

Company registration number: 496082
Charity registration number: 206391

**THE SCOTT BADER
COMMONWEALTH LIMITED
FINANCIAL STATEMENTS**
For the year ended
31 DECEMBER 2024

THE SCOTT BADER COMMONWEALTH LIMITED

COMPANY INFORMATION

For the year ended 31 December 2024

Company registration number: 496082
Charity registered number: 206391

Registered office: Wollaston Hall
Wollaston
Wellingborough
Northamptonshire
NN29 7RL

Board of Trustees: Benjamin Penney
David Black
Gillian Shapiro
Harry Manning
John Brenchley
Juliette Delprat
Paul Smith
Richard Tapp
Sonia Davies

Company Secretary: Hayley Sutherland

Solicitors HCR Hewitsons
Lancaster House
Nunn Mills Road,
Northampton,
Northamptonshire
NN1 5GE

Bankers Unity Trust Bank Plc
4 Brindley Place, Brunswick Street
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B1 2JF

CAF Bank Limited
25 Kings Hill Avenue
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Kent
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Auditor RSM UK Audit LLP
Rivermead House
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Grove Park
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THE SCOTT BADER COMMONWEALTH LIMITED

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For the year ended 31 December 2024

The Trustees who are also the Directors of the charity present their Annual Report and the Group and Charity Accounts of The Scott Bader Commonwealth Limited (the **Charity** or **Scott Bader**), for the year ended 31 December 2024. The annual report serves the purpose of both a Trustees' report, and a directors' report and a strategic report under Company Law.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2019).

STRUCTURE, GOVERNANCE and MANAGEMENT

Scott Bader Company Limited (SBCL) was founded in the 1920s by Ernest Bader as a chemicals business. In 1951, Ernest Bader and others transferred the ownership of the shares in SBCL to Scott Bader Commonwealth Limited (SBCW), which is a company limited by guarantee, a registered charity and a membership organisation. The holding of the shares of SBCL is now known as a programme related investment. The reason behind this transfer was to create a company whose well-being is entrusted to those who work in it, with democratic involvement.

When colleagues join SBCL they are Associate Members of the Commonwealth and following the successful completion of a year's service they are invited to apply to become a full Commonwealth Member. This means that they become a member, holding in common with other members, the shares of SBCL.

SBCW is unique in that it has no external shareholders, and instead, the wealth is held in common by Commonwealth Members. It's important to understand the relationship between SBCW and SBCL and its subsidiaries when reading these accounts. Everyone who works for the company is responsible for ensuring that it continues to exist in the long term for current and future generations. While profitability is important to ensure that SBCL can continue to operate, adherence to the Guiding Principles and how that profit is achieved is paramount. Additionally, the Scott Bader Constitution which is a combination of the Articles of Association of SBCW, SBCL and the Global Members' Board includes a provision to ensure that the Company is not run solely for the benefit of its colleagues. An amount equal to the amount payable as Group Staff Bonus or 1% of the Scott Bader Group Staff Salary Cost, whichever is greater, shall be paid by way of donation or otherwise to SBCW for charitable purposes.

The Objects of SBCW are:

- (a) The promotion of ethical principles in industry with a view to ensuring the discharge by persons engaged in industry of their social obligations for the welfare of the communities within which they operate; and
- (b) The promotion of "**sustainable development**" for the benefit of the public by the preservation, conservation and the protection of the environment and the prudent use of natural resources and the promotion of sustainable means of achieving economic growth and regeneration and for the purposes of this sub-clause "sustainable development" shall mean development that meets the needs of the present without compromising the abilities of future generations to meet their own needs.

The democratic governance structure enables the achievement of the above objectives in two ways:

1. Commonwealth Members can stand for election to the governance groups listed below and
2. By providing grants to charities and other not-for-profit organisations locally, nationally, and internationally.

Governance

SBCW is governed by the Commonwealth Board ('CWB'). It comprises of three internally elected Trustees and five externally appointed Guardian Trustees (Guardians of the Constitution who have special voting rights). The Company Member (Paul Smith – SBCW Trustee), who is also the Chair of the SBCL Board, is also part of the CWB. The CWB is responsible for safeguarding the core values and Guiding Principles of SBCW Group. It ensures that the business is conducted in line with these principles and promotes the long-term sustainable success of SBCL. Additionally, the CWB ensures that the Charity is run in accordance with Charity law.

The CWB does not get involved in the day-to-day running of the business but is consulted on topics such as future business strategies, acquisitions, and the distribution of profits. The CWB also monitors the development of industrial democracy within the SBCL group to ensure it is:

- Governed effectively and operates in accordance with the Guiding Principles

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

- That the members are actively involved in the success of the business and that the community is strong and healthy and
- Supports SBCW in fulfilling the charitable objectives.

The Board of Directors of SBCL is responsible for directing the affairs of SBCL in line with its values, using a clear strategy, strong stewardship, and effective controls, to meet the expectations and interests of its shareholders and key stakeholders. The SBCL Board consists of 8 Directors, 2 Executive Directors of SBCL; 3 Non-Executive Directors; and 3 Member Directors. The wider Group Leadership Team have responsibility for the management of the SBCL Group. Neil Miller stepped down as Group CFO and Executive Director on 31 October 2024. Kevin Matthews stepped down as Group CEO and Executive Director on 31 December 2024. Andrew Rodgers was appointed as an Executive Director on 24 January 2025.

The Global Members' Board (GMB) – This is the international democratic body that represents all Commonwealth Members, comprised of 12-14 elected representatives, the Chair of SBCL and its own full time Chair. The purpose of the GMB is to lead our international and industrial democracy, give voice to the SBCW Membership and hold the Subsidiary Boards to account for the development and execution of their Strategies according to the Guiding Principles. The GMB aims to be a diverse and inclusive body that fairly represents the interests of all SBCW Members.

Each of these governance groups has its respective role to play as defined in their articles or associated rules. Each share information to support the strategic direction of the business. In addition, the Guardian Trustees attend the SBCL and GMB meetings as observers, which enables them to monitor, on behalf of the CWB, that the business is managed in accordance with the Guiding Principles as set out in the Constitution. This is a major contributing factor to Scott Bader achieving its charitable objectives.

Details of the Trustees who served throughout the year and to the date these accounts are approved are included below:

Agne Bengtsson (resigned 30 April 2025)
Benjamin Penney
David Black
Gillian Shapiro
Harry Manning (appointed 12 February 2024)
John Brenchley (appointed 1 May 2025)
Juliette Delprat
Paul Smith
Richard Tapp
Sonia Davies (appointed 29 July 2024)

Management

The Commonwealth Office is responsible for the day-to-day activities of SBCW and will take external advice when required. Additionally, there is a Charity Sub-Committee that decides which charities to support and authorises the payment of grants. This Sub-Committee is required to report to the CWB on a quarterly basis regarding the decisions taken.

Other sub-committees are formed on a needs basis to deal with issues that may arise.

Method of recruitment and appointment or election of Trustees

The External Guardian Trustees are selected by a Joint Nomination Committee (JNC), which is comprised of members from the CWB, GMB, and SBCL Board. One of the Guardian Trustees is nominated by the Bader family. If the Bader family is unable or unwilling to nominate its Trustee, the current family nominee shall remain in post by invitation of the CWB. All candidates are provided with an explanation of the aims and objectives of the role and the time commitment involved in being a Guardian Trustee. The JNC is responsible for identifying and nominating candidates to fill the Guardian Trustee role. Appointments and removals are made by resolutions of both the SBCL Board and the CWB and are subject to approval by the GMB. Upon appointment, they are confirmed as a Commonwealth Member.

In relation to Internally Elected Trustees, nominations for these positions are sought from the SBCW membership and vacancies are filled by election administered by the Commonwealth Office. Each Internally Elected Director shall serve for a term of three years and, at the end of such term, shall be eligible for re-election for one further term of three years. Each Guardian Trustee shall serve for a term of three years and, at the end of such term, shall be eligible for re-nomination for two further terms of three years.

For the year ended 31 December 2024

Policies and procedures adopted for the induction and training of Trustees

All Trustees, (appointed or elected) are provided with a handbook which contains information relating to their duties as a charity Trustee, charity policies, financial reports, previous meeting minutes, and the articles of association for SBCW, SBCL and the rules of the GMB. In addition to this a specific induction plan is designed to meet the needs of the individual to give them a more detailed understanding of how the Charity operates; the businesses and strategy of SBCL and how the governance works.

Periodic formal training on the responsibilities of being a Trustee is provided on their appointment. Trustees are also encouraged to identify any specific training needs they require.

Arrangements for setting pay and remuneration of key management personnel

Although the three internally Elected Directors are employed by SBCL, or one of its subsidiaries, none of the Trustees receive any remuneration for their work for as a Trustee of the Charity.

Key management personnel remuneration is set by the SBCL remuneration committee, for colleagues employed by SBCL only and is paid in line with best practice. An external Executive Salary Benchmark Review, conducted by Willis Towers Watson was completed in 2024.

Members' liability

The liability of the SBCW Members is limited. Every SBCW Member undertakes to contribute to the assets of SBCW in the event of the same being wound up during the time that they are a member, or within one year afterwards, for payment of the debts and liabilities of SBCW contracted before the time when they ceased to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding five pence.

Trustees' indemnities

The Trustees (who are the directors of The Scott Bader Commonwealth Limited) are insured against the costs of successfully defending any actions brought for negligence in the performance of their duties as Directors.

Public benefit

To check that the charities we support meet the public benefit requirement, the Trustees decided it would be prudent to include a section within the online application form requesting applicants to provide a short summary of how they meet this requirement.

To ensure ongoing awareness of the Charity Commission's guidance on public benefit all Trustees are provided with information about this in their handbook.

Having regard to this guidance the Trustees consider Public Benefit at two levels 1) in relation to the shareholding in SBCL and 2) the activities of the Charity.

Engagement with employees, suppliers, customers and others in a business relationship with the charity (see pages 20 and 21 for the Group statement)

Ernest Bader established Scott Bader Commonwealth Limited to be a force for good in society. We are driven to make a difference and create social impact, using the skills and resources within the group to support where help is needed. We support our communities via a number of ways as highlighted throughout this report with the ambition to improve the lives of those most vulnerable and enabling our colleagues the opportunity to make a difference locally.

Our core values remain at the heart of the Group to ensure we work co-operatively and collaboratively with our colleagues and customers to deliver excellence, and to conduct ourselves in a fair, honest and ethical way.

SBCW is mindful of its broader commitments to stakeholders. Internally this includes consulting with colleagues on significant decisions, the employment of disabled persons, offering equal opportunities to all, as well as ensuring we work co-operatively and collaboratively. Externally this commitment covers broader corporate responsibility, the conduct of business with honesty, integrity, and fairness at all times, and also our impact on the environment.

For the year ended 31 December 2024

Industrial democratic practice is a major part of colleague engagement, and all those who work in the Company are consulted on decisions that may affect their interests in accordance with Scott Bader's Constitution. It is the policy of Scott Bader that colleague participation in decision making is implemented at all levels.

Related parties, Charities and co-operation with other organisations

1. Related Parties:

Scott Bader Commonwealth Limited maintains transparent and ethical relationships with related parties. These may include charities, subsidiaries, associates, joint ventures, and other entities connected to their operations.

2. Charities:

Scott Bader Commonwealth Limited's unique ownership structure, where all shares are held by a charitable trust (the Commonwealth), inherently aligns with charitable objectives. The company actively collaborates with other charities, supporting causes related to education, social welfare, and community development. Their contributions extend beyond profit-making, emphasising a broader societal impact.

3. Cooperation with Other Organisations:

Scott Bader Commonwealth Limited recognises the power of collaboration. They actively engage with other organisations, both within and outside their industry. Whether through research partnerships, knowledge sharing, or joint initiatives, Scott Bader seeks to create synergies that benefit all stakeholders. Their cooperative spirit contributes to innovation, sustainability, and positive change.

In summary, Scott Bader Commonwealth Limited's approach to related parties, connected charities, and cooperation exemplifies their commitment to ethical business practices and societal well-being.

Environmental Care

SBCW Group meets the definition of a 'large' consolidated group and therefore should apply the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations"). However, as a stand-alone company, SBCW does not meet the relevant criteria as it falls below the 40,000kWh threshold. As the SBCL Group qualify at a group level, the information disclosed below is for SBCL Group only.

Scott Bader have had a transitional year in 2024, with some big impacts on our environmental controls, along with setting up and managing potential change for 2025.

We have reviewed and changed our energy procurement strategy for our European sector and partnered with Schneider Electric for better management of group-based energy provision, which has given us a better route for green energy and better control over how we manage energy usage.

The EESG Committee has made progress towards delivering improved internal controls of our processes, which have led to some changes being made across the group; these changes have enabled more focus driven systems to support:

- Material management
- New product development
- Waste management
- How we approach and target feedback from suppliers, which helped us maintain our EcoVadis gold certification
- Life Cycle Analysis (LCA) including recruitment of a group specialist in this field to begin supplying our customers with these data.

The business is now in a position to take advantage of several projects which may help elevate our environmental credentials and improve internal controls. These include the procedures to manage:

- Carbon calculations
- Scope 3 data and reporting
- Environmental Product Declarations generation
- Capex project controls at sites and many others.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

2024

ENERGY CONSUMPTION		SBCL GROUP	
		LOCATION BASED	MARKET BASED
Non-Renewable (GJ)		179,393	130,567
Renewable (GJ)		4,641	42,341
Total (GJ)		184,034	
GREENHOUSE GAS EMISSIONS		SBCL GROUP	
Scope 1 (TeCO ₂ e)		7,008	7,008
Scope 2 (TeCO ₂ e)		4,035	922
Scope 1 and Scope 2 (TeCO ₂ e)		11,043	7,930
INTENSITY FACTOR		SBCL GROUP	
Energy Intensity	MJ/Te of product	1,571	
	GJ/full time employee	247	
	MJ/£000's revenue	727	
Carbon Intensity (market based)	kgCO ₂ e/Te of product	67.7	
	TeCO ₂ e/full time employee	10.6	
	kgCO ₂ e/£000's revenue	31.3	

2023

ENERGY CONSUMPTION		SBCL GROUP	
		LOCATION BASED	MARKET BASED
Non-Renewable (GJ)		177,510	130,861
Renewable (GJ)		4,157	38,426
Total (GJ)		181,667	
GREENHOUSE GAS EMISSIONS		SBCL GROUP	
Scope 1 (TeCO ₂ e)		7,436	7,436
Scope 2 (TeCO ₂ e)		3,640	504
Scope 1 and Scope 2 (TeCO ₂ e)		11,076	7,940
INTENSITY FACTOR		SBCL GROUP	
Energy Intensity	MJ/Te of product	1,454	
	GJ/full time employee	218	
	MJ/£000's revenue	665	
Carbon Intensity (market based)	kgCO ₂ e/Te of product	64	
	TeCO ₂ e/full time employee	10	
	kgCO ₂ e/£000's revenue	29	

For the year ended 31 December 2024

Engagement with employees

Equality, Diversity & Inclusion

Scott Bader aims to provide an inclusive, diverse and mutually respectful culture and environment where everyone is treated equally and given equal opportunities regardless of their race, age, gender, sexuality, disability, culture or individual differences through all stages of the colleague lifecycle from recruitment, through onboarding, training and development. Scott Bader was awarded the ISO 30415 Certification for Human Resource Management Diversity and Inclusion and is one of the first Chemical Manufacturers to achieve the certification. As part of this process a Diversity & Inclusion Council has been formed, made up of colleagues from around the group to help define, review and continually improve our policies, practices and behaviours in this field going forward.

When a vacancy arises, it is advertised, and colleagues are encouraged to apply and receive support in their application from the Talent Acquisition Team. It is the Group's Talent Acquisition Policy to consider all applications, and will consider all candidates based on their skills, knowledge, experience and alignment to the core values.

Employee, Environment, Social & Governance Committee (EESG Committee)

The EESG Committee is supported by an executive EESG Steering group with membership drawn from across Scott Bader, including representation from both the Global Members' Board & The Scott Bader Commonwealth Limited the sole member and a England & Wales registered Charity, to work closely with the EESG Board Committee and inform the Committee's work and to support execution of its objectives. During the year the EESG Steering group held five meetings and the Board EESG Committee held one formal meeting.

The EESG Steering Team has four working groups, that each address either Employee, Environment, Social or Governance issues. The working groups have identified measures for a focused number of strategic objectives and are working closing with a sponsoring senior executive.

It is anticipated that attainment of these stretching but achievable EESG targets over the next 2-3 years will enable the organisation to move forward and ultimately meet the 2036 vision.

Membership and composition of the EESG Committee as at the date of this report

Michael Findlay-Wilson Executive Director (Chair of the EESG Committee)
Samuel Boustred Member Director

Kevin Matthews Executive Director stood down as Committee member on 31 December 2024.

Engagement with colleagues (including disabled persons)

Industrial democratic practice is a major part of colleague engagement, and all those who work within the SBCL Group are consulted on decisions that may affect their interests in accordance with Scott Bader's Constitution. It is the policy of Scott Bader that colleague participation in decision making is implemented at all levels. Recognising that access to appropriate information is a prerequisite to effective participation and consultation, the Group's monthly financial results and full year forecasts are shared with Commonwealth members and colleagues.

The Group Leadership Team deliver a monthly briefing highlighting key performance or business challenges to members.

Membership of The Scott Bader Commonwealth is open to all who work on a permanent basis within the Group and who make a commitment to work according to the Code of Practice. Members also have the right to elect two of their number, to serve for three years as members of the Board of Directors of SBCL. The third Member Director is the Chair of the Global Members' Board.

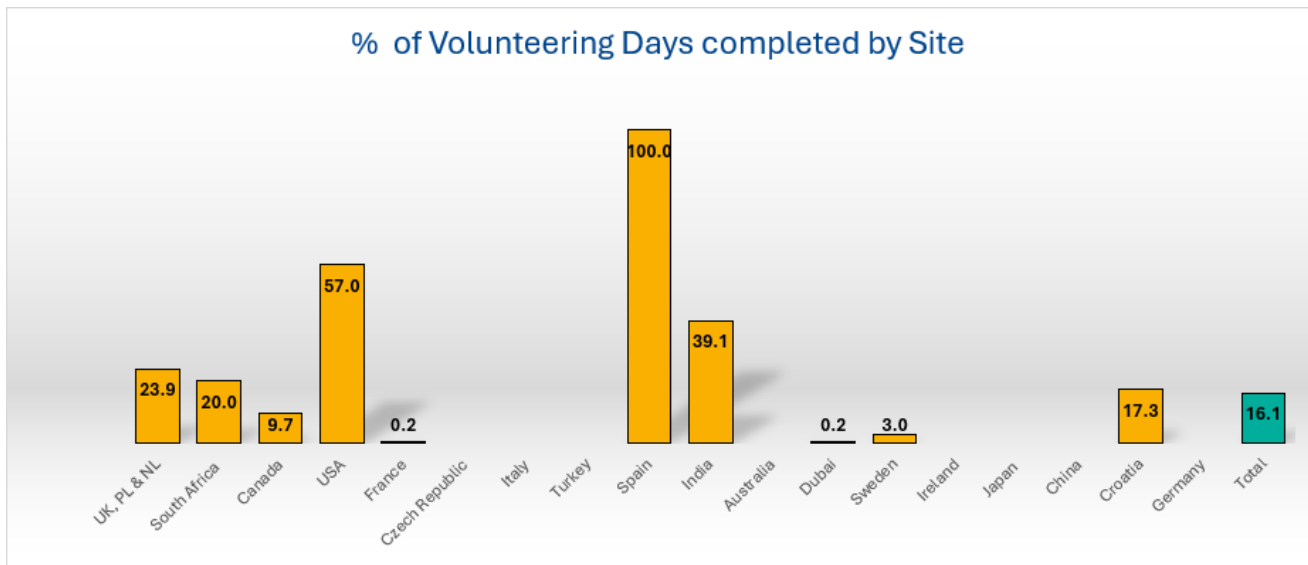
It is the Group's policy to offer equal opportunities to disabled persons applying for vacancies, having regard to their aptitudes and abilities in relation to the posts for which they apply. As far as possible, arrangements are made to continue the employment of those colleagues who have become disabled persons during their employment within the Group. In all instances, consideration will be given to arranging training facilities, or providing special aids, where necessary. It is the Group's policy to provide disabled persons with the same opportunities for training, career development and promotion that are available to all colleagues, having consideration to their aptitudes and abilities.

For the year ended 31 December 2024

Involvement of Commonwealth Members

- **The Matched Funding Scheme** In 2024, the Matched Funding Scheme provided by SBCL and administered by the Commonwealth Office reached approximately £17.3k. Circa 24 charities received double the amount they would have received due to SBCL matching the amounts raised £1 for £1. This marks a slight increase compared to 2023 where £15k was raised. It’s worth noting that more companies outside of the UK are now participating in this scheme. There are plans to promote this scheme globally to encourage more colleagues to participate.
- **Volunteering** – SBCL supports its local communities, through a volunteering scheme. All colleagues are granted an additional day’s paid leave to volunteer for a not for profit/charitable organisation. The scheme enables colleagues to build relationships and connect with their local communities in support of its wider social purpose.

In 2024, we set an ambitious two-year EESG target of 90% of all colleagues per site to use their volunteering day. The scheme was regularly promoted and in recognition of the Employee Ownership Day celebrations we chose to promote the scheme and launched a volunteer leaderboard to track this target. The below bar chart captures the data recorded throughout 2024. We plan to continue this upward trend so that 90% of all colleagues per site are using their volunteering day for 2025.



Some of the activities undertaken by our colleagues are shown below.

Ecology:

- Recycling activities (UK)
- Litter picking (UK)

Business:

- Attending careers events at Schools and Colleges providing careers advice and guidance (UK)
- Supporting individuals with CV and interview skills (UK)

Humanity:

- Sewing knitted blankets together to be delivered to local care homes (UK)
- Took part in local running event to raise awareness and funds for cancer treatment (Croatia)

The Trustees are of the opinion that the self-governing representative structure of Scott Bader is of public benefit because wherever it operates colleagues know that the company must:

- Contribute to the stability and economic growth locally, nationally, and internationally.
- Take steps to minimise the effects of the business on the environment.
- Support its local communities via charitable giving and volunteering.
- Be an exemplar of an alternative way to run a business.

For the year ended 31 December 2024

Objectives, Strategies and Activities of SBCW (the Charity)

As mentioned above the objects of the Charity are:

- 1) The promotion of ethical principles in industry with a view to ensuring the discharge by persons engaged in industry of their social obligations for the welfare of the communities within which they operate.
- 2) The promotion of sustainable development for the benefit of the public by the preservation, conservation and the protection of the environment by the prudent use of natural resources and the promotion of sustainable means of achieving economic growth and regeneration.

STRATEGIC REPORT

Achievements and Performance against the Objectives set - Grant-making

The Scott Bader Commonwealth Limited (SBCW) receives its income through a donation of profits from the individuals employed by the Scott Bader Group. This income is used to make grants to charitable organisations around the world whose purposes are in line with the Charitable objects. The Trustees annually approve the grant-giving policy and budget.

The SBCW's main source of income is by payment of a donation from SBCL. There is a provision in the Articles of Association of SBCL to ensure that there is a minimum amount paid to the Charity each year (Group Staff Bonus or 1% of the Group staff salary cost, whichever is greater). This would not be considered a major risk to SBCW unless the performance of the Company becomes so precarious that the payment of the donation might threaten the very existence of the Scott Bader Group. The donation was paid in the year ended 31 March 2025.

The Charity Committee oversees the grant-giving on behalf of the Commonwealth Board (CWB). The Committee meets every three months to select the charities to support and the funding amount for each charity. The Committee reports its decisions to the CWB quarterly.

Charities can learn about funding opportunities from SBCW through networking, referrals from previous recipients, and information on the Scott Bader website.

SBCW does not generally fund requests that support animals, individuals in need, travel and adventure schemes, art projects, sports clubs, general appeals, or building construction in the UK.

Prospective applicants must submit their funding applications through a grant management tool called OPTIMY. This tool helps simplify and streamline the grant-making process.

In 2024, SBCW had four application cycles for its grants and received circa 354 applications during the year, which is an increase from circa 290 in 2023.

After assessing the applications, SBCW made grants totalling £336k in 2024 compared to £321k in 2023.

SBCW aims to ensure that grants are used effectively and for the intended charitable purposes. We keep formal reporting requirements simple and proportionate and share the information received with the Charity Committee. We also meet with grantees and potential grantees occasionally to strengthen networking and to help the Charity learn more about the specific subject areas or reflect on its own practice and priorities.

SBCW is also a member of the Association of Charitable Foundations (ACF) and National Council for Voluntary Organisations (NCVO). Both organisations provide training courses and helpful information on good practice.

At 31 December 2024, SBCW had net assets of £1,734k (2023: £1,925k).

The grant programme areas run during 2024 are summarised below. A breakdown of the amount spent under each of these programme areas is provided in note 9.

Glocal Funds

A budget is set for all the companies in the Scott Bader Group. The allocation is currently determined as a set figure per site with an additional sum proportionate to the number of Commonwealth Members at each location. Each location can determine how they wish to utilise their allocation provided it complies with the Charity Policy and is approved by the Charity Committee of the Commonwealth Board.

For the year ended 31 December 2024

To help prospective applicants, we guide them to apply for funding for projects that enable them to support social and environmental issues important to where they are situated. Some locations choose to run a Nomination Scheme whereby each Commonwealth Member has an allocation to nominate to a charity (or charities) of their choice. The areas of intervention can vary for this but tend to cover the following - Education, Environment, and Poverty.

The Global Impact Fund (previously known as Centenary fund)

This fund, which was initially launched in 2023, and was renewed in 2024 it aims to support four community-based projects with £25,000 each. Selected projects needed to meet at least one of following focus areas: education, environment or poverty.

Following the review process ten charities were invited to present their projects to the Charity Committee. Following this, six projects were selected for our members to vote on their preferred four projects. The voting process formed part of our AGM and was held in Q2 of 2024. The four successful charities that were awarded the grants were:

- The Lewis Foundation – This project will provide adult cancer patients in hospitals in Northamptonshire with 12 months of free care packages that include puzzle packs, toiletry packs and wellness packs.
- Advantage Africa – Based in Kibwezi in Eastern Kenya, the project will provide people with disabilities, especially women, with the opportunity to lift themselves out of poverty through earning an income through goat rearing. This project will also provide households with small scale rainwater catchment systems to improve their access to clean water.
- Taste – The project is based in Kaduna, Nigeria and will provide two solar powered motorised bore holes to provide clean water. The project will also increase the community’s knowledge of water sanitation and hygiene practices as well as training to take care of the environment. This project will also enable fifty households to own their own latrines.
- EdUKaid - The project in rural Tanzania will build a volunteer lead community library which will be accessed by children aged 5 to 13 years from five different primary schools. The space will also be used as a community space for parents and school leavers.

Godric Bader Fund

A budget is set annually.

This fund is used to support charities chosen by the Bader family. Three charities received grants, totalling £8,000 in 2024 and £8,000 in 2023.

Research Grants & Other donations

Research grants and other donations were provided to the following:

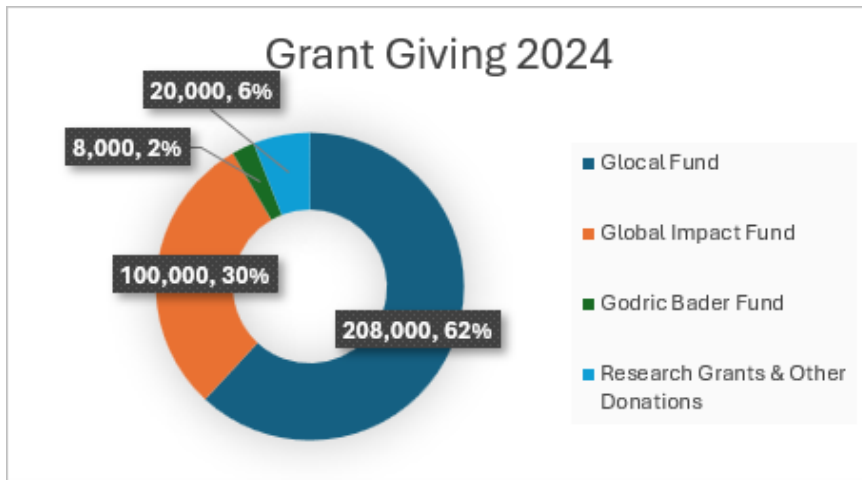
1. A donation was provided to the US for support during the aftermath of Hurricanes Helene and Milton.
2. Northamptonshire Community Foundation – Corporate Giving Network and the sponsorship of the annual awards evening.
3. Jericho Chambers – creating a report looking into the relationship between business and democracy.

A breakdown of the 2024 and 2023 grant expenditure is detailed below.

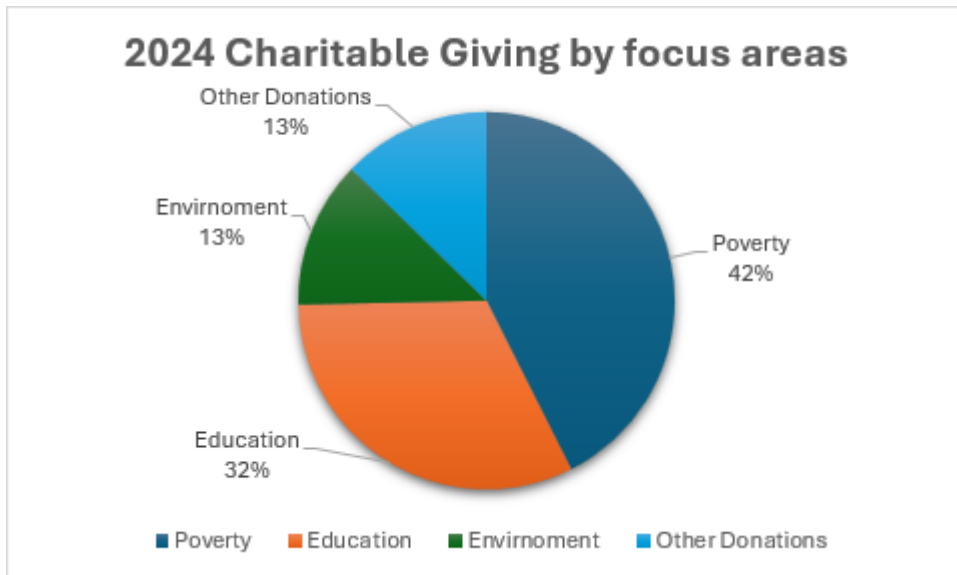
Grant Expenditure	£'000 2024	£'000 2023
Glocal Fund	208	196
Global Impact Fund (previously known as the Centenary Fund)	100	100
Godric Bader Fund	8	8
Research and other grants	20	17
	336	321

For the year ended 31 December 2024

Breakdown of Expenditure by fund



The grants awarded supported projects within three specific areas of intervention, Environmental, Poverty and Education. A breakdown of these intervention areas and the amount spent is detailed below.



The Trustees still believe that allocating the charity’s income in the way described above continues to enable the charity to support a diverse range of activities with a relatively small amount of money. However, this is dependent on the profitability of the company, but mechanisms exist to ensure that the charity’s income will increase in line with increased profitability.

Achievements and Performance SBCL Group

The principal activity of the SBCL Group which sits beneath the Charity continued to be that of the production and distribution of chemicals and related products.

Fundraising

The charity relies on surpluses generated by wholly owned trading subsidiary companies to be able to carry out grant-making to meet the charitable objectives and does not undertake any fundraising activities with the public. No professional fundraisers have been engaged and no fund raising has been undertaken on behalf of the Charity. No complaints have been received in relation to fundraising activities.

For the year ended 31 December 2024

Investment policy and performance

The charity has an asset in the form of a property known as Keep House, 124 High Street, Wollaston NN29 7RJ. This is a Grade II listed stone-built farmhouse and is situated on the Wollaston site. The refurbishment of the property was completed in February 2020 and full occupancy of this building by local charities was achieved. By providing this facility the SBCW is meeting its objective of enabling these charities to continue the excellent work they do in the local community. It is also intended that the building will be self-funding on finalisation of the asset plan. To support this, the Trustees agreed in 2024 to allocate £20k to Keep House to be used towards the asset plan to cover future renovations.

In 2024, Keep House generated £27k in income, compared to £34k in 2023. This decrease was due to three vacant rooms becoming available during the year. The income generated from Keep House is used for the general refurbishment of the building and to source and progress local project and partnership opportunities.

An open market appraisal in June 2024 (previously November 2021), by an independent valuer with a recognised and relevant professional qualification, gave a value of £480k (£495k in November 2021) for this property.

As the main investment of the charity is the SBCL group, its performance is monitored on a regular basis as reported under the financial review section below.

Financial Review

The majority of the Group relates to the SBCL Group and this is considered on the following pages. The charity's (SBCW) income is limited to the donation from SBCL and rental income and the expenditure of the charity has been considered on page 13.

Financial Review of SBCL Group

Whilst the CWB does not get involved in the day-to-day management of SBCL, business updates were received during the year from the CEO Kevin Matthews, and the CFO Neil Miller on the performance of the group. In addition, members of the Group Leadership Team are asked to provide a report with an update on their business areas.

Having discussed and reviewed the business performance for 2024, the Trustees noted the following:

Annual sales volumes decreased by 2.6% to 107k tonnes (2023: 110k tonnes) and the Group turnover decreased by £21m (-7%) to £252m. This reduction was caused by geopolitical uncertainty in the Middle East, Ukraine and Russia and election years in the US and major European nations generating ongoing macroeconomic uncertainty denting investment decisions and consumer confidence. We have seen raw material price volatility since 2022, initially as supply chains normalised after the disruption of the Russian invasion of Ukraine, and more recently as the global economy slowed in 2023 and continued in 2024. In 2024 this has resulted in an increase per unit in raw material and consumable costs which has placed further margin pressure on the Group.

Other operating costs have increased by £0.8m from £16.0m to £16.8m reflecting the previous investments made into growing the Americas and Asia regions, as well as the continued central investment in the business to build out operational and commercial capabilities as the foundation for future growth.

Staff costs decreased in the year by (£0.3m) to £45.9m from £46.2m, as a result of 4.1% net headcount reduction of 34 to 800 (2023: 834) offset by average salary inflation of 4.43%. As a result of both the challenging market conditions and the implementation of the strategic plan the Group made a number of redundancies both voluntary and compulsory across its sites resulting in £1.7m of associated one off charges.

The trading conditions and one-off costs resulted in an operating loss of (£3.3m) (2023: profit of £1.2m) and a loss before tax of £4.0m (2023: £0.7m profit).

The Group incurred foreign exchange costs predominantly coming from the revaluation of non-trading intercompany loans of £1.3m (2023: £1.3m) and net interest costs of £0.8m (2023: £0.7m).

For the year ended 31 December 2024

Balance sheet

2024 saw a positive cashflow from operating activities of £8.1m (2023: inflow of £11.7m). This was derived from Operating Profit and an improvement in working capital including the new non-recourse debt factoring facility in Scott Bader Middle East Ltd.

In 2024 the Group continued its objective to invest the majority of the operating cashflow into the business to support the delivery of the strategic priorities with regards to Health and Safety, geographic growth, efficiency and innovation. Key to this was the purchase of the remaining 50% of our Nova Scott Especialidades Quimicas Ttda (Nova Scott) joint venture in Brazil for £2.2m in June 2024.

Overall, in the year there was a £0.5m increase in net debt on opening of (£0.9m) to (£1.4m) driven by the ongoing strategic investment programme in capital expenditure £4.6m (2023: £12.1m) as well as cash outflows of £4.3m (2023: £0.5m) in repayment of the Group's debt facilities.

The Group continues to make targeted investments in line with the corporate strategy with the highlights being the acquisition of the remaining 50% stake in our Brazilian joint venture. Further capital investment went into new Environmental, Health and Safety initiatives as well as the maintenance programme to ensure asset integrity.

The outlook for 2025 sees the continued focus on reducing working capital and tight cash management while continuing to invest the cashflow from operations in supporting the strategic growth priorities.

The Group's USD20m Revolving Capital Facility (RCF) with National Westminster Bank PLC provides the Group with significant additional funds for working capital should it be needed. The Group had in excess of £30m in trade receivables and £27m in inventories at the balance sheet date, which were free of security for financing and available to raise working capital facilities if needed.

The Group recognised goodwill additions of £0.8m relating to the Nova Scott acquisition and a disposal of (£2.9m) representing the fair value movement of the contingent consideration associated with the 2022 acquisition of Scott Bader India with a corresponding liability derecognised in creditors.

Taxation

The tax charge on Profit Before Tax was £1,149k (2023: tax charge £0.9m). The effective tax rate (ETR) for 2024 (excluding adjustments for prior year) was -27.6% (2023: 64.9%). Main drivers of ETR were profit mix and local tax rates, adverse permanent differences and the de-recognition of deferred tax assets in respect of tax losses.

Deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Management judgment is required to determine the amount of the deferred tax asset that should be recognised, based upon the likely timing, geography and level of future taxable profits. Sources of future taxable profits include the existence of deferred tax liabilities as well as future business profits. Given the current macro-economic conditions and geo-political uncertainty, a provision has been made to de-recognise 20% of the deferred tax assets in respect of losses. The non-recognition of deferred tax assets has the impact of decreasing ETR by 50.6%.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

Key Performance Indicators

In 2023, the Trustees introduced a set of non-financial metrics to assess members’ engagement levels and evaluate SBCL’s adherence to the Guiding Principles. The below data was tracked throughout 2024 and was reported on at every CWB meeting.



SCOTT BADER COMMONWEALTH BOARD - GUIDING PRINCIPLES PERFORMANCE

Month: Dec

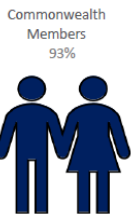
Guiding Principle	KPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fair Trading	Customer Complaint Percentage	1.2%	0.9%	0.5%	1.3%	0.9%	1.0%	0.5%	0.6%	1.2%	1.0%	0.7%	0.8%
	Reportable Environmental Incidents	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Sustainability	Percentage of roles filled with internal promotions vs external	-	50%	50%	40%	20%	100%	0%	0%	13%	0%	40%	0%
	Staff Turnover	0.73%	1.09%	2.06%	4.25%	5.10%	6.55%	7.52%	9.34%	13.55%	15.41%	16.75%	19.30%
	Colleague satisfaction Score	627.4	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6
Responsible innovation	EO conferences attended	0	0	0	0	1	0	0	1	0	0	1	0
	Formal EO Interactions – UK	0	3	1	2	0	1	1	0	1	0	0	0
	Formal EO Interactions – Overseas	0	0	0	0	0	1	0	1	0	0	0	0
International presence	Whistleblowing incidents	1		2		2		0		0		0	
	Gender pay gap	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%	-5.50%
Ethical business	Percentage of minorities in governance groups	25.80%			25.64%			31.25%			34.38%		
	Lost time Accidents – LTA	1	0	1	0	2	0	0	0	0	0	0	0
Diversity, inclusion and mutual respect	Process Safety Incidents – PSI	1	1	0	0	1	0	2	0	0	3	0	0
	Lost time Incident Frequency rate – LTIFR	1.2	1.2	1.1	0.8	0.8	0.8	0.8	0.7	0.7	0.9	0.9	0.8
	Safety and wellbeing												



SCOTT BADER COMMONWEALTH BOARD - BOARD PERFORMANCE

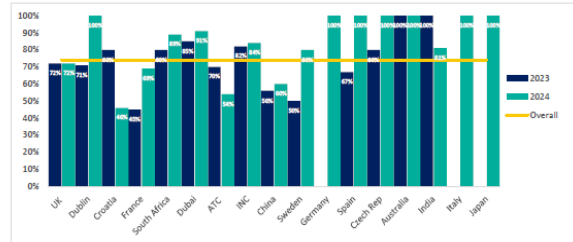
Month: Dec

Percentage of Colleagues that are members

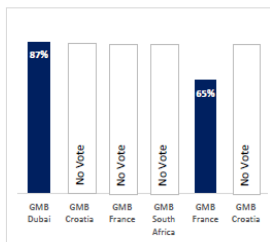


Region	Percentage
UK, IE, SE, PL	94%
France, DE, ES	82%
South Africa	93%
Dubai, AU, CN, JP	100%
Croatia, EE	99%
NA, CAN	89%

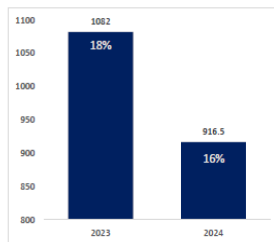
Percentage of Colleagues voting in the AGM



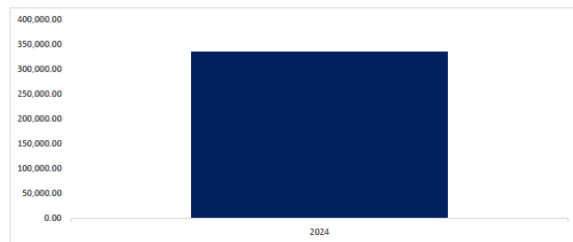
Elections - Voting percentage



Number of volunteering hours used



Total Charitable donations made



Additionally, specific KPIs have been established to monitor the financial performance of the SBCL group during 2025. These metrics will be diligently tracked and reported to the Commonwealth Board (CWB) on a quarterly basis:

- **Cash:** Tracking the available cash reserves.
- **Financial performance against budget and prior year (PY):** Comparing actual financial results with planned budgets and previous year’s performance.
- **Working capital:** Evaluating the company’s liquidity and operational efficiency.
- **Capital expenditure:** (Capex) spending and CAPEX/depreciation ratio: Assessing investment in fixed assets relative to depreciation.

These KPIs serve as essential benchmarks, for SBCW to monitor the performance of SBCL’s strategic decisions and ensuring transparency in its financial and operational health.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

Cash

Currently the Charity holds a modest amount in deposit accounts, which are reviewed annually to ensure best return.

Financial Controls

The Financial Controls Policy, which includes the delegation of authority and segregation of duties, is reviewed annually to ensure that it is up-to-date and effective. The review process involves a thorough examination of the procedures and systems in place to ensure that they are robust and followed diligently by all parties concerned. The Trustees consider that the procedures and systems in place are effective in maintaining the integrity of the financial controls and ensuring compliance with the relevant regulations.

Financial and risk management objectives and policies

The Trustees have developed a more robust approach to managing the risks to which the charity is exposed to ensure that appropriate controls are in place to provide reasonable assurance against the risks identified. The Trustees undertake a quarterly review of the risk register, which assigns the management of the risks to specific individuals and recommends actions to be taken, where necessary, to manage their likelihood or impact. Risks are added to the register as they arise and are reported and discussed at the quarterly board meetings.

The SBCL Group uses various financial instruments including loans, cash, and items such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the SBCL Group's operations and working capital requirements. The existence of these financial instruments exposes the SBCL Group to a number of financial risks. The main risks are; currency risk, receivables recoverability and liquidity and cash flow.

Currency risk

The SBCL Group is an international chemical company. In the international chemical business, many of the raw materials used by the SBCL Group are priced in US Dollars or Euros, as are many sales made outside of the UK. Consequently, the SBCL Group is exposed to exchange rates. The SBCL Group does not make extensive use of hedging instruments or derivatives as there is a natural balance of purchases and sales across the various currencies. Customer pricing may be adapted to deal with step changes in exchange rates as needed. The currency risk is closely monitored, and appropriate actions taken when needed.

Trade and other receivables

All operating companies have credit policies, that are approved at the appropriate level using the delegation of authority matrix and monitor their credit exposure on an ongoing basis. Trade receivables are stated net of allowances for doubtful receivables, estimated by local management based on prior experience of customers and assessment of their current economic environment and in line with group policy. Due to the geographical spread of the operating companies, the credit risk varies from site to site and is influenced by the normal credit practices of that country as well as the prevailing macro-economic climate of each geographic region and where appropriate the SBCL Group uses debt factoring facilities.

Liquidity and cash flow

The Group monitors its borrowings and future cashflows weekly and aims to ensure that there is always available headroom in all entities to meet all obligations as they become due. The Group extended its USD \$10m revolving credit facility with National Westminster Bank PLC in March 2023 to \$20m and repaid amounts owed on facility in the year. As at 31 December 2024 the Group had headroom which the Directors considered to be adequate for current business demands.

Principal risks and uncertainties

The SBCW's key risks are summarised below:

<u>Risk / Uncertainty</u>	<u>Mitigation</u>
1. There is a risk to the charity to continue operating due to lack of funding, therefore unable to achieve charitable objectives & constitutional requirements	There is a formula in place to donate a minimum of 1% of the group's salary cost or 5% of the eligible PBT (whichever is the greater). However, SBCL should budget for minimum payment required to be paid to the Charity. Financial information is reported on a quarterly basis to the Commonwealth

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

	<p>Board on the performance of SBCL so it would be reported if the operating company is at risk.</p> <p>There is a second income stream generated from Keep House and there is a view to explore other similar projects in other global locations as well as other income options such as endowments.</p>
2. There is a risk of a skills gap for Trustees on the Commonwealth Board resulting in the non-compliance with Charity and Company Law.	<p>All Board Members are provided with the relevant Guidance from the Charity Commission on their duties and responsibilities.</p> <p>A skills analysis has been introduced and we refer to this when recruiting new Guardian Trustees. In addition, induction folders are provided upon appointment, which includes a copy of the Constitution, financial reports, minutes, agendas and policies and yearly training is also provided for the Trustees.</p>
3. There is a potential risk of loss of funds for the Charity, leading to reputational risk	<p>The following Internal controls in place to mitigate against this.</p> <p>Detailed quarterly reports are prepared comparing expenditure vs budget.</p> <p>All cheques/bank transfers are authorised by two people, one of which needs to be a Trustee.</p> <p>Bank accounts are reconciled monthly.</p> <p>Policies are reviewed on a yearly basis by the Charity Committee, prior to submission to the full Commonwealth Board for approval.</p>
4. There is a risk of potential miscommunications and (cyber security) risk of interception of shared sensitive business information.	<p>All sensitive data is stored and shared via Diligent Boards which is a board management software and is part of the Diligent Governance Cloud.</p>
5. There is a risk of under occupancy of Keep House / not achieving objectives to utilise the Keep House space, using SBCW cash to fund the building & utility costs	<p>This is monitored regularly at the ongoing Keep House committee meetings. Keep House is currently 80% occupied.</p>

The SBCL's key risks are summarised below:

Strategic Risks: Strategic risks are risks, both internal and external, associated with the business model, corporate strategy and long-term planning		
<u>Risk / Uncertainty</u>	<u>Mitigation 2024</u>	<u>Year-on-year change</u>
<p><u>Market/Economic Deterioration</u></p> <p>We serve over 30 countries globally, operating in numerous geographies across a range of markets which can be affected by political and/or economic changes or uncertainties.</p> <p>Risks related to the geo-political and macro-economic conditions have increased over the year, primarily as a result</p>	<ul style="list-style-type: none"> Setting prices that maximise revenue while we embark on our transformation programme, and our continuous improvement mindset across the business. A key mitigation is close monitoring of the geo-political and macro-economic conditions and reacting accordingly through the business strategy process. Our range of markets and geographic spread help to mitigate the impacts of political and economic change. Uncertainty in supply chains is being addressed by accelerating supply 	<p>↑ Increased risk</p> <p>Where needed, we set up project teams to examine and address specific risk.</p>

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

<p>of the ongoing war in Ukraine, China’s economic outlook and escalating conflict in the Middle East.</p> <p>International tensions and the imposition of barriers to international trade, such as tariffs, may create additional challenges in doing business across territories.</p>	<p>resilience activity around dual/multiple sourcing of key raw materials.</p> <ul style="list-style-type: none"> We use foreign exchange hedging to delay the impact of changes in exchange rates and manage short-term volatility. 	
<p>Operational Risks: Operational risks are risks derived from Scott Bader’s core business practices, which rely on systems, equipment and processes</p>		
<p><u>Risk / Uncertainty</u></p>	<p><u>Mitigation</u></p>	<p><u>Year-on-year change</u></p>
<p><u>Supply chain management</u></p> <p>There is a risk that an ineffective supply chain may lead to an inability to obtain key raw materials at the right time and price and result in inefficient internal movement of products.</p>	<ul style="list-style-type: none"> Initiatives continued to institutionalise a group wide S&OP platform. The Group’s supply chain function developed a greater oversight of supply chain performance connecting supply points into one vertically integrated network. Developed 10-year Supply Plan in line with the group’s Strategic Plan helped to understand capacity constraints and opportunities to set and execute supply chain priorities. Uncertainty in supply chains is being addressed by accelerating supply resilience activity around dual/multiple sourcing of key raw materials, where good progress has been made in the last year. Maintaining our UK production of key raw materials ensures we are not solely reliant on international routes. 	<p>↑ Increased risk</p> <p>The Group sees opportunities for productivity improvements through an effective supply chain management system.</p>
<p><u>Health & Safety</u></p> <p>There is a risk that poor safety performance leads to serious injury, loss of life, temporary or permanent site closure – with potential for exposure to significant penalties.</p>	<ul style="list-style-type: none"> Formal Health & Safety strategy, framework and refreshed policies in place with clear KPIs and audits. Launch of Life Saving Rules and ensuring frequent communication to colleagues on the importance of those nine rules. Improvements at site levels to ensure closing off of HSE actions. Increase in number of safety opportunities reported across the Group. Significant number of the Groups assets now have an updated HAZOP (hazard and operability study) with mitigations. 	<p>→ No change.</p> <p>This remains a high ongoing risk for the Group and one that continues to receive ongoing investment and monitoring by management including improved processes and a refresh of the hazard evaluation programme.</p>

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

<p><u>Critical Asset failure</u></p> <p>A critical asset failure may have a material effect on our supply chains, performance and reputation. In addition to the failure of aged assets, we are exposed to the effects of climate change. We understand that more frequent extreme weather events and natural disasters may disrupt our operations and increase our costs.</p>	<ul style="list-style-type: none"> • Our asset failure risk management process is to be strengthened to calibrate rigour according to the criticality of assets and risk profile of sites. • All our manufacturing sites are to be categorised as high, medium and low risk sites based on objective review of site hazards and strategic importance to Scott Bader. This will help prioritise resource and capital expenditure allocation for critical ageing assets. 	<p>↑ Increased risk.</p> <p>We will continue to assess this risk based on the level of exposure across our businesses and their reliance on aged critical equipment.</p>
<p><u>Cyber and information security</u></p> <p>There is a risk that Scott Bader fails to maintain the confidentiality, integrity and availability of information and key systems leading to a loss of customer, personnel or confidential data and resulting in disruption to our business, reputational damage and significant fines.</p>	<ul style="list-style-type: none"> • Continued improvement and updating of our IT systems, including investment in cloud-based disaster recovery and clear investment plans to mitigate potential for obsolescence. • Ongoing assessment of data loss prevention enablers and tooling. • Ongoing penetration testing exercises to ensure the effectiveness of existing IT controls. • Deep dive review of modern Cyber Support partners services in light of AI changing the landscape. 	<p>→ No change.</p> <p>Continued investment to implement state of the art IT systems and firewall security, active penetration testing, data loss prevention tools and data governance framework. It is recognised that IT failure could impact the ability to manufacture and supply products and mitigation plans are being developed.</p>

Financial risks: Financial risks are risks associated with an organisation’s ability to raise capital, maintain access to capital and deliver profitable growth

<u>Risk / Uncertainty</u>	<u>Mitigation</u>	<u>Year-on-year change</u>
<p><u>Liquidity</u></p> <p>There is a risk that the current levels of working capital, anticipated capital and investment significantly impact liquidity levels across the Group.</p> <p>There is a risk that Group’s financial results are materially impacted by adverse currency movements leading to volatility in the reported profits and asset values and/or the short term funding options available to it.</p>	<ul style="list-style-type: none"> • Significant improvement in Treasury function and cash pooling to enable liquidity support between entities. • Continued close supervision of cash management activities and forecasting. • Active project to improve foreign exchange management. • Active monitoring of short and medium term funding options available and suitable for the Company 	<p>→ No change:</p> <p>The impact of a significant increase in capital spending in 2023 and 2024 and the challenging business environment continues to have a material impact on liquidity which requires more active management. The foreign exchange risk is increased due to fluctuation of the sterling vis-à-vis other currencies in markets where we incur a significant proportion of our profits.</p>

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

People risks: These are risks associated with an organisation’s strategy and relationship with its people, including talent attraction and retention, behaviour and culture, industrial relations and learning and development		
<u>Risk / Uncertainty</u>	<u>Mitigation</u>	<u>Year-on-year change</u>
<p><u>People and Culture</u></p> <p>Retaining and developing the experience and motivation of our colleagues is critical to maintaining our ability to deliver our strategic priorities. Failing to maintain Scott Bader culture would significantly damage our ability to perform.</p>	<ul style="list-style-type: none"> • We created a clear understanding of our people manager expectations and their importance in delivering our strategy. • We built commercial and engineering capabilities to ensure that we have quality leadership with appropriate skills to lead the execution of our strategy. • Our employee engagement survey is helping us ensure that everyone in our company can share their views. 	<p>→ No Change:</p> <p>The leadership competency framework was reinforced as part of the 2024 annual appraisal.</p>

Charity reserves policy

Reserves are held to provide financial protection for Scott Bader Commonwealth Limited (SBCW) as a going concern, to protect its operations from being adversely affected by unanticipated events. Unanticipated events are identified in the SBCW risk register. However, given that the primary source of income is from the donation received from Scott Bader Company Limited (SBCL) this does create a risk for SBCW.

The Trustees reviewed the Charity’s Reserves Policy in April 2024 and agreed that reserves will be held for the following purposes:

- Unrestricted Funds - The Trustees have agreed to retain £180k in a range equivalent to approximately three to six months’ forward expenditure. These are to be held to protect SBCW against income fluctuations .
- Designated Funds – The Trustees have agreed to retain a designated fund equal in value to the valuation uplift on Keep House. At the year end, this fund totalled £472k (2023: £487k).

The Trustees consider this approach to be reasonable in the light of the need for the money to be readily available for expenditure against the budget and in the unlikely event that no donation is received from SBCL, grants will only be awarded to charities upon receipt of funds from SBCL.

At 31 December 2024, the Charity held total funds of £1,734k (2023: £1,925k) including unrestricted funds (free reserves) of £1,262k (2023: £1,438k). There are earmarked funds set aside to meet essential future spending. £180k is set aside to protect SBCW’s operations from being adversely affected by unanticipated events. £631.2k is budgeted to be spent throughout 2025, and £93.1k is held for future renovations on Keep House. The balance remaining will be held and used in the unlikely event that no donation is received from SBCL.

The group reserves held at 31 December 2024 were £100,849k (2023: £108,847k). These are held to provide working capital for the group.

Conflicts of Interest

SBCW has a set of processes to manage conflicts of interest. These include maintaining a complete and up-to-date register of interests, which is used for the day-to-day management and governance of the Charity. The register contains information about the interests of all parties involved with the Charity, the information on the register is used to identify and manage potential conflicts of interest that may arise in the course of the Charity’s operations. These procedures ensure that the Charity’s interests are protected and that any potential conflicts of interest are identified and managed appropriately.

Section 172 (1) Statement

Understanding the issues that are important to our stakeholders is essential and integral to the way in which we develop and execute our business strategy. It is also critical to our long-term success.

For the year ended 31 December 2024

Our approach to Section 172

The Scott Bader Constitution sets out the Governance Principles expected of the Group and SBCL Board and demonstrates how the Group and SBCL Board should make decisions for the long-term success of the Group and its stakeholders, noting the values and behaviours that must underpin the operation of a successful and thriving business. Although the original Constitution pre-dates this section of the Companies Act, its continuing principles are closely aligned with the QCA (Quoted Companies Alliance) Governance Code and conform to the requirements of Section 172 of the Companies Act 2006.

Our Section 172 statement describes the ways in which the Group and SBCL Board has carried out its responsibility to promote the success of the Group, recognising that the key decisions it makes today will affect long-term performance. The statement considers paragraphs (a) to (f) of Section 172(1) and includes details on how the Group and SBCL Board has considered and engaged with stakeholders.

When making decisions, the Group and SBCL Board considers the needs of our different stakeholder groups as well as the likely consequences that any action taken might have for Scott Bader’s reputation. Stakeholder engagement is at the core of how Scott Bader operates and inform strategic discussions, including any implications for the resilience of our business and the potential impact on our community and environment. It is the SBCL Chair’s responsibility to ensure that the Group and SBCL Board considers Section 172 when making its decisions.

This process includes the SBCL Board and its Committees considering the interests of our employees. We primarily engage with employees through the Member Directors, Global Members’ Board (“GMB”) and The Commonwealth Board.

Throughout the year, the SBCL Board received reports from management about their engagement with customers.

We recognise that it is not always possible to provide a positive outcome for all stakeholders and that sometimes the SBCL Board must make decisions based on competing priorities. The SBCL Board regularly assesses the outcomes of its decisions and is available to talk to stakeholders when needed. This engagement helps the SBCL Board better understand what matters most to our stakeholders and supports discussion on relevant issues. It also helps the SBCL Board choose the course of action that best leads to high standards of business conduct and success for Scott Bader in the long term.

Stakeholder engagement in 2024

Stakeholder groups	How the SBCL Board engaged in 2024
<p>Customers</p> <p>We work with customers worldwide, providing the products they need to address technical and sustainability challenges in their own manufacturing processes.</p>	<ul style="list-style-type: none"> • The SBCL Executive Committee provided customer related intelligence and feedback. • The SBCL Board approved a refreshed strategy that focuses on better flexibility across our manufacturing locations striving to make more efficient use of assets whilst never compromising on quality. <ul style="list-style-type: none"> • Given that some areas of our business have seen weakened demand, the SBCL Board kept up to date with operational issues, including focus on key distribution channels has given us the ability to ensure we have the correct partnerships to ringfence our business, and position for growth as economies and markets recover.
<p>Colleagues</p> <p>Our success relies on the talent of our employees. We want them to feel part of a culture that values diversity and inclusion, fairness and transparency.</p>	<ul style="list-style-type: none"> • SBCL ensured that colleagues were properly considered as part of the SBCL reorganisation in line with the strategy refresh. • The SBCL Board received and considered two reports on follow-up actions from the results of the Best Companies employee survey.

For the year ended 31 December 2024

<p>Suppliers</p> <p>Our suppliers deliver the raw materials and services we need to make our products. We look for ways to work in partnership with suppliers to create a more sustainable supply chain.</p>	<ul style="list-style-type: none"> Contract coverage, adherence, cost and forward pricing were all high on the agenda for the SBCL Board throughout 2024. Management increased the number of suppliers & contracts across our highest spend raw materials thus improving the competitive landscape. They also diversified our supply chain ensuring we have suppliers from different geographies thereby improving security of supply. A contract tracking and pricing tool was implemented that provides visibility across our main monomers which also includes forward pricing predictions based on market intelligence. 	<ul style="list-style-type: none"> Suppliers are regularly assessed to ensure they are aligned with our values and adhere to our standards outlined in the Supplier Code of Conduct. Our primary tool for these assessments is EcoVadis. The SBCL Board received regular reports on any contract exposure, main monomer price movements and impacts on profitability.
<p>Employee Owners</p> <p>As an Employee-Owned business, with a defined Constitution, we have a responsibility to deliver long term value for our employee owners.</p>	<ul style="list-style-type: none"> The SBCL Chair, CEO and CFO provide the SBCL Board with updates from their meetings with the Global Members' Board. There is a standing agenda item at all SBCL Board meetings for the Chair of the Global Members' Board to share colleagues feedback with the SBCL Directors. The Chief Executive Officer and Chief Financial Officer met with a number of employee Councils. 	<ul style="list-style-type: none"> The Member Directors are encouraged to share Colleagues sentiments at the SBCL Board meetings. The SBCL Chair is a member of the Global Members' Board and a Director of The Scott Bader Commonwealth Limited, the parent of the Company and this aids good governance between the three bodies. The Chief Executive Officer visited all plants in Q1 of 2024.

In carrying out its duties, the SBCL Board continued to ensure it understands, and considers, the issues that matter most to these stakeholder groups, particularly when making material decisions.

Colleagues

We recognise that our people are fundamental to the success of the business. We are committed to investing in our Colleagues and in 2024 we took a strategic approach to further engage and develop our workforce. We continue to improve our approach to appraisals and giving feedback. Performance of Colleagues is assessed by reference to an agreed set of objectives that align with our strategy and values. Annual salary reviews are determined by benchmarking and performance against agreed objectives.

We value the thoughts and views of our Colleagues and encourage regular feedback through various communication channels. In 2024 Sam Boustred, GMB Chair and Director of the Company visited our sites in France and US and held town hall meetings.

For the year ended 31 December 2024

Communities

We aim to contribute in a proactive and positive way to the communities in which we operate. We encourage Colleagues to volunteer and provide all Colleagues with a paid day in each 12 month period to volunteer.

The AGM is accessible to all members of The Scott Bader Commonwealth Limited, (the parent of the Company) through the use of video conference. We have three Member Directors on the Board who keep the Board apprised of issues important to employee owners.

Principal decisions in 2024

This was another busy year for the SBCL Board, and one in which several key decisions were taken. The SBCL Board considers section 172 in their decision-making processes.

Principal activities

The principal activity of the Group continued to be that of the production and distribution of chemicals and related products. The Company continues to act as the holding company for the Group's trading companies.

Future Plans

During 2025 SBCW plans to meet its charitable aims by delivering the following.

- **Charity** – Our funding ratios and focus areas for our charitable donations will remain as present. We will broaden the meaning of charitable giving including encouraging and re-energising the volunteering undertaken by colleagues. We will continue to aim to replicate globally the Keep House model at Wollaston. This will provide local opportunities for good practice and outreach around selected locations around the group. We will implement a Social Return on Investment (SROI) framework to help us measure and communicate the social value and impact of our grant-giving activities.
- **Income** – In 2024, a funding strategy empowering the Commonwealth and Global Members' Board was introduced enabling both Boards to have full autonomy with their operational spend.
- **Engagement** – We have implemented a refreshed way in which colleagues learn about the features and responsibilities of democracy in Scott Bader. This includes both the induction, orientation, and 'onboarding' for new recruits along with the ongoing refreshment necessary to keep everyone committed and engaged. We will continue to improve and monitor this development throughout 2025.
- **Constitution update** - We have implemented a refreshed way in which colleagues learn about the features and responsibilities of democracy in Scott Bader. This includes both the induction, orientation, and 'onboarding' for new recruits along with the ongoing refreshment necessary to keep everyone committed and engaged. We will continue to improve and monitor this development throughout 2025.

Going Concern

When assessing the going concern principle for the Commonwealth, considerations of the Trustees include, but are not limited to the following; the Financial position of the Group as at 31 December 2024, the most recent cash position, the projected cashflows and the availability and headroom of the financing facilities across the group, including the ability to meet future covenants.

The performance of the Group in the year to date is below last year as a result of continuing suppressed economic activity impacting Scott Bader's customers. The Group has taken a number of restructuring actions to address this for the long term and as a result did not trade profitably in the year. The Group obtained a waiver from its lending partner for one of the two covenant tests required to be met quarterly for which it was not in compliance.

Given continuing economic uncertainty, performance forecasts to June 2026 have been generated under a variety of scenarios, including the application of prudent, worst-case assumptions. In addition, several mitigating actions have been considered in relation to each model, including options to reduce both costs and capital expenditure without impacting on the day to day operations of the business. On the basis of these forecasts, the Directors remain confident that the Group will be sufficiently well capitalised and able to meet all lending covenants for the foreseeable future.

REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT) TO THE MEMBERS OF THE
SCOTT BADER COMMONWEALTH LIMITED

For the year ended 31 December 2024

Having considered the financial forecasts and the mitigating actions available to adequately preserve cash and reduce cost, should this be necessary, the Directors are confident that the Group remains a going concern, and that the results within this document represent a true and fair view of the position of the Group and Charity.

Auditor

RSM UK Audit LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Statement as to disclosure of information to auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Report of the Trustees is approved by order of the board of Trustees and the Strategic Report (included therein) is approved by the board of Trustees in their capacity as the directors at a meeting on 20 May 2025 and signed on its behalf by:

Richard Tapp

Richard Tapp
Trustee

Paul L Smith

Paul Smith
Trustee

TRUSTEES' RESPONSIBILITIES STATEMENT

For the year ended 31 December 2024

Trustees' responsibilities statement

The Trustees who are also the directors of the Scott Bader Commonwealth Limited (for the purpose of company law) are responsible for preparing the Report of the Trustees including the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The Trustees' powers and responsibilities are defined in the Articles of Association of SBCW in furtherance of which SBCW has and may exercise the power to exercise oversight of the Scott Bader Group to ensure appropriate governance risk and compliance processes are in place to ensure the long-term success of the business.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charitable company and of the income and expenditure of the charitable group for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, 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 group and the charitable company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the charitable 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 group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

Opinion

We have audited the financial statements of The Scott Bader Commonwealth Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Group and Charity Statements of Financial Activities (incorporating an income and expenditure account), Group and Charity Balance Sheets, Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Report of the Trustees. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or parent charitable 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SCOTT BADER COMMONWEALTH LIMITED

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating any advice received from internal and external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety and environmental compliance. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, review of accounting policies in relation to revenue recognition and sample testing revenue.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

GARETH JONES (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire

23/05/25

THE SCOTT BADER COMMONWEALTH LIMITED

GROUP AND CHARITY STATEMENTS OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

For the year ended 31 December 2024

		Group		Charity	
	Notes	2024 Unrestricted* £'000	2023 Unrestricted* £'000	2024 Unrestricted* £'000	2023 Unrestricted* £'000
Income from:					
Donations		-	-	466	316
Other trading activities:					
Commercial trading operations		252,343	273,301	-	-
		<u>252,343</u>	<u>273,301</u>	<u>466</u>	<u>316</u>
Investments	5	2,237	1,253	47	51
Total income	4	<u>254,580</u>	<u>274,554</u>	<u>513</u>	<u>367</u>
Expenditure on:					
Raising funds:					
Commercial trading operations		(258,149)	(273,702)	-	-
Charitable activities	9	(689)	(335)	(689)	(379)
Total expenditure	6	<u>(258,838)</u>	<u>(274,037)</u>	<u>(689)</u>	<u>(379)</u>
Net (expenditure)/income excluding joint venture income					
		(4,258)	517	(176)	(12)
Share of net income from joint ventures					
	15	46	221	-	-
Net (expenditure)/income before tax for the financial year					
		(4,212)	738	(176)	(12)
Net losses on investments					
	15	(15)	-	(15)	-
Tax payable					
	10	(1,149)	(875)	-	-
Net expenditure before other comprehensive income					
	7	<u>(5,376)</u>	<u>(137)</u>	<u>(191)</u>	<u>(12)</u>
Attributable to the owner					
		(5,394)	(168)	-	-
Attributable to Non-Controlling Interest					
		18	31	-	-
Other comprehensive income:					
Actuarial loss on defined benefit pension					
	23	(981)	(4,061)	-	-
Change in value of hedging instrument					
	17	(13)	(13)	-	-
Currency translation differences					
		(1,873)	(2,050)	-	-
Deferred tax on other recognised gains and losses					
	10	245	1,015	-	-
Net movement in funds		<u>(7,998)</u>	<u>(5,246)</u>	<u>(191)</u>	<u>(12)</u>
Attributable to the owner					
		(8,016)	(5,277)	-	-
Attributable to the NCI					
		18	31	-	-
Net movement in funds		<u>(7,998)</u>	<u>(5,246)</u>	<u>(191)</u>	<u>(12)</u>
Total funds brought forward	25	<u>108,847</u>	<u>114,093</u>	<u>1,925</u>	<u>1,937</u>
Total funds carried forward	25	<u>100,849</u>	<u>108,847</u>	<u>1,734</u>	<u>1,925</u>

*Unrestricted funds include designated funds and movement on these funds can be seen in note 25.

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTT BADER COMMONWEALTH LIMITED
GROUP AND CHARITY BALANCE SHEETS
At 31 December 2024

	Notes	Group		Charity	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Intangible fixed assets	12	8,333	10,139	-	-
Tangible fixed assets	13	61,982	62,904	-	-
Investment property	15	480	495	480	495
Investments in subsidiaries	14	-	-	-	-
Interests in joint ventures	14/15	-	392	-	-
		<u>70,795</u>	<u>73,930</u>	<u>480</u>	<u>495</u>
Current assets					
Stocks	16	27,614	35,675	-	-
Debtors	17	43,523	44,649	14	316
Debtors greater than one year	18	3,919	2,058	-	-
Investments		200	-	200	-
Cash at bank and in hand		10,380	16,866	1,095	1,163
		<u>85,636</u>	<u>99,248</u>	<u>1,309</u>	<u>1,479</u>
Current liabilities					
Creditors: amounts falling due within one year	19	50,834	58,618	55	49
Net current assets		<u>34,802</u>	<u>40,630</u>	<u>1,254</u>	<u>1,430</u>
Total assets less current liabilities		<u>105,597</u>	<u>114,560</u>	<u>1,734</u>	<u>1,925</u>
Creditors: amounts falling due after more than one year	20	387	3,531	-	-
Provisions	22	8,814	6,472	-	-
		<u>9,201</u>	<u>10,003</u>	<u>-</u>	<u>-</u>
Net assets excluding pension asset		<u>96,396</u>	<u>104,557</u>	<u>1,734</u>	<u>1,925</u>
Pension asset	23	4,453	4,290	-	-
Net assets		<u>100,849</u>	<u>108,847</u>	<u>1,734</u>	<u>1,925</u>
Reserves:					
Unrestricted funds:					
General reserve funds					
Unrestricted income funds	25	100,276	108,277	1,262	1,438
Designated funds					
Fair Value Reserve	25	472	487	472	487
Total charity funds attributed to owners		<u>100,748</u>	<u>108,764</u>	<u>1,734</u>	<u>1,925</u>
Non-Controlling interest					
Non – Controlling interest	25	101	83	-	-
		<u>100,849</u>	<u>108,847</u>	<u>1,734</u>	<u>1,925</u>

The financial statements on pages 28 to 67 were approved by the board of Trustees on 20 May 2025 and signed on their behalf by:

Richard Tapp *Richard Tapp*
Trustee

Paul Smith *Paul L Smith*
Trustee

Company number: 496082

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTT BADER COMMONWEALTH LIMITED

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Net cash provided by operating activities	26		8,371		12,404
Taxation (paid)/received			(1,015)		696
Net cash generated from operating activities			7,356		13,100
Cash flows from investing activities					
Purchase of tangible assets		(4,378)		(12,072)	
Purchase of intangible assets		(994)		(925)	
Proceeds from disposals of tangible assets		554		322	
Dividends received from joint ventures		-		222	
Acquisition of subsidiary		(1,799)		-	
Investment in current assets		(200)		-	
Rental income received		27		34	
Interest received		1,163		376	
Net cash used in investing activities			(5,627)		(12,043)
Cash flows from financing activities					
Repayment of bank loans		(4,343)		(417)	
Interest paid		(2,167)		(1,455)	
Net cash used in financing activities			(6,510)		(1,872)
Net decrease in cash and cash equivalents			(4,781)		(815)
Effect of exchange rates			-		(409)
Cash and cash equivalents at the beginning of the year			9,019		10,243
Cash and cash equivalents at the end of the year			4,238		9,019
Cash and cash equivalents consist of:					
Cash at bank and in hand			10,380		16,866
Bank overdrafts			(6,142)		(7,847)
Cash and cash equivalents at the end of the year			4,238		9,019

The accompanying accounting policies and notes form an integral part of these financial statements.

Within cash and cash equivalents there is a balance of £nil (2023: £464k) that is held in an escrow account. This escrow account has been established in agreement with the defined benefit pension scheme and the group have been making agreed payments into the account. Further information is included in note 23.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. STATEMENT OF COMPLIANCE

The Scott Bader Commonwealth Limited is a private company, limited by guarantee, incorporated in England and Wales and domiciled in England. The company number is 496082 and the registered office is Wollaston Hall, Wollaston, Wellingborough, Northamptonshire, NN29 7RL.

The financial statements have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Principal activities are noted in the Report of the Trustees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the measurement of certain financial assets and liabilities measured at fair value.

The charitable company constitutes a public benefit entity as defined by FRS102.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Reduced disclosures

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.

Going Concern

When assessing the going concern principle for the Commonwealth, considerations of the Trustees include, but are not limited to the following; the Financial position of the Group as at 31 December 2024, the most recent cash position, the projected cashflows and the availability and headroom of the financing facilities across the group, including the ability to meet future covenants.

The performance of the Group in the year to date is below last year as a result of continuing suppressed economic activity impacting Scott Bader's customers. The Group has taken a number of restructuring actions to address this for the long term and as a result did not trade profitably in the year. The Group obtained a waiver from its lending partner for one of the two covenant tests required to be met quarterly for which it was not in compliance.

Given continuing economic uncertainty, performance forecasts to June 2026 have been generated under a variety of scenarios, including the application of prudent, worst-case assumptions. In addition, several mitigating actions have been considered in relation to each model, including options to reduce both costs and capital expenditure without impacting on the day to day operations of the business. On the basis of these forecasts, the Directors remain confident that the Group will be sufficiently well capitalised and able to meet all lending covenants for the foreseeable future.

Having considered the financial forecasts and the mitigating actions available to adequately preserve cash and reduce cost, should this be necessary, the Directors are confident that the Group remains a going concern, and that the results within this document represent a true and fair view of the position of the Group and Charity.

The accounts are prepared on the going concern basis.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

Group financial statements and basis of consolidation

These financial statements consolidate the results of the Charity and all its subsidiary undertakings made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures.

In the group financial statements, joint ventures are accounted for using the equity method.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Foreign currency

(i) Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Charity's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

(iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net assets and from the translation of the profits or losses at average rates are included in other recognised gains and losses.

Income recognition

Income recognition includes income recognised in the Group's trading activities.

Income is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

The Group recognises income when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of income can be measured reliably; (d) it is probable that future economic benefits will flow to the entity.

(i) Sale of goods

The risks and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to, or picked up by the customer.

(ii) Interest income

Interest income is recognised using the effective interest rate method.

(iii) Rental income

Rental income is recognised on a straight line basis over the life of the rental period.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

Income recognition (continued)

(iv) Donation income

Donation income including donations, gifts and grants that provide core funding to address any immediate needs or costs of the charity or of a general nature are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Defined benefit pension plan

The Group operates a defined benefit plan for certain UK employees. This scheme was closed to future accrual from 1 April 2006. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the balance sheet in respect of the defined benefit plan is the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions from the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial (loss)/gain on defined benefit pension'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Interest payable and similar charges'.

(iv) Other retirement benefits

Scott Bader France is required by French law to provide a lump sum to employees on retirement, based on length of service with the employer. The provision is calculated according to French government assumptions of life expectancy and a standard discount rate. The provision is applied to those employees with less than 15 years until retirement because it is assumed that some employees will leave before reaching retirement age.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

(v) Annual bonus plan

The Group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of financial activities, except to the extent that it relates to items in other recognised gains and losses. In this case, tax is also included in other recognised gains and losses.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total net income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(iii) Deferred tax in business combinations

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

(iv) Offsetting deferred tax assets and liabilities

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised up to a period of 0 to 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the statement of financial activities.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets are stated at cost or fair value at acquisition date less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, of up to 10 years, in line with the Trustees' (Directors') assessment of the beneficial period.

Goodwill	0 – 10 years
Technology	0 – 10 years
Customer Lists	0 – 10 years

Tangible fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

(i) Land & buildings

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

Leasehold properties are amortised in equal instalments over the lesser of the unexpired term of the relevant lease or fifty years, except that premiums paid or receivable on the acquisition of leasehold properties applicable to rental benefits are written off over the period to the first open market rent review.

(ii) Plant and machinery and fixtures, fittings, tools and equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Freehold buildings	50 years
Short leasehold land and buildings	over the lease period
Plant and equipment	3-20 years
Motor vehicles	4-5 years

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Leased assets

At inception, the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

Leased assets (continued)

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the statement of financial activities over the period to the first review date on which the rent is adjusted to market rates.

Investments

Charity investment in subsidiaries and joint ventures are held at cost less accumulated impairment losses. Group investments in joint ventures are stated in the group balance sheet at the group's share of their net assets. The group's share of profits less losses of joint ventures is included in the group statement of financial activities.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period, stock is assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of financial activities. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of financial activities.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

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

Cash held within accounts with a notice period of three months or more are held in current asset investments.

Provisions and contingencies

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date; or

when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the likelihood of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, amounts owed by group undertakings, cash and bank balances and listed investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when

- (a) the contractual rights to the cash flows from the asset expire or are settled, or
- (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or
- (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

(ii) Financial liabilities (continued)

Bills of exchange are recognised at face value and recorded at amortised cost until the date of maturity and the payment against it is realised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement, in which case they flow through Other Comprehensive Income.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Research and development costs

Expenditure on research and development is written off as incurred.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. If applicable, the aim and use of each designated fund is set out in the notes to the financial statements.

All funds are general except for the fair value reserve which is a designated fund.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in commercial trading activities.
- Charitable activities include expenditure associated with the parent charity.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.
- Charitable donations and grants are accounted for in the year of payment or when approved and the recipient has been informed in writing that the donation or grant is to be made unconditionally, albeit that payment may be in a following accounting period. Where it has been agreed to make such unconditional donations or grants to charity in future years, this is included in the accounts as a liability.
- Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Investment property

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties are carried at fair value with changes in fair value being recognised in the statement of financial activities. The cumulative fair value movement is presented in a Fair Value Reserve (designated fund).

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors (note 17)

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(ii) Provisions (note 22)

Provision is made for various employee benefits payable on retirement or exit from the Group. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Provision is also made for potential future tax liabilities incurred within the group, and for the release of any such provisions, as a result of prior year restatements. These provisions require management's best estimate of the costs that will be incurred based on available expert opinion and legislative requirements.

Provision is also made for potential future payment for the required restitution of land when subsidiary companies vacate premises currently occupied. These provisions require management's best estimate of the costs that will be incurred based on available expert opinion and legislative requirements.

(iii) Defined benefit pension scheme (note 23)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

(iv) Accruals for customer claims (note 19)

Accruals are made for customer claims to the extent that they are expected to be payable based upon the historical pattern of customer claims and any known uninsured product liability.

(v) Contingent consideration (note 12)

The Group fair values contingent consideration based on latest available information as detailed in note 12.

(vi) Intangible Assets & Goodwill (note 12)

The Group reviews the carrying value of its intangible assets to determine if there is any indication that those assets are impaired. The group's intangible assets and goodwill predominantly relate to its acquisition of the remaining 50% of its Joint Venture in India in 2022. Whilst the business has faced overall trading headwinds it is not assessed that sufficiently triggers a formal impairment assessment. The Group's long term strategic plan supports the value of the assets acquired.

(vii) Deferred Taxation (note 10, note 17, note 18 and note 22)

As discussed elsewhere in the report the Group is forecast to return to a profitable tax paying position in 2025 and beyond having taken steps to restructure the business during a turbulent 2024, despite ongoing uncertainty in the global macro-economic environment.

The group has therefore recognised a £6.2m deferred tax asset, which is dependent on the existence of future taxable profits to enable the utilisation of brought forward taxable losses available. In order to support the recognition of the £7.5m deferred tax asset on losses, modelling was undertaken to review the recovery period of the deferred tax asset. The modelling was based on management forecasts, consistent with that used for the going concern assessment and asset impairment testing and showed that the deferred tax asset on losses is expected to be recovered by 2027.

We have assessed that the current group structure continues to be sustainable under the tax law substantively enacted at the balance sheet date and the Group's intentions and therefore that the recoverability of the deferred tax asset recognised is probable in line with FRS102.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. ANALYSIS OF TOTAL INCOME

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
External turnover of Scott Bader Company Limited and its subsidiaries	252,343	273,301	-	-
Investment income	2,237	1,253	47	51
Donation from Scott Bader Company Limited	-	-	466	316
	254,580	274,554	513	367

External turnover of Scott Bader Company Limited and its subsidiaries by geographical market is analysed below:

	2024	2023
	£'000	£'000
UK and Eire	44,191	41,896
Continental Europe	88,828	100,468
Rest of World	119,324	130,937
	252,343	273,301

5. INVESTMENT INCOME

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Rental income	35	34	27	34
Interest receivable and similar income	2,202	1,219	20	17
	2,237	1,253	47	51

6. ANALYSIS OF TOTAL EXPENDITURE

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Raising funds:				
Staff costs (including related costs) (note 11)	45,912	46,171	-	-
Other trading costs	212,237	227,531	-	-
Total expenditure on commercial trading operations	258,149	273,702	-	-
Charitable activities (note 9)	689	335	689	379
Total expenditure	258,838	274,037	689	379

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

7. NET EXPENDITURE

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Net expenditure is stated after charging / (crediting) the following items:				
Research and development	3,731	3,354	-	-
Depreciation and amortisation	5,517	6,621	-	-
Net interest on DB Pension Scheme	218	(383)	-	-
(Gain)/loss on disposal of tangible assets	(436)	8	-	-
Impairment of trade debtors	285	(99)	-	-
Impairment of stocks	1,060	(154)	-	-
Operating lease charges	2,166	1,706	-	-
Foreign exchange loss	229	1,172	-	-
Auditor's remuneration:				
Fees payable to the Charity's auditors:				
- for the audit of the Charity's financial statements	24	23	24	23
- for the audit of the Charity's subsidiaries	433	373	-	-
Other non-audit fees	163	156	9	9

In 2023, the audit fees of the Charity itself were paid by Scott Bader Company Limited.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	Group	
	2024	2023
	£'000	£'000
Interest expense on bank loans and overdrafts	1,895	1,370
Interest expense on other loans	271	85
Total interest payable and similar charges	<u>2,166</u>	<u>1,455</u>

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES

The Scott Bader Commonwealth Limited has a policy of making grants to organisations and not individuals. Information about the charitable donations (grants) made by The Scott Bader Commonwealth Limited during 2024 is provided below. The amount available to each location in the Scott Bader Group is proportionate to the number of people employed at that location. Grants are recommended by all of the locations where SBCL operates and are submitted via a grant management tool called Optimy, which was introduced to simplify and streamline the grant making process.

The Trustees are aware that some locations prefer to support the same charities year on year, but consider it is acceptable to form long term relationships with the charities that they consider are looking after the welfare of those less fortunate in the communities where they operate.

UK Fund (Glocal Fund)

Charity Name	2024 £'000
UK Nomination Scheme	11.6
Baby Basics Northampton (P)	3.0
Cransley Hospice Trust (P)	0.5
Dentaid The Dental Charity (P)	4.0
Earls Barton Primary School (Ed)	1.5
Emmaus Turvey Limited (Ed)	2.4
Energy Sparks (En)	4.0
Fareshare Midlands (P)	2.0
Natural Breaks Limited (P)	4.0
Northampton Hope Centre (P)	2.0
Northampton Mind (Ed)	2.0
Northamptonshire Domestic Abuse Service (P)	3.0
Partnership for Children (Ed)	3.8
Read for Good (P)	3.8
Spencer Contact (P)	3.9
The Northamptonshire Community Foundation (P)	3.1
Teamwork Trust (Ed)	2.0
The Compassionate Friends (Ed)	1.2
The Outward Bound Trust (Ed)	3.6
The Reanella Trust (P)	4.0
Wollaston & Strixton Pre-School (Ed)	2.0
	<u>67.4</u>

In the prior year, the charity made twelve grants to charitable institutions totalling £67.4k under the UK Fund.

Ireland (Glocal Fund)

Charity Name	2024 £'000
Barnardo's (Ed)	2.1
Extern Ireland (P)	2.2
	<u>4.3</u>

In the prior year, the charity made two grants to charitable institutions in Ireland totalling £4.3k.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)**France (Glocal Fund)**

Charity Name	2024 £'000
Small donations	5.9
Association Les Fees Sourires (P)	1.3
Association Secours Populaire (P)	1.3
La Bonne Casse (P)	3.0
For Senegal (P)	3.4
Initi'elles (P)	3.3
Nouvelle Ere (En)	1.2
Maisons D'Accueil I'llot (P)	3.3
	<u>22.7</u>

In the prior year, the charity made ten grants to charitable institutions in France totalling £24.6k.

Croatia (Glocal Fund)

Charity Name	2024 £'000
International Association of Natural Health (Ed)	0.3
Izaberi Zivot (P)	7.3
Mali Zmaj (Ed)	9.9
MS Pilates (Ed)	2.0
	<u>19.5</u>

In the prior year, the charity made three grants to charitable institutions in Croatia totalling £19.0k.

South Africa (Glocal Fund)

Charity Name	2024 £'000
African Wanderers Football Club Academy (Ed)	1.5
Enhalalahahle Creche (Ed)	1.5
Focus On iThemba (Ed)	1.7
Hammarisdale Cato Ridge Development Association (En)	1.7
Hammarisdale Athletics Club (P)	1.5
Lulama Trust (En)	1.5
Okhule Edu-Care Centre (Ed)	1.5
Rally to Read (Ed)	1.5
Starfish Greathearts Foundation (Ed)	1.5
Tholulwazi Creche and Pre-School (Ed)	1.4
	<u>15.3</u>

In the prior year, the charity made ten grants to charitable institutions in South Africa totalling £15.0k.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)**Dubai (Glocal Fund)**

Charity Name	2024 £'000
MAAN Education & Health Development Organisation (Ed)	5.0
Fazilia Trust Pakistan (Ed)	2.5
Royal Commonwealth Society for the Blind (Ed)	2.5
Ruchika Social Service Organisation (P)	2.5
SOS Children's Village Philippines (Ed)	2.5
The Rainbow Centre Sri Lanka (Ed)	2.5
Trust for the Rehabilitation for the Paralysed (P)	2.5
Marharshi Karve Stree Shikshan Samstha (Ed)	2.5
	<u>22.5</u>

In the prior year, the charity made seven grants to charitable institutions in Dubai totalling £22.7k.

Germany (Glocal Fund)

Charity Name	2024 £'000
Artze Ohne Grenzen (P)	2.8
	<u>2.8</u>

In the prior year, the charity made one grant to a charitable institution in Germany totalling £2.8k.

China & Japan (Glocal Fund)

Charity Name	2024 £'000
Global Giving UK (P)	7.8
	<u>7.8</u>

In the prior year, the charity made one grant to a charitable institution in China totalling £5.0k.

USA (Glocal Fund)

Charity Name	2024 £'000
Nomination Scheme	4.0
Small donations	3.0
	<u>7.0</u>

In the prior year, the charity made five grants to charitable institutions in USA totalling £7.0k.

Spain (Glocal Fund)

Charity Name	2024 £'000
Fundacio Noelia Ninos Contra La Distrofia Muscular (Ed)	3.2
	<u>3.2</u>

In the prior year, the charity made one grant to a charitable institution in Spain totalling £3.0k.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)**Czech Republic (Glocal Fund)**

Charity Name	2024 £'000
Czech Blind United (Ed)	1.7
Helppes Centrum (Ed)	0.7
Nadace Jedlickova Ustavu (P)	1.4
	<u>3.8</u>

In the prior year, the charity made three grants to charitable institutions in Czech Republic totalling £3.8k.

Canada (Glocal Fund)

Charity Name	2024 £'000
Centre d'ecoute et de Prevention Suicide Drummond (Ed)	1.6
Escadron 607 Drumondville (Ed)	1.5
Fondation Le Tremplin (Ed)	1.6
Fondation Rene Verrier (P)	2.4
La Tablee Populaire (P)	2.4
	<u>9.5</u>

In the prior year, the charity made four grants to charitable institutions in Canada totalling £8.4k.

Australia (Glocal Fund)

Charity Name	2024 £'000
The Wetlands Centre Cockburn (En)	4.0
	<u>4.0</u>

In the prior year, the charity made one grant to a charitable institution in Australia totalling £4.0k.

Turkey (Glocal Fund)

Charity Name	2024 £'000
Turkiye Yesilay Cemiyeti (Ed)	2.7
	<u>2.7</u>

In the prior year, the charity made no grants to charitable institutions in Turkey.

Sweden (Glocal Fund)

Charity Name	2024 £'000
BarncancerFonden (P)	3.0
Falkenbergs Fontanhus (P)	1.0
	<u>4.0</u>

In the prior year, the charity made two grants to charitable institutions in Sweden totalling £3.5k.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)**Italy (Glocal Fund)**

Charity Name	2024 £'000
Children in Crisis Italy (Ed)	2.8
	<u>2.8</u>

In the prior year, the charity made one grant to a charitable institution in Italy totalling £2.8k.

India (Glocal Fund)

Charity Name	2024 £'000
Carers Worldwide (P)	2.5
Hkm Charitable Foundation (Ed)	6.0
	<u>8.5</u>

In the prior year, the charity made one grant to a charitable institution in India totalling £2.5k.

Research & other Grants

Charity Name	2024 £'000
Christel House Europe (P)	5.0
Jericho Chambers	4.0
Northamptonshire Community Foundation	3.7
The Vayyu Foundation (En)	5.0
SB Inc – Hurricane Relief	2.0
ACF & NCVO Subscriptions	0.7
	<u>20.4</u>

In the prior year, the charity made one research grant to a charitable institution totalling £11.8k.

Godric Bader Fund

Charity Name	2024 £'000
Quaker United Nations Office (QUNO)	7.0
Victoria Centre	0.6
Wollaston Heritage Society	0.4
	<u>8.0</u>

In the prior year, the charity made two grants to charitable institutions under the Godric Bader Fund totalling £8.0k.

Global Impact Fund (previously known as the Centenary Fund)

Charity Name	2024 £'000
Advantage Africa (P)	25.0
EdUKaid (Ed)	25.0
Taste (En)	25.0
The Lewis Foundation (P)	25.0
	<u>100.0</u>

In the prior year, the charity made four grants to charitable institutions under the Centenary Fund totalling £100k.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Other grants

In the prior year, the charity made two other grants to charitable institutions totalling £5.7k.

	2024	2023
	£'000	£'000
Total direct charitable expenditure (grants payable)	<u>336</u>	<u>321</u>
Support costs:		
Governance costs	167	14
Other support costs	186	-
Total charitable expenditure (Group)	<u>689</u>	<u>335</u>
Add: Group cost recharges	-	44
Total charitable expenditure (Charity only)	<u>689</u>	<u>379</u>

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

10. TAXATION

The Commonwealth is registered as a Charity and as such is exempt from Corporation Tax. However tax is payable by Scott Bader Company Limited and its subsidiaries. The below notes relate specifically to the SBCL Group tax position.

a) Tax expense included in profit or loss	2024	2023
	£'000	£'000
Current tax:		
– UK Corporation tax on profits for the year	313	206
– Foreign corporation tax on profits for the year	554	1,749
– Adjustment in respect of prior periods	(134)	346
Group and total current tax	733	2,301
Deferred tax:		
– Change in tax rate	2	(136)
– Origination and reversal of timing differences	242	(1,334)
– Adjustment in respect of prior periods	172	44
Group and total deferred tax	416	(1,426)
Group current tax	733	2,301
Group deferred tax	416	(1,426)
Group tax on (loss)/profit on ordinary activities	1,149	875
b) Tax expense included in other comprehensive income	2024	2023
	£'000	£'000
Deferred tax:		
– Change in tax rate	-	60
– Origination and reversal of timing differences	245	955
Total tax credit included in other comprehensive income	245	1,015

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

10. TAXATION (CONTINUED)**(c) Reconciliation of tax charge**

	2024	2023
	£'000	£'000
The tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are explained below:		
Total net (expenditure)/income before tax for the financial year	<u>(4,212)</u>	<u>738</u>
(Loss)/profit on ordinary activities at standard rate of corporation taxation in the UK: 25% (2023: 23.5%)	(1,053)	173
Effects of:		
Foreign subsidiary profits within zero tax rate regime	(124)	(704)
Other adjustments in respect of foreign tax rates	(52)	(179)
Expenses/(income) not deductible for tax purposes	178	317
Unrecognised deferred tax	2,040	976
Withholding tax suffered	120	38
Re-measurement of deferred tax (change in tax rate)	3	(136)
Adjustment in respect of prior periods	<u>37</u>	<u>390</u>
Group tax on (loss)/profit on ordinary activities	<u>1,149</u>	<u>875</u>

Change in Effective Tax Rate

The Effective Tax Rate (ETR) of the Group (excluding adjustments in respect of prior periods) decreased by 47.8% to 17.1% (2023: 64.9%).

Due to the decrease in the SBCL PBT for the year to a loss before tax of £4,036k (2023: profit £749k), profit mix and local tax rates have a much larger impact on ETR. The impact of profits for Scott Bader Middle East being within a zero tax regime was a decrease in ETR by 3.1% (2023: 94.0%). The impact of other local tax rates outside of the UK on ETR was a decrease in ETR of 1.3% (2023: a decrease of 23.9%). It should be noted that due to the loss before tax, adjustments that decrease the group's tax liability will be shown as having the impact of increasing ETR and adjustments that increase the group's tax liability will be shown as having the impact of decreasing ETR.

Other factors driving the ETR for the year were irrecoverable withholding tax, mainly arising in the UK (reducing ETR by 3.0%) and non-recognition of deferred tax assets (decreasing ETR by 6.0%).

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

11. ANALYSIS OF STAFF COSTS

The charity employs 3 employees (2023: 3). £176k of staff costs were recharged to SBCW from SBCL in the year (2023: 41k). The following are disclosures for the Group.

	2024	2023
	£'000	£'000
Wages and salaries	34,654	34,027
Staff bonuses	879	3,323
Other staff benefits	1,865	1,729
Social security costs	4,460	4,537
Pension costs – current service cost	2,532	2,374
Redundancy costs	1,698	181
	46,088	46,171

Expenses reimbursed to the Trustees in the year were £4.2k (2023: £3.8k), relating to travel and subsistence for 4 Trustees (2023: 5).

In accordance with normal commercial practice, the Group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on charity business. It is not possible to quantify the cost of this insurance as it is part of a combined policy. The Trustees of the Charity do not receive remuneration in their role as Trustees of the Charity. Employee elected Trustees (Benjamin Penney, David Black and Juliette Delprat) receive remuneration for their operational roles in the SBCL Group that they are employed, with the amount received noted below for their period as Trustee:

	2024	2023
	£'000	£'000
Basic Salary	164	186
Pension contributions and other benefits	13	10
Bonuses	-	9
	177	205

The remuneration of key management personnel of the Group was £2,506k (2023: £2,157k). This includes Trustees' remuneration noted above. Key management personnel are defined by their involvement within the day-to-day decision making of the Group strategy and comprise of the Group Leadership Team (GLT) and Regional Business Leaders. There are no Trustees to whom retirement benefits are accruing.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

11. ANALYSIS OF STAFF COSTS (CONTINUED)

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000 during the year for the charitable group was:

	2024	2023
	Number	Number
£60,001 - £70,000	42	44
£70,001 - £80,000	25	29
£80,001 - £90,000	16	13
£90,001 - £100,000	18	20
£100,001 - £110,000	7	9
£110,001 - £120,000	7	10
£120,001 - £130,000	3	4
£130,001 - £140,000	2	3
£140,001 - £150,000	4	5
£150,001 - £160,000	3	5
£160,001 - £170,000	-	1
£170,001 - £180,000	2	2
£180,001 - £190,000	3	-
£200,001 - £210,000	1	1
£210,001 - £220,000	1	-
£250,001 - £260,000	-	1
£270,001 - £280,000	-	1
£290,001 - £300,000	1	-
£330,001 - £340,000	-	1
	135	149

The average number of persons employed during the period by geographical area was as follows:

	2024	2023
	Number	Number
UK and Eire	299	334
Continental Europe	224	221
Rest of World	277	279
	800	834

The average number of persons employed by the Group by activity was as follows:

	2024	2023
	Number	Number
Administration	137	141
Research & Development	52	52
Manufacturing & Distribution	494	524
Sales & Marketing	117	117
	800	834

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

12. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000	Customer lists £'000	Technology £'000	Group Total £'000
Cost at 1 January 2024	4,553	1,179	7,793	13,525
Additions	834	-	994	1,828
Reclassifications	-	-	239	239
Disposals	(2,937)	-	-	(2,937)
Difference on exchange	(58)	(17)	(61)	(136)
Cost at 31 December 2024	2,392	1,162	8,965	12,519
Accumulated Amortisation at 1 January 2024	1,417	354	1,615	3,386
Charge for the year	80	233	562	875
Disposals	(2)	-	-	(2)
Difference on exchange	(54)	(6)	(13)	(73)
At 31 December 2024	1,441	581	2,164	4,186
Net book value at 31 December 2024	951	581	6,801	8,333
Net book value at 31 December 2023	3,136	825	6,178	10,139

Assets in the course of construction and on which amortisation has yet to commence are included in the cost of Technology to the value of £3,379k (2023: £2,753k).

Amortisation has been included within expenditure on commercial trading operations.

Goodwill additions represent the purchase of the Group remaining 50% stake in the joint venture Nova Scott. Disposals represent the fair value movement of the contingent consideration associated with the 2022 acquisition of Scott Bader India. The fair value of the contingent consideration is based upon the likelihood of a rolling 12-month target being hit within a 3 year window from the date of acquisition which expires June 2025. The Group assesses, based upon the historical year to date performance and forecasts, the likelihood of the target being met and has adjusted the fair value accordingly. For the year ended 31 December 2024, a reduction in the goodwill of £2,937k to a balance of nil has been recognised (31 December 2023 addition of £2,928k) with a corresponding reduction in corresponding liabilities as the group assess performance conditions are unlikely to be met.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

13. TANGIBLE FIXED ASSETS

Group	Land and Buildings				Total £'000
	Freehold £'000	Short leasehold £'000	Plant and equipment £'000	Motor vehicles £'000	
Cost or valuation:					
At 1 January 2024	42,428	5,167	109,414	528	157,537
Additions	155	198	4,252	-	4,605
Disposals	(336)	-	(690)	-	(1,026)
Reclassification	10,190	150	(10,606)	27	(239)
Difference on exchange	(917)	(23)	(1,836)	(1)	(2,777)
At 31 December 2024	51,520	5,492	100,534	554	158,100
Accumulated Depreciation:					
At 1 January 2024	20,521	3,295	70,509	308	94,633
Charge for the year	916	50	3,620	56	4,642
Disposals	(291)	-	(617)	-	(908)
Difference on exchange	(543)	(400)	(1,312)	6	(2,249)
At 31 December 2024	20,603	2,945	72,200	370	96,118
Net book value					
At 31 December 2024	30,917	2,547	28,334	184	61,982
At 31 December 2023	21,907	1,872	38,905	220	62,904

Assets in the course of construction and on which depreciation has yet to commence are included in the cost of Plant & Equipment to the value of £3,878k (2023: £17,111k). Freehold land of £4,934k (2023: £5,092k) is not depreciated.

14. SUBSIDIARY UNDERTAKINGS

The Parent Charity is the registered holder of the whole of the share capital of Scott Bader Company Limited's 100,000 shares of 50p each. Of these, the Commonwealth holds 10,000 shares on behalf of the Guardian Trustees who have additional responsibilities to their role as Charity Trustees as set out in the Report of the Trustees.

These 10,000 shares are referred to in the Articles of The Scott Bader Commonwealth Limited as Guardian Trustee Shares. Special voting rights in relation to these shares are exercised under Articles 16.2 and 18.2 of the Articles of Association of The Scott Bader Commonwealth Limited. These relate to any resolution to alter the Articles of Association of either The Scott Bader Commonwealth Limited or Scott Bader Company Limited or to dispose of or direct the disposal of any shares in Scott Bader Company Limited.

The shares were given to the Commonwealth in 1951 and 1963 by Ernest Bader and his family in order to place Scott Bader Company Limited in common ownership where it would be directed and managed not only for the benefit of those working in the Company but also for the wider community and for future generations.

Under Article 14 of the Scott Bader Commonwealth Limited articles, the SBCW Board shall have no power to dispose of any Shares in SBCL or any other Subsidiary or to exercise or direct the exercise of the votes or carry out any other responsibilities attached to any such Shares. The SBCW Members and the Guardian Trustees shall exercise such powers and any such other responsibilities in accordance with these Articles.

In September 2023, the Group signed an agreement to purchase the remaining shares of our joint venture in Brazil, Nova Scott, from Anderpol. This will give the group full control over a manufacturing and distribution base in South America to continue its geographic expansion and to be able to serve our global customers and penetrate our chosen markets in Brazil and across the South American continent. This transaction completed in Q2 2024.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Subsidiary undertakings

The Group holds 100% of the issued shares of all subsidiaries in the below table and, except where noted, these are held by SBCL. None of the subsidiaries are listed on a recognised stock exchange and all have been included in the consolidation.

Company	Country of incorporation and principal country of operation	Company Registration Number	Nature of Business	Registered Office
Scott Bader Company Limited ⁴	Great Britain	00189141	Corporate Head office	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL
Scott Bader UK Limited	Great Britain	4562724	Manufacturer of resins	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL
Scott Bader SAS	France	631 720 497	Manufacturer of resins	65 Rue Sully, 80000 Amiens
Scott Bader Middle East Ltd (Incorporated in Jersey) ¹	United Arab Emirates	States of Jersey: Registration No.: 55367 JAFZA: Registration No.: 173909	Manufacture of resins	One The Esplanade, St Helier, Jersey, JE 3QA, Channel Islands
Scott Bader d.o.o. ²	Croatia	80008643	Manufacture of resins	Radnička cesta 173 i, 10000 Zagreb
Scott Bader (Pty) Ltd ¹	South Africa	1993 000 466 07	Manufacture of resins	1 Lubex Road, PO Box 1539, Hillcrest 3650, Hammarsdale, Kwazulu Natal, South Africa
Scott Bader ATC Inc.	Canada	1168859909	Manufacturer of adhesives	2400, Canadien Street #303, Drummondville (Qc), J2C 7W3, Canada
Scott Bader Scandinavia AB ¹	Sweden	556399-5322	Distributor of resins	BOX 202, 31123 Falkenberg
Scott Bader Eastern Europe ¹	Czech Republic	250 45 580	Distributor of resins	Evropska 2588/33a, Dejvice, 160 00 Praha 6
Scott Bader Iberica SL ¹	Spain	ESB 62948450. Tomo 34949/Folio 0202	Distributor of resins	Avda. Corts Catalanes, 8, 08173 Sant Cugat del Valles-Barcelona
Scott Bader Inc ³	USA	2310546	Distributor of resins	Registered Agent Solutions, Inc., 9E. Loockerman Street, Suite 311, Dover, DE 19901
Scott Bader (Shanghai) Trading Company Ltd	China	91310000664387 9063	Distributor of resins	Room2402, Hitch Plaza 488 Wuning Road (South) Shanghai China
Scott Bader Japan KK	Japan	3020001128001	Distributor of resins	Nisso Bldg#18, Export Office#708, 3-7-18, Shin-Yokohama, Kohoku-ku, Yokohama, Kaagawa, Japan
Synthetic Resins Limited	Great Britain	00282663	Intermediate holding company	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL
Boldhelp Limited	Great Britain	03793984	Intermediate holding company	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL
Scott Bader Brazil Limited	Great Britain	08549866	Intermediate holding company	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Company	Country of incorporation and principal country of operation	Company Registration Number	Nature of Business	Registered Office
Scott Bader North America Inc ¹	USA	2310544	Intermediate holding company	Registered Agent Solutions, Inc., 9E. Lookerman Street, Suite 311, Dover, DE 19901
Scott Bader Community Fund Trustee Limited	Great Britain	01282834	Corporate Trustee	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL
Scott Bader Ireland Ltd	Ireland	694646	Distributor of resins	7a Dunboyne Industrial Est, Dunboyne, Co. Meath, Ireland
Scott Bader Australia Pty Ltd ¹	Australia	640312170	Distributor of resins	P.O. Box 1124 Bibra Lake, Western Australia 6965 Australia
Scott Bader Brasil Especialidades Quimicas Limitada	Brazil	32201731807	Manufacturer of resins	Rodovia Governador Mario Covas, no 600, sala 48, Lote Tabajara, Serra do Anil, CEP 29.147-030, City of Cariacisa/ES, Brazil
Scott Bader Private Limited	India	U24290MH2022 PTC383674	Distributor of resins	307, Floor-3 Plot-267 A to Z Industrial Estate Ganpatrao Kadam Marg Lower Parel Mumbai, Mumbai City, Maharashtra, 400013, India
Scott Bader Manufacturing Private Limited	India	U24100MH2022 PTC388973	Manufacturer of resins	307, Floor-3 Plot-267 A to Z Industrial Estate Ganpatrao Kadam Marg Lower Parel Mumbai, Mumbai City, Maharashtra, 400013, India
Scott Bader AsiaPac Holdco Pte.Ltd.	Singapore	202209091H	Intermediate holding company	600 North Bridge Road 323-01 Parkview Square 188788 Singapore

¹ held by Synthetic Resins Limited, ² held by Boldhelp Limited, ³ held by Scott Bader North America Inc, ⁴ held by Scott Bader Commonwealth Limited

The group holds 80% of the issued shares of the subsidiary in the below table, held by SBCL. This subsidiary is not listed on a recognised stock exchange.

Company	Country of incorporation and principal country of operation	Company Registration Number	Nature of Business	Registered Office
Polymer Mimetics Limited	Great Britain	12598928	Research	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7RL

The Group's dormant companies have not been listed in the above table.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Joint Ventures

Company	Country of incorporation and principal country of operation	Registered Office
Satyen Scott Bader LLP (JV) previously Satyen Scott Bader Private Limited	India	307, A-Z Industrial Premises G K Marg, Lower Parel Mumbai Mumbai City MH 400013 IN

¹ shares held by Scott Bader Brazil Limited

All joint ventures manufacture and distribute compounded polyester resins and are 50% owned by the group, except where noted above these shares are held directly by SBCL.

Subsidiary results

A summary of the results of the SBCL Group is shown below:

	2024 £'000	2023 £'000
Turnover	252,343	273,344
Other operating income	822	461
Direct and indirect overheads	(256,452)	(272,563)
Group operating (loss)/profit	<u>(3,287)</u>	<u>1,242</u>
Share of operating profit in joint ventures	47	221
Total operating (loss)/profit: group and share of joint ventures	<u>(3,240)</u>	<u>1,463</u>
Interest receivable and similar income	1,371	741
Interest payable and similar charges	<u>(2,167)</u>	<u>(1,455)</u>
(Loss)/profit before taxation on ordinary activities	<u>(4,036)</u>	<u>749</u>
Taxation on (loss)/profit on ordinary activities	<u>(1,149)</u>	<u>(875)</u>
(Loss) for the financial year	<u><u>(5,185)</u></u>	<u><u>(126)</u></u>

A summary of the financial position of the SBCL Group is shown below:

	2024 £'000	2023 £'000
Fixed assets	70,315	73,435
Current assets	84,328	98,131
Current liabilities	(50,780)	(58,931)
Long term liabilities	(387)	(3,531)
Provisions for liabilities	(8,814)	(6,472)
Pension asset	<u>4,453</u>	<u>4,290</u>
Net assets	<u><u>99,115</u></u>	<u><u>106,922</u></u>
Capital and reserves	<u><u>99,115</u></u>	<u><u>106,922</u></u>

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

15. INVESTMENTS

	Group Joint Ventures		Group and Charity Investment Property	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance at 1 January	392	414	495	495
Share of profits retained	46	221	-	-
Dividend received	-	(222)	-	-
Disposal	(377)	-	-	-
Revaluation	-	-	(15)	-
Difference on foreign exchange	(61)	(21)	-	-
Balance at 31 December	-	392	480	495

Investment property historical cost:

The investment property is owned by the charity:

2024	2023
£'000	£'000

Cost at 1 January and at 31 December

8	8
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The investment property was valued by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued, Harwoods Chartered Surveyors & Estate Agents, in June 2024, on the basis of open market value. The valuation was arrived at by reference to the estimated amount for which the asset would be expected to exchange between two independent parties on an arms-length basis using available market evidence and local market knowledge. The Trustees believe that this valuation represents the open market value at 31 December 2024.

In June 2024, the Group signed an agreement to purchase the remaining shares of our joint venture in Brazil, Nova Scott from Anderpol

16. GROUP STOCKS

	2024	2023
	£'000	£'000
Raw materials and consumables	12,521	15,651
Finished goods and goods for resale	15,093	20,024
	27,614	35,675

There is no material difference between the balance sheet value of stock and its replacement cost.

17. DEBTORS

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	30,936	32,014	14	-
Amounts owed by group undertakings	-	-	-	316
Corporation tax recoverable	584	217	-	-
Deferred tax asset	2,319	2,207	-	-
Other taxation recoverable	864	817	-	-
Other debtors	2,031	1,827	-	-
Prepayments and accrued income	6,789	7,567	-	-
	43,523	44,649	14	316

Amounts owed by group undertakings are interest free and repayable on demand.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

17. DEBTORS (CONTINUED)

Trade debtors are stated after provisions for impairment of £652k (2023: £305k). Recorded within other debtors is derivative financial instrument with the value of £5k (2023: £101k). Movement in the year was a loss of £13k (2023: loss of £13k). Note 24 provides additional detail.

18. DEBTORS GREATER THAN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred tax asset	<u>3,919</u>	<u>2,058</u>	<u>-</u>	<u>-</u>
	3,919	2,058	-	-

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	10,442	16,028	-	-
Trade creditors	31,191	34,234	14	-
Amounts owed to group undertakings	-	-	-	49
Corporation tax	263	162	-	-
Other taxation and social security	2,283	2,140	-	-
Other creditors	1,471	1,674	1	-
Accruals and deferred income	5,184	4,380	40	-
	<u>50,834</u>	<u>58,618</u>	<u>55</u>	<u>49</u>

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2024	2023
	£'000	£'000
Loans		
Within one to two years	238	326
Within two to five years	25	277
	<u>263</u>	<u>603</u>
Other creditors		
Within one to two years	124	-
	<u>124</u>	<u>-</u>
Contingent consideration		
Within two to five years	-	2,928
	<u>387</u>	<u>3,531</u>

THE SCOTT BADER COMMONWEALTH LIMITED

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For the year ended 31 December 2024

21. LOANS AND OTHER BORROWINGS

Loans repayable, included within creditors, are analysed as follows:

	Group	
	2024	2023
	£'000	£'000
Due within one year or on demand		
Bank loans and overdrafts	10,442	16,028
Due after more than one year		
Bank loans and overdrafts	263	603
Total borrowings	<u>10,705</u>	<u>16,631</u>
Maturity of financial liabilities:		
In one year or less, or on demand	10,442	16,028
In more than one year, but not more than two years	238	326
In more than two years, but not more than five years	25	277
	<u>10,705</u>	<u>16,631</u>

£3,988k (2023: £7,855k) of Group borrowings are secured by fixed and floating charges over the Group's assets.

The Group's liabilities related to Bank and other borrowings consisting of drawn amounts under a revolving credit facility £3,988k (2023: £7,855k), overdraft balances arising under cash pooling £763k (2023: £2,565k) and utilisation of a UK-based invoice factoring facility £5,379k (2023: £5,282k). These facilities operate in various currencies and are subject to interest rates based on the relevant base rate, with margins ranging from 1.25% to 3.00% and loans of £312k (2023: £326k).

Other Group bank loans

Other bank loans include loans from three French banks which are denominated in Euros and are all repayable by quarterly instalments with the final payments being due in July 2026. The initial total value of loans taken out in 2014 was €4,000k and as at 31 December 2024 the outstanding amount was €630k (£522k). They are all secured by a charge over the Group's trading subsidiary in France. These loans have variable rates and during 2024 they ranged from 0.77% to 5.25% (2023: 0.77% to 5.25%). They are included within the above bank loans across maturity buckets.

The Charity previously provided a loan of £552k to the Group. The loan was unsecured, carried a variable interest rate of 1.25% above SONIA per annum and was payable in 5 instalments with the final payment made in August 2023. The terms of the loan were documented in accordance with the advice of the Commonwealth's solicitors.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

22. GROUP PROVISIONS FOR LIABILITIES

Group

	Environmental £'000	Leaving Provisions £'000	Retirement Benefits £'000	Deferred Tax £'000	£'000
At 1 January 2024	1,771	2,828	1,620	253	6,472
Foreign exchange impact	1	17	-	-	18
Amounts charged to the profit and loss account	328	356	(79)	2,089	2,694
Amounts used during the year	-	(117)	-	(253)	(370)
At 31 December 2024	2,100	3,084	1,541	2,089	8,814

The provision for deferred taxation is disclosed as a Debtor falling due in 2 to 5 years (Note 18) £3,919k (2023: £2,058k) and Debtor falling due in under 1 year (Note 17) £2,319k (2023: £2,207k) and a provision for liabilities and charges of £2,089k (2023: £253k).

The net deferred tax as disclosed in notes 17, 18 and 22 consists of the following assets/(liabilities):

	2024 £'000	2023 £'000
Excess of capital allowances over depreciation	(3,943)	(3,091)
Short term timing differences	1,692	1,164
Post-employment benefits	(1,113)	(1,072)
Losses	7,513	7,011
	4,149	4,012

Environmental:

The environmental provision was originally established in Scott Bader Company Limited as a future payment for the required restitution of land when the relevant subsidiary companies vacate the premises currently occupied. The provision is expected to be utilised over 10 years although there is no intention to leave any of the affected sites. The provision was estimated using the reports as provided by an independent third-party specialist.

Leaving provisions:

The leaving provision is established in Scott Bader Middle East as a payment based on local requirements when employees leave the business. The provision is expected to be utilised as current employees leave the business between 2025 and 2050.

Retirement benefits:

a) £935k (2023: £1,038k) relates to 'quasi pension' commitments given to former employees. The provision is expected to be utilised over the expected lives of the former employees and their spouses between 2025 and 2042.

b) £606k (2023: £582k) relates to French statutory retirement benefits payable to France based employees of the Group. The provision is expected to be utilised between 2025 and 2039.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

23. GROUP POST EMPLOYMENT BENEFITS

(a) Defined benefit scheme

For UK employees, Scott Bader UK operates a defined benefit scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by an independent Trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The plan was closed to new entrants in 2006.

The date of the most recent actuarial valuation as at 31 December 2022 revealed a funding shortfall of £2,823k (31 December 2019: shortfall of £4,101k). If the Scheme is in deficit on a Technical Provisions basis calculated by the Scheme Actuary in accordance with the Scheme's Statement of Funding Principles, further contributions are expected into the Scheme through 2024 to a level of £460k p.a. (£38,333.33 per month).

Contributions:

- Potential £460k pa in respect of 1 January 2023 to 31 December 2028
- The proceeds of the Escrow account, which amounted to £464k as at 30 December 2023, have been paid into the Scheme by 31 March 2024

The 31 December 2019 actuarial valuation figures have been updated to the balance sheet in order to assess the additional disclosures required under section 28 of FRS102 as at 31 December 2024. This update was done by an independent qualified actuary, using the following major assumptions:

	2024	2023
Rates of increase in salaries	n/a	n/a
Rate of increase in 5% LPI pensions in payment	3.20%	3.10%
Rate of increase in 5% LPI pensions with 3.5% underpin in payment	3.90%	3.90%
Rate of increase in pensions in deferment	2.30%	2.20%
Discount rate	5.40%	4.50%
Inflation assumption	3.30%	3.20%
Assumed life expectancies on retirement at age 60:	2024	2023
	Years	Years
Retiring today	Males 26.0	26.0
	Females 28.8	28.8
Retiring in 10 years	Males 26.6	26.6
	Females 29.5	29.6

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

23. GROUP POST EMPLOYMENT BENEFITS (CONTINUED)

Reconciliation of scheme assets and liabilities:	Assets	Liabilities	Total
	£'000	£'000	£'000
At 1 January 2024	<u>95,519</u>	<u>(91,229)</u>	<u>4,290</u>
Remeasurement gains / (losses)			
- Experience (losses) on liabilities	-	89	89
- Changes to demographic assumptions	-	217	217
- Actuarial loss	-	7,504	7,504
- Return on plan assets excluding interest income	<u>(8,791)</u>	<u>-</u>	<u>(8,791)</u>
Net remeasurement gains	<u>(8,791)</u>	<u>7,810</u>	<u>(981)</u>
Benefits paid	(6,278)	6,278	-
Employer contributions	926	-	926
Interest income/(expense)	<u>4,184</u>	<u>(3,966)</u>	<u>218</u>
At 31 December 2024	<u>85,560</u>	<u>(81,107)</u>	<u>4,453</u>

The actual return on plan assets was £4,607k (2023: £4,769k).

The fair values of the plan assets were:	2024	2023
	£'000	£'000
Equities	6,946	5,936
Gilts and LDI funds	60,781	67,180
Corporate Bonds	14,821	18,007
Cash & net current assets	<u>3,012</u>	<u>4,396</u>
	<u>85,560</u>	<u>95,519</u>

(b) Defined contribution schemes

Following the closure of the defined benefit scheme in the UK to new entrants, all employees, in countries where the state pension provision is not considered sufficient, have the opportunity to benefit from a defined contribution scheme provide by their local employer. Outstanding contributions included in creditors as at 31 December 2024 were £185k (2023: £203k).

	Group	
The amount recognised as an expense for these defined contribution schemes was:	2024	2023
	£000	£000
Current period contributions	<u>1,491</u>	<u>1,707</u>

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

24. FINANCIAL INSTRUMENTS

		Group	
	Note	2024	2023
		£000	£000
Financial assets measured at fair value through profit or loss:			
Derivative financial instruments	17	<u>5</u>	<u>101</u>

Group:

Derivative financial instruments – Interest rate swaps

The Group has entered into two interest rate swaps to receive interest at EURIBOR and pay interest at a fixed 1.46/1.49%. The two swaps are based on a principal amount of 3,500,000 EUR, equal to loans held with two French banks, and they mature in 2026/2027 on the same date as the bank loans to which they relate.

The instruments are used to hedge the Group's exposure to interest rate movements on the two bank loans. The fair value of the interest rate swaps is £5k (2023: asset of £19k).

Cash flows on both the loan and the interest rate swaps are paid quarterly until 2026/2027. During the financial year, a hedging loss of £13k (2023: loss of £13k) was recognised in other comprehensive income for changes in the fair value of the interest rate swap.

25. ANALYSIS OF MOVEMENT IN FUNDS

GROUP

	Fair Value Reserve (Designated Fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
At 1 January 2023	487	113,554	52	114,093
Income	-	274,554	-	274,554
Expenditure	-	(274,037)	-	(274,037)
Share of net income from joint ventures	-	190	31	221
Tax payable	-	(875)	-	(875)
(Losses)	-	(5,109)	-	(5,109)
At 1 January 2024	<u>487</u>	<u>108,277</u>	<u>83</u>	<u>108,847</u>
Income	-	254,580	-	254,580
Expenditure	-	(258,838)	-	(258,838)
Share of net income from joint ventures	-	28	18	46
Tax payable	-	(1,149)	-	(1,149)
(Losses)	(15)	(2,622)	-	(2,637)
At 31 December 2024	<u>472</u>	<u>100,276</u>	<u>101</u>	<u>100,849</u>

Fair Value Reserve (Designated Fund)

The Fair Value Reserve is a designated fund relating to the fair value movements on the investment property meaning that the fund cannot be distributed unless the properties are sold or the Directors are first assured that the investment property maintains at least its previous market value.

THE SCOTT BADER COMMONWEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

25. ANALYSIS OF MOVEMENT IN FUNDS (CONTINUED)

CHARITY	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
At 1 January 2023	487	1,450	-	1,937
Income	-	367	-	367
Expenditure	-	(379)	-	(379)
At 1 January 2024	487	1,438	-	1,925
Income	-	513	-	513
Expenditure	-	(689)	-	(689)
(Losses)	(15)	-	-	(15)
At 31 December 2024	472	1,262	-	1,734

ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP For the year ended 31 December 2024	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
Intangible fixed assets	-	8,333	-	8,333
Tangible fixed assets	-	61,982	-	61,982
Investments	472	8	-	480
Net current assets	-	34,701	101	34,802
Long term liabilities	-	(387)	-	(387)
Provisions	-	(8,814)	-	(8,814)
Pension asset	-	4,453	-	4,453
	472	100,276	101	100,849

CHARITY For the year ended 31 December 2024	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
Investments	472	8	-	480
Net current assets	-	1,254	-	1,254
	472	1,262	-	1,734

GROUP For the year ended 31 December 2023	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
Intangible fixed assets	-	10,139	-	10,139
Tangible fixed assets	-	62,904	-	62,904
Investments	487	400	-	887
Net current assets	-	40,547	83	40,630
Long term liabilities	-	(3,531)	-	(3,531)
Provisions	-	(6,472)	-	(6,472)
Pension asset	-	4,290	-	4,290
	487	108,277	83	108,847

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

25. ANALYSIS OF MOVEMENT IN FUNDS (CONTINUED)

CHARITY For the year ended 31 December 2023	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
Investments	487	8	-	495
Net current assets	-	1,430	-	1,430
	<u>487</u>	<u>1,438</u>	<u>-</u>	<u>1,925</u>

26. NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of net expenditure to net cash provided by operating activities

	2024	2023
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	(5,376)	(137)
Adjustments for:		
Interest payable	2,166	1,455
Interest receivable	(1,381)	(760)
Rental income received	(27)	(34)
Taxation	1,149	875
Share of operating profit in joint ventures	(46)	(221)
Profit on disposal of fixed assets	(436)	(8)
Depreciation and amortisation	5,517	6,621
Impairment	15	-
Exchange difference	(838)	(536)
Contributions to UK defined benefit pension scheme	(926)	(460)
Decrease in stocks	8,235	2,604
Decrease in debtors	2,563	6,093
Decrease in creditors	(2,935)	(3,332)
Increase in provisions	691	244
Net cash provided by operating activities	<u>8,371</u>	<u>12,404</u>

b) Analysis of changes in net funds/(debt)

Group	At 1 January 2024	Cash flows	Non-cash flows	Exchange rate movement	At 31 December 2024
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents:					
Cash	16,866	(6,486)	-	-	10,380
Overdraft	(7,847)	1,705	-	-	(6,142)
	<u>9,019</u>	<u>(4,781)</u>	<u>-</u>	<u>-</u>	<u>4,238</u>
Borrowings:					
Borrowings - repayable within one year	(8,181)	4,343	(340)	(122)	(4,300)
Borrowings - repayable after one year	(603)	-	340	-	(263)
	<u>(8,784)</u>	<u>4,343</u>	<u>-</u>	<u>(122)</u>	<u>(4,563)</u>
Net funds/(debt)	<u>235</u>	<u>(438)</u>	<u>-</u>	<u>(122)</u>	<u>(325)</u>

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27. GROUP CONTINGENT LIABILITIES

Group:

Pension Scheme Funding: Scott Bader Company Limited entered into a guarantee in March 2007 with Scott Bader Pension Scheme Trustees Limited whereby the Company guaranteed that the Scott Bader UK Limited pension scheme would be 105% funded on an S179 valuation should the principal employer, Scott Bader UK Limited, fail to fulfil its agreed obligations to the Pension Trustees.

28. GROUP CAPITAL AND OTHER COMMITMENTS

	Group 2024 £'000	Group 2023 £'000
a) Contracts for future capital expenditure not provided in the financial statements – Property, plant and equipment		
No expenditure has been incurred although contracts have been placed	389	1,238
b) future minimum lease payments under non-cancellable operating leases for each of the following periods:	Group 2024 £'000	Group 2023 £'000
Not later than one year	2,113	1,566
Later than one year and not later than five years	4,404	3,501
Later than five years	615	1,270
	<u>7,132</u>	<u>6,337</u>

The Charity has Nil capital or operating lease commitments at 31 December 2024 (2023: Nil).

29. RELATED PARTIES

Group

The Company received dividends from Satyen Scott Bader LLP of £36k (2023: £222k), the Group's joint venture which is currently undergoing liquidation proceedings, during the year. At the year-end £Nil (2023: £nil) was outstanding.

Revenue in relation to the share of profit in joint ventures of £47k (2023: £221k) has been recognised in the statement of financial activities of the Group.

The Group has provided a capital contribution to Polymer Mimetics Limited of £2,297k (2023: £1,857k).

Charity

The Commonwealth received a donation from SBCL in the amount of £466k (2023: £316k). In addition, the Commonwealth reimbursed SBCL, at cost, for management services provided in the year of £176k (2023: £41k). The net year-end balance of money owed by Scott Bader Company Limited to The Scott Bader Commonwealth Limited was £Nil (2023: £275k).

30. LEGAL STATUS OF THE SCOTT BADER COMMONWEALTH LIMITED

The Scott Bader Commonwealth Limited is a company limited by guarantee without shares and a registered Charity. The liability of each member in the event of winding up is limited to 5p.

THE SCOTT BADER COMMONWEALTH LIMITED

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For the year ended 31 December 2024

31. ACQUISITION OF NOVA SCOTT ESPECIALIDADES QUIMICAS LIMITADA

In September 2023 the Group signed a Quota Purchase and Sale Agreement and Other Covenants (QPA) to effectively acquire 100% control of its Brazilian Joint Venture Nova Scott and associated manufacturing assets from the JV partner Anderpol and its direct subsidiaries. This completed on 4 June 2024.

Details of the purchase consideration, the net assets acquired and the goodwill are as follows:

	Fair value BRL'000	Fair value £'000
Tangible assets	1,514	227
Cash and Cash Equivalents	6,285	942
Debtors	3,609	541
Inventory	1,158	174
Deferred Tax Asset	2,021	303
Other Assets	260	39
Total assets	14,848	2,226
Creditors	(3,891)	(583)
Long Term Creditors	(961)	(144)
Total liabilities	(4,852)	(727)
Net assets acquired	9,996	1,498
Goodwill	5,564	834
Total consideration	15,560	2,332
Satisfied by:		
Cash	12,002	1,799
Cost of existing 50% shares in Nova Scott	1,762	264
Directly attributable costs	1,796	269
Total consideration	15,560	2,332

The useful life of goodwill has been estimated to be 10 years. The acquisition will be accounted for using the Purchase Method.

Revenue and profit contribution

The acquired business contributed revenues of £1,526k and net profit/(loss) of £92k to the Group for the period from 4th June 2024 to 31 December 2024