

AUDIT COMMITTEE REPORT



Mary Waldner | Chair of the Audit Committee

“As Chair of the Audit Committee, I am pleased to present the Audit Committee Report for the year ended 31 December 2024.”

Dear Shareholder,

The Audit Committee has been established by the Board and consists entirely of independent non-executive Directors. The primary role of the Audit Committee is to maintain the integrity of the financial reporting of the Group and to ensure appropriate risk management and internal control procedures. To enable the Audit Committee to fulfil this role, its main responsibilities include:

- conducting the process for selecting the External Auditor and making recommendations to the Board, and ultimately shareholders, for approval of the appointment of the External Auditor and the audit fee, initiating tender processes in accordance with regulatory requirements, and the resignation or dismissal of the External Auditor;
- if an External Auditor resigns, investigating the issues leading to this and deciding whether or not any action is required;
- monitoring and assessing annually the independence and objectivity of the External Auditor, its compliance with regulatory requirements, the effectiveness of the external audit process and authorising the provision, if any, of non-audit services and the impact this may have on independence;
- monitoring the integrity of the Company’s financial reporting, including its annual and interim reports, preliminary announcements and related formal statements. Reviewing and reporting to the Board on significant financial reporting issues and judgments which those statements contain, having regard to matters communicated to it by the Auditor. Reviewing any other statements requiring Board approval which contain financial information where practicable and consistent with any prompt reporting requirements. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board;
- reviewing the Company’s statement on the Annual Report & Accounts prior to endorsement by the Board, that taken as a whole the Annual Report & Accounts is fair, balanced, understandable and provides the information necessary to assess the Group’s position and performance, Business Model and strategy;
- discussing with the External Auditor issues and reservations, if any, arising from the year-end audit and the half-year review, and any other matters the External Auditor may raise;
- reviewing and approving the terms of the External Auditor’s engagement, including the management representation letter addressed to the External Auditor;
- reviewing the longer-term viability and the going concern basis of accounting in preparation of the Financial Statements of the Group;
- approving the appointment or termination of appointment of the Director of Risk and Assurance;
- reviewing the effectiveness of the internal audit function (currently headed by the Director of Risk and Assurance); considering the major findings of internal audit activities and management’s response; ensuring co-ordination between the internal audit function and the External Auditor; reviewing and approving the role and mandate of the internal audit function; and annually approving the Internal Audit Charter, ensuring it is appropriate for the Group’s current needs;
- ensuring the internal audit function has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensuring there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensuring that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- ensuring the internal Auditor has direct access to the Board Chair and to the Audit Committee Chair, providing independence from the Executive and accountability to the Audit Committee;
- carrying out an annual assessment of the effectiveness of the internal audit function;
- reviewing the effectiveness of the Group’s internal control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems;
- developing and recommending to the Board the Group’s Policy for the Provision of Non-Audit Services by the External Auditor, including specifying permitted non-audit services and their approval requirements;
- ensuring the External Auditor’s remuneration fee level is appropriate to enable an effective and high-quality audit;
- monitoring the External Auditor’s processes for maintaining independence and its compliance with relevant law, regulation, other professional requirements and the Ethical Standard;
- agreeing with the Board a Policy on the Employment of Former Employees of the Group’s External Auditor, taking into account the Ethical Standard and legal requirements, and monitoring the application of this Policy;

- understanding the strategy at both Group and operational levels to ensure that business risks and other relevant issues are effectively identified and communicated to the Board;
- assessing the Audit Committee's capabilities in relation to diversity, risk experience and the financial expertise of its members;
- understanding the implications of changes to accounting standards;
- ensuring the Company's corporate ethics, anti-bribery and compliance procedures are up to date in terms of addressing the potential risks of fraud and misconduct;
- reviewing the Group's Whistle-blowing Policy, to ensure that appropriate procedures are in place for employees, contractors and external parties to raise, in confidence, any concerns that they may have relating to suspected malpractice, illegal acts, omissions or other unethical corporate conduct, regarding financial or other matters; and ensuring that arrangements are in place for investigation of such matters and follow-up action;
- giving due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules;
- after each Audit Committee meeting, the Audit Committee Chair formally reports to the Board on its proceedings and how the Committee has discharged its duties;
- working and liaising with all other Board Committees, ensuring interaction between the Committees and the Board is reviewed regularly; and
- considering any other topics specifically delegated to the Audit Committee by the Board from time to time.

The Audit Committee is required to report its findings to the Board, identifying any matters where it considers that action or improvement is needed, and to make recommendations as to the steps taken.

Composition of the Audit Committee

The Terms of Reference for the Audit Committee state that the Audit Committee shall be appointed by the Board from amongst the independent non-executive Directors of the Company, excluding the Company Chair, at least one of whom shall have recent and relevant financial experience. The Audit Committee shall consist of not less than three members, of which all shall be independent of any business connection with the Group. Appointments to the Audit Committee shall be for a period of up to three years, which may be extended by a maximum of two additional three-year periods, subject to the members remaining independent.

Member	Appointment date
Mary Waldner (Committee Chair)	1 December 2021
Susan Brennan ⁽¹⁾	1 January 2016
Barbara Jeremiah	1 January 2022
Rajiv Sharma	1 January 2019
Joe Vorih	1 January 2024
Zoe Clements	1 September 2024

⁽¹⁾ Susan Brennan will be stepping down from the Board following the conclusion of the 2025 AGM.

One member of the Audit Committee, Barbara Jeremiah, Senior Independent non-executive Director and Chair of the Remuneration Committee was appointed a non-executive director of Johnson Matthey Plc with effect from 1 July 2023. Johnson Matthey Plc, a related party of the Group, has been renting excess car parking space from one of the Group's operating businesses on a rolling monthly basis. The lease contract was in place prior to the acquisition of Thermal Engineering in 2013 by the Group and Barbara has had no involvement in the contract; further details can be found on page 173.

The Audit Committee is composed entirely of independent non-executive Directors, as shown in the table above.

Two members constitute a quorum for the Audit Committee. The Group Company Secretary acts as Secretary to the Audit Committee.

Details of the attendance at Audit Committee meetings during the year are shown on page 73.

Collectively, the members of the Audit Committee have significant commercial and financial experience at a senior management level. I have the recent and relevant financial experience required by the UK Corporate Governance Code to chair the Audit Committee.

For details of the qualifications of members of the Audit Committee, please refer to the Board of Directors' biographies shown on pages 74 to 76.

No member of the Audit Committee has any connection with the Company's External Auditor, KPMG LLP.

Audit Committee's Terms of Reference

The Audit Committee's Terms of Reference are reviewed annually to take into account current views on good practice and recent updates to the UK Corporate Governance Code. The UK Corporate Governance Code 2018 was adopted by the Audit Committee from the accounting period beginning on 1 January 2019. The Audit Committee's Terms of Reference were updated in December 2024, reflecting the changes introduced by the UK Corporate Governance Code 2024.

The Board expects the Audit Committee to have an understanding of:

- the principles, contents and developments in financial reporting, including the applicable accounting standards and statements of recommended practice;
- the key aspects of the Group's operations, including corporate policies, its products and services, Group financing, and systems of internal control;
- the matters that could influence or distort the presentation of accounts and key figures;
- the principles of, and developments in, company law, sector-specific laws and other relevant corporate legislation;
- the roles of internal and external auditing and risk management; and
- the regulatory framework for the Group's operating businesses.

The full Terms of Reference of the Audit Committee may be found on the Company's website.

Activities of the Audit Committee

The Audit Committee met on 28 February 2024 to consider the 2023 year-end report and during the subsequent 12 months conducted the following business on the four standard scheduled meeting dates, as indicated below:

29 May 2024

- Discussed the external audit plan and strategy proposed by KPMG LLP for the 2024 audit, including materiality, scope, significant risks and other areas of audit focus, the audit cycle and auditor reporting.
- Considered the implications of ISA (UK) 600 (Revised) Standard.
- Reviewed and approved the terms of the proposed letter of engagement addressed to the External Auditor.
- Discussed the timeline for the external audit tender.

31 July 2024

- Reviewed the accounting presentation and judgmental issues, and the funding and liquidity reports for the half-year ended 30 June 2024.
- Reviewed, challenged and agreed the basis for going concern to be adopted for the 2024 Interim Results.
- Reviewed the Tax Memorandum for the half-year ended 30 June 2024.
- Reviewed and accepted KPMG LLP's Report to the Audit Committee on the half-year review for the six months ended 30 June 2024.
- Reviewed and approved the terms of the management representation letter addressed to the External Auditor.
- Approved the 2024 Audit Plan and Strategy Report.
- Reviewed and approved KPMG LLP's 2024 audit fee.
- Reviewed KPMG LLP's confirmation of its objectivity and independence, including analysis of permissible non-audit services carried out in 2024.
- Discussed the Group's draft Announcement of the 2024 Interim Results together with the draft slides for the analysts' presentation.
- Received and considered reports presented by the Director of Risk and Assurance including internal audit and risk management activities. The Committee concluded that, during the first half of 2024, the internal audit function had operated with adequate resources and access to personnel, data and documents necessary to conduct its audit plan; it also maintained its organisational independence.
- Reviewed the results of an internal quality assessment of the Group's internal audit function.
- Reviewed governance agency recommendations on the Company's Annual Report & Accounts 2023.
- Reviewed and approved the Group's Whistle-blowing Policy.
- Considered a detailed timetable for the external audit tender process.

26 September 2024

- Assessed the significant risks that are considered by the Audit Committee, agreeing they would be unchanged from 2023, apart from renaming "Other provisions" to "Legal claim and warranty provisions".
- Received and considered a report presented by the Director of Risk and Assurance.
- Received an update from the Group's Internal Audit Manager.
- Reviewed the effectiveness of the external audit process.
- Reviewed the results of the bi-annual agents and advisers' status report.
- Approved the draft updated Terms of Reference of the Audit Committee, to align with the requirements of the 2024 UK Corporate Governance Code.
- Approved the draft Policy for the Provision of Non-Audit Services by the External Auditor and the draft Policy on the Employment of Former Employees of the Company's External Auditor, to align with the requirements of the Ethical Standard 2024.
- Reviewed the effectiveness and quality of the 2023 external audit.
- Reviewed and considered proposals on managing the external audit tender process.

25 February 2025

- Reviewed the accounting presentation and judgmental issues, and the viability assessment report for the year ended 31 December 2024, which included consideration of compliance with all debt covenants at all measurement dates out to 31 December 2026.
- Reviewed and approved the statements included in the Annual Report & Accounts 2024 concerning internal control, risk management, including the assessment of principal risks and emerging risks, TCFD and the Viability Statement.
- Reviewed, challenged and agreed the going concern basis to be adopted for the 2024 Accounts.
- Reviewed the Tax Memorandum for the year ended 31 December 2024.
- Reviewed and accepted KPMG LLP's Report to the Audit Committee on the audit of the Financial Statements for the year ended 31 December 2024.
- Reviewed KPMG LLP's confirmation of its independence and objectivity.
- Reviewed and approved the terms of the management representation letter addressed to the External Auditor.
- Approved the Audit Committee Report for 2024.
- Reviewed the effectiveness of the Group's risk management and internal control systems and disclosures made in the Annual Report & Accounts 2024.
- Reviewed the draft Annual Report & Accounts 2024 and reviewed the Company's statement on the draft Annual Report & Accounts prior to endorsement by the Board, that, taken as a whole, the draft Annual Report & Accounts is fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, Business Model and strategy.
- Discussed the Group's draft Announcement of the 2024 Final Results together with the draft slides for the analysts' presentation.
- Reviewed the Notice of Meeting for the 2025 AGM and the Proxy Form for the 2025 AGM.
- Received and considered a report presented by the Director of Risk and Assurance, which included the proposed 2025 internal audit plan. The Committee concluded that, throughout 2024, the Internal Audit function operated with adequate resources and access to personnel, data and documents necessary to conduct its audit plan; it also maintained its organisational independence.
- Reviewed and approved the Internal Audit Charter.
- Assessed the effectiveness of the internal audit function.
- Reviewed the results of the bi-annual agents and advisors' status report.

The Audit Committee held a private meeting with the External Auditor and a private meeting with the Group's Director of Risk and Assurance on 31 July 2024 and 25 February 2025, without executive management being present. In addition, the Chair of the Audit Committee held separate meetings with each of these during the course of the year.

In addition to the four scheduled meetings summarised above, an additional Audit Committee meeting was held in April 2024, to approve the draft Trading Update for the three-month period ended March 2024; the latter being subject to final confirmation by the Disclosure Committee.

Audit Committee attendance and separate discussions

The Audit Committee typically invites the non-executive Chair, Group Chief Executive Officer, Group Finance Director, Group Financial Controller, the Group's Director of Tax & Strategic Finance, the Group's Director of Risk and Assurance and senior representatives of the external audit firm to attend its meetings, although it reserves the right to request any of these individuals to withdraw from any meeting.

Significant risks considered by the Audit Committee

The table below summarises the significant risks considered by the Audit Committee, including significant judgments and estimates:

Significant risks considered by the Audit Committee	How the risk was addressed by the Audit Committee
<p>Legal claim and warranty provisions</p> <p>Provisions are held where management considers there is an obligation, payment is probable and the amount payable can be reliably estimated.</p> <p>Provisions held by the Group include but are not limited to those held against legal claims and contractual matters and product warranties.</p> <p>There is a risk that other provisions overstate or understate the associated liability.</p>	<p>The Audit Committee considered the basis upon which management had made its accounting judgments to determine the level of legal claim and warranty provisions. The Audit Committee carefully considers the assumptions applied and provides appropriate challenge including an assessment of the related sensitivities (See Note 24). These were further discussed with the External Auditor.</p> <p>The Audit Committee believes there are no further reportable issues arising from these significant areas.</p>

Tax provisioning for uncertain risk exposures, which was a significant risk in the Annual Report & Accounts 2023, is no longer considered a significant risk as the reorganisation of the Group's legal entities' structure in 2023 had reduced the reasonable range of estimated outcomes.

Other judgments and estimates

The Audit Committee considered other areas of focus where judgments and estimates have a significant effect on the amounts recognised in the 2024 Financial Statements. These areas of focus and how they were addressed by the Audit Committee are described below:

Other focus areas considered by the Audit Committee	How these were addressed by the Audit Committee
<p>Other key judgments and estimates</p> <p>These include, but are not limited to, judgments and estimates in areas not covered by significant risks such as going concern and viability, goodwill impairment assessment, retirement benefits, leases and income taxes (including uncertain risk exposures) and inventory net realisable value.</p> <p>We continue to progress strategic options for our Aerostructures business including the potential divestment of the business. At 31 December 2024, judgment is required to determine whether the business is classified as held for sale in accordance with IFRS 5.</p>	<p>The Audit Committee reviewed the accounting presentation and judgmental issues paper, including a funding and liquidity report, for the related reporting period from the Group Financial Controller. In addition, the Audit Committee received a tax memorandum paper for the related reporting period from the Group's Head of Tax & Strategic Finance.</p> <p>In its review of these presentation papers, the Audit Committee challenged management on the critical accounting judgments, and the key sources of estimation and uncertainty that were taken in the preparation of the Financial Statements, and concluded that they were appropriate.</p> <p>The Audit Committee reviewed the critical accounting judgment that Aerostructures does not meet the criteria for held for sale at 31 December 2024 and concluded that, in line with the assessment taken in the prior year, this continues to be appropriate treatment up to and including the assessment date of 31 December 2024.</p> <p>The Audit Committee believes there are no further reportable issues arising from these other key judgments and estimates.</p>

Presentation of results

The Board has a policy to separately disclose items it considers are outside the normal course of management oversight and control on a day-to-day basis and are not reflective of in-year trading performance. Indicative criteria such as the period to which the item relates and external driven factors that are outside of the control of the Group in combination with the magnitude and consistency of application are also considered.

The Audit Committee assessed the presentation to ensure a fair and balanced treatment of what is and is not included as an adjusting item, considered related guidance issued by the Financial Reporting Council ("FRC") and the European Securities and Markets Authority ("ESMA"), and the need to ensure any alternative performance measures are presented with equal prominence to reported figures and on a consistent basis year-on-year.

The Audit Committee discussed the presentation of adjusted items with the External Auditor, and concurs with management's view that the presentation of items excluded from and included in adjusted results, combined with wider disclosures throughout the Annual Report, provides useful information to aid the understanding of the performance of the Group.

External audit

Independence of the External Auditor and policy on the provision of non-audit services

The Audit Committee is responsible for reviewing and monitoring the External Auditor's independence. To fulfil this responsibility, the Audit Committee reviewed an annual letter of independence issued by the External Auditor confirming their independence and compliance with the FRC Ethical Standard and detailing safeguards to maintain independence, including limiting the scope and value of non-audit services provided by the External Auditor.

The Company maintains a Policy for the provision of non-audit services by the External Auditor (the "Policy"), which is aimed at mitigating any risks threatening, or appearing to threaten, the External Auditor's independence and objectivity arising through the provision of non-audit services. The Policy, which is in line with recommendations set out in the FRC's Guidance on Audit Committees (2016), was updated in 2024, to align it with the requirements of the Ethical Standard 2024.

The Policy differentiates between:

- permitted non-audit services, for which the Audit Committee has pre-approved the use of the External Auditor subject to the below limits:

Value	Approval required prior to engagement of the External Auditor
up to £25,000	Group Finance Director
£25,000 – £50,000	Chair of the Group Audit Committee (or delegate)
£50,000 and above	Group Audit Committee

and

- prohibited non-audit services.

When reviewing requests for permitted non-audit services, the Audit Committee assesses:

- whether provision of such services impairs the External Auditor's independence or objectivity and any safeguards in place to eliminate or reduce such threats;
- the nature of non-audit services;
- whether the skills and experience make the External Auditor the most suitable supplier of the non-audit service;
- the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, related to the Group audit fee; and
- the criteria which govern the compensation of the individuals performing the audit.

In addition, the Ethical Standard requires an assessment of whether it is probable that an objective, reasonable and informed third party would conclude independence is not compromised. The approval of the Audit Committee must be obtained before the External Auditor is engaged to provide any non-audit services and these services are limited to activities which feature on the approved Permitted Non-Audit Services list. The total fees for non-audit services shall be limited to no more than 70% of the average of the statutory audit fee for the Company, of its controlled undertakings and of the consolidated Financial Statements paid to the External Auditor in the last three consecutive financial years.

In 2024, the permitted services undertaken by KPMG LLP are set out in the table below. The Audit Committee considered that it was beneficial for the Company to retain KPMG LLP for a small amount of permitted non-audit work and audit-related services, because of the firm's knowledge of the Group and our requirements that the Interim audit be performed by the External Auditor. The Audit Committee continues to closely monitor the nature and level of such permitted non-audit work.

Fees	2024	2023
Interim review	£0.07m	£0.06m
Permissible tax audit required in India, assessment of tax incentives in Thailand and certification of expenses in UK and France	£0.01m	£0.01m
Total audit-related services:	£0.08m	£0.07m
Non-audit related services:	£nil	£nil

KPMG have not performed any non-audit services during the year ended 31 December 2024 or subsequently which are prohibited by the FRC Ethical Standard.

Policy on tendering

In order to maintain auditor independence and comply with FRC, EU guidance and the provisions of the CMA Order 2014 on audit tendering, the Group undertook a formal tender of its external audit during the first half of 2016, led by the Audit Committee. The appointment of KPMG LLP as the Group External Auditor for the financial year commencing 1 January 2017 received approval by shareholders at the Annual General Meeting held in April 2017.

The Audit Committee reviews annually whether it is appropriate to put the external audit out to tender. During the second half of 2024 the Board, with the recommendation of the Audit Committee, agreed that the Company would conduct a competitive tender of the 2027 year-end audit during 2025. In the second half of 2024, the Audit Committee selected participants to invite based on assessment of global reach with scale, interest and resources to conduct a complex international audit. At this stage of the process, due consideration was given to mid-tier firms as required by the FRC.

The Audit Committee fully evaluates auditor performance and independence annually but does not favour mandatory five-year rotation.

Assessment of external audit quality and effectiveness

The Audit Committee reviewed the effectiveness of the External Auditor and the external audit process, including an assessment of the quality of the audit, at its September 2024 meeting.

In 2024, the assessment of the effectiveness of the external audit process was again performed by assessing a range of key areas through a formal questionnaire that was individually distributed to all the members of the Audit Committee and all other executive and non-executive Directors. The questionnaire considered the following aspects:

- calibre of the external audit team and the audit partner;
- the robustness of the external audit process and degree of challenge to matters of significant audit risk and areas of management subjectivity;
- the degree of professional scepticism applied by the External Auditor;
- quality of the audit and audit planning approach;
- role of the management;
- communication and formal reporting by the External Auditor to the Audit Committee;
- the External Auditor's support of the work of the Audit Committee;
- insights and adding value;
- audit fees; and
- independence and objectivity.

Senior management received answers and comments from all questionnaires and consolidated them into a report. The Audit Committee used this report to facilitate a debate at its September 2024 meeting and to assist in assessing the level of external audit effectiveness.

Examples of the Auditor's professional scepticism and challenge of management's assumptions, as noted by the Committee, include:

- **Held for sale accounting** – the External Auditor challenged whether the potential divestment of Aerostructures business met the threshold of highly probable, including whether the expectation that it would be completed within 12 months was fully met as at 31st December 2024; and concurred with the judgment taken by the Board.
- **Valuation of customer claims provision** – the External Auditor challenged the assumptions and found the provisions for customer claims continued to be balanced and the provision recorded reflected the inherent uncertainty.
- **Valuation of defined benefit pension liability** – performing benchmarking of management's assumptions for the valuation of defined benefit obligations by comparing assumptions using their independent expectations.

Feedback about the effectiveness of the external audit process from the local management teams was also considered by the Audit Committee. The Audit Committee concluded that the External Auditor had challenged the thinking of the Company and of the Audit Committee on a number of significant issues and had maintained its independence.

Following completion of the assessment process outlined above, the Audit Committee concluded that it was satisfied with the effectiveness of the External Auditor; as a consequence, the Audit Committee has recommended to the Board that KPMG LLP be re-appointed as Auditor for 2025.

Specific areas referred to the External Auditor

In 2024, the Audit Committee has not asked the Auditor to explicitly review any specific areas because the significant risks and other focus areas considered by the Auditor were aligned with the significant risks considered by the Audit Committee. The Audit Committee was satisfied with the results of the Auditor's results and findings.

Internal control and risk management

The Audit Committee is responsible for reviewing the Company's internal financial controls and risk management systems. The Group Director of Risk and Assurance, supported by the Internal Audit Manager, provided regular reports to the Committee on the findings of the internal audits performed at the Group operating businesses. The reports, covering a range of financial and non-financial controls, evaluated the operation of controls and detailed specific areas for improvements, where applicable.

The Chair and non-executive Directors are actively encouraged to visit the Group's operating businesses unaccompanied by executive Directors. Such visits enable the Directors to meet the local management teams and employees and also undertake site tours to review matters including production methods, health and safety and the status of internal audit findings. These visits are viewed by the Audit Committee as making a positive contribution to the internal control framework.

There have been no substantive changes to the Group's Enterprise Risk Management process during 2024; the Executive Committee considers emerging risks alongside the principal risks. Throughout the year, the Audit Committee received comprehensive reports covering risk, assurance and compliance activities. Supplementary functional risk assessments covering sustainability-related risks and opportunities, fraud and facilitation of tax evasion were completed in 2024. The outcomes of the risk assessments were reported to the Board, as part of the annual review of the Group's risk management processes.

In preparation for the enhanced reporting obligations under provision 29 of the UK Corporate Governance Code 2024, the Audit Committee received updates on the steps taken by the Company to review its existing internal control environments. The Committee will continue to provide effective oversight to the Group's internal control system to ensure compliance with the forthcoming regulatory change.

Internal audit

The Audit Committee is responsible for monitoring and reviewing the effectiveness of the Company's internal audit function, which is headed by the Director of Risk and Assurance, with the support of the Internal Audit Manager. In 2023, the Committee approved the Senior plc Internal Audit Charter, a formal document defining the responsibilities and authority of the internal audit function at Senior. During its February 2024 meeting, the Committee reviewed the 2024 internal audit plan, detailing scheduled assurance and risk management activities. Regular progress reports were provided to Audit Committee throughout the year.

As part of assessing the effectiveness of the internal audit function, the Audit Committee held two private sessions with the Director of Risk and Assurance without the executive Directors being present. The Committee remained satisfied that the internal audit plan was well aligned to the principal risks of the Company and was effective in evaluating the operation of internal controls.

During 2024, the Audit Committee reviewed the results of a comprehensive internal quality assessment completed by the Company of the internal audit function. The assessment evaluated the function against the 2017 International Standards for the Professional Practice of Internal Auditing and Code of Ethics as maintained by the Institute of Internal Auditors.

During its meeting on 31 July 2024 and 25 February 2025, the Audit Committee concluded that the Internal Audit function had operated with adequate resources and access to personnel, data and documents necessary to effectively conduct its Internal Audit plan.

Conclusion

As a result of its work during the year, the Audit Committee has concluded that it has acted fully in accordance with its Terms of Reference. At its meeting held on 25 February 2025, the Audit Committee considered each section of the draft Annual Report & Accounts 2024, and the document as a whole, as proposed by the Company; it reached a conclusion and advised the Board that it considered the draft Annual Report & Accounts 2024 to be fair, balanced and understandable and that it provided the information necessary for shareholders to assess the Group's position and performance, Business Model and strategy. As the Chair of the Audit Committee, I will continue, where appropriate, to be available to engage with shareholders on the scope of the external audit and other significant matters related to the Audit Committee's areas of responsibility and I will be available at the 2025 AGM to answer any shareholders' questions about the work of the Audit Committee.

Approval

This Report was reviewed and approved by the Audit Committee and signed on its behalf by:

Mary Waldner

Chair of the Audit Committee
28 February 2025