Renold Limited (formerly Renold Plc)

Annual Report and Financial Statements

Period Ended 31 December 2025

Registered number 00249688

Renold Limited

Company number 00249688

Contents

Renold Limited

Company number 00249688

Corporate information

Directors

John Robert Purcell		(Resigned 1 May 26)
James Haughey		
Blake Egan	(US Citizen)	(Appointed 29 Oct 25 / Resigned 20 Mar 26)
Constantine Elefter	(US Citizen)	(Appointed 29 Oct 25)
Josh Liebow	(US Citizen)	(Appointed 29 Oct 25)
Adrian Murphy	(US Citizen)	(Appointed 29 Oct 25)
Simon Newman	(US Citizen)	(Appointed 29 Oct 25)
Tim Cooper		(Resigned 29 Oct 25)
David Landless		(Resigned 29 Oct 25)
Andrew Magson		(Resigned 29 Oct 25)
Victoria Potter		(Resigned 29 Oct 25)

Company Secretary

Andrew Batchelor

Registered Office

Trident 2, Trident Business Park,
Styal Road, Wythenshawe,
United Kingdom, M22 5XB

Company Number

00249688

Independent Auditor

BDO LLP
Eden Building, Irwell Street
Manchester M3 5EN

Renold Limited

Company number 00249688

Strategic report

The Directors present their Strategic report for Renold Limited (the "Company" on a standalone basis or the "Group", or "Renold" when referring to the Company and its consolidated subsidiaries) for the period ended 31 December 2025.

Principal activities

Renold is an international engineering group, specialising in the manufacture of premium, high specification, industrial chain and torque transmission products, that facilitate others to achieve complex operational needs more reliably and with lower total cost of ownership. Our products, whilst critical, are a small part of the total cost of the environment in which they operate.

Mission statement

Lifting, moving, rotating, conveying – driving sustainable value

Principal strategies

Renold has developed a strategy that concentrates on both business growth and continued business improvement. Organic growth is achieved by focusing on customer service and the development of superior, sustainable, highly engineered products, which technically stretch the market, and is supplemented through acquisitive growth that is aimed at both geographic and product infill, while allowing significant operational and production synergies to be achieved. Continual business improvement involves the standardisation of products, components, processes and technology, removal of operational complexity and improvement of operational efficiency.

Business review for the period ended 31 December 2025

	Nine Months ended 31 December 2025 £'m	Year ended 31 March 2025 £'m
Revenue	185.2	245.1
Order intake	186.2	244.5
Order book	83.7	83.0
Adjusted EBITDA*	20.4	44.2
Adjusted EBITDA margin	11.0%	18.0%
Adjusted operating profit*	10.4	32.2
Return on sales **	5.6%	13.1%
Statutory operating (loss) / profit	(3.2)	28.5
Statutory return on sales***	(1.7)%	11.6%

* *Adjusted EBITDA and Adjusted operating profit are alternative performance measures defined on page [**]*

** *Return on sales equals adjusted operating profit / revenue*

*** *Statutory return on sales equals statutory operating profit / revenue*

Business review for the period ended 31 December 2025 (continued)

Principle decisions and significant events in 2025:

- 2025 was a period of significant change for Renold. On 29 October 2025, the Group was taken private following the takeover approach from US Private Equity firm MPE, and in order to align year ends with other MPE portfolio businesses, the Group has changed its year end to 31 December. Accordingly, these financial statements cover a nine month period to 31 December 2025.

- On 25 June 2025, the Group acquired the entire issued share capital of Ognibene S.p.a. ("Ognibene") for a total cash consideration of €10.8m (£9.3m) comprising an initial cash consideration of €10.1m (£8.7m), followed by a further cash payment of €0.7m (£0.6m), payable 12 months from the anniversary of completion of the acquisition. Ognibene is a manufacturer and distributor of high-quality transmission chain ("TRC") and ancillary products servicing a range of end markets, including packaging machinery, distribution and food processing.

- On 21 May 2025, the Board of Renold confirmed that it received two separate unsolicited and non-binding all-cash proposals from a consortium comprising Buckthorn Partners LLP and One Equity Partners IX, L.P, and Webster Industries, Inc, a company majority-owned by a fund managed and controlled by Morgenthaler Private Equity ("MPE") to acquire the entire issued and to be issued ordinary share capital of Renold plc.

- On 13 June 2025, MPE Bid Co made a formal offer to acquire the entire issued and to be issued ordinary share capital of Renold plc at 82 pence per ordinary share. The acquisition was recommended by the Board of Renold Limited and the transaction completed on 29 October 2025.

- On 23 April 2025, the Group renewed its core banking facility that was due to mature in May 2026. The multi-currency revolving credit facility was amended and extended by a period of two years, until May 2028 and was fully committed. The total facility available to the Group was increased to £105.0m from the previous level of £85.0m and was provided by the Group's existing banks: HSBC UK, Allied Irish Bank (GB), and Citibank. On completion of the MPE transaction, the facility was repaid in full.

- Significant investments took place in our North American operating division, and investment continued in our Valencia manufacturing facility, following the flooding that occurred during October 2024. These investments allow the Group to rebuild manufacturing capability, whilst recovering our existing market share and competing better on the world stage, producing products at the right price and with ever increasing technical performance and quality.

Revenue for the period was £185.2m (FY25: £245.1m), an increase of 4.6% against the corresponding prior year equivalent period at constant exchange rates, or an increase of 2.6% when currency headwinds are taken into account. In June 2025 the Group acquired the operations of Ognibene S.p.a., based in Italy. Ognibene contributed £6.1m to turnover in the period following its acquisition. In the prior year, the Group acquired Mac Chain, based in the Pacific Northwest of both the US and Canada, incremental sales contributed by the Mac Chain businesses over the same period in the prior year were £7.7m at constant exchange rates. Excluding the impact of both these acquisitions, underlying Group revenues fell by 3.0% at constant exchange rates compared to the same period in the prior year, primarily due to economic uncertainties caused by the imposition of tariffs in the US.

Group constant currency order intake during the period was £189.6m (FY25: £250.1m), an increase over the prior year equivalent period of 3.3%. Including the impact of currency headwinds, reported order intake was £186.2m, a 1.3% increase on the prior year period. Ognibene and Mac Chain contributed incremental order intake of £5.6m and £8.3m respectively; excluding the impact of the acquisitions, constant currency order intake remained flat and the closing order book at 31 December 2025 of £83.7m (FY25: £83.0m) also remained broadly flat in the period.

Group adjusted EBITDA of £20.4m (FY25: £44.2m) was 29.7% behind the prior year equivalent period on a reported basis. The adjusted EBITDA margin for the period at 11.0% reduced 700bps over last year's reported figure of 18.0%, due to volume reduction in factories relating to the US tariffs and true ups of Group inventory and bad debt provisions following the acquisition.

Group adjusted operating profit of £10.4m (FY25: £32.2m) was £21.8m below the prior year on a reported basis. Adjusted return on sales for the year at 5.6% reduced 750bps over the prior period's reported figure of 13.1%.

The Group recorded a statutory operating loss in the period of £3.2m (FY25: profit of £28.5m).

Adjusting items in the period consist of adjustments relating to the Valencia flood of £0.3m, costs associated with the acquisition of Ognibene of £0.5m, costs associated with the acquisition of the Group by MPE of £9.5m, amortisation of acquired intangibles of £1.8m and impairment of goodwill relating to an investment in a group company of £1.5m.

In the prior reporting period, adjusting items consisted of costs relating to the Valencia flood of £0.3m, unwind of fair value inventory uplift on acquisition of £0.6m, costs associated with the acquisition of Mac Chain of £1.6m, and amortisation of acquired intangibles of £1.6m, offset by the release of a dilapidation provision for the formerly leased Cardiff site of £0.5m, while the prior year was flattered by a non-recurring one-off profit of £2.3m relating to the assignment of a lease on a closed site.

Divisional performance review

Revenue in the Chain division for the period was £148.5m (FY25: £195.3m), an increase of 5.5% against the corresponding prior year equivalent period at constant exchange rates of £143.0m, or an increase of 3.8% when currency headwinds are taken into account.

In June 2025 the Division acquired the operations of Ognibene S.p.a., based in Italy. In the prior year, the Group acquired Mac Chain, based in the Pacific Northwest of both the US and Canada. Excluding the impact of both these acquisitions, underlying Group revenues fell by 3.0% at constant exchange rates compared to the same period in the prior year, primarily due to economic uncertainties caused by the imposition of tariffs in the US.

Revenue in the TT Division for the period was £39.7m (FY25: £54.8m), an increase of 0.7% against the corresponding prior year equivalent period at constant exchange rates of £40.6m, or a decrease of 2.2% when currency headwinds are taken into account.

2026 outlook

The Group continued to trade strongly, despite the economic uncertainty caused by the imposition of US tariffs, reflecting Renold's excellent market position and fundamentals. The Group's clear effective strategy has delivered additional progress and strong results in the period ended 31 December 2025, but further economic challenges due to the continuing impact of US tariffs and the wars in both Ukraine and in the Middle East create uncertainty.

Overall, volume demand and especially profitability during the early part of 2026 has been below prior year levels, with some customers deferring procurement decisions in response to the heightened level of uncertainty. We currently anticipate trading to remain subdued, at least through the first half of the year.

Principal risks

Risk is inherent in the business activities, and as a consequence of operating a sound risk management process, the Group has identified the following principal risks and uncertainties. It believes these could have a materially adverse effect on its business, turnover, profit, assets, liquidity, resources, and reputation. The nature of risk is such that no list can be comprehensive, and it is possible that other risks may arise, or that risks not currently considered material may become so in the future.

1 Macroeconomic and political volatility

Risk and potential impact

Material changes in prevailing macroeconomic or geopolitical conditions could have a detrimental impact on business performance. We operate in 18 countries and sell to customers in over 100, therefore we are exposed to multiple economic and geopolitical risks.

- Commodity and energy prices could have a negative impact on demand in the supply chain.
- Changes to tariffs and import duties could distort customer buying decisions.
- Foreign exchange volatility could impact customer buying, or the need to rapidly switch supply chains.

Mitigation and control

Our diversified geographic footprint, and increasing product standardisation, provide some degree of flexibility and improved supply chain resilience, whilst actions to lower the Group's overall break-even point and increase flexibility in overheads also serves to reduce the impact of any global economic slowdown. Renold has demonstrated the ability to manage costs in response to revenue shocks, protecting profitability and returns.

- A focus on 'predict and respond', e.g. sales forecasting and raw material price monitoring, leading to operational change such as sales price increases or cost reductions.
- Active monitoring of stock levels and customers in relevant geographies to identify any issues early.
- We have a good level of liquidity, with access to sufficient debt facilities.

2 Strategy execution

Risk and potential impact

The Group's ongoing strategy requires the co-ordinated delivery of several complex projects. Part of the Group's strategy is to grow through selective acquisitions. Performance of acquired businesses may not reach expectations, impacting Group profitability and cash flows.

- While these projects are designed to deliver targeted benefits, they have the potential to negatively impact the Group's operations if not appropriately managed.
- When completing acquisitions, value can be lost through overpaying, missing key issues in due diligence, value leakage through poor contract negotiation, poorly planned or executed integration phases, or failure to deliver anticipated benefits during 'business as usual'.

Mitigation and control

The successful acquisitions of Ognibene (2025), Mac Chain (2024), Davidson Chain (2023), YUK (2022) and the Brooks Conveyor Chain business (2021), demonstrate our ability to manage risk associated with our acquisition strategy.

- The Board reviews progress against the different strategic projects in each of its meetings. This is based on a regularly updated report from the CEO, which groups the individual projects into themes linked directly to our strategic objectives. A stable management team, with appropriate skills and experience, is in place to deliver the well-defined Group Strategy.
- External advisers are utilised where special expertise or new capabilities are required, or where insufficient capacity is available in-house.
- Monitoring of specific acquisition targets: Business acquisition process incorporating concept evaluation, business case, indicative offer/heads of terms, due diligence, and integration planning, execution and post integration appraisal, which in turn feeds back to the business acquisition process.

3 Product liability

Risk and potential impact

A failure in one of our products resulting in serious injury, death, damage to property or non-compliance with product regulations.
The risk that products are not manufactured to contractually agreed specification or additional customers' requirements.

- Non-compliance with quality standards.
- Financial loss.
- Reputational damage.

Growth in the TT product sales which are generally higher value could carry a higher product liability risk.

Mitigation and control

- Standard terms and conditions of sale are utilised, which are reviewed by the in-house Legal Counsel and external advisers as appropriate. These cap financial exposure and exclude consequential losses. Non-standard terms and conditions of sale must be approved by the in-house Legal Counsel and senior executives in line with the Group authority matrix, following, where necessary, thorough external legal and commercial review.
- Strict quality processes are adhered to, and our manufacturing locations maintain industry-relevant accreditations.
- Potential damages resulting from this risk are fully or partially covered through the Group's various insurance policies.
- Legal self-assessment checklists are completed by all operating locations and are reviewed by in-house legal counsel, to identify any potential non-standard terms and conditions.

4 Health and safety in the workplace

Risk and potential impact

The risk of death or serious injury to employees or third parties associated with Renold's worldwide operations.
Accidents caused by a lack of robust safety procedures could result in life-changing impacts for employees, visitors or contractors.
In addition, accidents could result in civil or criminal liability for both the Group and the Directors and officers of the Group and Group companies, leading to financial loss or reputational damage.
No matter what mitigating actions are undertaken, there remains a risk of death or serious injury.
We therefore continue to assess the risk of the highest possible impact, but through the mitigation actions seek to reduce the likelihood.

Mitigation and control

Group policies and a Group-wide management system (known as the Health and Safety Framework) set control expectations. A rolling programme of health and safety audits assesses compliance against the framework.

- Continual hazard assessments ensure awareness of risks.
- Tracking of accident rates and root cause analysis, plus monthly Board reporting focussed on a range of KPIs.
- Specific initiatives include the BAT (Be safe; Act safe; Think safe) safety programme and the Annual Health and Safety Awards Scheme to recognise success.
- Proactive identification and management of emerging risks.

Significantly improving our health and safety performance continues to be our number one objective.

5 Security and effective deployment and utilisation of information technology systems

Risk and potential impact

We seek to leverage the use of IT to achieve competitive advantage. The Group continues to globally implement a single suite of integrated IT tools to replace numerous legacy systems which inherently brings with it the risks associated with a large-scale change programme.

The threat from cyber-attacks, and therefore security of our IT systems, is constantly evolving. The frequency of attacks is increasing, and the nature of such attacks are becoming more sophisticated. The risk to our Group, our supply chains and our customers is ever present.

- Interruption or failure of IT systems (including a cyber-attack) would hinder or prevent some business activities from occurring. If the interruption were long lasting, significant damage could be done to the business.
- It is essential that we are able to rely on the data derived from our business systems to feed routine but fundamental business performance monitoring.
- An unsuccessful implementation of the global ERP system has the potential to materially impact that site's, and possibly the Group's, performance.

Mitigation and control

Our new ERP and associated systems have been successfully implemented at several locations, whilst our legacy platforms are maintained in the short term. Phased implementations improve the quality of successive rollouts. We recognise that cyber threats are ever increasing and we continue to invest in additional capability and controls to defend against such threats.

- We use specialist external consultants and recruit experienced personnel.
- We utilise a range of preventative and detective controls to manage the risk of a cyber-attack, including technical solutions in addition to employee training programmes.
- Regular system maintenance and upgrades ensure known vulnerabilities are protected.

6 Prolonged loss of a major manufacturing site

Risk and potential impact

A catastrophic loss of the use of all or a significant portion of a strategic production facility. The prolonged loss of certain larger plants has the potential to impact the viability of the Group. This could result from an accident, a strike by employees, a significant disease outbreak, major disruption to supply chains, fire, severe weather or other causes outside of management control.

- In the short and long term, a related risk event could adversely affect the Group's ability to meet the demands of its customers.
- Specifically, this could entail significant repair costs or costs of alternative supply. A significant proportion of the Group's revenue is on relatively short lead times and a break in our supply chain could result in loss of revenue. All of this translates into lower sales and profits and reduced cash flow.

Mitigation and control

We continue to enhance the manufacturing capabilities and operational processes at a number of our manufacturing locations through investment in equipment and additional training, aiming to reduce reliance on single geographical locations. We maintain, develop and enhance our business continuity plans, such that the impact of business interruption is minimised in the event it occurs.

- Preventative maintenance programmes and new investments to reduce risk of interruption of manufacturing.
- A Group fire safety policy mandating preventative, detective and containment controls.
- A geographic spread of alternative manufacturing capacity exists for a growing portion of the Group's product range.
- Inventory is maintained to absorb shorter-term raw material supply and production volatility risks.
- Comprehensive insurance policies mitigate the impact of a number of these risks, albeit subject to claim limits.

7 People and change

Risk and potential impact
The Group's operations are dependent upon the ability to attract and retain the right people with an appropriate range of skills and experience. Succession planning and the ability to swiftly replace staff retiring or leaving is also critical.
- Failure to retain, attract or motivate the required calibre of employees will negatively impact business performance.
- The delivery of the Strategic Plan and our strategic goals may also be delayed.

Mitigation and control
The employment market remains competitive. However, we continue to attract and retain high calibre individuals. We maintain positive relationships with our employees and have, where possible, worked in partnership to achieve mutually agreeable pay awards and working arrangements.
- Competitive reward programmes, focussed training and development, personal development and talent retention programmes.
- Ongoing reviews of succession plans based on business needs.
- Management team strengthened with new capability from external hires and internal promotions.
- The Renold Values, launched in 2015, are embedded and are linked to recruitment processes for new employees.

8 Liquidity, foreign exchange and banking arrangements

Risk and potential impact
A lack of sufficient liquidity and flexibility in banking arrangements could inhibit the Group's ability to invest for the future or, in extremes, restrict day-to-day operations.
- Potentially cause under-investment and sub-optimal short-term decision making.
- Limiting investment could prevent efficiency savings and reduce competitiveness.
- In an extreme situation, the Group's ability to operate as a going concern could also be jeopardised.

Mitigation and control
The Group remained comfortably within banking covenants throughout the year and retains a strong cash position.
- The Group's primary funding is derived through a series of intra group loans, with our holding company Endurance PT Technology Buyer Corporation. We continue to maintain a positive relationship with our external banking providers.
- Rolling foreign exchange contracts cover expected future cash flows.

9 Pensions deficit

Risk and potential impact
The principal risk is that short-term cash funding requirements of legacy pension schemes divert investment away from the Group's operations. Secondly, the size of the reported balance sheet deficit can operate as a disincentive to potential investors or other stakeholders, limiting the Group's ability to raise financing on capital markets.
- The pace of the Group's performance improvement could be slowed if cash has to be diverted to the pension schemes.
- Reduced equity or debt financing could limit the strategic options open to the Group.

Mitigation and control
The size of the reported balance sheet deficit has continued to reduce in the year, primarily due to ongoing cash contributions from the Group and additional contributions by the Group parent organisation Endurance PT Technology Buyer Corporation. Future cashflows remain known and forecastable.
- We maintain a good relationship with pension trustees.
- Specialist professional advice is obtained to help us manage the associated liabilities and risks.
- The major UK pension cash flows (over 75% of all defined benefit pension cash costs) are stable, known and defined under the 25-year asset-backed funding scheme put in place during 2013. A further 20% of the annual pension cash flows are pensions in payment in Germany in a mature arrangement that has passed its peak funding requirement.

10 Legal, financial and regulatory compliance

Risk and potential impact

The risk of censure, fine or business prohibition because of any part of the Group failing to comply with current, changing or new regulatory or legal obligations. Many of the Group's business activities are subject to increasing regulation and enforcement by relevant authorities.

Failure by the Group or its representatives to abide by applicable laws and regulations could result in:

- Administrative, civil or criminal liability.
- Significant fines and penalties.
- Suspension of the Group from trading.
- Reputational damage.

Mitigation and control

The Group clearly communicates and promotes a compliance culture:

- Risk assessments and ongoing compliance reviews at least annually at all major locations with nominated managers at every business unit.
- Published up-to-date policies and procedures with clear guidance and training issued to all employees.
- Financial control assurance and legal compliance monitoring through internal audit and a control self-assessment process.
- Self-certification from every operating region that internal controls have been complied with and that legal compliance has been maintained and is reviewed on at least an annual basis.

Stakeholder engagement

Directors' duties

The Board takes into account the interests of Renold's broad range of stakeholders and due consideration is given to the impact of the Board's decisions and the Group's activities on these stakeholders in accordance with the obligations of Section 172 of the Companies Act.

Section 172 requires the Directors to act in a way they consider would be most likely to promote the success of the Company for the benefit of the members as a whole. In doing so the Directors must have regard to:

a. the likely consequences of any decision in the long term;
b. the interests of the Company's employees;
c. the need to foster the Company's business relationships with suppliers, customers and others;
d. the impact of the Company's operations on the community and the environment;
e. the desirability of the Company maintaining high standards of business conduct; and
f. the need to act fairly between shareholders of the Company.

The table below outlines Renold's key stakeholders and how we engage at different levels through the organisation.

	Our people	**Our customers**	**Our partners**	**Our investors**	**Our local communities**
Why it is important to engage	The calibre and capability of our people are critical to Renold's success. We want our people to be proud of working for Renold and we want to be in a position to attract and retain the best talent.	Our customers are ultimately the key users of our products, and without their continued support, we would not have the potential to grow and develop.	The Group is dependent on high-quality goods and services provided by our suppliers and as a result, long-term partnerships are sought for the benefit of all parties.	Our investors are the owners of our business and are critical to supporting future strategic development of the Group.	We recognise our responsibility to the communities in which we operate and our broader responsibilities to reduce the impact of our activities on our environment.
Stakeholders' key interests	• Opportunities for development and progression. • Fair reward and recognition of performance. • Stable employment. • An inclusive and safe environment.	• High-quality, sustainable products that deliver value. • A problem-solving capability to resolve issues and improve performance. • A service ethos that can be relied upon to deliver.	• Clear communication of requirements. • Fair and timely payment. • A partnership approach that seeks to provide long-term benefits to all parties.	• A successful, clearly communicated strategy that is delivering results. • Delivery of sustainable improvement for the long term.	• To interact in a considerate manner, being aware of our impact on the areas within which we operate and make a positive contribution.

	Our people	Our customers	Our partners	Our investors	Our local communities
Ways we engage	'Value our people' is recognised as a core value at Renold. Employees are encouraged to ask questions and raise issues to all levels. This continues through to Board site visits, where the Directors make themselves available to answer questions directly with a broad base of employees. The Chief Executive and Group Finance Director present the annual results and half year results to global management and to all employees based at the Group Head Office. Employees are invited to participate in a question and answer session after each presentation.	We regularly engage with our customer base directly through our sales teams, our technical engineering teams and our operational management teams. At Board level, the broad-based, geographically spread customer base does not support significant direct customer interaction. Through reports from local management teams, monitoring of customer service levels and explicit reports of product issues, the Board ensures customers continue to receive the high-quality products and levels of service that the Renold brand stands for.	The Group generally operates localised supply chains in the territories in which it operates. This allows direct interaction between our supply-chain teams, our business unit management and local suppliers, ensuring short lines of communications and the ability to react quickly. We work closely with our banking partners to ensure that the Group is adequately funded.	The Executive Directors regularly meet with Representatives of the parent company Endurance PT Technology Buyer Corporation, and with representatives of the PE backer MPE.	The Group interacts with people in the communities in which we operate, supporting charity fundraising activities, education and development initiatives. This encompasses a range of activities including apprenticeship schemes we operate, through to supporting infrastructure projects at schools in India.
Result of engagement	A co-operative Group-wide environment in which all our people work together for the benefit of the Company and the individual.	Development of sustainable products going forward, including lubricant-free and long-life products.	We are liaising with suppliers to ensure our product supplies are generated from sustainable, low carbon sources.	We have listened to the feedback from shareholders to formulate our sustainability, acquisition and growth strategy. Agreement from Shareholders was sought to authorise the takeover of the Group by MPE.	We are working closely with local communities to develop projects for their benefit.

Future outlook

Whilst there is currently an increased level of macro economical, geopolitical, and financial risk present in the global economy, the Group's end markets are expected to remain consistent in 2026. The Directors believe that the Group can benefit from continued strong secular tailwinds including energy transition, rising energy consumption, population growth, and increased living standards.

The Group is well positioned for profitable and sustainable growth, serving mission-critical energy and industrial infrastructure and continuously improving operations. The Directors consider the measures described in the strategic report will maximise this opportunity and mitigate any risks specific to the Group.

The Group is well placed to capitalise on the potential synergies to be gained from working closely with both our sister company Webster and our parent company MPE.

Jim Haughey
Director
25 June 2026

Renold Limited

Company number 00249688

Directors' report

The Directors present their annual report and the audited financial statements of Renold Limited (Registered Number 00249688) ('the Company') for the period ended 31 December 2025.

Directors

The Directors of the Company during the year and up to the date of this report were:

John Robert Purcell	(Resigned 1 May 2026)
James Haughey	
Blake Egan (US Citizen)	(Resigned 20 March 2026)
Constantine Elefter (US Citizen)	
Josh Liebow (US Citizen)	
Adrian Murphy (US Citizen)	
Simon Newman (US Citizen)	
Tim Cooper	(Resigned 29 October 2025)
David Landless	(Resigned 29 October 2025)
Andrew Magson	(Resigned 29 October 2025)
Victoria Potter	(Resigned 29 October 2025)

Result and dividend

The loss for the nine month period to 31 December 2025 from continuing operations was £11.4m (March 2025 – profit of £15.1m).

No dividends were paid to the parent undertaking Endurance PT Technology Buyer Corporation. during the period. (March 2025 – nil)

Principal activities and review of the business

The strategic report presents a summary of the Company's principal activities and future developments.

Research and development

Expenditure on research and development was directed to the expansion and efficiency improvements of existing product ranges, alongside developing new technology and new product ranges.

Employee involvement

Within commercial confidence, information continues to be given to employees about the progress of the Company and on matters of concern to them as employees. Regular meetings are held to discuss matters affecting employees.
During the year, the Company has continued arrangements whereby it periodically makes presentations to employees on the performance of the Company and its objectives in the context of both internal and external economic factors.

Financial instruments

The Company's principal financial instruments are shown on the balance sheet. The principal financial risks to which the Company is exposed are outlined in the strategic report and in the notes to the accounts.

Going concern

The Directors have adopted the going concern assumption and the accompanying financial statements have been prepared in accordance with that assumption. Refer to the Accounting policies: Going concern for a discussion of the process the directors used to assess and conclude that the Group and Company is a going concern.

Events after the reporting date

On 2nd January 2026 the Group transferred, by way of a group reconstruction, its investment in its US businesses Renold Holdings Inc, Renold Jeffrey inc and Renold Inc, to Endurance PT Technology Buyer Corporation, its immediate parent undertaking for £26.4m.

Future developments

Future developments affecting the business are discussed in the business review section of the strategic report.

Directors' and officers' liability insurance

Liability insurance for Directors and officers was maintained throughout the year. No qualifying third-party indemnity provision or qualifying pension scheme indemnity provision was in force when this Directors' Report was approved or was in force during the year.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and that appropriate training is arranged. It is the policy of the Group and Company that the training, career development and promotion of disabled persons, would, as far as possible, be identical to that of other members of the Group.

Directors' statement of disclosure of information to the Auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, upon the recommendation of the Audit Committee, the Board anticipates to re-appoint BDO LLP as external auditors of the Group's 2026 financial statements.

Sustainability and environmental, social and governance (ESG)

Renold has adopted a pragmatic approach to sustainability and environmental, social and governance (ESG) matters. Our Sustainability Model illustrates how ESG is embedded within a larger Sustainability Framework. This has been widely communicated throughout the business.

Our focus is on making an actual difference through continual work programmes, aiming to reduce both energy consumption and environmental impact, and involving our customers, local communities, workforce and other stakeholders. We have not, and do not plan to make far-reaching statements on future carbon neutrality; instead we are working to be better each year. Alongside our own direct work on sustainability, we are already manufacturing products that will assist our customers to improve their sustainability performance. Development programmes have improved our products even further so that customers have more opportunities to reduce their environmental impact.

The Group Sustainability Committee has driven a number of projects throughout the period and is constantly assessing and promoting new opportunities. Projects continuing during the peirod, include a successful programme aiming to cut our electricity consumption across our entire international footprint, and a further project aimed at reducing Renold's use of water.

At a regional level, our businesses across the world have been tasked with developing their own sustainability project roadmaps, seeking to ensure that our efforts are relevant to the highly diverse regions within which we operate. Projects are running on waste reduction, elimination of various chemicals, and reducing water and energy usage.

Group greenhouse gas emissions

Group GHG emissions (tCO2e)	**31 Mar 2022 (12 months)**	**31 Mar 2023 (12 months)**	**31 Mar 2024 (12 months)**	**31 Mar 2025 (12 months)**	**31 Dec 2025 (9 months)**
Scope 1	7,475	7,091	6,036	5,974	3,629
Scope 2 [1]	16,277	14,499	14,556	14,751	10,999
Total Scope 1 and Scope 2	23,752	21,590	20,592	20,725	14,628
Emissions intensity (tCO2e per £1m)[2]	121	92	87	85	79
Energy consumption (GWh)					
UK Scope 1 fuel usage	3.7	3.0	2.2	1.4	0.8
RoW Scope 1 fuel usage	35.7	34.1	29.6	29.8	18.0
Total Scope 1 fuel usage	39.4	37.1	31.8	31.2	18.8
UK electricity usage	2.9	2.7	2.6	2.5	1.9
RoW electricity usage	29.5	28.5	27.8	27.7	21.6
Total electricity usage	32.4	31.2	30.4	30.2	23.5
Total generated electricity	0.8	0.6	0.3	0.4	0.3

1 *Scope 2 emissions for 2021 to 2024 have been restated using corrected published international conversion factors.*
2 *Emissions intensity is calculated using revenue translated using constant exchange rates.*

SECR Report UK GHG emissions (tCO2e)	31 Mar 2022 (12 months)	31 Mar 2023 (12 months)	31 Mar 2024 (12 months)	31 Mar 2025 (12 months)	31 Dec 2025 (9 months)
Scope 1	715	607	435	273	152
Scope 2	614	526	533	518	340
Scope 3	7	2	11	9	3
UK total	1,336	1,135	979	800	495
UK emissions intensity	64	50	38	30	27
UK energy consumption (GWh)	6.7	5.7	4.9	4.0	2.7
Percentage of estimated UK data	2%	2%	0%	0%	0%
Figures reported have been independently verified by Carbon Decoded, a specialist energy management consultancy.					

We collect energy usage information from our operating locations on a monthly basis using our Energy Management System. We are continually improving the accuracy and granularity of the data that we collect, and where data is not yet available, it is appropriately estimated; this relates to our international offices, where the energy consumption is calculated based on benchmarks for floor areas.

The intensity measurement is total reported emissions divided by constant exchange rate revenue (FY2025). The GHG Protocol Corporate Accounting and Reporting Standard has been followed where relevant, and this report includes all Scope One, Two and Three emissions as required by SECR.

The Company continues to show good progress on the level of energy consumed in the UK over the current period. The Company has a target to continually reduce CO_2 emissions and to achieve a significant reduction in its carbon footprint by 2035.

The underlying energy data used to calculate carbon emissions includes electricity, gas and other fuels purchased for use on-site and for transport. The calculation did not cover the verification of the company's GHG emission sources data and as such this report cannot be construed as a third-party verification certificate that provides "Reasonable Assurance" for the company's GHG emissions data.

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

J Haughey

Jim Haughey
Director
25 June 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Directors' 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 elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards. 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 Company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The strategic report includes 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 that they face; and
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 25 June 2026 and is signed on its behalf by:

By order of the Board.

J Haughey

Jim Haughey
Director
25 June 2026

Renold Limited

Company number 00249688

Independent Auditor's report to the members of Renold Limited

Report on the audit of the financial statements

Opinion

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 December 2025 and of the Group's loss and the Parent Company's profit and the Group's cash flows for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent 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.

We have audited the financial statements of Renold Limited ("the Parent Company") and its subsidiaries ("the Group") for the 9-month period ended 31 December 2025 which comprise of the following:

Group	Parent Company
Consolidated income statement	
Consolidated statement of comprehensive income	
Consolidated balance sheet	Company balance sheet
Consolidated statement of changes in equity	Company statement of changes in equity
Consolidated statement of cash flows	
Accounting policies	Company accounting policies
Notes 1 to 26 to the consolidated financial statements	Notes 1 to 15 to the company financial statements
Material accounting policy information.	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Independent Auditor's report to the members of Renold Limited

Report on the audit of the financial statements

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 or 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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 the 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.

Other Companies Act 2006 reporting

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
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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

Report on the audit of the financial statements

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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, legal counsel and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be UK adopted international accounting standards, UK tax legislation and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation data protection and employment law.

Our procedures in respect of the above included:

- Enquiries of management whether there were any litigations and claims;
- Enquiries of the legal team of the Group company;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls that otherwise appear to be operating effectively and the posting of journal entries to revenue that is not supported by underlying transactional data.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular to the underlying assumptions included in the acquisition accounting, impairment value in use model, forecasted cost to complete long-term contracts and inventory provisioning and valuation;
- Assessing journal entry combinations with revenue and testing any journal entries identified which do not meet our expected posting patterns by agreeing these entries to appropriate supporting documentation; and
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control; and
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's report to the members of Renold Limited

Report on the audit of the financial statements

Use of our report

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

DocuSigned by:

Stuart Wood

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Stuart Wood (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK
Date: 25 June 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Note	December 2025 £m	March 2025 £m
Revenue	1	185.2	245.1
Operating costs	2	(188.4)	(216.6)
Operating (loss) / profit		(3.2)	28.5
Finance costs	3	(6.3)	(7.9)
(Loss) / profit before tax		(9.5)	20.6
Taxation	4	(1.9)	(5.5)
(Loss) / profit for the financial year		(11.4)	15.1

All results are from continuing operations.

Consolidated statement of comprehensive income

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Note	December 2025 £m	March 2025 £m
(Loss) / Profit for the financial year		(11.4)	15.1
Items that may be reclassified to the income statement in subsequent years:			
Exchange differences on translation of foreign operations		(1.8)	(3.6)
Gain on hedges of the net investment in foreign operations		-	0.4
Cash flow hedges:			
Gain / (loss) arising on cash flow hedges during the year		0.1	(0.4)
Cumulative gain arising on cash flow hedges reclassified to profit or loss		-	0.3
		(1.7)	(3.3)
Items not to be reclassified to the income statement in subsequent years:			
Remeasurement (loss) / gains on retirement benefit obligations	17	(0.3)	6.0
Tax on remeasurement gains on retirement benefit obligations – excluding impact of statutory rate change	16	0.2	(1.1)
		(0.1)	4.9
Other comprehensive (loss) / gain for the year, net of tax		(1.8)	1.6
Total comprehensive (loss) / income for the year, net of tax		(13.2)	16.7

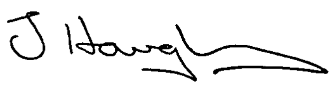
Consolidated balance sheet

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Note	December 2025 £m	March 2025 £m
ASSETS			
Non-current assets			
Goodwill	6	33.1	34.0
Intangible assets	7	18.9	19.3
Property, plant and equipment	8	64.9	62.5
Right-of-use assets	9	20.6	19.6
Deferred tax assets	16	5.6	4.9
		143.1	140.3
Current assets			
Inventories	10	68.5	67.2
Trade and other receivables	11	49.3	48.2
Current tax		3.4	1.0
Derivative financial instruments	23	0.2	-
Cash and cash equivalents	12	17.3	22.0
		138.7	138.4
TOTAL ASSETS		281.8	278.7
LIABILITIES			
Current liabilities			
Borrowings	13	(5.3)	(3.0)
Trade and other payables	14	(51.3)	(61.2)
Amounts owed to parent company	14	(24.8)	-
Lease liabilities	9	(3.1)	(2.5)
Current tax		(12.2)	(13.0)
Derivative financial instruments	23	(0.1)	(0.2)
Provisions	15	(2.5)	(1.0)
		(99.3)	(80.9)
NET CURRENT ASSETS		39.4	57.5
Non-current liabilities			
Borrowings	13	(0.1)	(63.3)
Preference stock	13	-	(0.5)
Trade and other payables	14	(0.2)	-
Lease liabilities	9	(18.2)	(17.3)
Deferred tax liabilities	16	(4.9)	(5.1)
Retirement benefit obligations	17	(34.0)	(47.0)
Provisions	15	(5.0)	(4.0)
		(62.4)	(137.2)
TOTAL LIABILITIES		(161.7)	(218.1)
NET ASSETS		120.1	60.6
EQUITY			
Issued share capital	18	11.3	11.3
Share premium account	18	71.0	-
Currency translation reserve	20	3.0	4.8
Other reserves	20	0.1	(8.5)
Retained earnings	20	34.7	53.0
TOTAL EQUITY		120.1	60.6

Approved by the Board on 25 June 2026 and signed on its behalf by:

Jim Haughey
Finance Director



Consolidated statement of changes in equity

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Share capital £m Note 18	Share premium account £m Note 18	Restated[1] Retained earnings £m Note 20	Currency translation reserve £m Note 20	Other reserves £m Note 20	Total shareholders' funds £m Note 20
At 31 March 2024 (restated)	11.3	-	32.9	8.0	(8.8)	43.4
Profit for the year	-	-	15.1	-	-	15.1
Other comprehensive income/(loss)	-	-	4.9	(3.2)	(0.1)	1.6
Total comprehensive income/(loss) for the year	-	-	20.0	(3.2)	(0.1)	16.7
Settlement of share schemes	-	-	(0.4)	-	0.4	-
Share-based payments	-	-	1.5	-	-	1.5
Dividends paid during the year	-	-	(1.0)	-	-	(1.0)
At 31 March 2025	**11.3**	**-**	**53.0**	**4.8**	**(8.5)**	**60.6**
Loss for the period	-	-	(11.4)	-	-	(11.4)
Other comprehensive income/(loss)	-	-	(0.1)	(1.8)	0.1	(1.8)
Total comprehensive income/(loss) for the period	-	-	(11.5)	(1.8)	0.1	(13.2)
Shares issued	-	71.0	-	-	-	71.0
Settlement of share schemes	-	-	(8.5)	-	8.5	-
Share-based payments	-	-	1.7	-	-	1.7
At 31 December 2025	**11.3**	**71.0**	**34.7**	**3.0**	**0.1**	**120.1**

[1] See Note 4 for details of the prior period restatement

Included in retained earnings is £nil (31 March 2025: £5.2m) relating to a share option reserve.

The other reserves included Renold shares held by the Renold Employee Benefit Trust. The Renold Employee Benefit Trust held Renold plc shares and satisfied awards made under various employee incentive schemes when issuance of new shares was not appropriate.

On 29th October, all outstanding share options were redeemed following the acquisition of the company by MPE, the redemption price was £0.82p per share. MPE subscribed for one ordinary share in the Group for a subscription price of £71.0m (comprising £0.05p of nominal share capital and £71.0m of share premium).

At 31 December 2025 nil (31 March 2025: 26,198,883) ordinary shares of 5p each were held by the Renold Employee Benefit Trust and, following recommendations by the employer, are provisionally allocated to satisfy awards under employee incentive schemes. The market value of these shares at 31 December 2025 was £nil (31 March 2025: £10.8m).

Consolidated statement of cash flows

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Note	December 2025 £m	March 2025 £m
Cash flows from operating activities	22		
Cash generated from operations		14.6	32.0
Income taxes paid		(6.0)	(7.0)
Net cash flow from operating activities		8.6	25.0
Cash flows used in investing activities			
Proceeds from property disposals		0.2	0.2
Cash outflow on disposal of right-of-use assets		-	(0.2)
Purchase of property, plant and equipment		(6.8)	(11.8)
Purchase of intangible assets		(1.2)	(1.5)
Consideration paid for acquisitions net of cash acquired	24	(8.3)	(22.1)
Net cash flow used in investing activities		(16.1)	(35.4)
Cash flows from financing activities			
Repayment of principal under lease liabilities		(2.2)	(3.0)
Finance costs paid		(3.5)	(5.1)
Proceeds from issue of shares		71.1	-
Repayment of preference shares		(0.5)	-
Dividends paid		-	(1.0)
Proceeds from borrowings		21.4	45.6
Repayment of borrowings		(81.4)	(20.7)
Net cash flow from financing activities		4.9	15.8
Net (decrease)/increase in cash and cash equivalents		(2.6)	5.4
Net cash and cash equivalents at beginning of period		19.1	14.1
Effects of exchange rate changes		0.5	(0.4)
Net cash and cash equivalents at end of period	12	17.0	19.1

Accounting policies

BASIS OF ACCOUNTING

Renold Limited is a limited company incorporated and domiciled in the United Kingdom. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the Group). The Company's financial statements present information about the Company as a separate entity and not about the Group. The financial statements have been prepared in accordance with UK-adopted international accounting standards.

The Parent Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 62 to 71. The financial statements were approved by the Board on 25 June 2026.

The consolidated financial statements have been prepared on a historical cost basis except for items that are required by International Financial Reporting Standards ('IFRS') to be measured at fair value, principally certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Pounds Sterling, which is the functional currency of Renold Limited, the Parent Company of the Group.

FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction or average rates where applicable. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except for monetary items that form part of the net investment in foreign operations which are taken to other comprehensive income.

Assets and liabilities of overseas subsidiaries are translated into Pounds Sterling at the exchange rates at the end of the financial year. Income statements and cash flows are translated at the appropriate average rates of exchange for the year. Differences on exchange arising on the retranslation of net assets in overseas subsidiaries, borrowings used to finance or provide a hedge against those investments and from the translation of the results at average rates are taken directly to other comprehensive income. On loss of control of a foreign entity, related exchange differences previously recognised in other comprehensive income are recognised in the income statement as part of the gain or loss on sale.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company made up to 31 December (previously 31 March).

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and equity interests issued by the Group in exchange for control of the acquired entity. Consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed in operating costs as incurred. All identifiable assets and liabilities acquired and contingent liabilities assumed are initially measured at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest and the acquisition date fair value of any previously held equity interest in the acquired entity as compared with the Group's share of the identifiable net assets are recognised as goodwill. Where the Group's share of identifiable net assets acquired exceeds the total consideration transferred, a gain from a bargain purchase is recognised immediately in the income statement after the fair values initially determined have been reassessed.

(A) SUBSIDIARIES

Subsidiaries are entities that are controlled by the Group. As per IFRS 10 there are 3 elements of control; power over the investee, exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of those returns. Typically, a shareholding of more than 50% of the voting rights is indicative of control. However, the impact of potential voting rights currently exercisable is taken into consideration.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control is obtained to the date that control ceases. The accounting policies of new subsidiaries are changed where necessary to align them with those of the Group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. They are initially measured at the non-controlling interest's share of the net fair value of the assets and liabilities recognised or at fair value, as determined on an acquisition-by-acquisition basis. Subsequent to acquisition, non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of the changes in equity since the date of the combination.

The results and financial position of Renold Group Scottish Limited Partnership (SLP) have been consolidated in the consolidated financial statements of Renold Limited. Renold Limited is the parent undertaking of the general partner in the SLP (see Note 15 to the Company financial statements). To determine that Renold Limited has control over the SLP, we considered the following activities, benefits and risks:

- Activities – The SLP was established by Renold Limited as a means of funding its pension obligation in an efficient manner.
- Benefits – During the 25-year period, the Renold Pension Scheme will receive substantially all of the SLP's income. However, after this period, the Renold Group is entitled to any remaining income generated in the SLP, together with any other residual value in the SLP.
- Risks – The Group bears the risks incidental to the activities of the SLP because it retains the obligation to ensure the pension scheme is appropriately funded.

Accordingly, advantage has been taken of the exemption conferred by paragraph 7 of the Partnerships (Accounts) Regulations 2008 from the requirements for preparation, delivery and publication of the partnership's accounts.

(B) TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investments are eliminated to the extent of the Group's interest in that investment. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting policies

GOING CONCERN

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

Further information in relation to the Group's business activities, together with the factors likely to affect its future development, performance and financial position, liquidity, cash balances and borrowing facilities is set out in the Strategic Report section of the Annual Report. In addition, the financial statements within the Annual Report include 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 foreign exchange, credit and interest rate risk.

The Group ended the year to December 2025 in a strong liquidity position with £17.3m of cash and cash equivalents. The Directors have considered a range of scenarios on the Group's operations, financial position and forecasts covering the period 31st December 2027. These take into account sensitivity analysis and stress testing performed on the forecasts to assess the impact of any reduction in activity on the business and the resulting impact on revenue, cash flows and the break-even point which would result in the Group's cash and cash equivalents balance falling into an overdraft position. Revenue would have to reduce by 41% for this to happen.

The Directors highlight, as at the date of approval of these financial statements, there has been no loss of revenue nor decrease in customer quoting activity and the Group's ability to accurately forecast revenue reflects that a high proportion of future sales within the sales pipeline are placed on order. The Group continually monitors its financial results and utilises financial models, which confirm the Group's ability to adopt the going concern basis.

After review of the forecasts along with mitigating factors available to them, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence. Accordingly, the Directors have adopted the going concern basis in preparing the annual report and financial statements.

REVENUE

Revenue for goods sold is recognised at the value of the consideration specified in the contract with the customer for the sale of goods net of sales rebates, discounts, VAT and other sales related taxes and after eliminating sales within the Group. Revenue is recognised when the performance obligations of the Group have been fulfilled. Revenue is principally recognised at a point in time, when the obligation to despatch or deliver the specified goods is satisfied. There are a small number of contracts with customers for which performance obligations are satisfied over time. Revenue is recognised on the following basis:

(A) SALE OF GOODS

Revenue recognised relates to the sale of high precision engineered power transmission products to a range of industries worldwide. Revenue is recognised on the sale of goods when the performance obligations of the Group, principally the obligation to despatch or deliver the specified goods, are satisfied, which is consistent with when the risks and rewards of ownership have transferred from the Group to the customer. This is normally the point of despatch to the customer when title passes.

For the small number of contracts with customers for which performance obligations are satisfied over time, the Group uses an appropriate method to measure progress, typically the cost input method, and recognises revenue commensurate with this progress over time. A cost input method is used as we believe that this method most closely aligns with our completion of each performance obligation. This may result in the recognition of contract assets or contract liabilities.

Payments from customers in relation to revenue recognised at a point in time may be received in advance of product manufacture, product shipment, or in line with agreed credit terms which are typically 30 to 60 days. In the case of revenue recognised over time, payment is usually received in line with pre-agreed contract milestones.

In some circumstances, the transaction price of our contract with a customer is variable. Where this is the case, we use either the expected value method or the most likely amount method so as to estimate the consideration to which we are entitled under the contract. The most appropriate method is selected based on the facts and circumstances of the contract, with similar circumstances being treated in the same way.

(B) SALES REBATES AND DISCOUNTS

These comprise customer discounts and rebates which are sales incentives to customers to encourage them to purchase increased volumes and are related to total volumes purchased and sales growth or incentives for early payment. They are recognised in the same period as the sales to which they relate based upon management's best estimate of the amount necessary to meet claims made by the Group's customers in respect of these rebates and discounts such that the revenue recognised equals the consideration specified in the contract net of contractual rebates and discounts.

DISCOUNTS RECEIVED FROM SUPPLIERS

These comprise rebates and discounts received from suppliers as incentives to purchase increased volume or early settlement of amounts payable. They are recognised within operating costs over the period to which the contract or purchase relates.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is charged to the income statement in the year in which it is incurred with the exception of:

- amounts recoverable from third parties; and
- expenditure incurred in respect of the development of major new products, where the outcome of those projects is assessed as:
  (i) being reasonably certain with regard to viability and technical feasibility; and
  (ii) where the Group has obtained contractual commitments for the purchase of the new product covering a period of greater than 12 months.

Such expenditure is capitalised and amortised over the estimated period of sale for each product, commencing in the year that sales of the product are first made. Amortisation is charged on a straight-line basis.

GOVERNMENT ASSISTANCE

A grant shall not be recognised until there is reasonable assurance that the business will comply with the conditions attached to it and that the grant will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Accounting policies

TAXATION

The tax charge included in the income statement comprises current tax payable and deferred tax.

The Group is subject to taxes in numerous jurisdictions. The current tax charge represents an estimate of the amounts payable to tax authorities in respect of taxable profits. It is based on tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

Deferred income tax is provided using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date.

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 or taxable profit will be available against which unused tax losses can be utilised before they expire.

Deferred income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not the income statement. Similarly, income tax is charged or credited to equity if it relates to items that are credited or charged directly to equity. Otherwise, income tax is recognised in the income statement.

Deferred tax balances are analysed in Note 16.

DIVIDENDS

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are paid or approved by the Company's shareholders.

GOODWILL

(i) INITIAL RECOGNITION

Goodwill arises on business combinations and represents the excess of the cost of an acquisition over the Group's share of the identifiable net assets of the acquiree at the acquisition date. Where the cost is less than the Group's share of the identifiable net assets, the difference is immediately recognised in the income statement as a gain from a bargain purchase.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

(ii) SUBSEQUENT MEASUREMENT

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investments, goodwill acquired directly is included in the carrying amount of the investment.

(iii) IMPAIRMENT

Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. The cash generating unit to which the goodwill has been allocated is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Any impairment charge is recognised immediately in the income statement.

INTANGIBLE ASSETS

(i) COMPUTER SOFTWARE

Computer software that is not integral to an item of plant and equipment is recognised separately as an intangible asset. Amortisation is charged on a straight-line basis so as to charge the cost of software to the income statement over its expected useful life which is between three and seven years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

(ii) SOFTWARE AS A SERVICE

For Software as a Service ('SaaS') arrangements, the Group capitalise costs only relating to the configuration and customisation of SaaS arrangements as intangible assets where control of the software and associated configuration and customised elements exists.

(iii) OTHER INTANGIBLE ASSETS

Other intangible assets, such as those identified on acquisition by the Group that have finite useful lives, are recognised at fair value and measured at cost less accumulated amortisation and impairment losses. The estimated useful lives for the Group's finite life intangible assets are between three and ten years.

Intangible assets are reviewed, at least annually, to ensure that assets are not carried above their recoverable amounts. Where some indication of impairment exists, calculations are made of the discounted cash flows resulting from continued use of the assets (value-in-use) or from their disposal (fair value less costs to sell). Where these values are less than the carrying amount of the assets, an impairment loss is charged to the income statement.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are stated at cost, being purchase cost plus any incidental costs of acquisition, less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis so as to charge the depreciable amount of the respective assets to the income statement over their expected useful lives. No depreciation has been charged on freehold land. The useful lives of assets are as follows:

	Years
Freehold buildings	50
Leasehold property improvements	50 years or the period of the lease if less
General plant and equipment	15
Fixtures	15
Precision cutting and grinding machines	10
Motor vehicles	3

Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

Refer to Note 15 for our treatment of dilapidations.

Accounting policies

LEASING AND RIGHT-OF-USE ASSETS

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liability and associated finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Group has a large number of material property, equipment and vehicle leases.

To the extent that a right-of-control exists over an asset subject to a lease, with a lease term exceeding one year, a right-of-use asset, representing the Group's right to use the underlying leased asset, and a lease liability, representing the Group's obligation to make lease payments, are recognised in the Group's Consolidated Balance Sheet at the commencement of the lease. The right-of-use asset is initially measured at cost and includes the amount of initial measurement of the lease liability and any direct costs incurred, including advance lease payments and an estimate of the dismantling, removal and restoration costs required by the terms and conditions of the lease. Depreciation is charged to the Consolidated Income Statement to depreciate the right-of-use asset from the commencement date until the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term shall include the period of any extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The lease liability is measured at the present value of the future lease payments, including variable lease payments that depend on an index and the exercise price of purchased options where it is reasonably certain that the option will be exercised, discounted using the interest rate implicit in the lease, if readily determinable. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used. Finance charges are recognised in the Consolidated Income Statement over the period of the lease. Lease arrangements that are short term in nature or low value are charged directly to the Consolidated Income Statement when incurred. Short-term leases are leases with a lease term of 12 month or less. Low-value assets comprise small items of furniture or equipment.

INVENTORIES

Inventories are stated at the lower of their cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is calculated on a 'first in, first out' basis and includes all direct expenditure and attributable overhead expenditure incurred in bringing goods to their current state. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In the Group accounts, unrealised profit on sales within the Group is deducted from inventories.

TRADE AND OTHER RECEIVABLES

Financial assets are carried at amortised cost less any impairment. The carrying amount of financial assets is reduced by an amount equal to the expected lifetime losses. Subsequent recoveries of amounts previously written off are credited against the allowance account and changes in the carrying amount of the allowance account are recognised in the Income Statement. As the balances do not contain a significant financing element, the simplified approach relating to expected lifetime losses has been applied. In accordance with IFRS 9 a provision matrix is used, grouping trade and other receivables based on their attributes, principally geographical region. Expected credit losses are calculated as the difference between the amount contractually owed to the Group and the cash flows which the Group expect to receive based on past default experience, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

BORROWINGS

Borrowings are initially recognised at the fair value of the proceeds, net of related transaction costs. These transaction costs, and any discount or premium on issue, are subsequently amortised under the effective interest rate method through the income statement as interest over the life of the loan and added to the liability disclosed in the balance sheet. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

TRADE AND OTHER PAYABLES

Trade and other payables, including accruals and other payables qualifying as financial instruments, are accounted for at amortised cost and are categorised as other financial liabilities.

PROVISIONS

Provisions are recognised when the Group: (i) has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, e.g. under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Costs related to ongoing activities of the Group are not provided in advance.

DEFERRED TAX

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised within the foreseeable future (assessed to be five years). Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable authority and taxable entity, or where deferred tax relates to different taxable entities, the tax authority permits the Group to make a single net payment.

Accounting policies

RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of defined benefit plans around the world. The costs are calculated by independent actuaries using the projected unit credit method. Any past service costs resulting from enhanced benefits are recognised immediately in the income statement as an operating cost. Administration costs, including the Pensions Protection Levy, are charged to operating costs. However, plan asset management costs are included in the actual return on plan assets.

Remeasurement gains and losses, comprising actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest), are recognised in other comprehensive income in the period in which they occur. Actuarial gains and losses arise when actual results differ from the assessment outcomes which are used to calculate defined benefit assets and liabilities at a particular point in time.

The defined benefit liability or asset recognised in the balance sheet represents the net total for each plan of the present value of the benefit obligation at the balance sheet date, less the fair value of plan assets (for funded schemes) at the balance sheet date. If a plan is in surplus, the asset recognised is limited to the value of any amount expected to be recoverable by the Group by way of refunds or reduction in future contributions.

Under the Group's UK pension scheme rules, any surplus arising on payment of agreed contributions is fully recoverable.

For defined contribution plans, the Group's contributions are charged to the income statement in the period in which they fall due. Once the contributions have been paid, the Group has no further payment obligation.

SHARE-BASED PAYMENTS

The Group operates equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is calculated using a Black–Scholes pricing model and is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or performance shares granted. At each balance sheet date, the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. No expense is recognised for awards that do not ultimately vest except for awards where vesting is conditional upon market or non-vesting conditions. Options with market conditions are accounted for as vesting, irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied. The market-based conditions are linked to the market price of shares in the Company.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

FINANCIAL INSTRUMENTS

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Group is exposed to foreign currency risks arising from sales or purchases by businesses in currencies other than their functional currency. It is Group policy that, when the net foreign exchange exposure to known future sales and purchases is material, this exposure is hedged using forward foreign exchange contracts. The Group also has significant investments in overseas operations, particularly in the United States and Europe. As a result, the sterling value of the Group's balance sheet can be significantly affected by movements in exchange rates. The Group seeks to mitigate the effect of these translational currency exposures by matching the net investment in overseas operations with borrowings denominated in their functional currencies.

The derivative financial instruments (forward foreign exchange contracts) are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is formally designated and documented at its inception. This documentation identifies the risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; or
- Hedges of a net investment in a foreign operation.

There are no fair value hedges.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship, as follows:

(i) CASH FLOW HEDGES

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects the income statement, such as when a forecast sale occurs.

If a forecast transaction is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs and are transferred to the income statement or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to the income statement.

(ii HEDGES OF A NET INVESTMENT

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses relating to the effective portion are recognised in other comprehensive income, while any gains or losses relating to the ineffective portion are recognised in the income statement. On loss of control of the foreign operation, the cumulative value of any such gains or losses recognised directly in other comprehensive income is transferred to the income statement.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not stated at its fair value with changes in its fair value recognised in the income statement.

Accounting policies

PREFERENCE SHARES

The Group's 6% cumulative preference stock of £1 each 'preference stock' has been classified as a liability. Dividends payable are included within net finance costs.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial assets and financial liabilities are the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. IFRS 13 'Fair value measurement' requires fair value measurements to be classified according to the following hierarchy:

— Level 1 – quoted prices in active markets for identical assets or liabilities;
— Level 2 – valuations in which all inputs are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
— Level 3 – valuations in which one or more inputs that are significant to the resulting value are not based on observable market data.

See Note 23(A) for information on the methods the Group uses to estimate the fair values of its financial instruments.

CRITICAL JUDGEMENTS IN THE APPLICATION OF THE GROUP'S ACCOUNTING POLICIES

In the course of preparing the financial statements, certain judgements have been made in the process of applying the Group's accounting policies, in addition to those involving estimations (below), that have had a significant effect on the amounts recognised in the financial statements.

TAX TRANSFER PRICING

The Group operates across a number of jurisdictions and is subject to different tax laws and regulations.

Management ensures that all intragroup dealings are in accordance with the arm's length principle of transfer pricing, and with regard to local domestic tax legislation as it incorporates transfer pricing principles.

The Group has a global transfer pricing policy in place and applies, to the maximum extent possible, pricing that is consistent with the arm's length principle.

Transfer pricing, by its very nature, is subject to uncertainty in terms of whether tax jurisdictions will challenge the application of the arm's length principle. Additionally, the benchmarking process (used to arrive at reliable and accurate comparable data) is also subject to a degree of uncertainty.

Management at all times seeks to resolve any transfer pricing judgement uncertainty by relying on the advice of professional service firms, in-house tax knowledge, and expertise in similar transactions from the past.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the Group's assets or liabilities in the future. The Directors have considered the potential impact of climate change on the key sources of estimation uncertainty and concluded that there was no impact on the assumptions disclosed.

The key sources of estimation uncertainty that have a potential risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(A) TAXATION

The Group records liabilities in respect of open tax computations where the liabilities remain to be agreed with the relevant tax authorities. At 31 December 2025 the provision for open tax matters totalled £2.2m (31 March 2025: £2.2m). The uncertain tax items for which a liability is recorded principally relate to ongoing tax audits and the interpretation of tax legislation. Due to the uncertainty associated with such tax items, it is possible that at a future date, on conclusion of open tax matters, the final outcome may vary significantly. While a range of outcomes is reasonably possible, the extent of this range is additional liabilities of up to £0.7m (31 March 2025: £0.7m) to a reduction in liabilities of up to £1.4m (31 March 2025: £1.3m).

(B) RETIREMENT BENEFIT OBLIGATIONS

The valuation of the Group's defined benefit plans are determined by using actuarial valuations. These involve making assumptions about discount rates, mortality rates, future salary increases and future pension increases (future salary and pension increases are linked to inflation rate assumptions). Due to the long-term nature of these plans such estimates are subject to significant uncertainty. Net interest is calculated by applying the discount rate to the net defined benefit liability. Further details are given in Note 17.

(C) CUSTOMER CLAIMS

Despite the Group operating to the highest possible technical standards for the products which it manufactures, occasionally the Group encounters situations where claims are made by customers, for products supplied, which fail to meet the exact standards that the Group tries to meet. Significant commercial and technical judgement needs to be exercised in both determining the extent of any probable cash outflow, resulting from customers claims, but also assessing the amount of any settlement, especially in light of the future potential trading relationship with the customer concerned.

(D) INVENTORY VALUATION

Determining the carrying value of the Group's inventory involves a number of estimations and assumptions, including:

- those involved in deriving the gross value of inventory under the Group's standard cost methodology; and
- those involved in calculating an appropriate level of provision.

The Group's standard cost methodology allocates amounts of attributable direct costs, indirect costs and overheads incurred in the production process to the value of work in progress and finished goods. Determining the amount to absorb into these manufactured inventory balances involves deciding which cost lines should be included within the standard costing model. The standard costing model is also dependent on production volume and machine hours. While the inputs to the model are subject to detailed review and challenge, they rely on the estimations of management.

The calculation of inventory provisions requires estimation by management of the expected value of future sales. If the carrying value of inventory is higher than the expected recoverable value, the Group makes provisions to write inventory down to its net recoverable value. Inventory is initially assessed for impairment by comparing inventory levels to utilisation rates over the last 24 months.

At 31 December 2025, there was a total provision of £24.7m (31 March 2025: £20.2m) against gross inventory of £93.2m (31 March 2025: £87.4m). See Note 10 for a breakdown of inventory. The key driver of the provision is underpinned by the Group's estimate of demand for individual products and the overall level of inventory held. Based on uncertainties in the market, the Group continues to calculate the provision by reference to the higher of two years historical demand or committed future orders. Consequently, the key sensitivities to the provision are the extent of recovery and performance across the various markets in which the Group operates. Should demand be lower than expected, this would result in an increase in the value of the provision as a proportion of inventory. A 5% increase in the proportion of raw materials provided for would increase the provision by £0.6m (31 March 2025: £0.6m) and a 5% increase in the proportion of finished goods provided for would increase the provision by £2.2m (31 March 2025: £2.9m).

(E) DILAPIDATIONS AND SITE RECTIFICATIONS ON CLOSED SITES

The Group maintains provisions in relation to closed sites, including dilapidation and environmental provisions. Management review these provisions on a regular basis, in conjunction with third party expert surveyors and specialists, in order to provide the relevant expertise to inform key estimates.

Accounting policies

(F) VALUATION OF INTANGIBLE ASSETS OTHER THAN GOODWILL ACQUIRED IN BUSINESS COMBINATIONS

During the period amounts have been recognised in accordance with IFRS 3 in relation to customer lists and non-compete agreements as a result of the acquisition of Ognibene (Note 24). Management have used a third party expert to assist in the valuation of these assets. The customer relationships acquired have been valued using estimates of useful lives and discounted cash flows of expected income and the non-compete agreements have been valued using the comparative income differential method. More details on the significant assumptions used when measuring these assets are included in Note 6, with the respective carrying values presented in Note 7.

ADOPTION OF NEW AND REVISED STANDARDS

(A) NEW AND REVISED ACCOUNTING STANDARDS ADOPTED BY THE GROUP

During the year, the International Accounting Standards Board and International Financial Reporting Interpretations Committee have issued the following standards, amendments and interpretations, which are considered relevant to the Group. Their adoption has not had any significant impact on the amounts or disclosures reported in these financial statements. The amendments that became applicable for annual reporting periods commencing on or after 1 January 2025 were:

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to IFRS 1 Financial Instrument Disclosures
- Amendments to IFRS 18 Presentation and Disclosure in Financial Statements
- Amendment to IAS 1 Presentation of Financial Statements
- Amendment to IAS 8 Basis of Preparation of Financial Statements
- Amendment to IAS 36 Impairment of Assets
- Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

(B) NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS WHICH WERE IN ISSUE BUT WERE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

The IASB published a number of amendments to IFRSs, new standards and interpretations which are not yet effective, and of which some have been endorsed for use in the EU. An impact assessment has been performed for each of these, with no significant financial impact being identified for the consolidated financial statements of the Group and the separate financial statements of Renold plc. The amendments, new standards and interpretations will be adopted in accordance with their effective dates.

- Amendment to IFRS 9 Financial Instruments and IFRS 7
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity
- Annual improvements to IFRS Accounting Standards - Volume 11
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Notes to the consolidated financial statements

1. REVENUE

An analysis of the Group's revenue is as follows:

Sales by recognition:	December 2025 £m	March 2025 £m
Sale of goods - transferred at a point in time	180.6	238.9
Sale of goods - transferred over time	4.6	6.2
Total revenue	**185.2**	245.1

Sales by product group:	December 2025 £m	March 2025 £m
Chain products and services	148.5	195.3
Torque Transmission products and services	43.4	54.8
Inter-segment	(6.7)	(5.0)
Total revenue	**185.2**	245.1

[1] Inter-segment revenues are eliminated on consolidation.

[2] Included in Chain external sales is £5.8m (March 2025: £7.0m) of Torque Transmission product sold through the Chain NSCs, usually in countries where Torque Transmission does not have its own presence.

Sales by destination:	December 2025 £m	March 2025 £m
United Kingdom	13.5	18.0
Rest of Europe	56.0	67.7
US & Canada	80.7	107.2
Australasia	17.5	29.2
China	8.7	10.1
India	5.2	8.9
Other countries	3.6	4.0
Total Net Sales	**185.2**	245.1

Average employee numbers by destination:	December 2025	March 2025
United Kingdom	287	282
Rest of Europe	591	565
US & Canada	333	315
Australasia	132	135
China	219	228
India	333	331
Average employee numbers	**1,895**	1,856

Average employee numbers by destination:	December 2025	March 2025
United Kingdom	287	282
Rest of World	1,608	1,574
Average employee numbers	**1,895**	1,856

In addition to statutory reporting, the Group reports certain financial metrics on an adjusted basis (alternative performance measures, APMs). Definitions of adjusted measures, and information about the differences to statutory metrics are provided within the APM section of the financial statements. Current period adjusting items include: £1.8m (March 2025: £1.6m) of amortisation of acquired intangibles, £0.3m (March 2025: £0.4m) of Valencia flood impact, £nil of unwind on fair value of inventory on acquisition (March 2025: £0.6m), £0.5m (March 2025: £1.6m) of acquisition costs, £10.4m (March 2025: £nil) of costs relating to the Renold Limited Group being acquired, £nil (March 2025: £0.5m income) relating to the release of a dilapidation provision on acquisition of leased property and £1.5m (March 2025: £nil) relating to impairment of goodwill.

FUTURE PERFORMANCE OBLIGATIONS

The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at 31 December 2025 is £81.8m (31 March 2025: £83.0m). This mostly comprises of the obligation to manufacture and supply standard Group products. The majority of this revenue is recognised at a point in time.

An amount of £21.1m (31 March 2025: £24.6m) relates to revenue from a small number of large customer contracts, for which revenue is recognised over time in line with progress against performance obligations. This revenue is expected to be recognised over the next nine years (31 March 2025: over the next ten years).

Notes to the consolidated financial statements

2. OPERATING COSTS AND ADJUSTING ITEMS

(A) OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING):

	December 2025		March 2025	
	£m	£m	£m	£m
Change in finished goods and work in progress		8.8		(6.2)
Raw materials and consumables		68.9		86.4
Other external charges		23.8		36.0
Employee costs				
Gross wages and salaries	54.1		69.3	
Social security costs	4.8		9.9	
Pension costs				
– defined benefit (Note 17)	0.1		-	
– defined contribution	2.2		1.6	
Share-based incentive plans (including related social security costs)	1.7		2.0	
		62.9		82.8
Depreciation of property, plant and equipment				
– owned assets		4.9		6.3
– right-of-use assets		2.5		3.1
Amortisation of intangible assets		1.0		1.1
Amortisation of acquired intangible assets		1.8		1.6
Acquisition costs		0.5		1.6
Short-term leases and leases of low-value assets – plant and machinery		-		0.2
Profit on disposal of owned property, plant and equipment		-		(0.1)
Research and development expenditure		-		0.8
Auditor's remuneration (Note 2(B))		0.6		1.0
Impairment of goodwill		1.5		-
Net foreign exchange losses		0.5		0.6
Pension administration costs (Note 17)		0.9		0.9
Impact of Valencia flood		0.3		0.4
Project Rivet		9.5		-
Unwind of fair value inventory uplift on acquisition		-		0.6
Release of dilapidation provision on acquisition of leased property		-		(0.5)
Total operating costs		**188.4**		**216.6**

Notes to the consolidated financial statements

2. OPERATING COSTS AND ADJUSTING ITEMS

VALENCIA FLOOD

On Tuesday 29 October 2024, Renold's manufacturing facility in Valencia was impacted by extensive flooding. Although damage to manufacturing equipment was significant, the Group carries business interruption and property damage insurance. Thankfully no employees were hurt or injured by the flood and Valencia distribution facility, representing approximately 70% of the Spanish business, was not impacted. The costs relating to the flood and the associated insurance income have, to date, been accounted for as follows:

For the period ended 31 December 2025:

	Gross cost	Allocation of insurance income	Net
	£m	£m	£m
Fixed asset impairment	2.2	(2.2)	-
Margin shortfall covered by business interruption	2.7	(2.7)	-
Direct clean-up costs	1.0	(1.0)	-
Professional fees and insurance deductible	0.7	-	0.7
Insurance payments on account	(1.3)	1.3	-
Insurance income accrued	(4.5)	4.5	-
Total	0.8	(0.1)	0.7

The cost associated with the Valencia flood are as follows:

Fixed asset impairment – the net book value of production machinery that was damaged due to the flood in the Valencia factory is £2.2m. The Group insurance policy is split into two sections: the local policy, which provides compensation for the net book value of assets destroyed and a separate Group policy, which provides top up cover for the replacement cost of these assets, with potential recovery of £5.8m on a new for old basis if machinery cannot be repaired or a suitable replacement found. As at year end the Group is confident of recovering, as a minimum, the net book value of the damaged assets from the local policy which are in advanced stages of discussion. The claim for the Group element has been notified to the insurance company, but as negotiations are in the early stages, we have not recognised the additional income in respect of the top up policy, due to the uncertainty around whether the assets can be repaired or replaced.

Business interruption and direct clean up costs – following the flood, the operating profit of the Valencia factory was £2.7m below the prior year level for an equivalent period, while direct clean-up costs of £1.0m have been incurred on clean-up work at the facility. The agreed mechanism for calculating the impact of the business interruption claim is in excess of this amount, however, the Group expects, as at 31 December 2025, that as a minimum £3.7m will be recovered. The Group has not recognised.amounts in excess of this, due to uncertainty over the final negotiations.

Professional fees and insurance deductible – The businesses interruption policy covers a period of 18 months from the date of the incident and so losses are expected to be compensated for by the insurance policy until April 2026. As at this date the group expects to incur approximately £1.0m of professional fees and deductible costs in relation to the full insurance claim. The Group has accrued a proportion of these costs in line with the expected insurance proceeds expected to be recognised to date. The final amount of fees and deductible recognised will be dependent on the level of the total potential claim, currently expected to be in excess of £9.5m, offset by £1.3m which has already been received from the local insurance policy as an advance payment and £0.7m of accrued professional fees and insurance excess.

(B) AUDITOR'S REMUNERATION

	December 2025	March 2025
	£000	£000
Audit of the Group's annual financial statements	166	267
Audit of the Company's subsidiaries	434	699
Total audit fees	600	966
This is reported in the following captions in the financial statements:		
Operating costs	600	966

Notes to the consolidated financial statements

2. OPERATING COSTS AND ADJUSTING ITEMS

(C) EMPLOYEES AND KEY MANAGEMENT COMPENSATION

Employee costs, including Directors, are set out in Note 2(A). Key management personnel are represented by the Board and their aggregate emoluments were as follows:

	December 2025 £000	March 2025 £000
Statutory Directors' remuneration	901	1,567
Share-based payment charge including social security	2,183	1,157
Social security costs	43	212
Contributions to defined contribution pension plans	14	18
Total	**3,141**	2,954

The remuneration of the highest paid director was as follows:

	December 2025 £000	March 2025 £000
Salary	280	362
Benefits	54	73
Bonus	104	353
LTIP	2,643	2,099
Total	**3,081**	2,887

The number of Directors who:

	December 2025 £000	March 2025 £000
Are members of a money purchase pension scheme	1	1
Had awards receivable in the form of shares under a long-term incentive scheme	2	2
Exercised share options	2	-
Were paid through another Group company	5	-

3. FINANCE COSTS

	December 2025 £m	March 2025 £m
Finance costs:		
Interest payable on bank loans and overdrafts*	2.6	4.1
Interest expense on lease liabilities*	0.9	1.0
Amortised financing costs*	1.3	0.4
Loan finance costs	4.8	5.5
Net IAS 19 finance costs	1.5	2.4
Finance costs	6.3	7.9

* Amounts arising on financial liabilities measured at amortised cost.

Notes to the consolidated financial statements

4. TAXATION

ANALYSIS OF TAX CHARGE/(CREDIT) IN THE PERIOD

	December 2025 £m	March 2025 £m
United Kingdom		
UK corporation tax at 25% (31 March 2025: 25%)	-	-
Overseas taxes		
Corporation taxes	1.8	4.8
Adjustments in respect of prior periods	0.6	(1.1)
Withholding taxes	0.2	0.2
Current income tax charge	2.6	3.9
Deferred tax		
UK – origination and reversal of temporary differences	(0.3)	1.3
Overseas – origination and reversal of temporary differences	(0.4)	1.0
Effect of changes in corporate tax rates	(0.1)	-
Adjustments in respect of prior periods	(0.1)	0.1
Movement in unprovided deferred tax balances	0.2	(0.8)
Total deferred tax (credit) / charge (Note 16)	(0.7)	1.6
Tax charge on profit on ordinary activities	**1.9**	**5.5**

	December 2025 £m	March 2025 £m
Tax on items taken to other comprehensive income		
Deferred tax on changes in net pension deficits	(0.2)	1.1
Tax (credit)/charge in the statement of other comprehensive income	**(0.2)**	**1.1**

FACTORS AFFECTING THE GROUP TAX CHARGE FOR THE PERIOD

The decrease in the current tax charge is attributable to reduced taxable profits across the Group.

At 31 December 2025, the provision for open tax matters totalled £2.2m (31 March 2025: £2.2m).

The Group's tax charge in future years will be affected by the profit mix, effective tax rates in the different countries where the Group operates and utilisation of tax losses. A deferred tax liability of £0.4m is recognised on the gross unremitted earnings of £35.7m of overseas subsidiaries in accordance with IAS 12.39.

The actual tax on the Group's (loss)/profit before tax differs from the theoretical amount using the UK corporation tax rate as follows:

	December 2025 £m	March 2025 £m
(Loss)/profit on ordinary activities before tax	(9.5)	20.6
Tax (credit)/charge at UK statutory rate of 25% (31 March 2025: 25%)	(2.4)	5.2
Effects of:		
Non-taxable income	0.1	(0.1)
Non-deductible expenditure	3.7	0.9
Other taxable income	0.1	-
Other deductible	0.1	-
Movement in uncertain tax positions	-	0.8
Overseas tax rate differences	(0.2)	0.2
Effect of changes in corporate tax rates	(0.2)	-
Adjustments in respect of prior periods	0.3	(0.9)
Movement in unrecognised deferred tax	0.2	(0.8)
Withholding taxes	0.2	0.2
Total tax charge	**1.9**	**5.5**

Notes to the consolidated financial statements

4. TAXATION

EFFECTIVE TAX RATE

The effective tax rate of -20% (31 March: 27%) is a result of a tax charge on the loss in the period due to high costs relating to being acquired.

TAX PAYMENTS

Cash tax paid in the period was £6m (31 March 2025: £7m). The cash tax being paid in the period relates to historic years where the tax returns were finalised and filed in the FY25 period and the Group fully utilising available brought forward losses in both Germany and the US.

Following the deferral of payments due to COVID-19 in FY21 which resulted in a sufficiently high level of probability of a potential clawback of £36.3m in FY21 (creating taxable income of that amount), the corporation tax opening balance has been restated to include an uncertain tax provision of £6.8m which is the maximum liability expected to arise for the year ended 31 March 2021 on disclosure of the issue to HMRC.

The impact, on a line item basis for those affected, on the Consolidated Balance Sheet as at 31 March 2025 is as follows:

		31 March 2025	
Consolidated Balance sheet as at 31 March	As previously reported £m	Deferred / Current tax recognition £m	2025 (restated) £m
LIABILITIES			
Current liabilities			
Current tax	(6.2)	(6.8)	(13.0)
	(6.2)	(6.8)	(13.0)
TOTAL LIABILITIES	**(211.3)**	**(6.8)**	**(218.1)**
NET ASSETS/(LIABILITIES)	**67.4**	**(6.8)**	**60.6**
EQUITY			
Retained earnings	59.8	(6.8)	53.0
TOTAL SHAREHOLDERS' EQUITY	**67.4**	**(6.8)**	**60.6**

5. DIVIDENDS

During 2025, Renold plc paid dividends of £nil (March 2025: £1.0m) to its equity shareholders. This represents a payment of nil per share (March 2025: 0.5p per share).

In light of the MPE Offer, announced on 13 June 2025, the Board decided not to declare a final dividend for the year ended 31 March 2025.

Notes to the consolidated financial statements

6. GOODWILL

	December 2025 £m	March 2025 £m
Cost		
Opening	37.6	32.9
Acquisition of subsidiary (Note 24)	1.3	5.7
Exchange adjustment	(1.0)	(1.0)
Closing	37.9	37.6
Accumulated impairment		
Opening	3.6	3.6
Impairment	1.5	-
Exchange adjustment	(0.3)	-
Closing	4.8	3.6
Carrying amount	33.1	34.0

IMPAIRMENT TESTING

The Group performed its annual impairment test of goodwill at 31 December 2025 which compares the current book value to the recoverable amount from the continued use or sale of the related business.

The recoverable amount of each Cash Generating Unit (CGU) has been determined on a value-in-use basis, calculated as the net present value of cash flows derived from detailed financial plans. All business units in the Group have submitted a budget for the year ended 31 December 2026 and strategic plan forecasts for the two financial years ending 31 March 2029. The budget and strategic forecasts, which are subject to detailed review and challenge, were approved by the Board. The Group prepares cash flow forecasts based on these projections for the first three years, with years four and five extrapolated based on known future events, recently observable trends and management expectations. A terminal value calculation is used to estimate the cash flows after year five.

Sensitivity analysis has been performed including a zero revenue growth scenario (with current year revenue modelled for all future periods of the forecast) and a reverse stress test, to determine the extent of downturn which would result in a potential impairment. Excluding the impairment to the India CGU, revenue would have to reduce by 56% in the first year of the period under review (worse than the decline seen during the Covid pandemic) for the next CGU containing goodwill to require potential impairment. Under this reverse stress test the first CGU with headroom that eliminated was Europe & China.

The forecasts used for the impairment review are consistent with those used in the Going Concern review.

The key assumptions used in the value-in-use calculations are:

- Sales: Forecast sales are built up with reference to expected sales prices and volumes from individual markets and product categories based on past performance, projections of developments in key markets and management's judgement;
- Margins: Forecast margins reflect historical performance and management's experience of each CGU's profitability at the forecast level of sales including the impact of all completed restructuring projects. The projections do not include the impact of future restructuring projects to which the Group is not yet committed;
- Discount rate: Pre-tax discount rates have been calculated based on the Group's weighted average cost of capital and risks specific to the CGU being tested; and
- Long-term growth rates: As required by IAS 36, cash flows beyond the period of projections are extrapolated using long-term growth rates published by the Organisation for Economic Co-operation and Development for the territory in which the CGU is based. The discount rates applied to the cash flows of each of the CGUs are based on the risk free rate for long-term bonds issued by the government in the respective market. This is then adjusted to reflect both the increased risk of investing in equities and the systematic risk of the specific CGU (using an average of the betas of comparable companies). These rates do not reflect the long-term assumptions used by the Group for investment planning.

The Directors do not currently consider that any reasonably possible changes to the key assumptions would reduce the recoverable amount to its carrying value for any CGU. An impairment charge has been recognised in the current period of £1.5m in relation to the India CGU (the CGU is a georgraphical business operation). The events and circumstances that led to this impairment are in relation to long term strategic investments which will likely not payback within the timeframe covered by the model. Therefore, the returns we would expect to resukt from these long term investment decisions are not reflected fully within the model, leading to the recoverable amount of the value-in-use falling below its carrying value. The impairment charge has been included within operating costs in the income statement.

The goodwill acquired in the year relating to Ognibene has been allocated to the Europe & China CGU.

	Growth rates		CGU discount rates (pre-tax)		Carrying values	
	December 2025	March 2025	December 2025	March 2025	December 2025	March 2025
Cash generating unit	%	%	%	%	£m	£m
Americas (Jeffrey Chain, Mac Chain)	1.8	2.0	11.6	13.9	25.0	25.9
Australia (Ace Chains, Davidson Chain)	2.3	2.3	11.1	10.9	2.1	2.0
India (Renold Chain)	-	6.5	-	18.1	-	1.6
Europe & China (Renold Tooth Chain, YUK, Ognibene)	1.3	1.4	14.4	14.8	6.0	4.5
					33.1	34.0

Notes to the consolidated financial statements

7. INTANGIBLE ASSETS

	Customer order book £m	Customer relationships £m	Technical know-how £m	Non-compete agreements £m	Brand £m	Computer software £m	Total £m
Cost							
At 1 April 2024	0.3	10.5	0.2	2.2	-	22.8	36.0
Exchange adjustment	(0.1)	(0.6)	-	-	-	-	(0.7)
Additions	-	-	-	-	-	1.5	1.5
Acquisition of subsidiary	-	8.8	-	0.3	0.4	-	9.5
At 31 March 2025	0.2	18.7	0.2	2.5	0.4	24.3	46.3
Exchange adjustment	-	0.2	-	-	-	(0.3)	(0.1)
Additions	-	-	-	-	-	1.2	1.2
Acquisition of subsidiary (Note 24)	-	1.2	-	0.2	-	0.2	1.6
At 31 December 2025	0.2	20.1	0.2	2.7	0.4	25.4	49.0
Accumulated amortisation and impairment							
At 1 April 2024	0.3	5.3	0.2	0.6	-	18.1	24.5
Exchange adjustment	(0.1)	0.1	-	(0.1)	-	(0.2)	(0.3)
Amortisation charge	-	1.2	-	0.4	-	1.2	2.8
At 31 March 2025	0.2	6.6	0.2	0.9	-	19.1	27.0
Exchange adjustment	-	0.3	-	-	-	-	0.3
Amortisation charge	-	1.5	-	0.3	-	1.0	2.8
Recategorisation	-	(0.2)	-	0.1	0.1	-	-
At 31 December 2025	0.2	8.2	0.2	1.3	0.1	20.1	30.1
Net book amount							
At 31 December 2025	-	11.9	-	1.4	0.3	5.3	18.9
At 31 March 2025	-	12.1	-	1.6	0.4	5.2	19.3

During the period amounts have been recognised in accordance with IFRS 3 in relation to customer lists and non-compete agreements as a result of the acquisition of Ognibene (Note 24). The customer relationships acquired have been valued using estimates of useful lives and discounted cash flows of expected income and the non-compete agreements have been valued using the comparative income differential method.

The prior year acquisition of the Mac Chain business resulted in the recognition of amounts in relation to customer lists, non-compete agreements and brands. The remaining amounts recognised for customer relationships, customer order book and technical know-how were acquired with the acquisition of the Davidson business, Industrias YUK S.A business, Brooks business and the Tooth Chain (Germany) business, of which the latter is now fully depreciated.

Notes to the consolidated financial statements

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 April 2024	25.9	137.7	163.6
Exchange adjustment	(0.5)	(2.9)	(3.4)
Additions	3.9	11.0	14.9
Disposals	-	(5.9)	(5.9)
Recategorisation	(0.2)	0.2	-
Acquisition of subsidiary	-	1.0	1.0
At 31 March 2025	29.1	141.1	170.2
Exchange adjustment	0.1	0.5	0.6
Additions	1.3	5.5	6.8
Disposals	-	(5.0)	(5.0)
Recategorisation	5.7	(5.7)	-
Acquisition of subsidiary (Note 24)	-	0.6	0.6
At 31 December 2025	36.2	137.0	173.2
Accumulated depreciation and impairment			
At 1 April 2024	9.1	98.4	107.5
Exchange adjustment	(0.3)	(1.9)	(2.2)
Charge for the year	0.6	5.7	6.3
Disposals	-	(3.9)	(3.9)
At 31 March 2025	9.4	98.3	107.7
Exchange adjustment	0.1	0.6	0.7
Charge for the year	0.5	4.3	4.8
Disposals	-	(4.9)	(4.9)
Recategorisation	3.3	(3.3)	-
At 31 December 2025	13.3	95.0	108.3
Net book amount			
At 31 December 2025	22.9	42.0	64.9
At 31 March 2025	19.7	42.8	62.5

Property, plant and equipment pledged as security for liabilities amounted to £26.9m (31 March 2025: £42.5m).

FUTURE CAPITAL EXPENDITURE

At 31 December 2025 capital expenditure contracted for but not provided for in these accounts amounted to £4.2m (31 March 2025: £2.9m).

Notes to the consolidated financial statements

9. LEASING AND RIGHT-OF-USE ASSETS

RIGHT-OF-USE ASSETS

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 April 2024	19.6	2.5	22.1
Exchange adjustment	(0.6)	(0.1)	(0.7)
Acquisition of subsidiary	5.5	-	5.5
Additions	2.4	1.0	3.4
Recategorisation	(0.5)	-	(0.5)
Disposals	(3.4)	(0.5)	(3.9)
At 31 March 2025	23.0	2.9	25.9
Exchange adjustment	0.5	-	0.5
Acquisition of subsidiary (Note 24)	1.5	-	1.5
Additions	1.4	0.6	2.0
Disposals	(2.1)	(0.5)	(2.6)
At 31 December 2025	24.3	3.0	27.3
Accumulated depreciation and impairment			
At 1 April 2024	6.0	1.0	7.0
Exchange adjustment	(0.1)	-	(0.1)
Charge for the year	2.5	0.6	3.1
Recategorisation	(0.5)	-	(0.5)
Disposals	(2.7)	(0.5)	(3.2)
At 31 March 2025	5.2	1.1	6.3
Exchange adjustment	0.1	-	0.1
Charge for the period	2.0	0.5	2.5
Disposals	(1.8)	(0.4)	(2.2)
At 31 December 2025	5.5	1.2	6.7
Net book amount			
At 31 December 2025	18.8	1.8	20.6
At 31 March 2025	17.8	1.8	19.6

LEASE LIABILITIES

	December 2025 £m	March 2025 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	4.1	3.5
One to two years	4.0	3.4
Two to five years	8.2	10.0
More than five years	12.9	9.8
Total undiscounted lease liabilities	29.2	26.7
Less: Interest allocated to future periods	(7.9)	(6.9)
Lease liabilities included in the Consolidated Balance Sheet	21.3	19.8
Current	3.1	2.5
Non-current	18.2	17.3

AMOUNTS RECOGNISED IN PROFIT OR LOSS

	December 2025 £m	March 2025 £m
Interest on lease liabilities	(0.9)	(1.0)
Non-recurring profit on disposal of right-of-use asset and associated lease liability	-	0.5
Expenses relating to short-term leases and leases of low-value assets	-	(0.2)

AMOUNTS RECOGNISED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

	December 2025 £m	March 2025 £m
Repayment of principal under lease liabilities	2.2	3.0
Repayment of interest on lease liabilities	0.9	1.0
Cash outflows in relation to short-term leases and leases of low-value assets	-	0.2
Total cash outflows for leases	3.1	4.2

Notes to the consolidated financial statements

10. INVENTORIES

	December 2025 £m	March 2025 £m
Raw materials	11.5	10.9
Work in progress	4.9	8.0
Finished products and production tooling	52.1	48.3
	68.5	67.2

Inventories pledged as security for liabilities amounted to £29.5m (March 2025: £48.7m).

The Group expensed £68.9m (March 2025: £86.4m) of inventories during the period. In the period to 31 December 2025, £4.2m (March 2025: £1.6m) was charged for the write-down of inventory and £0.1m (March 2025: £0.3m) released from inventory provisions no longer required. Refer to estimates within the accounting policies note.

11. TRADE AND OTHER RECEIVABLES

	December 2025 £m	March 2025 £m
Trade receivables	40.9	38.6
Less: Loss allowance	(1.0)	(0.4)
Trade receivables: net[1]	39.9	38.2
Other receivables	7.1	6.1
Prepayments	2.3	3.9
	49.3	48.2

[1] Financial assets carried at amortised cost.

The Group has no significant concentration of credit risk but does have a concentration of translational and transactional foreign exchange risk in both US Dollars and Euros; however, the Group hedges against these risks. See Note 23(B) regarding the Group's forward foreign exchange contracts which are used to hedge future foreign currency sales and purchases. The carrying amount of trade and other receivables approximates their fair value.

Trade receivables are non-interest bearing and are generally on 30–90 days terms. The average credit period on sales of goods is 61 days (March 2025: 52 days). See Note 23(D) for the Group's credit risk policy.

Other receivables largely relate to accrued insurance income resulting from the Valencia flood and VAT. Given that the counterparties are insurers and governments, no provision for loss allowance has been made. Included within other receivables is a related party balance of £15k (March 2025: £15k) in relation to a share subscription for preference shares in Renold (Thailand) Limited held by Timblick & Partners Limited, who provide annual corporate secretarial services to Renold (Thailand) Limited.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further analysed:

Trade receivables, gross	December 2025 £m	March 2025 £m
Current	34.4	33.5
Past due < 30 days	3.7	4.0
Past due < 60 days	2.1	0.5
Past due < 90 days	0.6	0.2
Past due > 90 days	0.1	0.4
At Period End	40.9	38.6

The following table shows the movement in the lifetime expected credit losses; there has been no change in the estimation techniques or significant assumptions made during the current reporting period:

Loss allowance	December 2025 £m	March 2025 £m
At Opening	0.4	0.4
Amounts written off as uncollectable	0.6	-
At Period End	1.0	0.4

Notes to the consolidated financial statements

12. CASH AND CASH EQUIVALENTS

In the Group cash flow statement, net cash and cash equivalents are shown after deducting bank overdrafts as follows:

	December 2025 £m	March 2025 £m
Cash and cash equivalents	17.3	22.0
Less: Overdrafts (Note 13)	(0.3)	(2.9)
Net cash and cash equivalents	**17.0**	**19.1**

13. BORROWINGS

	December 2025 £m	March 2025 £m
Current borrowings		
Overdrafts (Note 12)	0.3	2.9
Capitalised costs	-	(0.3)
Bank loans	5.0	0.4
Current borrowings	5.3	3.0
Non-current borrowings		
Bank loans	0.1	63.4
Capitalised costs	-	(0.1)
Non-current borrowings	0.1	63.3
Preference stock	-	0.5
	0.1	63.8
Total borrowings	5.4	66.8

All financial liabilities above are carried at amortised cost.

CORE BANKING FACILITIES

On the 29 October 2025, the core banking facility was repaid following the acquisition of the company by MPE.
On 23 April 2025, the Group renewed its core banking facility that was due to mature in May 2026. The existing multi-currency revolving facility has been amended and extended by a period of two years and will be in place until May 2028 and is fully committed and available until maturity. The existing facility has been increased to £105.0m from the previous level of £85.0m and will be provided by the existing banks: HSBC UK, Allied Irish Bank (GB), and Citibank.

At the period end, the undrawn core banking facility was £0m (March 2025: £21.3m). The Group also benefits from a UK overdraft and a number of overseas facilities totalling £11.0m (March 2025: £4.5m) with availability at year end of £5.6m. The Group pays interest at SONIA, SOFR, Euribor and CORRA plus a variable margin in respect of the core banking facility. The average rate of interest paid in the year was SONIA, SOFR, Euribor and CORRA plus 2.35% for Sterling, Euro, US and Canadian Dollar denominated facilities (March 2025: plus 2.35% for Sterling, Euro and US Dollar denominated facilities).

SECURED BORROWINGS

Included in Group borrowings are secured borrowings of £5.4m (March 2025: £66.7m). Security is provided by fixed and floating charges over assets (including certain property, plant and equipment and inventory) primarily in the UK, USA, Germany and Australia. Certain Group companies have provided cross-guarantees in respect of these borrowings.

PREFERENCE STOCK

At 31 December 2025, there were nil units of preference stock in issue (March 2025: 580,482).

On 29 October 2025, all preference shares were redeemed following the acquisition of the company by MPE, the redemption price was £1.07 per share.

Notes to the consolidated financial statements

14. TRADE AND OTHER PAYABLES

	Dec-25		Mar-25	
	Current	Non-current	Current	Non-current
	£m	£m	£m	£m
Trade payables[1]	16.5	-	23.8	-
Other taxation and social security[1]	2.8	-	2.8	-
Other payables[1]	8.4	0.2	3.3	-
Accruals[1]	23.6	-	31.3	-
Amounts owed to parent undertakings	24.8	-	-	-
	76.1	0.2	61.2	-

[1] Financial liabilities carried at amortised cost.

Trade payables are non-interest bearing and are normally settled within 60-day terms. The Group does have a concentration of translational foreign exchange risk in both US Dollars and Euros; however, the Group hedges against this risk.
The Group did not operate supplier financing or reverse factoring programmes during the current period or prior financial year.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

15. PROVISIONS

	Business restructuring	Dilapidations	Environmental and other provisions	Total provisions
	£m	£m	£m	£m
At 1 April 2025	0.2	1.7	3.1	5.0
(Released)/charged during the period	(0.1)	0.2	2.2	2.3
Exchange Difference	-	0.2	-	0.2
At 31 December 2025	0.1	2.1	5.3	7.5

	December 2025	March 2025
Allocated as:	£m	£m
Current provisions	2.5	1.0
Non-current provisions	5.0	4.0
	7.5	5.0

BUSINESS RESTRUCTURING

During the period ended 31 December 2025, a provision was recognised for legal and redundancy costs in relation to the reduction of headcount within a number of the Group's locations, especially within mainland Europe. Despite a number of the legal processes involved with this restructuring being lengthy, it is anticipated that the provision will be utilised within the next 12 months (£0.1m).

ENVIRONMENTAL AND OTHER PROVISIONS

During the period ended 31 December 2025, a provision was recognised for environmental costs in relation to a number of the Group's closed sites, including sites within both the UK and France. It is anticipated that the majority of the provision recorded will be utilised over a number of future years, accordingly the majority of the provision is recorded as non-current (£3.2m).

During the period ended 31 December 2025, a provision was recognised for anticipated costs relating to customer claims concerning products supplied by the Group. It is anticipated that the provision will be utilised within the next 12 months (£1.3m). The claims could result in a range of outcomes from £0.3m to £1.4m.

During the period a provision was made for £0.8m, to settle a dispute with a professional services firm involved in the sale of the business. This provision will be settled within 12 months of the year end date and therefore is categorised as current (£0.8m).

DILAPIDATIONS

Provisions are recognised in relation to contractual obligations to reinstate leasehold properties to the state of repair specified in the property lease. The provision includes costs, as required within the lease, to rectify or reinstate modifications to the property and to remediate general wear and tear incurred to the balance sheet date. The provision to rectify or reinstate modifications is recognised on inception, with a corresponding fixed asset that is depreciated in line with the underlying asset. The provision to rectify general wear and tear is recognised as it is incurred over the life of the lease.

The provision is assessed based on the expected cost at the balance sheet date, using recent cost estimates from suitably qualified property professionals. These estimates are adjusted to reflect the impact of inflation between the date of assessment and the expected timing of the payments, and are then discounted back to present value. A range of inflation and discount rates have been used in order to best reflect the circumstances of the lease to which the dilapidation obligation relates. The inflation rate applied ranges from 2.9% to 4.5% and the discount rate ranges from 3.9% to 5.5%. These rates are most notably impacted by the country of lease and length of lease.

The majority of the dilapidation provision relates to cash outflows which are expected to take place at the end of each respective lease term; none of which are expected to end within the next 12 months. The associated outflows are estimated to arise over a period of up to 21 years from the balance sheet date. As a result substantially all of the provision is classed as non-current (£1.8m), with a small amount classified as current (£0.3m).

Notes to the consolidated financial statements

16. DEFERRED TAX

	Assets		Liabilities		Net	
	December 2025 £m	March 2025 £m	December 2025 £m	March 2025 £m	December 2025 £m	March 2025 £m
Accelerated capital allowances	-	0.3	(2.9)	(1.6)	(2.9)	(1.3)
Pension plans	2.7	3.7	(0.1)	(1.2)	2.6	2.5
Tax losses	3.7	3.1	-	-	3.7	3.1
Intangibles	0.3	0.3	(6.6)	(6.9)	(6.3)	(6.6)
Movements in provisions and accruals	3.1	2.8	(0.5)	(0.5)	2.6	2.3
Other temporary differences	2.3	1.3	(3.0)	(2.9)	(0.7)	(1.6)
Interest restriction	1.7	1.4	-	-	1.7	1.4
Tax assets/(liabilities)	13.8	12.9	(13.1)	(13.1)	0.7	(0.2)
Net off (liabilities)/assets	(8.2)	(8.0)	8.2	8.0	-	-
Net deferred tax balance	5.6	4.9	(4.9)	(5.1)	0.7	(0.2)

The movement in net deferred tax balances in the period is reconciled as follows:

December 2025	Opening balance £m	*Deferred tax on* acquisition (Note 24) £m	*Transfer* between asset classes £m	Exchange adjustments £m	*Recognised in* income statement £m	Recognised *directly in other* comprehensive income £m	Closing balance £m
Accelerated capital allowances	(1.3)	-	-	-	(1.6)	-	(2.9)
Pension plans	2.5	-	-	0.1	0.1	(0.1)	2.6
Tax losses	3.1	-	-	-	0.5	0.1	3.7
Intangibles	(6.6)	(0.3)	-	0.1	0.4	0.1	(6.3)
Movements in provisions and accruals	2.3	0.2	-	-	0.1	-	2.6
Other temporary differences	(1.6)	-	0.1	(0.1)	0.9	-	(0.7)
Interest restriction	1.4	-	-	(0.1)	0.3	0.1	1.7
	(0.2)	(0.1)	0.1	-	0.7	0.2	0.7

March 2025	Opening balance £m	Deferred tax on acquisition £m	Transfer between asset classes £m	Exchange adjustments £m	Recognised in income statement £m	Recognised directly in other comprehensive income £m	Closing balance £m
Accelerated capital allowances	(1.1)	-	-	(0.2)	-	-	(1.3)
Pension plans	3.0	-	-	-	0.6	(1.1)	2.5
Tax losses	4.4	-	(0.1)	-	(1.2)	-	3.1
Intangibles	(5.3)	(1.4)	-	0.1	-	-	(6.6)
Movements in provisions and accruals	2.7	-	-	(0.2)	(0.2)	-	2.3
Other temporary differences	(1.3)	-	0.1	0.2	(0.6)	-	(1.6)
Interest restriction	1.6	-	-	-	(0.2)	-	1.4
	4.0	(1.4)	-	(0.1)	(1.6)	(1.1)	(0.2)

During the period the Group reported an operating loss of £4.1m (March 2025: profit £28.5m). Deferred tax assets being recognised in the relevant jurisdictions are supported by sufficient future taxable profits, which Management has reliably forecasted. Management has also taken into account the historical profitability and stability of the business in the relevant jurisdiction in assessing whether there is sufficient evidence to recognise the deferred tax assets.

Unrecognised deferred tax assets amount to £25.1m (March 2025: £20.9m) arising from unrecognised losses of £8.6m (March 2025: £8.6m) and other temporary differences of £16.5m (March 2025: £12.2m). Based on available evidence, it is considered unlikely that these amounts will be recovered within the foreseeable future. With the exception of US capital losses (gross losses of £6.3m; £1.3m taxed), which expire after five years, the losses are not subject to time limits.

Notes to the consolidated financial statements

17. RETIREMENT BENEFIT OBLIGATIONS

BACKGROUND INFORMATION

In a defined benefit plan the members are guaranteed a certain level of benefits that depend on a number of factors such as service, salary and inflation. Defined benefit plans can be supported by an asset fund that will be used to pay member benefits or can be unfunded, in which case obligations to members are paid by the sponsoring employer as they fall due. In a defined benefit plan, because the level and duration of the members' benefits are uncertain, the risk of any increase or decrease in the cost of providing those benefits stays with the employer. This contrasts with a defined contribution plan where the employer's only obligation is to pay the amount agreed in the employment contract into a pension plan.

Any change in the total expected cost of providing defined benefits can produce either funding shortfalls or surpluses. In the case of an expected funding shortfall, the Company is usually required to agree a deficit recovery plan which can vary from country to country. This is usually in the form of additional contributions to make good the shortfall over an agreed period of time (sometimes referred to as a funding plan or a minimum funding requirement) and can also include an allowance for future asset returns. In the case of a surplus, mechanisms are available in all of the Renold schemes to return that surplus to, or utilise it for the benefit of, the Group.

UK PENSION PLANS

The principal UK fund is the Renold Pension Scheme (RPS). The RPS was formed in June 2013 by the merger of three predecessor plans, all of which were already closed to future accrual and to new members. The RPS is a funded defined benefit plan with assets held in separate administered funds.

The Trustees are chaired by an independent professional trustee firm and have access to a range of professional advisers. The Trustee Board is required to consult the Company in matters such as investment policy and to obtain agreement to any amendments to benefits. The Company can make proposals to the Trustees on a range of issues but cannot insist on their adoption. The majority of Trustees are either independent or member nominated with Company nominated Trustees being in the minority. To mitigate the risk of potential conflicts of interests, no Directors of Renold plc are Trustees of the RPS.

The RPS is underpinned by a 25-year asset-backed partnership structure (the Scottish Limited Partnership, 'SLP'). The partnership holds an intercompany loan from Renold International Holdings Limited, the holding company for most of the Group's overseas trading companies. The capital rights to the assets in the SLP belong to Renold plc except in the event of a corporate insolvency of the pension scheme sponsor (Renold plc). The income rights in the SLP belong to the RPS. The loan generated interest income of £3.1m for the pension fund in the current period, with annual increases linked to RPI plus 1.5% and capped at 5%. The income stream is used to fund deficit repair payments and the first £0.6m of annual administrative expenses (with the Company bearing the excess, if any arises). In the event that the RPS becomes fully funded on a buyout basis, the income stream will instead accrue to Renold plc. The SLP was put in place with the expectation that the period to recover the funding shortfall was 25 years from the time of merger in June 2013. The SLP therefore helps reduce the volatility in short-term cash funding by following an agreed payment plan over a longer period of time. The interest in the SLP held by the RPS is not reported as a plan asset in the Group's consolidated financial statements as it is a non-transferable interest issued by the Group.

This arrangement replaced all other existing funding arrangements for the RPS. The SLP therefore represents the entirety of the committed cash element of the funding plan for the RPS. The funding plan also assumes an allowance for asset outperformance of 1.0% (that is, assets are expected to return an amount of 1.0% more than the discount rate applied to the liabilities). Separately to the SLP but put in place at the same time, the Group has also agreed that if adjusted operating profits reach £16.0m in any year following the year ended 31 March 2017, additional annual contributions of £1.0m will become payable (monthly in arrears) while profits remain above this level. Prior to the SLP, the contributions had been at a higher level. However, the Trustees agreed to lower contributions for longer under the SLP. The £1.0m increase matches the approximate £1.0m reduction agreed when the SLP was established. Finally, as part of the overall agreement, Renold plc is not constrained from paying a dividend, other than by normal legal considerations. Renold has agreed to make additional contributions equal to 25% of the value of any dividend paid in order to accelerate the deficit recovery plan. The deficit will be reduced as the cash contributions under the scheme are made, enhanced or offset by actual performance compared to asset returns and actuarial assumptions.

In the year ended 31 March 2021, reflecting the uncertainty in short-term outlook caused by the Covid-19 pandemic, Renold approached the Trustees with a request to defer contributions to the UK scheme for the year ended 31 March 2021. The Trustees supported this proposal and it was agreed that the deferred contributions would be settled over the five-year period which commenced on 1 April 2022.

Total cash costs for UK deficit repair payments and UK administrative expenses in the current year were £17.6m (31 March 2025: £6.6m). The current year figure includes: £12.5m of a one off agreed payment following the takeover of the business on 29 October 2025, the £3.1m noted above in connection with the SLP, an additional £0.4m of deferred contributions relating to the year ended 31 March 2021, an additional £0.7m due to a longstanding agreement with the UK scheme to pay an additional £1.0m of annual cash contributions when the Group's adjusted operating profit exceeds £16.0m and a further £0.9m in respect of pension administration costs. The best estimate of contributions to be paid into the UK plan for the year ending 31 December 2026 is £6.5m (£4.2m in connection with the SLP, £0.6m of the deferred contributions from the year ended 31 March 2021 and an additional £1.7m due to the Group's adjusted operating profit exceeding £16.0m which causes a £1.0m additional payment from January - March, which is then replaced by annual payments of £1.9m from April - December as agreed following the takeover).

The latest triennial actuarial valuation of the RPS, with an effective date of 5 April 2022, concluded that contributions to the scheme should continue unchanged and no additional contributions in excess of the previously agreed asset backed funding structure were deemed necessary. The most recent comprehensive actuarial valuation of the Scheme was carried out as at 5 April 2025 and is still ongoing, the deadline for completion is 15 months after the effective date of the valuation, so 5 July 2026. The next valuation of the Scheme will commence 5 April 2028.

OVERSEAS PENSION PLANS

GERMANY

In Germany, in addition to participating in the state backed pension scheme, the Group operates an unfunded defined benefit scheme (no other Group company operates such a scheme). 'Unfunded' means that the scheme has no asset backing to pay benefits and instead the Group pays member benefits as they fall due. The scheme closed to new members on 1 April 1992. A German court confirmed that the pension scheme was properly closed to future accrual with effect from 31 March 2014. Following the acquisition of the Tooth Chain business in 2016, the unfunded defined benefit scheme operated by that business transferred to our German subsidiary.

In aggregate, the two (2025: two) German pension schemes have a net liability of £17.0m (2025: £15.5m). The increase in the net deficit most significantly reflects settlement of liabilities through pension payments.
Total cash pension payments in the year were £1.1m (2025: £1.1m). The best estimate of pension payments for the year ending 31 December 2026 is £1.1m.

UNITED STATES OF AMERICA

The Group has now closed it's two defined benefit pension schemes in the US Torque Transmission business. The schemes are both closed to new members and are both closed to future accruals. Funds have been used to accelerate the deficit reduction in the fully closed US scheme and this has been terminated with the surplus being distributed.

In aggregate, the nil (31 March 2025: two) defined benefit schemes in the US have combined assets of £nil (31 March 2025: £1.4m) and liabilities of £nil (31 March 2025: £1.6m), giving a net deficit of £nil (31 March 2025: £0.2m). The decrease in the net deficit was due to the closure of the schemes and the surplus being distributed.
Total cash costs for contributions in the year were £nil (31 March 2025: £nil). The best estimate of contributions to be paid into the plan for the year ending 31 December 2026 is £nil.

Notes to the consolidated financial statements

17. RETIREMENT BENEFIT OBLIGATIONS

OTHER OVERSEAS SCHEMES

In aggregate, the other overseas defined benefit schemes have combined assets of £0.3m (31 March 2025: £0.3m) and liabilities of £1.4m (31 March 2025: £0.4m) giving a net deficit of £1.1m (31 March 2025: £0.1m).

Total cash costs for contributions in the year were £0.3m (31 March 2025: £nil). The best estimate of contributions to be paid into the plans for the year ending 31 December 2026 is £nil.

Other overseas employees participate in a variety of different pension arrangements of the defined contribution or defined benefit type, funded in accordance with local practice.

ACTUARIAL DISCLOSURES

The pension disclosures in the financial statements are based on the most recent actuarial valuations. Where material, these have been updated to the balance sheet date by qualified independent actuaries. The disclosures provided are presented on a weighted average basis where appropriate. Plan assets are stated at their market values at the respective balance sheet dates.

The weighted average durations are 10 years (31 March 2025: 10 years) for the UK pension scheme and 11 years (31 March 2025: 11 years) for the German schemes. They can therefore be regarded as mature schemes.

RISK MANAGEMENT

The pensions schemes are exposed to the following categories of risk:

- Asset risk, including investment returns volatility, counterparty credit risk, foreign exchange risks;
- Liability risk, including mortality assumptions, inflation, interest rates; and
- Regulatory risk, including increased contribution rates required to meet regulatory funding targets.

These risks are managed separately for each pension scheme. However, the Group has adopted a common approach of closing defined benefit schemes to cap members' entitlements and supporting trustees in adopting investment strategies which aim to match assets to future obligations, after allowing for the funding position of the scheme.

SIGNIFICANT ASSUMPTIONS

The principal financial assumptions used to calculate plan liabilities as at 31 December 2025 are presented below. The assumptions adopted represent the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. The present values of the plans' liabilities are derived from cash flow projections over long periods and are thus inherently uncertain.

	UK		Germany		Other Overseas	
	December 2025	March 2025	December 2025	March 2025	December 2025	March 2025
Rate of increase in pensionable salaries[1]	-	-	-	-	1.50%	2.00%
Rate of increase in pensions in payment and deferred pensions	1.70%	1.90%	2.10%	2.10%	-	-
Discount rate	5.50%	5.75%	3.90%	3.90%	3.92%	4.86%
Inflation assumption[2]	2.50%	2.85%	2.20%	2.50%	2.00%	2.00%

[1] No increase applies following the closure of the UK and German defined benefit pension schemes to future accrual.

[2] The inflation assumption used for UK schemes is based on CPI (31 March 2025: CPI).

The predominant defined benefit obligation for funded plans within the Group resides in the UK (£123.4m of the £124.8m Group obligation for funded plans). In addition to the assumptions shown previously, mortality assumptions have a significant bearing on the calculated obligation. The assumed life expectancy for the RPS members on retirement at age 65 is as follows:

	December 2025	March 2025
Males		
Currently aged 45	20.9	20.8
Currently aged 65	19.9	19.9
Females		
Currently aged 45	23.7	23.6
Currently aged 65	22.6	22.5

Consistent with the assumption used for the prior year, the post-retirement mortality tables used for the UK plan are the S3PA series tables published by the UK actuarial profession with a 17.5% uplift in mortality reflecting scheme-specific experience and with an additional 15% weighting adjustment for 2021 and 2020 in recognition of the Covid-19 pandemic. Historically, the RPS experiences mortality in excess of the national average. The mortality rates for the RPS are based on average year of birth for both non-pensioners and pensioners with an allowance for future annual improvements in life expectancy.

In Germany and the United States, the mortality expectations for the scheme are in line with the national averages.

Notes to the consolidated financial statements

17. RETIREMENT BENEFIT OBLIGATIONS

SENSITIVITY ANALYSIS ON UK SCHEME

Sensitivities in respect of the key assumptions used to measure the pension schemes as at 31 December 2025 are set out below. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation, with the exception of the sensitivity to inflation which incorporates the impact of certain correlating assumptions. The assumptions used for the sensitivity analysis have been chosen as they are considered to represent a reasonable approximation of possible changes. In practice, such assumptions rarely change in isolation and the sensitivities are indicative only. It is reasonably possible, for example, that discount rates could move up to 1%.

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease by 0.5%	Decrease by £5.5m/increase by £6.1m
Rate of inflation	Increase/decrease by 0.5%	Increase by £3.5m/decrease by £3.7m
Rate of mortality	Decrease/increase by one year[1]	Increase by £6.6m/decrease by £6.5m

[1] This is broadly equivalent to a change in life expectancy of one year at age 65.

The market values of assets of the principal defined benefit plans of the Group, together with the present value of plan liabilities, are shown below. It should be noted that the market values of the plans' assets are stated as at the Group's year end and since it is not intended to realise the assets in the short term, the value may change significantly before being realised.

The fair values of plan assets were:

	December 2025				March 2025			
	UK	Germany	Other	Total	UK	Germany	Other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Medically underwritten insurance policies	23.2	-	-	23.2	24.1	-	-	24.1
Quoted equities	11.1	-	-	11.1	10.8	-	-	10.8
Hedge funds and diversified growth funds	41.3	-	-	41.3	27.6	-	-	27.6
Gilts and liability driven investments	28.1	-	-	28.1	21.9	-	1.4	23.3
Cash	3.8	-	0.3	4.1	9.6	-	0.2	9.8
Total market value of assets	107.5	-	0.3	107.8	94.0	-	1.6	95.6

The medically underwritten insurance policies are directly linked to a subset of scheme members and provide income to the scheme towards the pension payments for these members. The assumptions used for valuing the insurance policies as a plan asset under IAS 19 are derived allowing for the specific characteristics of the members covered by the policies. The IAS 19 liability in respect of these members is calculated using assumptions appropriate for the scheme as a whole. The discount rate used to value the policies as an asset is the full iBoxx AA corporate bond best rating yield curve. The post-retirement mortality tables used for valuing the policies are the S3 Light tables published by the UK actuarial profession.

Equities are investments in quoted equities only and are the only plan assets with quoted market prices in active markets. Hedge funds and diversified growth funds hold a range of assets which aim to deliver returns above those of bonds but at lower volatility than equities. The assets held materially reflect the underlying liabilities, in that lower risk assets, such as gilts and bonds, are deemed to be a match for pensioner liabilities whereas equities are deemed a better match for the liabilities associated with scheme members not yet in retirement.

Liability Driven Investments (LDI) are a portfolio of assets that are linked to the drivers of movements in pension liabilities, such as inflation and interest rates. These are assets designed to deliver geared movements in the underlying liabilities as they reflect changes to inflation and interest rates.

RETIREMENT BENEFIT OBLIGATIONS

The movement in the present value of the defined benefit obligation is as follows:

	December 2025				March 2025			
	UK	Germany	Other	Total	UK	Germany	Other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Opening obligation	125.2	15.5	1.9	142.6	140.0	17.5	3.0	160.5
Acquisition of subsidiary	-	-	0.9	0.9	-	-	-	-
Interest expense	5.2	0.5	-	5.7	6.8	0.6	-	7.4
Current service cost	-	0.1	-	0.1	-	-	-	-
Remeasurement gains/(losses) by changes in:								
– Experience	0.3	0.5	-	0.8	(1.1)	0.1	-	(1.0)
– Demographic assumptions	-	-	-	-	(0.7)	-	-	(0.7)
– Financial assumptions and expenses	0.3	0.9	0.1	1.3	(9.6)	(1.2)	0.2	(10.6)
Benefits paid	(7.6)	(1.2)	(1.6)	(10.4)	(10.1)	(1.1)	-	(11.2)
Exchange adjustment	-	0.7	0.1	0.8	(0.1)	(0.4)	(1.3)	(1.8)
Closing obligation	123.4	17.0	1.4	141.8	125.2	15.5	1.9	142.6
The total defined benefit obligation can be analysed as follows:								
Funded pension plans	123.4	-	1.4	124.8	125.2	-	1.9	127.1
Unfunded pension plans	-	17.0	-	17.0	-	15.5	-	15.5
	123.4	17.0	1.4	141.8	125.2	15.5	1.9	142.6

The UK liabilities above include £23.2m that are fully insured (March 2025: £24.1m).

Notes to the consolidated financial statements

17. RETIREMENT BENEFIT OBLIGATIONS

PENSION ASSETS

The movement in the present value of the defined benefit plan assets is as follows:

	December 2025				March 2025			
	UK	Germany	Other	Total	UK	Germany	Other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Opening assets	94.0	-	1.6	95.6	100.3	-	3.1	103.4
Interest income	4.2	-	-	4.2	4.9	-	0.1	5.0
Remeasurement gains/(losses)	0.2	-	-	0.2	(6.7)	-	-	(6.7)
Employer contributions	16.7	-	0.3	17.0	5.7	-	(0.2)	5.5
Benefits paid	(7.6)	-	(1.6)	(9.2)	(10.1)	-	(0.1)	(10.2)
Exchange adjustment	-	-	-	-	(0.1)	-	(1.3)	(1.4)
Closing assets	107.5	-	0.3	107.8	94.0	-	1.6	95.6
Balance sheet reconciliation:								
Plan obligations	(123.4)	(17.0)	(1.4)	(141.8)	(125.2)	(15.5)	(1.9)	(142.6)
Plan assets	107.5	-	0.3	107.8	94.0	-	1.6	95.6
Net plan deficit	(15.9)	(17.0)	(1.1)	(34.0)	(31.2)	(15.5)	(0.3)	(47.0)

The net amount of remeasurement gains and losses taken to other comprehensive income is as follows:

	December 2025				March 2025			
	UK	Germany	Other	Total	UK	Germany	Other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
On plan obligations	(0.6)	(1.4)	(0.1)	(2.1)	11.4	1.1	(0.2)	12.3
On plan assets	0.2	-	-	0.2	(6.7)	-	-	(6.7)
Net (losses)/gains	(0.4)	(1.4)	(0.1)	(1.9)	4.7	1.1	(0.2)	5.6

The actual return/(loss) on plan assets was £4.4m (March 2025: -£1.7m) which equates to 4.6% (2025: -1.6%) of plan assets.

An analysis of amounts charged to operating costs is set out below:

	December 2025	March 2025
	£m	£m
Operating costs		
Pension administration costs	(0.9)	(0.9)
Current service cost	(0.1)	-
	(1.0)	(0.9)

18. CALLED UP SHARE CAPITAL

At 31 December 2025, the issued ordinary share capital comprised 226,809,992 ordinary shares of 5p each (March 2025: 225,417,740).

	Issued and fully paid	
	December 2025	March 2025
	£m	£m
Ordinary shares of 5p each	11.3	11.3
Preference stock[1] of £1 each	-	0.5

[1]See Note 13 for details of the preference stock in issue.

MPE subscribed for one ordinary share in the Group for a subscription price of £71.0m (comprising £0.05p of nominal share capital and £71.0m of share premium).

Notes to the consolidated financial statements

19. SHARE-BASED PAYMENTS

ACCOUNTING POLICY

The Group operated equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or performance shares granted. At each balance sheet date, the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. No expense is recognised for awards that do not ultimately vest except for awards where vesting is conditional upon market or non-vesting conditions. Options with market conditions are accounted for as vesting, irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied. The market-based conditions are linked to the market price of shares in the Company.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

The fair value per option granted in the period and the assumptions used in the calculation are as follows:

Share option schemes	December 2025	December 2025	March 2025	March 2025
Grant date	-	-	01.04.24	26.07.24
Share price at date of grant	-	-	33.0p	51.0p
Exercise price	-	-	0.0p	0.0p
Number of employees	-	-	5	15
Shares under option	-	-	447,522	2,790,793
Vesting period (years)	-	-	4.3	3.0
Expected volatility	-	-	48%	47%
Option life (years)	-	-	11.3	10.0
Risk free interest rate	-	-	4.09%	4.10%
Assumed dividends expressed as a dividend yield	-	-	1.33%	0.90%
Fair value per option	-	-	33.0p	51.0p

The awards issued on 1 April 2024 relate to a Management Incentive Bonus Plan; upon the achievement of predetermined performance conditions any eligible employees are paid a proportion of their bonus in the form of deferred share options. The deferred share option awards are subject to service conditions only.

The expected volatility is an annualised figure calculated using historical volatility over the expected life of the awards. The risk free rate of return is the yield on zero coupon UK government bonds of a term consistent with the assumed option life. Dividend yields indicated above are an expression of assumed dividends over the respective periods included in the calculation. These assumptions may not be borne out in practice. A reconciliation of option movements is shown below:

	December 2025		March 2025	
Executive share option schemes	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 April	29,041,022	0.0p	27,488,748	0.0p
Granted	-	0.0p	3,066,106	0.0p
Exercised	(27,591,134)	0.0p	(1,375,380)	0.0p
Expired	-	0.0p	-	0.0p
Forfeited	(1,449,888)	0.0p	(138,452)	0.0p
Outstanding at 31 December / March	-	0.0p	29,041,022	0.0p
Exercisable at 31 December / March	-	0.0p	13,149,950	0.0p

On 29th October, all outstanding share options were redeemed following the acquisition of the company by MPE, the redemption price was £0.82p per share.

	December 2025		March 2025	
Range of exercise prices	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares
Nil	0.0p	-	0.0p	29,041,022

The weighted average contractual life remaining is nil years (March 2025: 7.0 years).

27,591,134 options have been exercised in the period (March 2025: 1,375,380). The total charge for the year relating to employee share-based payment plans, including accrual for related employer liabilities, was £3.1m (March 2025: £2m), all of which related to equity settled share-based transactions. At 31 December 2025 a share option reserve of £nil (31 March 2025: £5.2m) was included in retained earnings.

Notes to the consolidated financial statements

20. RESERVES

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign operations and the proportion of the gains or losses on hedging instruments used to hedge against movements in net investments in foreign operations that are determined to be effective.

Other reserves record the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. The balance at 31 December 2025 is £0.1m (31 March 2025: -£0.1m).

Included in retained earnings is an amount of £3.5m (net of tax) (March 2025: £3.5m) relating to the revaluation of freehold property that was undertaken at the date of IFRS adoption. The amount is not distributable until it is realised.

The other reserves are stated after deducting £nil (31 March 2025: £8.4m) relating to shares held in the Renold Employee Benefit Trust. The Renold Employee Benefit Trust held Renold plc shares and satisfied awards made under various employee incentive schemes when issuance of new shares was not appropriate.

21. CONTINGENT LIABILITIES AND COMMITMENTS

Performance guarantees given to third parties in respect of Group companies were £nil (March 2025: £nil).

Various UK Group companies have given guarantees to the merged UK pension scheme to cover the full cost of buying out the liabilities in the event that the sponsoring employers default on the agreed deficit repair plan. As one of the sponsoring employers of the UK scheme is Renold plc, the continuing obligation is effectively unchanged and is to fully fund the members' accrued benefits.

22. ADDITIONAL CASH FLOW INFORMATION

Reconciliation of operating profit to net cash flows from operations:

	December 2025 £m	March 2025 £m
Cash generated from operations:		
Operating (loss) / profit from continuing operations	(3.2)	28.5
Depreciation of property, plant and equipment – owned assets	4.8	6.3
Depreciation of property, plant and equipment – right-of-use assets	2.5	3.1
Amortisation of intangible assets	2.8	2.8
Loss on disposals of plant and equipment	-	1.8
Impairment of goodwill	1.5	-
Share-based payments	1.7	1.5
Decrease/(increase) in inventories	1.6	(1.1)
Decrease/(increase) in receivables	3.1	(5.9)
(Decrease)/increase in payables	(8.7)	2.7
Increase in amounts owed to parent company	24.3	-
Increase/(decrease) in provisions	2.3	(1.6)
Cash contribution to pension schemes	(18.2)	(6.1)
Pension current service cost (non-cash)	0.1	-
Cash generated from operations	14.6	32.0

Reconciliation of net change in cash and cash equivalents to movement in net debt:

	December 2025 £m	March 2025 £m
Increase/(decrease) in cash and cash equivalents (Consolidated Statement of Cash Flows)	(2.6)	5.4
Change in net debt resulting from cash flows:		
- Proceeds from borrowings	(21.4)	(45.6)
- Repayment of borrowings	81.4	20.7
- Repayment of preference shares	0.5	-
Foreign currency translation differences	0.2	-
Non-cash movement on capitalised finance costs	(1.4)	(0.4)
Borrowings acquired as part of the business combination	-	-
Change in net debt during the period	56.7	(19.9)
Net debt at start of year	(44.8)	(24.9)
Net debt at end of period	11.9	(44.8)
Net debt comprises:		
Cash and cash equivalents (Note 12)	17.3	22.0
Total borrowings (Note 13)	(5.4)	(66.8)
	11.9	(44.8)

Notes to the consolidated financial statements

22. ADDITIONAL CASH FLOW INFORMATION

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

December 2025	Opening balance £m	Accrued interest £m	Financing cash flows £m	New leases £m	Lease disposal £m	Acquisition of subsidiary £m	Other non-cash changes[1] £m	Closing balance £m
Bank loans (Note 13)	63.8	2.6	(61.6)	-	-	-	0.3	5.1
Capitalised costs (Note 13)	(0.4)	-	(1.0)	-	-	-	1.4	-
Preference stock (Note 13)	0.5	-	(0.5)	-	-	-	-	-
Lease liabilities (Note 9)	19.8	0.9	(3.1)	2.0	(0.3)	1.5	0.5	21.3
Total liabilities/(assets) from financing activities	83.7	3.5	(66.2)	2.0	(0.3)	1.5	2.2	26.4
Overdrafts (Note 13)	2.9							0.3
Less: Lease liabilities (Note 9)	(19.8)							(21.3)
Total borrowings (Note 13)	66.8							5.4
Add: Cash and cash equivalents (Note 12)	(22.0)							(17.3)
Net debt	44.8							(11.9)

[1] Non-cash changes include the amortisation of capitalised finance costs and foreign exchange translation.

March 2025	Opening balance £m	Accrued interest £m	Financing cash flows £m	New leases £m	Lease disposal £m	Acquisition of subsidiary £m	Other non-cash changes[1] £m	Closing balance £m
Bank loans (Note 13)	39.2	4.1	20.9	-	-	-	(0.4)	63.8
Capitalised costs (Note 13)	(0.7)	-	(0.1)	-	-	-	0.4	(0.4)
Preference stock (Note 13)	0.5	-	-	-	-	-	-	0.5
Lease liabilities (Note 9)	15.1	1.0	(4.0)	8.9	(0.9)	-	(0.3)	19.8
Total liabilities/(assets) from financing activities	54.1	5.1	16.8	8.9	(0.9)	-	(0.3)	83.7
Overdrafts (Note 13)	3.7							2.9
Less: Lease liabilities (Note 9)	(15.1)							(19.8)
Total borrowings (note 13)	42.7							66.8
Add: Cash and cash equivalents (Note 12)	(17.8)							(22.0)
Net debt	24.9							44.8

[1] Non-cash changes include the amortisation of capitalised finance costs and foreign exchange translation.

Notes to the consolidated financial statements

23. FINANCIAL INSTRUMENTS

(A) CATEGORY AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by category of the carrying amounts and fair values of the Group's financial instruments:

		At 31 December 2025				
	Note	IFRS 13 classification for determining fair value	At amortised cost £m	At fair value through profit or loss £m	Total carrying value £m	Fair value / Amortised Cost £m
Financial assets						
Cash and cash equivalents	12	Level 1	17.3	-	17.3	17.3
Trade and other financial receivables	11	Level 2	45.2	-	45.2	45.2
Forward foreign currency contracts: cash flow hedge	23(B)	Level 2	-	0.2	0.2	0.2
Total financial assets			62.5	0.2	62.7	62.7
Financial liabilities						
Trade and other payables	14	Level 2	(76.3)	-	(76.3)	(76.3)
Floating rate bank overdraft	13	Level 2	(0.3)	-	(0.3)	(0.3)
Floating rate short-term borrowings	13	Level 2	(5.0)	-	(5.0)	(5.0)
Floating rate long-term borrowings	13	Level 2	(0.1)	-	(0.1)	(0.1)
Preference stock	13	Level 2	-	-	-	-
Lease liabilities	9	Level 2	(21.3)	-	(21.3)	(21.3)
Forward foreign currency contracts: cash flow hedge	23(B)	Level 2	-	(0.1)	(0.1)	(0.1)
Total financial liabilities			(103.0)	(0.1)	(103.1)	(103.1)
Net financial liabilities			(40.5)	0.1	(40.4)	(40.4)

		At 31 March 2025				
	Note	IFRS 13 classification for determining fair value	*At amortised cost* £m	At fair value *through profit* or loss £m	Total carrying value Restated[1] £m	*Fair value /* Amortised Cost £m
Financial assets						
Cash and cash equivalents	12	Level 1	22.0	-	22.0	22.0
Trade and other financial receivables	11	Level 2	41.8	-	41.8	41.8
Forward foreign currency contracts: cash flow hedge	23(B)	Level 2	-	-	-	-
Total financial assets			63.8	-	63.8	63.8
Financial liabilities						
Trade and other payables	14	Level 2	(61.2)	-	(61.2)	(61.2)
Floating rate bank overdraft	13	Level 2	(2.9)	-	(2.9)	(2.9)
Floating rate short-term borrowings	13	Level 2	(0.4)	-	(0.4)	(0.4)
Floating rate long-term borrowings	13	Level 2	(63.4)	-	(63.4)	(63.4)
Preference stock	13	Level 2	(0.5)	-	(0.5)	(0.5)
Lease liabilities	9	Level 2	(19.8)	-	(19.8)	(19.8)
Forward foreign currency contracts: cash flow hedge	23(B)	Level 2	-	(0.2)	(0.2)	(0.2)
Total financial liabilities			(148.2)	(0.2)	(148.4)	(148.4)
Net financial liabilities			(84.4)	(0.2)	(84.6)	(84.6)

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates.

The fair value of derivatives has been calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Notes to the consolidated financial statements

23. FINANCIAL INSTRUMENTS

(B) DERIVATIVE FINANCIAL INSTRUMENTS

FORWARD FOREIGN EXCHANGE CONTRACTS

The Group uses forward foreign exchange contracts to hedge future foreign currency sales and purchases. At 31 December 2025, contracts with a nominal value of £17.2m (2025: £19.8m) were designated as hedging instruments. The contracts are denominated in the currencies of the Group's principal markets. The US Dollar/Euro contracts cover the intra-group purchases in Euros by our US operations. The US Dollars/Sterling contracts cover intra-group purchases in Sterling by our US operations. The following tables detail the foreign currency forward contracts outstanding at the end of the reporting period. Foreign currency forward contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as asset or as liabilities) within the consolidated balance sheet:

	Average exchange rate		Contractual or notional value		Fair value assets/(liabilities)	
	December 2025	March 2025	**December 2025**	March 2025	**December 2025**	March 2025
	Rate	Rate	**£m**	£m	**£m**	£m
Forward foreign currency contracts: cash flow hedge						
Sell US Dollar: Buy Sterling	**1.329**	1.296	**2.6**	2.7	**-**	-
Sell US Dollar: Buy Euro	**1.163**	1.094	**9.8**	11.4	**0.2**	-
Sell Sterling: Buy Euro	**0.865**	0.865	**0.2**	1.6	**-**	(0.1)
Sell Aus Dollar: Buy US Dollar	**-**	0.627	**-**	-	**-**	-
Sell Aus Dollar: Buy Euro	**0.551**	0.572	**0.3**	-	**-**	-
Sell Aus Dollar: Buy Sterling	**0.488**	0.491	**0.3**	-	**-**	-
Sell Aus Dollar: Buy Chinese Renminbi	**4.572**	4.485	**0.5**	0.1	**-**	-
Sell Aus Dollar: Buy Canadian Dollar	**0.875**	-	**-**	-	**-**	-
Sell NZ Dollar: Buy US Dollar	**0.564**	0.578	**0.2**	0.1	**-**	-
Sell NZ Dollar: Buy Euro	**-**	0.526	**-**	-	**-**	-
Sell NZ Dollar: Buy Sterling	**-**	0.443	**-**	-	**-**	-
Sell Euro: Buy Chinese Renminbi	**0.124**	0.130	**3.3**	3.9	**(0.1)**	(0.1)
			17.2	19.8	**0.1**	(0.2)

In accordance with IFRS 7 Financial Instruments: Disclosures, the Group's financial instruments are considered to be classified as level 2 instruments.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The foreign exchange forward contracts have similar critical terms to the hedged items, such as the notional amounts and maturities. Therefore, there is an economic relationship and the hedge ratio is established as 1:1. The main sources of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates and the risk of over-hedging where the hedge relationship requires rebalancing. No other sources of ineffectiveness emerged from these hedging relationships. Any hedge ineffectiveness is recognised immediately in the income statement in the period that it occurs. Of the foreign exchange contracts designated as hedging instruments at the current and prior reporting period end, 100% were for periods of 12 months or less.

The cash flow hedges of the expected future transactions in US Dollars and Euros in the prior year were assessed to be highly effective. In the period, £nil (March 2025: £nil) was transferred to operating costs in the income statement.

HEDGE OF NET INVESTMENT IN FOREIGN ENTITY

The Group has US Dollar denominated borrowings which it has designated as a hedge of the net investment in its subsidiaries in the US. The carrying value of the US Dollar borrowings at 31 December 2025 was £nil (March 2025: £8.9m).

The Group has Euro denominated borrowings which it has designated as a hedge of the net investment in its European subsidiary Renold Iberia S.A.U. The carrying value of the Euro borrowings at 31 December 2025 was £nil (March 2025: £15.5m).

The Group has Canadian Dollar denominated borrowings which it has designated as a hedge of the net investment in its Canadian subsidiary Renold Canada Limited. The carrying value of the Canadian Dollar borrowings at 31 December 2025 was £nil (March 2025: £11.6m).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The borrowings have the same notional amount as the hedged items and therefore, there is an economic relationship with the hedge ratio established as 1:1. No sources of hedge ineffectiveness emerged from this hedging relationship. Any hedge ineffectiveness is recognised immediately in the income statement in the period that it occurs.

For the period ended 31 December 2025 £nil of exchange loss (March 2025: £0.4m gain) on translation of the borrowings into Sterling is included as part of the hedging reserve movement in other comprehensive income as the hedge was deemed to be effective.

Notes to the consolidated financial statements

23. FINANCIAL INSTRUMENTS

(C) MATURITY OF FINANCIAL LIABILITIES

The maturity profile of the contracted amount of the Group's financial liabilities was as follows:

	December 2025				
	One year or less on demand	One to two years	Two to five years	More than five years	Total
	£m	£m	£m	£m	£m
Trade and other payables[3]	76.1	0.2	-	-	76.3
Floating rate bank overdraft	0.3	-	-	-	0.3
Floating rate long-term borrowings[2]	5.0	0.1	0.0	-	5.1
Preference stock[1]	-	-	-	-	-
Lease liabilities	4.1	4.0	8.2	12.9	29.2
Forward foreign currency contracts: cash flow hedge	17.2	-	-	-	17.2
	102.7	4.3	8.2	12.9	128.1

[1] On 29 October 2025, all preference shares were redeemed following the acquisition of the company by MPE, the redemption price was £1.07 per share.(see Note 13).

[2] Contractual cash flows include annual interest payments, calculated using the interest rates applying to the loans at the period end.

[3] The non-current other payable relates to the deferred element of the construction costs for the new Chinese factory in Jintan.

	March 2025				
	One year or less on demand	One to two years	Two to five years	More than five years	Total
	£m	£m	£m	£m	£m
Trade and other payables	61.2	-	-	-	61.2
Floating rate bank overdraft	2.9	-	-	-	2.9
Floating rate long-term borrowings[2]	66.7	-	0.9	-	67.6
Preference stock[1]	-	-	-	0.5	0.5
Lease liabilities	3.5	3.4	10.0	9.8	26.7
Forward foreign currency contracts: cash flow hedge	19.8	-	-	-	19.8
	154.1	3.4	10.9	10.3	178.7

[1] The preference stock bears interest at a fixed rate of 6% (interest has been excluded from the above analysis) and has no fixed repayment date (see Note 13).

[2] Contractual cash flows include annual interest payments, calculated using the interest rates applying to the loans at the period end.

(D) CURRENCY AND INTEREST RATE PROFILE OF FINANCIAL LIABILITIES OF THE GROUP

	December 2025			March 2025		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Overdraft, borrowings and preference stock by currency	£m	£m	£m	£m	£m	£m
Sterling						
– Financial liabilities	-	0.3	0.3	-	28.4	28.4
– Preference stock	-	-	-	0.5	-	0.5
US Dollar	-	-	-	-	8.9	8.9
Euro	-	4.9	4.9	-	17.0	17.0
Other	-	0.2	0.2	-	12.4	12.4
	-	5.4	5.4	0.5	66.7	67.2

Floating rate financial liabilities bear interest at rates based on relevant national base rate equivalents, which can fluctuate on a daily basis. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest risk.

INTEREST RATE RISK

Interest rate risk arises on borrowings and cash balances (and derivative liabilities and assets) which are at floating interest rates. Changes in interest rates could have the effect of either increasing or decreasing the Group's net profit. Under the Group's interest rate management policy, the interest rates on each of the Group's major currency monetary assets and liabilities are managed to achieve the desired mix of fixed and variable rates for each major net currency exposure. Exposure to the risk of changes in market interest rates relates primarily to the Group's Sterling, US Dollar, Canadian Dollar and Euro debt obligations. Measurement of this interest rate risk and its potential impact due to volatility on the Group's reported financial performance is undertaken on a monthly basis and the Board uses this information to determine, from time to time, an appropriate mix of fixed and floating rates.

CREDIT RISK

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 11. There are no significant concentrations of credit risk within the Group.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk has a maximum exposure equal to the carrying value of these instruments. The Group has a policy to place cash on deposit and hold derivatives with members of the banking syndicate wherever possible.

Notes to the consolidated financial statements

23. FINANCIAL INSTRUMENTS

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Group might not be able to settle or meet its obligations on time or at a reasonable price. Liquidity risk arises as a result of mismatches between cash inflows and outflows from the business. This risk is monitored on a centralised basis through regular cash flow forecasting, a strategic plan, an annual budget agreed by the Board each year and a rolling re-forecast undertaken throughout the financial year. To mitigate the risk, the resulting forecast net bank cash/(debt) is measured against the liquidity headroom policy.

As at 31 December 2025, the Group had a committed but undrawn revolving credit facility of £0m. The Group also benefits from a UK overdraft and a number of overseas facilities totalling £11.0m (March 2025: £4.5m) with availability at year end of £5.6m. Together with net cash of £17m, available funds at 31 December 2025 were £22.6m. The Group manages longer-term liquidity through its committed bank facilities and will, if appropriate, raise funds on capital markets. The Group's principal committed bank facility was redeemed in full following the takeover by MPE and had drawings of £0m at 31 December 2025. Cash management pooling, netting and concentration techniques are used to minimise borrowings. As at 31 December 2025, the Group had gross cash of £17.3m.

(E) CURRENCY AND INTEREST RATE PROFILE OF FINANCIAL ASSETS

Cash at bank and in hand by currency	December 2025 £m	March 2025 £m
Sterling	1.3	2.3
Euro	8.7	12.4
US Dollar	3.7	2.2
Other	3.6	5.1
	17.3	22.0

Cash balances are held with the Group's bankers. These deposits are held largely in Germany and earn interest at bank deposit interest rates for periods of up to three months.

(F) FOREIGN CURRENCY RISK AND SENSITIVITY

As a result of the significant operations in the US, Europe and China, the Group's balance sheet can be affected significantly by movements in the US Dollar/Sterling, Euro/Sterling, and US Dollar/Euro exchange rates. In order to manage these risks the Group enters into currency forward contracts designated as cash flow hedge relationships and foreign currency borrowings designated as net investment hedges.

The financial impact of changes in the mark to market value of the currency forward contracts for reasonably possible changes in the value of Sterling on the Group's result before tax and the Group's equity is set out in the following table. There is no effect on profit before tax because all currency forward contracts are designated as hedging instruments. The impact of translating the net assets of foreign operations into Sterling is excluded from the sensitivity analysis.

Decrease/(increase) in the value of US Dollar compared to other currencies:

	25% Decrease in US$ value		10% Increase in US$ value	
	December 2025 £m	March 2025 £m	December 2025 £m	March 2025 £m
Effect on equity of currency forward contracts	(3.2)	(3.4)	1.1	1.6
Effect on equity of net investment hedge	-	1.8	-	(1.0)

(G) INTEREST RATE SENSITIVITY

The following table demonstrates the sensitivity to a reasonably possible change in the basis points of the Group's floating interest rates:

		Effect on profit before tax	
	Increase in basis points	December 2025 £m	March 2025 £m
Sterling	+150	-	(0.4)
US Dollar	+150	-	(0.1)
Euro	+150	-	(0.2)
Canadian Dollar	+150	-	(0.2)
		-	(0.9)

(H) BORROWING FACILITIES

The Group has the following undrawn committed borrowing facilities available at the period end date in respect of which all conditions precedent had been met at that date:

	December 2025 £m	March 2025 £m
Expiring within one year or less, or on demand	5.6	6.4
Expiring between one and two years	-	16.4
Expiring between two and five years	-	-
	5.6	22.8

The facilities expiring in one year or less, or on demand, are primarily annual facilities subject to review at various dates during the period ending 31 December 2026.

Notes to the consolidated financial statements

24. BUSINESS COMBINATIONS

On 25 June 2025, the Group acquired the entire issued share capital of Ognibene S.p.a. ("Ognibene") for a total cash consideration of €10.8m (£9.3m) comprising an initial cash consideration of €10.1m (£8.7m), followed by a further cash payment of €0.7m (£0.6m), payable 12 months from the anniversary of completion of the acquisition. Ognibene is a manufacturer and distributor of high-quality transmission chain ("TRC") and ancillary products servicing a range of end markets, including packaging machinery, distribution and food processing. The acquisition increases the Group's access to the Italian, and wider Southern European market, allowing Renold to improve its customer service offering by accommodating local stocking of our complete chain range in Italy, which in turn will generate manufacturing synergies between Ognibene and Renold's existing international operations.

The transaction has been accounted for as a business combination under IFRS 3 and is summarised below:

	Recognised values on acquisition £m
Fair value of net assets acquired:	
Intangible assets	1.5
Property, plant and equipment	0.6
Right-of-use-assets	1.5
Inventories	3.1
Trade and other receivables	5.0
Cash and cash equivalents	1.6
Trade and other payables	(2.5)
Lease liabilities	(1.5)
Retirement benefit obligation	(0.9)
Current tax liability	(0.2)
Deferred tax liabilities	(0.1)
Net identifiable assets and liabilities	8.1
Goodwill	1.2
Total consideration	9.3
Consideration:	
Cash consideration	8.7
Deferred consideration	0.6
Total consideration transferred/to be transferred	9.3
Net cash outflow arising on acquisition:	
Cash consideration paid	(8.7)
Add: cash and cash equivalents acquired	1.6
	(7.1)
Increase in net debt arising on acquisition:	
Net cash outflow arising on acquisition	(7.1)
Acquisition costs	(0.5)
	(7.6)

Acquisition related costs amounted to £0.5m and have been included in the Income Statement. All were paid by the period end.

The gross contractual value of the trade and other receivables was £5.0m. The best estimate at the acquisition date of the contractual cash flows not expected to be collected was £nil.

Deferred consideration of £0.6m is payable within 2 years.

The goodwill arising on acquisition has been allocated to the Europe & China CGU and is expected to be deductible for tax purposes. The goodwill is attributable to:

• the anticipated profitability of the distribution of the Group's services in new markets; and

• the synergies that can be achieved in the business combination including management, processes and maximising site capacities.

The business was acquired on 25 June 2025 and contributed £6.1m revenue and £0.3m adjusted operating profit for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on the first day of the financial period, the acquisition would have contributed £9.7m to Group revenue, £0.6m to Group operating profit and £0.6m to adjusted operating profit.

During the period deferred consideration of $1.6m (£1.2m) was also paid in relation to the acquisition of the Mac Chain.

Total net cash outflow arising on acquisitions:	£m
Ognibene	(7.1)
Mac Chain	(1.2)
	(8.3)

Total increase in net debt arising on acquisitions:	£m
Ognibene	(7.6)
Mac Chain	(1.2)
	(8.8)

Notes to the consolidated financial statements

25. POST BALANCE SHEET EVENT

On 2nd January 2026 the Group transferred, by way of a group reconstruction, its investment in its US businesses Renold Holdings Inc, Renold Jeffrey inc and Renold Inc, to Endurance PT Technology Buyer Corporation, its immediate parent undertaking for £26.4m.

26. ULTIMATE PARENT COMPANY

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Endurance PT Technology Holding LLC, a company incorporated in the Delaware, United States of America, a portfolio company of Morgenthaler Private Equity ("MPE").

The largest and smallest group, which includes the Company and for which group financial statements are prepared and published, is Renold Limited, a company incorporated in the United Kingdom. Copies of the group annual report and financial statements of Renold Ltd can be obtained from the Group's registered office at Trident 2, Trident Business Park, Styal Road, Wythenshawe, Manchester, M22 5XB.

Company balance sheet

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Note	December 2025 £m	March 2025 £m
ASSETS			
Non-current assets			
Intangible assets	2	2.4	1.9
Property, plant and equipment	3	0.1	0.2
Right-of-use assets	9	0.5	0.5
Investments in subsidiary undertakings	4	80.1	79.9
Receivables	6	127.6	104.1
Retirement benefit asset	12	2.6	1.2
		213.3	187.8
Current assets			
Receivables	6	2.4	7.5
Cash and cash equivalents		1.2	0.4
		3.6	7.9
TOTAL ASSETS		216.9	195.7
LIABILITIES			
Current liabilities			
Trade and other payables	7	(3.6)	(5.7)
Lease liabilities	9	(0.1)	(0.2)
Provisions	11	(1.1)	-
		(4.8)	(5.9)
NET CURRENT (LIABILITIES)/ASSETS		(1.2)	2.0
Non-current liabilities			
Trade and other payables	7	(98.6)	(86.6)
Lease liabilities	9	(0.4)	(0.3)
Borrowings	10	-	(62.6)
Provisions	11	-	(0.2)
Deferred tax liability	5	-	(0.3)
Preference stock	10	-	(0.5)
		(99.0)	(150.5)
TOTAL LIABILITIES		(103.8)	(156.4)
NET ASSETS		113.1	39.3
Equity			
Share capital	13	11.3	11.3
Share premium account	13	71.0	-
Other reserves		-	(8.6)
Retained earnings		30.8	36.6
TOTAL EQUITY		113.1	39.3

The profit of Renold Limited (registered number 249688) for the period ended 31 December 2025 was £0.7m (March 2025: loss of £9.7m).

Approved by the Board on 25 June 2026 and signed on its behalf by:

Jim Haughey
Finance Director

Company statement of changes in equity

9 months ended 31 December 2025 and 12 months ended 31 March 2025

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Other reserves	Total
	£m	£m	£m	£m	£m	£m
	Note 13					
At 31 March 2024	11.3	-	-	45.0	(9.0)	47.3
Loss for the year	-	-	-	(9.7)	-	(9.7)
Other comprehensive income	-	-	-	1.2	-	1.2
Total comprehensive expense for the year	-	-	-	(8.5)	-	(8.5)
Settlement of share schemes	-	-	-	(0.4)	0.4	-
Share-based payments	-	-	-	1.5	-	1.5
Dividends paid during the year	-	-	-	(1.0)	-	(1.0)
At 31 March 2025	11.3	-	-	36.6	(8.6)	39.3
Profit for the year	-	-	-	0.7	-	0.7
Other comprehensive income	-	-	-	0.3	0.1	0.4
Total comprehensive income for the year	-	-	-	1.0	0.1	1.1
Shares issued	-	71.0	-	-	-	71.0
Settlement of share schemes	-	-	-	(8.5)	8.5	-
Share-based payments	-	-	-	1.7	-	1.7
At 31 December 2025	11.3	71.0	-	30.8	-	113.1

Details of share-based payment transactions are set out in Note 19 of the consolidated financial statements.

Included in retained earnings is £nil (31 March 2025: £5.2m) relating to a share option reserve.

The other reserves are stated after deducting £nil (31 March 2025: £8.4m) relating to shares held in the Renold Employee Benefit Trust. The Renold Employee Benefit Trust held Renold Limited shares and satisfied awards made under various employee incentive schemes when issuance of new shares was not appropriate.

On 29th October, all outstanding share options were redeemed following the acquisition of the company by MPE, the redemption price was £0.82p per share. MPE subscribed for one ordinary share in the Group for a subscription price of £71.0m (comprising £0.05p of nominal share capital and £71.0m of share premium).

At 31 December 2025 nil (31 March 2025: 26,198,883) ordinary shares of 5p each were held by the Renold Employee Benefit Trust and, following recommendations by the employer, are provisionally allocated to satisfy awards under employee incentive schemes. The market value of these shares at 31 December 2025 was £nil (31 March 2025: £10.8m).

Company accounting policies

A summary of the principal Company accounting policies is set out below. These have been applied on a consistent basis unless otherwise indicated.

Basis of accounting

The Parent Company financial statements of Renold Limited meet the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100). The financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

In these financial statements, the Company has applied the exemptions available under FRS 101 in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis and on the going concern basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted and significant accounting judgements, estimates and assumptions are the same as those set out in the Notes to the consolidated financial statements.

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income (including the profit and loss account).

INTANGIBLE ASSETS

Computer software that is not integral to an item of plant and equipment is recognised separately as an intangible asset. Amortisation is charged on a straight-line basis so as to charge the cost of software to the income statement over its expected useful life which is between three and seven years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are stated at cost, being purchase cost plus any incidental costs of acquisition, less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis so as to charge the depreciable amount of the respective assets to the income statement over their expected useful lives. No depreciation has been charged on freehold land. The useful lives of assets are as follows:

	Years
Freehold buildings	*50*
General plant and equipment	*15*
Fixtures	*15*
Motor vehicles	*3*

Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary companies are accounted for at cost and reviewed for impairment on an annual basis. Where indicators of impairment are present, the cash flows of the underlying entities are reviewed to determine whether the investment value is recoverable.

The results and financial position of Renold Scottish Limited Partnership (SLP) have been consolidated in the consolidated financial statements of Renold plc. Renold plc is a parent undertaking of the general partner in the SLP (see Note 15 to the Company financial statements). Accordingly, advantage has been taken of the exemption conferred by paragraph 7 of the Partnerships (Accounts) Regulations 2008 from the requirements for preparation, delivery and publication of the partnerships accounts.

RECEIVABLES

Receivables are initially recognised at fair value. Financial assets that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Financial assets are measured at amortised cost using the effective interest method, less any impairment.

Per IFRS 9, a simplified lifetime expected credit loss model is used to assess receivables for impairment. An assessment regarding the expected credit loss of these amounts has been made and the Company has identified that no allowance for expected credit losses is required.

Amounts owed by subsidiary undertakings falling due after more than one year are classified as such according to the loan agreements in place.

LEASING AND RIGHT-OF-USE ASSETS

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the lease liability and associated finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Company has a property lease and several equipment and vehicle leases.

To the extent that a right-of-control exists over an asset subject to a lease, with a lease term exceeding one year, a right-of-use asset, representing the Company's right to use the underlying leased asset, and a lease liability, representing the Company's obligation to make lease payments, are recognised in the Company's Balance Sheet at the commencement of the lease. The right-of-use asset is initially measured at cost and includes the amount of initial measurement of the lease liability and any direct costs incurred, including advance lease payments and an estimate of the dismantling, removal and restoration costs required by the terms and conditions of the lease. Depreciation is charged to the Income Statement to depreciate the right-of-use asset from the commencement date until the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term shall include the period of any extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The lease liability is measured at the present value of the future lease payments, including variable lease payments that depend on an index and the exercise price of purchased options where it is reasonably certain that the option will be exercised, discounted using the interest rate implicit in the lease, if readily determinable. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used. Finance charges are recognised in the Income Statement over the period of the lease. Lease arrangements that are short term in nature or low value are charged directly to the Income Statement when incurred. Short-term leases are leases with a lease term of 12 month or less. Low-value assets comprise small items of furniture or equipment.

Company accounting policies

PROVISIONS

Provisions are recognised when the Company: (i) has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, e.g. under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Costs related to ongoing activities of the Company are not provided in advance.

Critical judgements in the application of the company's accounting policies

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies other than those involving estimations (below) that have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying value of the Company's assets or liabilities in the future.

The key sources of estimation uncertainty that have a potential risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Retirement benefit obligations

The valuation of the Company's defined benefit plans are determined by using actuarial valuations. These involve making assumptions about discount rates, mortality rates, future salary increases and future pension increases (future salary and pension increases are linked to inflation rate assumptions). Due to the long-term nature of these plans such estimates are subject to significant uncertainty. Net interest is calculated by applying the discount rate to the net defined benefit liability. Further details are given in Note 12.

Notes to the Company financial statements

1. Profit for the period

Renold Limited reported a profit for the period ended 31 December 2025 of £0.7m (March 2025: loss of £9.7m).

The Auditor's remuneration for audit and other services is disclosed in Note 2 to the consolidated financial statements.

The average monthly number of employees (excluding Executive Directors) during the financial year amounted to 41 (March 2025: 40), of which all are categorised as Head Office employees.

2. Intangible assets

	Software Total £m
Cost	
At 1 April 2024	18.1
Additions	1.1
Transfers	(2.0)
At 31 March 2025	17.2
Additions	1.2
Transfers	(0.3)
At 31 December 2025	18.1
Depreciation	
At 1 April 2024	15.1
Charge for the year	0.6
Transfers	(0.4)
At 31 March 2025	15.3
Charge for the period	0.4
At 31 December 2025	15.7
Net book amount at 31 December 2025	2.4
Net book amount at 31 March 2025	1.9

3. Property, plant and equipment

	Property £m	Equipment £m	Total £m
Cost			
At 1 April 2024	0.2	0.7	0.9
Additions	-	0.1	0.1
Disposals	-	(0.2)	(0.2)
At 31 March 2025	0.2	0.6	0.8
Disposals	-	(0.2)	(0.2)
At 31 December 2025	0.2	0.4	0.6
Depreciation			
At 1 April 2024	0.1	0.5	0.6
Charge for the year	0.1	0.1	0.2
Disposals	-	(0.2)	(0.2)
At 31 March 2025	0.2	0.4	0.6
Charge for the period	-	0.1	0.1
Disposals	-	(0.2)	(0.2)
At 31 December 2025	0.2	0.3	0.5
Net book amount at 31 December 2025	-	0.1	0.1
Net book amount at 31 March 2025	-	0.2	0.2

Future capital expenditure

At 31 December 2025, contracted capital expenditure not provided for in these financial statements for which contracts have been placed amounted to £nil (March 2025: £nil).

Notes to the Company financial statements

4. Investments in subsidiary undertakings

Subsidiary undertakings	Shares £m
Cost and carrying value – At beginning of the period	**79.9**
Additions	0.2
Cost and carrying value – At end of the period	**80.1**

The subsidiary undertakings of the Company at 31 December 2025 are set out in Note 15.

5. Deferred tax assets/(liabilities)

	Opening balance £m	Recognised in income statement £m	Recognised directly in other comprehensive income £m	Closing balance £m
December 2025 - Pension plans	**(0.3)**	**0.3**	**-**	**-**
March 2025 - Pension plans	0.2	(0.2)	(0.3)	(0.3)

Unrecognised deferred tax assets amount to £nil (March 2025: £5.0m) arising from the pension plan, accelerated capital allowances, carried forward trading losses, and movement in pensions and accruals.

6. Receivables

	December 2025		March 2025	
	Current £m	**Non-current £m**	Current £m	Non-current £m
Amounts owed by subsidiary undertakings[1]	1.1	117.4	5.7	104.1
Amounts owed by parent undertakings[1]	-	0.8	-	-
Other debtors	0.2	9.4	0.3	-
Prepayments	1.1	-	1.5	-
	2.4	127.6	7.5	104.1

[1]Current amounts owed by subsidiary undertakings are repayable on demand, bear no interest and are held at amortised cost. Non-current amounts owed by subsidiary and parent undertakings attract varying rates of interest, are unsecured and are repayable in more than one year. An assessment regarding the expected credit loss of these amounts has been made and the Company has identified that no allowance for expected credit losses is required based on their nature as either quasi-equity or repayable on demand loans not exceeding the investee's liquid assets.

Included in other non-current debtors is an amount of £9.4m measured at fair value through profit or loss (FVTPL) (31 March 2025: £nil). The receivable is due from one of the Company's subsidiary undertakings, the Renold Scottish Limited Partnership (the "SLP"). Under the terms of the SLP arrangement, discussed in further detail in Note 12, a contractual switch-off mechanism exists such that cash flows initially payable by the SLP to the Renold Pension Scheme (the Scheme), will be payable instead to the Company if the Scheme becomes fully funded before the end of the 25-year SLP arrangement. The £9.4m recognised at 31 December 2025 represents the discounted value of the future SLP payments that are expected to be directed to the Company instead of the Scheme. Recognition of this balance was triggered in the period ended 31 December 2025 (previously £nil) due to a lump-sum payment made by the Company to the Scheme, outside of the SLP arrangement. Due to the nature of the SLP arrangement, with the source of funds provided the Company itself through intercompany loan agreements, no expected credit losses are recognised.

At each balance sheet date, the value of the receivable is calculated as the discounted value of the expected future cash contributions payable by the SLP to the Company. Remeasurement gains or losses are recorded in the income statement with a gain of £7.0m recognised in the period ended 31 December 2025.

7. Trade and other payables

	December 2025 £m	March 2025 £m
Current		
Trade creditors	0.8	1.3
Other taxation and social security	0.3	0.3
Accruals	2.5	4.0
Amounts owed to subsidiary undertakings	-	0.1
	3.6	5.7

	December 2025 £m	March 2025 £m
Non-current		
Loan from subsidiary undertakings	72.2	86.6
Loan from parent undertakings	26.4	-
	98.6	86.6

Loans from subsidiary undertakings includes a 25-year loan of £62.5m (31 March 2025: £62.5m) which was established with Renold International Holdings Limited in 2014. Interest on this loan increases in line with RPI plus 1.5%, capped at 5%, and is payable for the period of the loan.

Notes to the Company financial statements

8. Derivative financial instruments

	December 2025 £m	March 2025 £m
Forward foreign currency contracts – cash flow hedge	-	-

At 31 December 2025, the Company had entered into forward contracts with a notional value of £0.2m (31 March 2025: £2.3m) to sell Sterling and buy Euros. The contracts were placed to cover purchases in Euros by the Group's operations.

9. Leasing and right-of-use assets

Right-of-use assets

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 April 2024	1.0	0.5	1.5
Additions	-	0.2	0.2
Disposals	-	(0.1)	(0.1)
At 31 March 2025	1.0	0.6	1.6
Additions	-	0.2	0.2
Disposals	(1.0)	(0.2)	(1.2)
At 31 December 2025	-	0.6	0.6
Accumulated depreciation and impairment			
At 1 April 2024	0.9	0.1	1.0
Charge for the year	0.1	0.1	0.2
Disposals	-	(0.1)	(0.1)
At 31 March 2025	1.0	0.1	1.1
Charge for the period	-	0.2	0.2
Disposals	(1.0)	(0.2)	(1.2)
At 31 December 2025	-	0.1	0.1
Net book amount			
At 31 December 2025	-	0.5	0.5
At 31 March 2025	-	0.5	0.5

Lease liabilities

	December 2025 £m	March 2025 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	0.2	0.2
One to two years	0.2	0.1
Two to five years	0.2	0.2
Total undiscounted lease liabilities at 31 March	0.6	0.5
Less: Interest allocated to future periods	(0.1)	-
Lease liabilities included in the Balance Sheet	0.5	0.5
Current	0.1	0.2
Non-current	0.4	0.3

Notes to the Company financial statements

10. Borrowings

	December 2025 £m	March 2025 £m
Amounts falling due within one year:		
Bank loans repayable in one year	-	-
Capitalised costs[1]	-	-
Current borrowings	-	-
Amounts falling due after more than one year:		
Bank loans repayable in two to five years	-	63.0
Capitalised costs[1]	-	(0.4)
Non-current borrowings	-	62.6
Preference stock	-	0.5
	-	63.1
Total borrowings	-	63.1

[1]The presentation of capitalised costs has been amended to show all capitalised costs within non-current borrowings. The total amount of capitalised costs expected to unwind within one year is £nil (March 2025: £0.3m).

11. Provisions

	Non-current dilapidations provision £m
At 1 April 2025	0.2
Arising during the period	0.9
At 31 December 2025	**1.1**

Other Provisions

During the period a provision was made for £0.8m, to settle a dispute with a professional services firm involved in the sale of the business. This provision will be settled within 12 months of the year end date and therefore is categorised as current (£0.8m).

Dilapidations

A provision is recognised in relation to contractual obligations to reinstate the Company's leasehold property to the state of repair specified in the property lease. The provision includes costs, as required within the lease, to rectify or reinstate modifications to the property and to remediate general wear and tear incurred to the balance sheet date. The provision to rectify or reinstate modifications is recognised on inception, with a corresponding fixed asset that is depreciated in line with the underlying asset. The provision to rectify general wear and tear is recognised as it is incurred over the life of the lease.

The provision is assessed based on the expected cost at the balance sheet date, using recent cost estimates from suitably qualified property professionals. These estimates are adjusted to reflect the impact of inflation between the date of assessment and the expected timing of the payments, and are then discounted back to present value. The inflation rate applied is 3.0% and the discount rate applied is 5.5%.

The provision relates to cash outflows which are expected to take place at the end of the lease term in 2026 and as a result all of the provision is classed as current (£0.3m).

12. Retirement benefit schemes

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.
The total cost charged to income of £0.1m (March 2025: £0.4m) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. No contributions are outstanding at the year end.

Notes to the Company financial statements

Defined benefit schemes

Employees of the Company include members of the principal UK defined benefit schemes. The basis used to determine the deficit in the schemes is disclosed in Note 17 to the consolidated financial statements.

	December 2025 £m	March 2025 £m
IAS 19 retirement benefit obligation	(3.9)	(7.7)
Renold Scottish Limited Partnership retirement benefit plan asset[1]	6.5	8.9
Retirement benefit obligations	2.6	1.2

[1] In the financial year ended 31 March 2014, a deemed contribution of £10.0m was made to the pension scheme, which in turn invested the £10.0m in the Renold Scottish Limited Partnership (the "SLP"). This has been recognised as a plan asset (the "SLP retirement benefit plan asset") and unwinds, by way of a reduction in the asset and with a corresponding remeasurement increase in the IAS 19 retirement benefit obligation, in line with the committed cash contributions payable by the SLP to the Scheme (over the 25 year period ending in 2038). At each balance sheet date, the value of the asset is calculated as the discounted value of the expected future cash contributions payable by the SLP to the Scheme. In the nine months ended 31 December 2025, the Company made additional top-up contributions of £3.4m to the scheme, outside of the 25-year SLP agreement. This triggered the probable early cessation of the SLP agreement and under the contractual terms of the arrangement the remaining SLP cash flows are returned to the Company in such a scenario (see Note 6 above). At 31 December 2025, a reduction of £2.4m has been recorded in the total revaluation of the SLP retirement benefit plan asset, relating to the switch-off mechanism in the SLP agreement that redirects cash flows back to the Company. Remeasurement gains or losses are recorded in other comprehensive income.

There is a contractual agreement between the Company and its UK subsidiary, Renold Power Transmission Limited, to reflect the IAS 19 defined benefit pension scheme obligation in a 25:75 split respectively. Further details of the UK defined benefit scheme are disclosed in Note 17 of the consolidated financial statements.

The movement in the present value of the total defined benefit plan scheme is as follows:

	IAS 19 liabilities £m	IAS 19 plan assets £m	Total IAS 19 defined benefit obligation £m	SLP retirement benefit plan asset £m	Total defined benefit pension scheme £m
At 31 March 2024	(34.9)	25.1	(9.8)	9.1	(0.7)
Interest (expense)/income	(1.7)	1.2	(0.5)	0.4	(0.1)
Remeasurement gains/(losses)	2.8	(0.7)	2.1	(0.6)	1.5
Benefits paid	2.5	(2.5)	-	-	-
Employer contributions	-	0.5	0.5	-	0.5
At 31 March 2025	(31.3)	23.6	(7.7)	8.9	1.2
Interest (expense)/income	(1.3)	1.1	(0.2)	0.3	0.1
Remeasurement (losses)/gains	(0.2)	0.8	0.6	(2.7)	(2.1)
Benefits paid	1.9	(1.9)	-	-	-
Employer contributions	-	3.4	3.4	-	3.4
At 31 December 2025	(30.9)	27.0	(3.9)	6.5	2.6

13. Called up share capital

	Issued and fully paid December 2025 £m	March 2025 £m
Ordinary shares of 5p each	11.3	11.3

At 31 December 2025 the issued ordinary share capital comprised 226,809,992 ordinary shares of 5p each (March 2025: 225,417,740).

MPE subscribed for one ordinary share in the Group for a subscription price of £71.0m (comprising £0.05p of nominal share capital and £71.0m of share premium).

	Issued and fully paid December 2025 £m	March 2025 £m
Preference stock of £1 each[1]	-	0.5

[1]Included in borrowings – see Note 10.

On 29th October 2025, the 580,482 £1 preference shares were redeemed at a price of £1.07 per share. This transaction took place as part of scheme of arrangement for the takeover of Renold Ltd by MPE.

Disclosures in respect of capital management can be found in Note 23 to the consolidated financial statements.

14. Related party transactions

Other than payments made to Directors, which are set out in Note 2(C) of the consolidated financial statements, there are no other related party transactions to disclose. The Company has taken the exemption available under FRS 101 not to disclose transactions with wholly-owned subsidiary companies.

Notes to the Company financial statements

15. Subsidiary undertakings

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiary undertakings, the country of incorporation and the effective percentage of equity owned, as at 31 December 2025 is disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of the Renold Group. The UK subsidiaries are incorporated in England and Wales and the registered address of all offices is Trident 2, Trident Business Park, Styal Road, Wythenshawe, Manchester, M22 5XB unless stated.

United Kingdom

Renold Power Transmission Limited*		
Renold International Holdings Limited*		
Hans Renold Limited*		
Renold Holdings Limited*		
Renold Continental Limited		
Renold Pensions Limited*	dormant	
Renold Group General Partner Limited*	pension entity	1 George Square, Glasgow, G2 1AL
Renold Scottish Limited Partnership	pension entity	1 George Square, Glasgow, G2 1AL

Europe (other than the United Kingdom)

Austria	Renold GmbH	Kärntner Ring 12, A-1010 Wien
Denmark	Renold A/S	Kaerup Alle 2, 1. Benlose, 4100, Ringstad
France	Renold France SAS*	100 rue du Courbillon, 59175, Vendeville
Germany	Renold GmbH	Juliusmühle, 37574, Einbeck
	Renold Holding GmbH*	Juliusmühle, 37574, Einbeck
	Renold Automotive Systems	Juliusmühle, 37574, Einbeck
Italy	Renold Italy S.r.l	Roma (rm) Piazza Di Pietra 26 Cap 00186
	Ognibene S.p.A	Via del Tipografo n. 6, 40138 Bologna
	Sense Advance S.r.l.	Via del Tipografo n. 6, 40138 Bologna
Poland	Renold Polska sp. z o.o.	Uniwersytecka 20, 40-007 Katowice, Poland
	Renold Poland sp. z o.o.	
Spain	Renold Iberia S.A.U	Polígono Industrial El Oliveral, Sub-Pol número 6, parcela 2 y 3, Ribarroja del Turia, Valencia
Sweden	Renold Transmission AB	
Switzerland	Renold (Switzerland) GmbH	Ringstrasse 16, CH-8600, Dübendorf 1
Turkey	Renold Zincir Sanayi Ve Ticaret Anonim Şirketi	İstasyon Mah. Yarış Çıkmazı Sk. No:1 İç Kapı No:54 Tuzla/ İstanbul

North America

Canada	Renold Canada Limited*	622 rue De Hull, Montreal, Quebec, H8R 1VG
USA	Renold Inc	100 Bourne Street, Suite 2, Westfield, NY 14787
	Jeffrey Chain LP	2307 Maden Drive, Morristown, TN 37813
	Renold Mac Chain Company Inc	2307 Maden Drive, Morristown, TN 37813
	Renold Holdings Inc	2307 Maden Drive, Morristown, TN 37813
	Jeffrey Chain Acquisition Co Inc	2307 Maden Drive, Morristown, TN 37813
	Jeffrey Chain Corp	2307 Maden Drive, Morristown, TN 37813

Other countries

Australia	Renold Australia Proprietary Limited*	508–520 Wellington Road, Mulgrave, Victoria 3170
China	Renold Transmission (Shanghai) Company Limited	Section A, Floor 3 of Composite Building, No. 18 North Fute Road, China (Shanghai) Pilot Free–Trade Zone, Shanghai
	Renold Technologies (Shanghai) Company Limited (Dormant)	Building 3, No. 385 Zheng Zhong Xin Road, Beicai Town, Pudong, Shanghai
	Renold (Hangzhou) Co Limited (Dormant)	No.82 Dongfang Road, Yiqiao Town, Xiaoshan District, Hangzhou Municipality, Zhejiang Province
	Renold (China) Transmission Products Co Ltd	No. 168 Huacheng Road, Jintan District, Changzhou
India	Renold Chain India Private Limited	S.F No: 568/1A, 569/1&2, D. Gudalur (P.O), Guziliamparai (T.K), Dindigul (D.T), Tamil Nadu – 624 620
Malaysia	Renold (Malaysia) Sdn Bhd	No. 2, Jalan Anggerik Mokara 31/44, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor, Malaysia
New Zealand	Renold New Zealand Limited*	594 Rosebank Road, Avondale, Auckland
Thailand	Renold (Thailand) Limited	399 Interchange Building, Unit 10, 24th Floor, Sukhumvit 21 Road, Klongtoey Nua Sub-District, Wattana District,

* Direct subsidiary of Renold Limited.

All of our companies are wholly owned direct or indirect subsidiaries of Renold Limited, a company incorporated in England and Wales, which ultimately holds a 100% interest in the equity shares and voting rights.

Our overseas companies are incorporated in the countries in which they operate except where otherwise stated.

Alternative performance measures (unaudited)

In order to provide users of the accounts with a clear and consistent presentation of the performance of the Group's ongoing trading activity, the Group uses various alternative performance measures (APMs), including the presentation of the income statement in a three column format with 'Adjusted' measures shown separately from statutory items. Amortisation of acquired intangibles, restructuring costs, discontinued operations and material one-off items or remeasurements are included in a separate column as management seek to present a measure of performance which is not impacted by material non-recurring items or items considered non-operational. Performance measures for the Group's ongoing trading activity are described as 'Adjusted' and are used to measure and monitor performance as management believe these measures enable users of the financial statements to better assess the trading performance of the business. In addition, the Group reports sales and profit measures at constant exchange rates. Constant exchange rate metrics exclude the impact of foreign exchange translation, by retranslating the current period results using prior year exchange rates.

The APMs used by the Group include:

APM	Reference	Explanation of APM
• adjusted operating profit • adjusted profit before taxation	A B	Adjusted measures are used by the Group as a measure of underlying business performance, adding back items that do not relate to underlying performance
• revenue at constant exchange rates • adjusted operating profit at constant exchange rates • return on sales at constant exchange rates	C	Constant exchange rate metrics adjust for constant foreign exchange translation and are used by the Group to better understand year on year changes in performance
• EBITDA • adjusted EBITDA • operating cash flow	D	EBITDA is a widely utilised measure of profitability, adjusting to remove non-cash depreciation and amortisation charges
• net debt	E	Net debt, leverage and gearing are used to assess the level of borrowings within the Group and are widely used in capital markets analysis
• average working capital ratio	F	Working capital as a ratio of rolling 12 month revenue is used to measure cash performance and balance sheet strength

APMs are defined and reconciled to the IFRS statutory measure as follows:

(A) Adjusted operating profit

	December 2025 £m	March 2025 £m
Operating (loss) / profit	(3.2)	28.5
Add back/(deduct):		
Amortisation of acquired intangible assets	1.8	1.6
Impairment of Goodwill	1.5	-
Acquisition costs	0.5	1.6
Impact of Valencia flood	0.3	0.4
Project Rivet	9.5	-
Unwind of fair value inventory uplift on acquisition	-	0.6
Release of dilapidation provision on acquisition of leased property	-	(0.5)
Adjusted operating profit	10.4	32.2

(B) Adjusted profit before taxation

	December 2025 £m	March 2025 £m
(Loss) / profit before taxation	(9.5)	20.6
Add back/(deduct):		
Amortisation of acquired intangible assets	1.8	1.6
Impairment of Goodwill	1.5	-
Acquisition costs	0.5	1.6
Impact of Valencia flood	0.3	0.4
Project Rivet	9.5	-
Unwind of fair value inventory uplift on acquisition of Mac Chain	-	0.6
Release of dilapidation provision on acquisition of leased property	-	(0.5)
Adjusted profit before taxation	4.1	24.3

Alternative performance measures (unaudited)

(C) Return on sales and the impact of constant exchange rates

	December 2025 £m	March 2025 £m
Adjusted operating profit (reported)	10.4	32.2
Foreign exchange retranslation	0.4	-
Adjusted operating profit at constant exchange rates	10.8	32.2
Total revenue (reported)	185.2	245.1
Foreign exchange retranslation	3.4	-
Total revenue at constant exchange rates	188.6	245.1
Return on sales % (reported)	5.6%[1]	13.1%
Return on sales % at constant exchange rates	5.7%[1]	13.1%

(D) EBITDA, adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation) and operating cash flow

	December 2025 £m	March 2025 £m
Statutory operating profit from continuing operations	(3.2)	28.5
Depreciation and amortisation	10.1	12.2
Impairment of Goodwill	1.5	-
Share-based payments	1.7	1.5
EBITDA[1]	10.1	42.2
Add back/(deduct):		
Profit on disposals of plant & equipment	-	(0.1)
Acquisition costs	0.5	1.6
Impact of Valencia flood	0.3	0.4
Project Rivet	9.5	-
Unwind of fair value inventory uplift on acquisition	-	0.6
Release of dilapidation provision on acquisition of leased property	-	(0.5)
Adjusted EBITDA[1]	20.4	44.2
Inventories (Note 22)	1.6	(1.1)
Trade and other receivables (Note 22)	3.1	(5.9)
Trade and other payables (Note 22)	(8.7)	2.7
Provisions (Note 22)	2.3	(1.6)
Movement in working capital	(1.7)	(5.9)
Purchase of property, plant and equipment (Consolidated Statement of Cash Flows)	(6.8)	(11.8)
Purchase of intangible assets (Consolidated Statement of Cash Flows)	(1.2)	(1.5)
Proceeds from property disposals	0.2	0.2
Cash outflow on disposal of right-of-use assets	-	(0.2)
Net capital expenditure	(7.8)	(13.3)
Operating cash flow	10.9	25.0

[1] The calculation of EBITDA, adjusted EBITDA and operating cash flow deliberately excludes an add back for the non-cash share-based payment charge of £1.7m for the period (March 2025: £1.5m). This is done in order to ensure consistency with the metrics used to assess performance against the annual bonus plan targets.

(E) Net debt

Net debt is reconciled to the statutory balance sheet in Note 22.

(F) Average working capital ratio

	December 2025 £m	March 2025 £m
Inventories	68.5	67.2
Trade and other receivables	49.3	48.2
Trade and other payables	(51.3)	(61.2)
Total working capital	66.5	54.2
Average working capital[1] (a)	60.4	50.5
Revenue (b)	185.2	245.1
Average working capital ratio ((a)/(b))	33%[1]	21%

[1] Calculated as a simple average of the opening and closing balance sheet working capital.