,889	11,120

Of the net book value at 30 September 2024, £3.9 million is land and buildings and £5.4 million is plant and equipment (31 March 2024: £4.9 million and £6.2 million respectively). Additions during the period to 30 September 2024 were to plant and equipment with impairment of £0.1 million, as described above. The impairment to right of use assets relates to two leased properties that are no longer in use.

Retirement benefit obligations

The Group operates a defined benefit UK pension scheme which provides pensions based on service and final pay. Outside of the UK, retirement benefits are determined according to local practice and funded accordingly.

The amounts recognised in the condensed consolidated statement of financial position in respect of the defined benefit scheme were as follows:

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Present value of funded obligations	**(126,688)**	(125,038)	(130,420)
Fair value of scheme assets	**88,810**	88,355	93,234
Recognised liability for defined benefit obligations	**(37,878)**	(36,683)	(37,186)

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Movement in the net liability for defined benefit obligations recognised in the condensed consolidated statement of financial position:			
Net liability for defined benefit obligations at the start of the period	**(37,186)**	(34,493)	(34,493)
Contributions paid	**1,458**	1,750	3,500
Net expense recognised in the condensed consolidated income statement	**(1,245)**	(2,221)	(3,525)
Remeasurement losses recognised in other comprehensive income	**(905)**	(1,719)	(2,668)
Net liability for defined benefit obligations at the end of the period	**(37,878)**	(36,683)	(37,186)

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Movements in the fair value of Scheme assets:			
Fair value of Scheme assets at the start of the period	**93,234**	99,598	99,598
Interest income	**2,189**	2,362	4,789
Loss on Scheme assets excluding interest income	**(2,854)**	(9,576)	(2,962)
Contributions by employer	**1,458**	1,750	3,500
Benefit payments	**(4,850)**	(5,397)	(11,012)
Expenses paid	**(367)**	(382)	(679)
Fair value of Scheme assets at the end of the period	**88,810**	88,355	93,234
Actual (loss) / gain on Scheme assets	**(665)**	(7,214)	1,827

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Movements in the present value of defined benefit obligations:			
Defined benefit obligation at the start of the period	**130,420**	134,091	134,091
Interest expense	**3,067**	3,181	6,615
Actuarial loss due to scheme experience	**-**	-	1,308
Actuarial gain due to changes in demographic assumptions	**-**	-	(2,187)
Actuarial (gain) / loss due to changes in financial assumptions	**(1,949)**	(7,857)	585
Benefits paid	**(4,850)**	(5,397)	(11,012)
Past service cost	**-**	1,020	1,020
Defined benefit obligation at the end of the period	**126,688**	125,038	130,420

	30 September 2024	30 September 2023	31 March 2024
The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were:			
Discount rate at period end	**4.95%**	5.55%	4.85%
Inflation (RPI) (non-pensioner)	**3.15%**	3.30%	3.30%
Inflation (CPI) (non-pensioner)	**2.65%**	2.80%	2.80%
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	**3.15%**	3.30%	3.30%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	**2.65%**	2.80%	2.80%
Allowance for pension in payment increases of RPI or 5% p.a. if less	**2.95%**	3.10%	3.05%
Allowance for pension in payment increases of CPI or 3% p.a. if less	**2.05%**	2.20%	2.15%
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	**3.70%**	3.75%	3.75%
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 4% p.a.	**4.30%**	4.30%	4.30%
Life expectancy	**years**	years	years
Male (current age 45)	**18.3**	18.7	18.3
Male (current age 65)	**17.4**	17.8	17.4
Female (current age 45)	**21.2**	21.6	21.2
Female (current age 65)	**20.1**	20.4	20.1

Cash generated from operations

	Notes	**Six months ended 30 September 2024 £000**	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Continuing operations:				
Loss for the period		**(607)**	(2,168)	(3,299)
Adjustments for -				
Pension scheme administration costs settled by the Scheme		**96**	75	151
Depreciation charge	11	**3,561**	3,876	7,769
Amortisation charge	10	**44**	85	163
Exceptional rationalisation (credit) / costs - net		**(973)**	(57)	2,212
Exceptional past service cost in respect to retirement benefits		**-**	1,020	1,020
Exceptional refinancing costs		**-**	-	125
Exceptional costs arising from cancellation of future supply agreement		**-**	1,027	1,034
Exceptional settlement in respect to legacy claims	5	**(1)**	(292)	(283)
Exceptional doubtful debt and related inventory provision		**-**	-	140
Loss / (profit) disposal of property, plant and equipment		**12**	(14)	(17)
Share based payment charge		**27**	15	43
Financial income	6	**(279)**	(283)	(424)
Financial expense	6	**2,842**	2,918	6,011
Taxation expense / (credit)	7	**516**	(330)	(498)
Operating cash flow before changes in working capital		**5,238**	5,872	14,147
Changes in working capital				
(Increase) / decrease in inventories		**(570)**	2,429	3,427
Decrease in contract assets		**52**	2,306	3,985
(Increase) / decrease in trade and other receivables		**(192)**	2,111	2,128
Increase / (decrease) in trade and other payables		**3,150**	(1,006)	(3,294)
(Decrease) / increase in contract liabilities		**(303)**	1,170	(1,629)
Decrease in provisions		**(120)**	-	(177)
Cash generated from operations		**7,255**	12,882	18,587

Cash and cash deposits

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Cash and cash deposits	**7,344**	7,185	5,974

The Group has a net UK multi-party, multi-currency overdraft facility with a £nil net limit and a £12.5 million gross limit per party. At 30 September 2024, Carclo plc's overdraft of £7.4 million (31 March 2024: £4.5 million) has been recognised within cash and cash deposits when consolidated due to a legal right of off-set under a UK net overdraft arrangement. The Group intends to realise the asset and settle the liability simultaneously.

Net debt

	30 September 2024 £000	30 September 2023 £000	31 March 2024 £000
Net debt comprises -			
Cash and cash deposits	**7,344**	7,185	5,974
Term loan	**(21,960)**	(24,695)	(23,682)
Revolving credit facility	**(2,000)**	-	(300)
Lease liabilities	**(8,405)**	(11,662)	(11,167)
Other loans	**(228)**	(328)	(282)
Net debt	**(25,249)**	(29,500)	(29,457)

The debt facilities currently available to the Group comprise a term loan of £22.3 million (31 March 2024: £24.0 million), of which £1.3 million will be amortised by 31 March 2025, £3.8 million will be amortised in the period between 31 May 2025 and 30 November 2025, before the balance becomes payable by the termination date, which on 5 July 2024 was successfully extended to 31 December 2025.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Term loan £000	Revolving credit facility £000	Lease liabilities £000	Other loans £000	Total £000
Balance at 31 March 2023	28,950	3,500	11,870	394	44,714
Changes from financing cash flows					
Drawings on new facilities	-	-	1,841	74	1,915
Transaction costs associated with the issue of debt	(100)	-	-	-	(100)
Repayment of borrowings	(4,350)	(3,500)	(2,060)	(121)	(10,031)
	(4,450)	(3,500)	(219)	(47)	(8,216)
Effect of changes in foreign exchange rates	95	-	11	(19)	87
Liability-related other changes					
Amortisation of transaction costs	100	-	-	-	100
	100	-	-	-	100
Equity-related other changes	-	-	-	-	-
Balance at 30 September 2023	24,695	-	11,662	328	36,685
Changes from financing cash flows					
Drawings on existing and new facilities	-	300	(1,841)	(21)	(1,562)
Repayment of borrowings	(700)	-	(1,599)	(11)	(2,310)
	(700)	300	(3,440)	(32)	(3,872)
Effect of changes in foreign exchange rates	(427)	-	(240)	(14)	(681)
Liability-related other changes					
Drawings on new facilities	-	-	4,583	-	4,583
Reassessment of lease liability	-	-	(1,349)	-	(1,349)
Termination of facilities	-	-	(49)	-	(49)
Amortisation of transaction costs	114	-	-	-	114
	114	-	3,185	-	3,299
Equity-related other changes	-	-	-	-	-
Balance at 31 March 2024	**23,682**	**300**	**11,167**	**282**	**35,431**
Changes from financing cash flows					
Drawings on existing facilities	**-**	**1,700**	**-**	**-**	**1,700**
Transaction costs associated with the issue of debt	**(150)**	**-**	**-**	**-**	**(150)**
Repayment of borrowings	**(975)**	**-**	**(2,149)**	**(48)**	**(3,172)**
	(1,125)	**1,700**	**(2,149)**	**(48)**	**(1,622)**
Effect of changes in foreign exchange rates	**(728)**	**-**	**(346)**	**(6)**	**(1,080)**
Liability-related other changes					
Drawings on new facilities	**-**	**-**	**24**	**-**	**24**
Termination of facilities	**-**	**-**	**(291)**	**-**	**(291)**
Amortisation of transaction costs	**131**	**-**	**-**	**-**	**131**
	131	**-**	**(267)**	**-**	**(136)**
Equity-related other changes	**-**	**-**	**-**	**-**	**-**
Balance at 30 September 2024	**21,960**	**2,000**	**8,405**	**228**	**32,593**

Financial instruments

The fair value of financial assets and liabilities are not materially different from their carrying value.

Except as described in note 11, there are no material items as required to be disclosed under the fair value hierarchy.

Ordinary share capital

	Number of shares	£000
Ordinary shares of 5 pence each		
Issued and fully paid at 30 September 2023, 31 March 2024 and 30 September 2024	**73,419,193**	**3,671**

Related parties

Identity of related parties

The Company has a related party relationship with its subsidiaries, its directors and executive officers and the Group pension scheme. There are no transactions that are required to be disclosed in relation to the Group's 64% dormant subsidiary Platform Diagnostics Limited.

Transactions with key management personnel

On 17 April 2024, the Board announced the appointment of Natalia Kozmina as a Non-Executive Director of the Board with effect from 22 April 2024. Natalia is a member of the Audit and Risk, Remuneration, and Nomination Committees and has chaired the Remuneration Committee since 1 May 2024.

During the period to 30 September 2024, the Group was billed £0.4 million (30 September 2023: £0.5 million) by Thingtrax, a company that offers intelligent manufacturing infrastructure as a service. Frank Doorenbosch, a Carclo plc Executive Director, is also a Non-Executive Director of Thingtrax and, as such, the company is identified as a related party. In the six months to 30 September 2024, £0.3 million (30 September 2023: £0.3 million) has been recognised as a cost in the condensed consolidated income statement; a balance of £0.1 million remains on balance sheet as prepaid at 30 September 2024 and will be recognised as an expense in the second half of the year to 31 March 2025.

Key management personnel are considered to be the Executive and Non-Executive Directors of the Group. Full details of Directors' remuneration are disclosed in the Group's annual report. In the six months ended 30 September 2024, remuneration to current and former Directors amounted to £0.44 million (six months ended 30 September 2023: £0.41 million).

Group pension scheme

A third-party professional firm is engaged to administer the Group pension scheme (the Carclo Group Pension Scheme). The associated investment costs are borne by the scheme in full. It has been agreed with the trustees of the pension scheme that, under the terms of the recovery plan, the scheme would bear its own administration costs.

Core contributions of £0.292 million per month have been made during the period to 30 September 2024, incorporating both deficit recovery contributions and scheme expenses including PPF levy.

Carclo incurred administration costs of £0.367 million during the period which has been charged to the consolidated income statement, including £0.095 million presented as exceptional costs, (30 September 2023: £0.382 million, of which £0.011 million was presented as exceptional). Of the administration costs, £0.096 million was paid directly by the scheme (30 September 2023: £0.075 million). The total deficit reduction contributions and administration costs paid during the period was £1.458 million (30 September 2023: £1.750 million).

Post balance sheet events

As at the date of this interim report, the Directors confirm that there have been no material post balance sheet events that would require adjustment to, or disclosure in, these financial statements.

Seasonality

There are no specific seasonal factors which impact on the demand for products and services supplied by the Group, other than for the timing of holidays and customer shutdowns. These tend to fall predominantly in the first half of Carclo's financial year and, as a result, revenues and profits are usually higher in the second half of the financial year compared to the first half.

Independent review report to Carclo plc

Conclusion
We have been engaged by Carclo Plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors
The directors are responsible for the preparation and fair presentation of this interim financial report in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of the review report
This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council and our Engagement Letter. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Forvis Mazars LLP
Chartered Accountants
30 Old Bailey
London
EC4M 7AU

4 December 2024