Company registration number: 496082
Charity registration number: 206391

THE SCOTT BADER COMMONWEALTH LIMITED
FINANCIAL STATEMENTS

For the year ended

31 DECEMBER 2025

THE SCOTT BADER COMMONWEALTH LIMITED

COMPANY INFORMATION

For the year ended 31 December 2025

Company registration number:	496082
Charity registered number:	206391
Registered office:	Wollaston Hall Wollaston Wellingborough Northamptonshire NN29 7RL
Board of Trustees:	Bhuvan Lalka David Black Gillian Shapiro John Brenchley Martin Ford Renu Gupta Sonia Davies Timothy Jones Thomas Scott
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 Birmingham B1 2JF CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Scottish Widows PO Box 883 Leeds LS1 9TY
Auditor	RSM UK Audit LLP Rivermead House 7 Lewis Court Grove Park Leicester Leicestershire LE19 1SD

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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 2025. 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 a Mixed Investment to generate a measurable social and environmental impact as well as a financial return. The reason behind this transfer was to create a company whose wellbeing 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 – it is a company limited by guarantee and is a registered charity where any profit is to be shared not for private gain but instead for the benefit in common of those who helped create it, those who need it most in society and for the sustainability of the company itself. 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 for which the Company is established for the public benefit 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.

Our **achievements and performance** against our objects are outlined on page 9.

The democratic governance structure enables the achievement of the above objects in the following ways, which also support several of our Guiding Principles:

1. Commonwealth Members can stand for election to the governance groups listed below
2. By providing grants to charities and other not-for-profit organisations locally, nationally, and internationally
3. Attendance at events such as the EOA Conference in the UK and the International Symposium for the promotion of EO in Europe
4. By offering all colleagues a paid days leave to undertake volunteering
5. By offering colleagues a Group Matched Funding Scheme which matches fundraising by colleagues and
6. By maintaining a rating with EcoVadis which is a leading global supplier of business sustainability ratings.

Governance

SBCW is governed by the Commonwealth Board ('CWB'). It comprises three internally elected Trustees and six externally appointed Guardian Trustees (Guardians of the Constitution who have special voting rights). The Company Member (Timothy Jones – SBCW Trustee), who is 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 the SBCW Group. 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
- 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 objects.

The Board of Directors of SBCL is responsible for directing the affairs of SBCL in line with the 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 10 Directors, 2 Executive Directors of SBCL; 5 Non-Executive Directors; and 3 Member Directors. The wider Group Leadership Team have responsibility for the management of the SBCL Group.

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 objects.

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

Agne Bengtsson (resigned 30.04.2025)
Benjamin Penney (resigned 31.03.2026)
Bhuvan Lalka (appointed 01.01.2026)
David Black
Gayatri Ramakrishnan (appointed 01.04.2026)
Gillian Shapiro
Harry Manning (resigned 30.04.2026)
John Brenchley (appointed 01.05.2025)
Juliette Delprat (resigned 01.01.2026)
Martin Ford (appointed 26.01.2026)
Paul Smith (resigned 12.01.2026)
Renu Gupta (appointed 16.02.2026)
Richard Tapp (resigned 26.01.2026)
Sonia Davies
Timothy Jones (appointed 01.01.2026)
Thomas Scott (appointed 16.02.2026)

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. 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 Trustee 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-appointment for two further terms of three years.

Policies and procedures adopted for the induction and training of Trustees

All Trustees, (appointed or elected) are provided with 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 Internally Elected Trustees are employed by SBCL, or one of its subsidiaries, none of the Trustees receive any remuneration for their work 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 induction.

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

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.

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, Connected 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. **Connected 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 connected 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

The SBCL Group meets the definition of a 'large' group and is therefore required to comply with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. While SBCW, as an individual entity, has energy consumption below the 40,000 kWh de minimis threshold, the Group qualifies for SECR reporting at a consolidated level. Accordingly, the disclosures below relate solely to the SBCL Group and not to SBCW as an individual entity.

Scott Bader, like many businesses, went through a period of change and adaption in 2025 due to various geopolitical events impacting our markets.

Within our Safety, Health, and Environment (SHE) team we have identified some key strategic staffing changes, with a new SHE Director and other new roles to help drive the business needs across our sites and allow us to act when required. This will be complimented by a new system to be introduced in 2026 that will help the organisation manage it's SHE data effectively.

These structural changes and how we adapt to our Global needs has seen the introduction of a SHE Blueprint which will further help us achieve an improved Group-wide approach to targets and meeting those targets as an efficient and even more responsive team.

We have developed our SHE expertise on our sites, which has allowed us to expand our Integrated Management System (IMS) systems across the Group, improving how we internally report and manage SHE actions. This is also helping us address the key areas required to improve our environmental aims, such as waste management and data reporting, to more efficiently focus on areas of improvement.

The business has been utilising an Life Cycle Analysis (LCA) specialist who is providing support to our customers, as well continuing our partnership with Schneider to take advantage of green energy procurement across the Group, maintaining our good practices.

Energy and carbon reporting for the year ended 31 December 2025 is set out below. In order to calculate these metrics, energy statistics are collected monthly from each site at which the Group operates, and checked against an annual site report. These statistics are totalled, and then multiplied by the emissions factors from the UK Government GHG Conversion Factors for Company Reporting. The Carbon Database Initiative (CaDI) has been used for location based electricity factors for the energy grids of the countries in which the Group operates. Energy usage has been reported in kWh so as to comply with Streamlined Energy and Carbon Reporting (SECR) requirements. This means that figures for 2024 have been restated in kWh.

2025

ENERGY CONSUMPTION		SBCL GROUP	
		LOCATION BASED	MARKET BASED
Non-Renewable (kWh)		50,231,809	36,369,751
Renewable ((kWh)		1,276,821	15,138,879
Total ((kWh)		51,508,630	
GREENHOUSE GAS EMISSIONS		**SBCL GROUP**	
Scope 1 ($TeCO_2e$)		7,091	7,091
Scope 2 ($TeCO_2e$)		3,660	724
Scope 1 and Scope 2 ($TeCO_2e$)		10,750	7,815
INTENSITY FACTOR		**SBCL GROUP**	
Energy Intensity	kWh/Te of product	452	
	MWh/full time employee	78	
	kWh/£000's revenue	221	
Carbon Intensity (market based)	$kgCO_2e$/Te of product	68.6	
	$TeCO_2e$/full time employee	11.8	
	$kgCO_2e$/£000's revenue	33.6	

2024

ENERGY CONSUMPTION		SBCL GROUP	
		LOCATION BASED	MARKET BASED
Non-Renewable (kWh)		49,831,322	36,201,755
Renewable ((kWh)		1,289,273	14,918,840
Total ((kWh)		51,120,595	
GREENHOUSE GAS EMISSIONS		**SBCL GROUP**	
Scope 1 ($TeCO_2e$)		7,008	7,008
Scope 2 ($TeCO_2e$)		4,035	922
Scope 1 and Scope 2 ($TeCO_2e$)		11,043	7,930
INTENSITY FACTOR		**SBCL GROUP**	
Energy Intensity	kWh/Te of product	436	
	MWh/full time employee	69	
	kWh/£000's revenue	202	
Carbon Intensity (market based)	$kgCO_2e$/Te of product	67.7	
	$TeCO_2e$/full time employee	10.6	
	$kgCO_2e$/£000's revenue	31.3	

Engagement with employees

Equality, Diversity & Inclusion

Scott Bader is committed to fostering an inclusive, diverse and respectful culture where every individual is treated fairly and provided with equal opportunities. This commitment applies across all stages of the colleague lifecycle—from recruitment and onboarding to training, development and progression regardless of race, age, gender, sexuality, disability, culture or any other individual differences.

Scott Bader was proud to maintain its ISO 30415 Certification for Human Resource Management Diversity and Inclusion, becoming one of the first chemical manufacturers to earn this recognition. As part of this work, a Diversity & Inclusion Council has been established, bringing together colleagues from across the Group to help shape, review and continuously enhance our policies, practices and behaviours in this space.

When a vacancy arises, it is openly advertised, and colleagues are encouraged to apply. The Talent Acquisition Team is available to offer guidance and support throughout the application process. In line with the Group's Talent Acquisition Policy, all applications are considered, and candidates are evaluated based on their skills, knowledge, experience and alignment with our core values.

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

During the year, the SBCL Group Board approved that the EESG Committee be dissolved and the issues and business formally considered by the EESG Committee be decided and considered by the SBCL Group Board and other decision making bodies such as the Group Leadership Team.

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 quarterly 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.

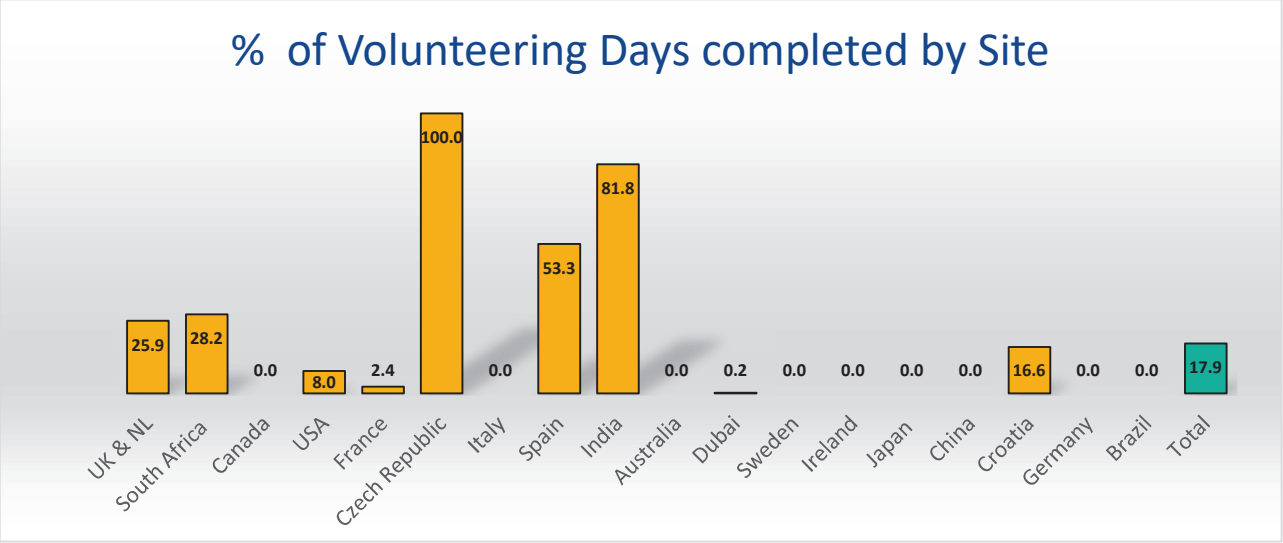
It is the Group's policy to offer equal opportunities to disabled persons applying for vacancies, having regard to their aptitudes and abilities in relation to the posts for which they apply. As far as possible, arrangements are made to continue the employment of those colleagues who have become disabled 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.

Involvement of Commonwealth Members

- **The Matched Funding Scheme** - In 2025, the Matched Funding Scheme provided by SBCL and administered by the Commonwealth Office reached approximately £9.6k. Circa 14 charities benefitted from this scheme due to SBCL matching the amounts raised £1 for £1. This represents a decrease from the £17.3k allocated in 2024. We are encouraged to see increased participation from companies outside the UK, and, in light of the reduced allocation, we plan to actively promote this scheme globally to boost engagement.

- **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.

During 2025, the scheme was regularly promoted, and an annual calendar of opportunities was created and implemented in the UK and shared across the wider organisation. The volunteering leader board remained in place and was shared globally throughout the year. The below bar chart captures the data recorded throughout 2025. In 2024 the global volunteering percentage was 16.1% in 2025 this increased to 17.9%. We plan to continue this upward trend by actively engaging with all sites to encourage colleagues to use their volunteering during 2026.



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

- Renovation and restoration of areas within a local country park (UK)
- Litter picking (UK)
- Maintaining a community allotment for a local preschool (UK)
- Supporting supermarkets to provide food for disadvantaged people (Spain)
- Supporting a local charity to put together starter packs for disadvantaged families (UK)
- Colleagues supported a health and nutrition session where beneficiaries learnt about healthy living (India)
- Colleagues spent the day at a pre-school supporting the children with their education (South Africa)

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:

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

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

Scott Bader Commonwealth Limited (SBCW) receives its income by way of donations of profits and dividends from the Scott Bader Group. This income is then 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.

SBCW's main source of income is by payment of a donation and dividend 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.

Part of the dividend income received from SBCL includes an amount of £441k, which relates to funding provided to cover SBCW's operational expenditure. This amount is determined annually based on a mechanism linked to year-end headcount. Of this, £110k represents an amount not yet formally approved as a dividend and is therefore, in substance, treated as a loan at the year end. This funding is referred to as Funding The Democracy.

The Charity Committee oversees grant-giving on behalf of the Commonwealth Board (CWB). The Committee meets at least four times a year to select the charities to support and the funding amount for each charity. The Committee reports its decisions to the CWB quarterly.

Charities are made aware of funding opportunities from SBCW through a range of channels, including networking, referrals from previous recipients, information provided on the website and updates shared via social media. SBCW does not fund requests that support animals, individuals in need, travel and adventure schemes, art projects, sports clubs, general appeals, or building construction in the UK.

SBCW aims to ensure that grants are used effectively and for the intended charitable purposes. We keep formal reporting requirements simple and proportionate, and the information received is shared with the Charity Committee. We also meet with grantees and prospective applicants from time to time to strengthen relationships, support networking and to deepen our understanding of specific subject areas. These interactions also help the Charity reflect on its own practices and priorities.

Prospective applicants must submit their funding requests through our grant- management tool, Optimy, which helps to simplify and streamline the application and assessment process.

In 2025, SBCW operated four grant application cycles and received approximately 320 applications, a slight decrease from circa 354 in 2024. This reduction may reflect the continued promotion and refinement of our funding criteria. Following assessment, SBCW awarded grants totalling £339k in 2025, compared with £336k in 2024.

The number of primary and secondary beneficiaries supported through our funding in 2024 was approximately 130,000, a significant increase from 60,763 in 2023. Beneficiary data for 2025 is only partially recorded at this stage as several funded projects are still ongoing and have not yet completed the required end-of-grant evaluation. 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 2025, SBCW had net assets of £1,717k (2024: £1,734k).

The grant programme areas run during 2025 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.

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. The areas of intervention can vary for this but tend to cover the following - Education, Environment, and Poverty. 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 Global Impact Fund

This fund supports 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 eleven charities were invited to present their projects to the Charity Committee. Following this, seven 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 2025. The four successful charities that were awarded the grants were:

- Action On Poverty – The Charity's project is based in Northeastern Kenya and focuses on vulnerable communities using camel milk to make a sustainable livelihood. The funding will be used to support 80 women to set up a solar-powered milk cooling centre. This project will create a sustainable business model for women traders, whilst also improving nutrition and school attendance levels in children. This project will also allow women to gain power and influence and drive change in their communities.

- Pump Aid – The Charity's aim is to provide safe and sustainable access to water in Malawi. The £25,000 funding will be used to recruit, train and support seven women area mechanics, establishing financially sustainable businesses and increasing safe access to water in disadvantaged rural communities. This project aims to provide access to water for over 41,400 people and promote gender equality through sustainable business opportunities for women.

- Railway Children – The Charity's aim is to protect the wellbeing of vulnerable children and their families. This project based in Mumbai, India is to support children who are alone and at risk of exploitation in Dadar railway station. The £25,000 funding will help the charity to provide safe spaces for children to go to if they are in danger with the aim of reuniting the children with their families or into a safe setting. The funding will also be used to train railway staff so that they can also help to protect these vulnerable children.

- RedEarth Village Schools Uganda - The Charity based in Uganda provides education for disadvantaged children. The funding will be used to fund a three-room science laboratory block for Bishop Willigers Secondary School. This will allow students the opportunity to continue their studies to A-Level giving them better future opportunities for higher education and employment. This project aims to change the lives of rural children through quality education.

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 2025 and £8,000 in 2024.

Research Grants & Other donations

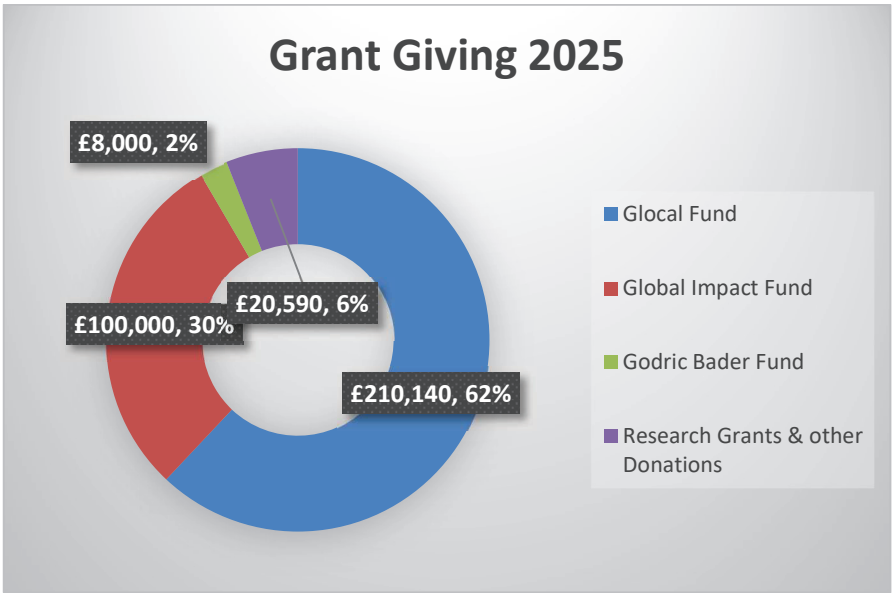
Research grants and other donations were provided to the following:

1. Donations were provided to five charities in support of their ongoing work.
2. Northamptonshire Community Foundation –sponsorship of the annual awards evening.
3. University of Northampton – sponsorship of a networking event

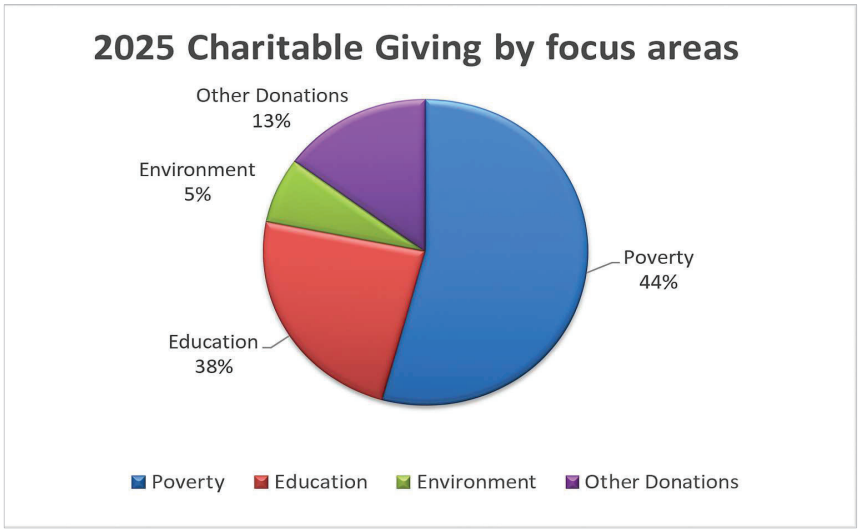
A breakdown of the 2025 and 2024 grant expenditure is detailed below.

Grant Expenditure	£'000 2025	£'000 2024
Glocal Fund	210	208
Global Impact Fund	100	100
Godric Bader Fund	8	8
Research and other grants	21	20
	339	**336**

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.

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.

In 2025, Keep House generated £32.5k in income, compared to £27k in 2024. This increase was due to one of the charities moving to larger rooms and the other charity acquiring more space. 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, by an independent valuer with a recognised and relevant professional qualification, gave a value of £480k for this property. Another open market appraisal will be completed during 2027.

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 and dividend from SBCL and rental income.

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 COO's Robbie Whitfield and Marc Lawn, and the GCFO Andrew Rodgers 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 2025, the Trustees noted the following:

2025 has been a year of underlying transformation for the group. The Group continued its actions to mitigate the impact of continued global macroeconomic and geopolitical uncertainty, to enhance its quality of earnings and to strengthen its balance sheet.

This resulted in a number of decisions that had a material impact on the business. In July 2025, as a consequence of a shift in the underlying economic demands seen in its target markets, the group announced the closure of its US manufacturing facility in Mocksville, NC. This resulted in an asset impairment charge of £8.6m. During the year the group ran a voluntary redundancy scheme which contributed to the reduction in employee numbers from 759 at the start of the year to 660 at the year end and a total one-off cost of £3.0m as departing colleagues were compensated in line with our core values. Additionally, the Group took the decision to discontinue the work on a new ERP system which resulted in an impairment to the previously capitalised work done of £2.7m.

These decisions have helped reshape the underlying cost base of the business and the group has presented a set of reported results together with a set of adjusted results that exclude the impact of these one-time events.

During 2025 the Group saw a 2.2% increase in volumes of 2.7k tonnes to 110k tonnes (2024: 107k tonnes) but a reduction in revenue by £20.4m to £231.9M. This result reflected the continuing operating environment where there were pressures on margins in the mature European markets that form the majority of the Group's operations, there was uncertainty in the North American market as a result of business and consumer sentiment impacted by tariffs but there was also some volume growth in Asia Pacific as the group looked to grow new opportunities.

Raw material prices in 2025 remained relatively constant compared with recent years. A focus on operational efficiency from action taken in both 2024 and 2025 saw the groups underlying gross margin increase year on year. Gross profit improved by 8% to £53.8m (2024: £49.8m) and adjusted gross profit by 5% to £53.9m (2024: £51.3m) and underlying gross profit margin increased to 23.3% (2024: 20.3%).

Balance sheet

The Groups Balance sheet remained robust with net assets of £86.3m (2024: £99.1m). Reductions from the prior year represent the decision to close the Mocksville, USA site, the discontinuation of the ERP implementation project and the amortisation of acquired intangible assets.

Meanwhile, operational efficiency programmes have driven reductions in working capital and cashflow has been invested in repaying the Group's revolving credit facility resulting in a corresponding decrease in liabilities.

2025 saw a positive cashflow from operating activities of £15.5m (2024: inflow of £8.1m). Although the group reported an operating loss in the year of (£12.4m) this included non-cash charges of £16.7m and was offset by an improvement in working capital as the group's operational efficiency programmes delivered a trade working capital reduction of £7.3m to £20.4m (2024: £27.4m).

In 2025 the Group continued its objectives of capital investment in key Safety, Health and Environment (SHE) projects. In addition, the Group progressed in its multi-year programme of regulatory compliance. These resulted in a cashout outflow of capex of £2.6m (2024: £5.4m).

The Group continued its policy of strengthening its capital management and fully repaid the revolving credit facility to £nil in the year (2024: £4.0m). The Group's USD18m Revolving Capital Facility (RCF) plus a £2m overdraft facility with National Westminster Bank PLC provides the Group with significant additional capacity for working capital. The Group had in excess of £28m in trade receivables and £21m in inventories at the balance sheet date, which were free of security for financing and available to raise working capital facilities if needed.

Taxation

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. The non-recognition of deferred tax assets in 2025 has the impact of decreasing ETR by 10.1% (2024: 50.6%).

Key Performance Indicators

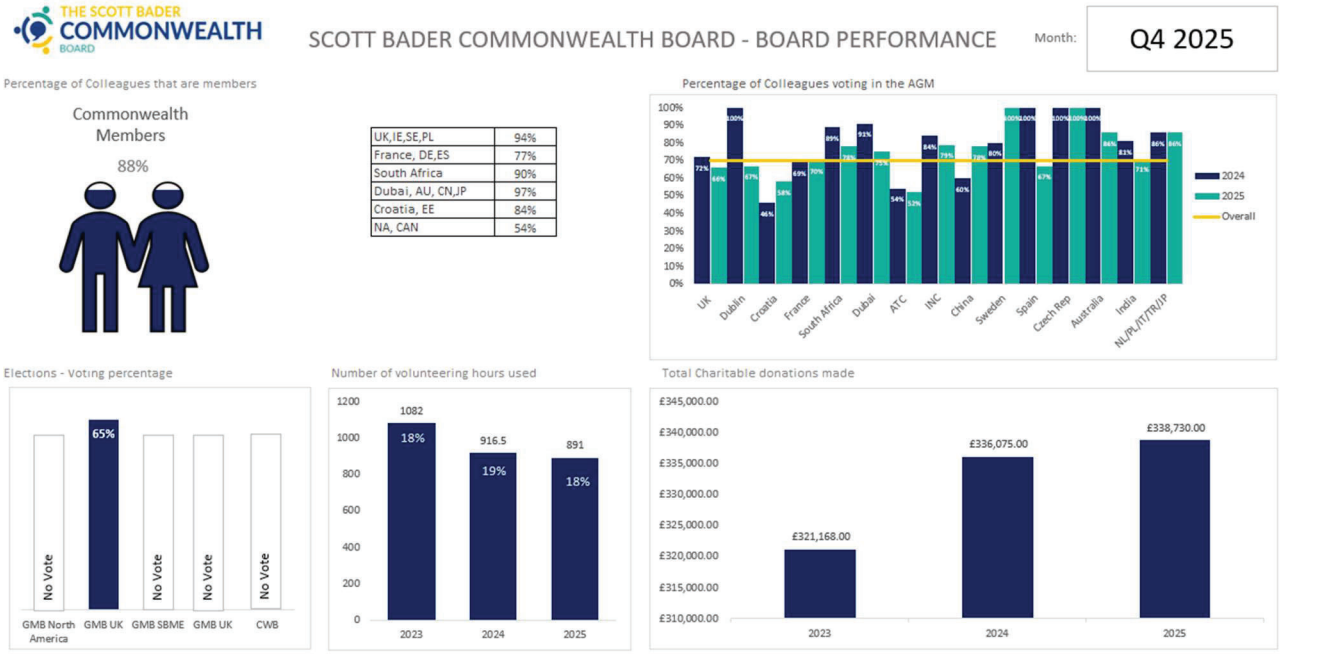
In 2023, the Trustees introduced a set of non-financial metrics to assess members' engagement levels and evaluate SBCL's adherence to the Guiding Principles. The below data was tracked throughout 2025 and was reported on at every CWB meeting. During 2026 these KPIs will be reviewed and updated to ensure they remain relevant to the CWB.

THE SCOTT BADER COMMONWEALTH BOARD

SCOTT BADER COMMONWEALTH BOARD - GUIDING PRINCIPLES PERFORMANCE

Month: Q4 2025

Guiding Principle	KPI	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
			Q1			Q2			Q3			Q4	
Fair Trading	Customer Complaint Percentage	1.1%	1.1%	1.6%	1.2%	0.3%	0.7%	0.7%	1.1%	0.8%	0.9%	1.0%	0.7%
Environmental Sustainability	Reportable Environmental Incidents	2	1	0	0	0	1	0	0	0	0	0	0
Responsible innovation	Percentage of roles filled with internal promotions vs external	21.40%	50%	50%	75%	100%	14%	50%	0%	11%	22%	50%	13%
	Staff Turnover	1.07%	1.61%	3.22%	5.36%	7.24%	9.32%	12.47%	15.02%	17.29%	20.51%	21.98%	22.65%
	Colleague satisfaction Score	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6	623.6
International presence	EO conferences attended	0	0	0	0	0	0	0	0	1	0	1	0
	Formal EO Interactions – UK	3	0	1	1	1	1	1	0	0	0	0	1
	Formal EO Interactions – Overseas	0	0	0	1	0	0	1	2	0	0	0	0
Ethical business	Whistleblowing incidents		11			0			0			0	
Diversity, inclusion and mutual respect	Gender pay gap	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%	-7.20%
	Percentage of minorities in governance groups		27.50%			37.50%			37.50%			35.30%	
Safety and wellbeing	Lost time Accidents - LTA	0	3	1	0	0	1	0	1	0	0	0	0
	Process Safety incidents - PSI	0	3	0	0	0	1	1	0	0	2	0	0
	Lost time Incident Frequency rate –	0.8	1.3	1.4	1.4	1.1	1.2	1	1.1	1	0.9	1.1	1.2



Additionally, the below 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 metrics serve as essential benchmarks, for SBCW to monitor the performance of SBCL's strategic decisions and ensuring transparency in its financial and operational health.

Cash

Currently the Charity holds an 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, 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 macroeconomic climate of each geographic region and where appropriate the SBCL group uses debt factoring facilities.

Liquidity and cash flow

The SBCL 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 SBCL group maintains its $18m revolving credit plus £2m overdraft facility with National Westminster Bank PLC and has $nil drawing on the facility at the year-end (2024: $5m). As at 31 December 2025 the SBCL 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:

Risk / Uncertainty	Mitigation
1. Non achievement of the Charitable Objects/Non-Compliance with the Charity Governance Code	Quarterly charity committee meetings Request an annual report from the business & GMB on how they are helping to achieve the Charitable Objects. Entering into open dialogue with the Charity Commission with the aim of improving mutual understanding and securing agreement on acceptable changes where absolutely necessary. Working jointly with SBCL to obtain informed and specialist legal advice on both the minimum changes which might be acceptable to the Charity Commission and potential alternative structures for Scott Bader which meet the founders intentions, but which might be more sustainably secure from regulatory challenge.
2. 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 Board on the performance of SBCL so it would be reported if the operating company is at risk. 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.
3. There is a risk of a skills gap for Trustees on the Commonwealth Board resulting in the non-compliance with Charity and Company Law.	All Board Members are provided with the relevant Guidance from the Charity Commission on their duties and responsibilities. A skills analysis has been introduced, and we refer to this when recruiting new Guardian Trustees. In addition, to their individual induction programme, information is also provided upon appointment, which includes a copy of the Constitution, financial reports, minutes, agendas and policies. Training is also available for the Trustees.
4. There is a potential risk of loss of funds for the Charity, leading to reputational risk	The following Internal controls are in place to mitigate against this. Detailed quarterly reports are prepared comparing expenditure vs budget. All cheques/bank transfers are authorised by two people, one of which needs to be a Trustee. Bank accounts are reconciled monthly. Policies are reviewed on a annual basis by the Charity Committee, prior to submission to the full Commonwealth Board for approval.
5. There is a risk of potential miscommunications and (cyber security) risk of interception of shared sensitive business information.	All sensitive data is stored and shared via Ideal Boards which is a board management software.
6. 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	This is monitored regularly at the Keep House committee meetings. Throughout 2025 Keep House was 80% occupied.

Regulator Interactions

During the year, the trustees corresponded with the Charity Commission in relation to our organisational structure. The Commission acknowledged receipt of the evidence provided and advised that they would seek internal advice before issuing any further response. At the date of signing this report, no concerns or further actions have been raised and the Trustees view is that this does not impair SBCW's going concern given the mitigating actions that are being taken.

SBCL Principal Risks and Uncertainties

The highly regulated and international nature of the Group's operations require that risk management be a key part of the effective governance of the business. Furthermore, it provides the foundation for strong decision making. As part of the Board's 2025 review, it was recognised that the volatile nature of global markets today required a further enhancement to the Group's risk management framework, which was introduced during the year.

Alongside this the Board conducted a review of risk appetite, in line with its responsibilities, and the associated resources provided to the management and mitigation of risk.

The responsibility and oversight for the overall process of review, assessment and management of risk has been delegated to the Audit Committee, in line with the process which is set out below.

Risk Management Process

The Group Leadership Team ("GLT") maintains a register of identified enterprise business risks. These are classified in terms of (1) probability of occurrence and (2) potential impact on the Group should the risk crystallise. The register includes mitigating actions achieved and proposed for further reduction of risk.

Recommended actions from individual risk owners are put forward to the GLT for consideration. Agreed actions have an assigned GLT owner who is responsible for delivery of timebound plans.

This is facilitated by a Risk Executive Group that meets monthly to review risk developments, challenge risk assessments and monitor delivery on mitigating actions. The Risk Executive Group reports formally to the Audit & Risk Committee.

The Audit & Risk Committee supports the Board by providing independent oversight, challenge and review of principal risks, controls and mitigation activity. It reviews an update in respect of progress made reducing existing risks, and producing a summary of newly identified risks and actions agreed to reduce them to an acceptable level.

The Audit & Risk Committee provides an update and appropriate recommendations to the Board to consider in conjunction with the strategic objectives of the Group.

Independent assurance through the annual statutory audit, periodic internal control reviews and various external audit reviews provides further context.

Principal Risk	Key Mitigation	Future Mitigation Activity
PR1. The highly volatile, complex and rapidly evolving external market forces render the existing strategy ineffective	• Review of existing strategic choices and shift to emergent strategy model • Additional resources allocated to market insight development	• Review and adjust, as required, existing governance frameworks
PR2. The uncertainty of Global Supply Chains result in a critical supply failure	• Active monitoring of geo-political and macro-economic conditions • Foreign exchange hedging options in place as required • Establishing multi regional sourcing options for raw material	• Further strengthen Supply Chain management systems and processes • Enhance network capability and resilience

	supplies, and reduce single source dependencies	
PR3. The implementation of the Group's SHE program is suboptimal leading to increased safety and operational risks.	• Site level management systems and improvement plans in place • SHE training in place • All senior global leaders have acquired the NEBOSH certification	• Standardisation of SHE policies. • Embed global SHE structure including global SHE platform • Development and Delivery of group wide Behavioural Based Safety Programmes
PR4. The asset base maintenance and update schedule fails to identify an issue leading to a key asset failure	• Insurance cover in place at all sites • Training for all staff operating assets • Security systems in place at all sites • Periodic regulatory audits at some sites • Process Safety Management plans in place to identify any gaps	• Complete categorisation of all manufacturing sites and prioritise resource allocation accordingly • Implement asset failure risk management process for all sites
PR5. The IT and OT investment program fails to keep pace with emerging cybersecurity risks and threats, leading to a major breach or outage.	• Cloud-based back-up and disaster recovery firmly embedded and maintained • Monthly external penetration testing exercises to ensure effectiveness of existing IT controls • Vulnerability and patch management on all hardware and software on a continual cycle (which patches available) • Physical security measures in place, e.g. CCTV, access control, fire protection systems	• Implement simulated cyber-attack training • Execute periodic phishing and access security permission reviews • Implement Principle of Least Privilege for high-risk applications
PR6. The market conditions deteriorate rapidly, placing liquidity pressures on the business.	• Close supervision of cash management activities and forecasting • Foreign exchange monitoring Relationships developed and enhanced with current and potential future partners • Extended RCF (Revolving Credit Facility) in place • Robust treasury and liquidity lead and lag KPIs regularly reviewed by CFO • Group Treasury policy in place	• Continue to develop short, medium, and long term funding options to meet the needs of the business • Further enhance forecasting and scenario planning and stress testing capabilities
PR7. The employee value proposition fails to keep pace with emerging talent demands and expectations, leading to a failure/inability to attract, retain and develop the skills and capabilities the business requires.	• Employee engagement survey and best company action plans in place • Benchmarking exercise completed by external provider every 3 years • Leadership presence/visibility in all regions • Leadership competency framework in place and reviewed annually	• Reinforce Employee Value Proposition aligned with Scott Bader's mission and guiding principles • Enhance approach to talent reviews & development plans • Enhance benchmarking reviews for critical colleague cohorts to ensure competitiveness in the market

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 May 2025 and agreed that reserves will be held for the following purposes:

- Unrestricted Funds - The Trustees have agreed to retain £220k in a range equivalent to approximately three to six months' forward expenditure and administration costs. 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 (2024: £472k).

The Trustees consider this approach to be reasonable in the light of the need for the funds 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 2025, the Charity held total funds of £1,717k (2024: £1,734k) including unrestricted funds (free reserves) of £1,245k (2024: £1,262k). There are earmarked funds set aside to meet essential future spending. £220k is set aside to protect SBCW's operations from being adversely affected by unanticipated events. £831k is budgeted to be spent throughout 2026, and £88k is held for future renovations on Keep House. The balance remaining will be held and used in the unlikely event that no donation or dividend is received from SBCL.

The SBCW group reserves held at 31 December 2025 were £88,012k (2024: £100,849k). These are held to provide working capital for the SBCW 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.

Our approach to Section 172

The Trustees of The Scott Bader Commonwealth Limited (SBCW) are directors of a company limited by guarantee and a registered charity, and each Trustee acts as a charity trustee for the purposes of the Charities Acts. In exercising their duties under section 172(1) of the Companies Act 2006, the Trustees act in good faith to promote the success of SBCW for the benefit of its members as a whole, while ensuring that their decision-making is consistent with SBCW's charitable purposes and long-term stewardship responsibilities.

SBCW is the ultimate parent undertaking and charitable owner of the Group's principal trading subsidiary. As a result, the Trustees' section 172 considerations are principally concerned with safeguarding the long-term sustainability, reputation and resilience of the charity's primary asset and income source, and with ensuring that the charity is able to continue to deliver public benefit through its charitable activities. In doing so, the Trustees maintain a clear separation between charitable stewardship and the operational and commercial management of the trading business, which remains the responsibility of the relevant SBCL board and committees.

In having regard to the matters set out in section 172(1)(a)–(f), the Trustees consider the long-term consequences of their decisions, including financial sustainability, risk exposure and reputational impact, and they seek to balance the interests of stakeholders relevant to SBCW's position as a charitable holding company. These stakeholders include beneficiaries of

the charity's activities, Commonwealth Members, regulators (including the Charity Commission), and indirectly through SBCW's stewardship of its principal investment - the employees, customers, suppliers and communities connected to the trading group.

The Trustees recognise that SBCW's assets are substantially represented by its ownership of the trading group, which carries a heightened responsibility to demonstrate active, informed and independent trustee judgement. In practice, the Trustees receive information on matters that may affect the charity's long-term position, challenge assumptions where appropriate, and consider alternative options and sources of advice when issues raise legal, regulatory or constitutional sensitivity. Where matters require deeper consideration, the Trustees make use of properly mandated governance processes and working groups to ensure that decisions are taken in a structured, transparent and defensible manner.

The Trustees are committed to constructive and transparent engagement with regulators. Where correspondence raises questions requiring historic context or specialist legal consideration, the Trustees ensure that relevant information is identified and made available, and they recognise that regulators may need time to review material and obtain specialist advice.

The Trustees believe that this approach enables them to discharge their section 172 duties in a manner that promotes the long-term success of SBCW, protects the charity's assets and reputation, and supports the continued delivery of its charitable purposes and public benefit.

SBCW Group Stakeholder engagement in 2025

Stakeholder groups	Why it matters to SBCW	How the Trustees engage	How views inform trustee decision making
Charity beneficiaries and charitable partners	Delivery of SBCW's charitable purposes and public benefit	Oversight of charitable programmes, review of grant-making activity and consideration of impact reporting	Helps Trustees assess effectiveness of charitable activities and ensure resources are applied in furtherance of SBCW's objects
Commonwealth Members (charity members)	Primary membership body of SBCW and a key element of the charity's democratic and ethical framework	Formal governance structures, meetings and communications through established Commonwealth processes	Informs Trustees' understanding of member perspectives and expectations, supporting balanced stewardship decisions
Regulators (including the Charity Commission)	Oversight of SBCW's charitable status, governance and compliance with charity law	Constructive correspondence, provision of relevant information and engagement through agreed processes	Ensures trustee decisions are informed by regulatory context and aligned with charity-law obligations
Trading group boards (interface, not control)	Performance of the trading group directly affects SBCW's financial sustainability and capacity to fund charitable activity	Shareholder-level oversight, receipt of information with dialogue at defined governance touchpoints	Enables Trustees to assess risk, resilience and long-term value without encroaching on operational management
Wider society and reputation	Public trust and confidence in SBCW as a charity	Consideration of reputational impact in stewardship decisions and communications	Influences Trustees' assessment of long-term consequences and the charity's standing with stakeholders

SBCL Stakeholder engagement in 2025

Stakeholder groups	Why it matters to SBCW	How the Trustees engage	How views inform trustee decision making
Customers	Revenue stability, margin recovery and long term relationships	The Board received regular updates from the Executive Committee on customer demand trends, key account developments and regional market conditions.	Impact of weakened demand in certain markets; prioritisation of key channels and customer segments; implications for asset utilisation and supply chain flexibility.
Colleagues	Capability retention, morale and safe delivery of operations	The Board received reports on workforce impacts arising from restructuring activity and considered outputs from the Best Companies employee survey, including agreed management follow up actions.	Workforce impacts of reorganisation; engagement and retention risks; consistency of approach with values during a period of change.
Suppliers	Security of supply, cost control and ethical standards	The Board received updates on supplier coverage, pricing exposure and supply chain resilience, including diversification actions and contract management initiatives.	Exposure to raw material price volatility; security of supply across geographies; alignment with the Supplier Code of Conduct.
Employee owners	Long term value creation and trust in governance	The Chair, COO and CFO provided updates from engagement with the Global Members Board and employee councils. Member Directors shared colleague sentiment at Board meetings.	Transparency of decision making during the turnaround; alignment between Board decisions and employee owned principles.
Communities & regulators	Licence to operate and compliance	The Board considered reports on health, safety and environmental performance and ongoing regulatory compliance programmes.	Safety performance; environmental compliance; reputational considerations associated with operational change.

Colleagues

The Board recognises that colleagues are fundamental to the long-term success of the business. During 2025, the Board's approach to colleague engagement, development and reward took place against the backdrop of a Group-wide turnaround programme focused on stabilising performance, preserving liquidity and restoring long-term resilience.

In this context, the Company continued to operate its performance management framework, with colleague performance assessed against agreed objectives aligned to the Group's strategy and values. The Board received updates on appraisal and feedback processes and on management actions intended to support engagement and capability during a period of significant change.

Decisions relating to annual salary reviews were considered carefully in light of the Group's financial position and the experience of the wider workforce. Consistent with the approach described in the Remuneration Committee report, general salary increases were deferred during the year, with market benchmarking and individual performance continuing to inform decisions where existing commitments applied. The Board considers this approach to be consistent with affordability, fairness and the Company's employee-owned culture during the turnaround period.

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 SBCL Board who keep the SBCL Board appraised of issues important to colleagues.

Principal decisions in 2025

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.

Activities planned in 2026

During 2026 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 aim to create a multi-year strategy. The purpose of this is to ensure improved financial and social returns on SBCW's investment in SBCL which seeks to improve the impact of SBCW's charitable giving to enhance our sustainability object.

- **Investment** – We are currently carrying out an independent review of the investment status of Scott Bader Company Limited, its subsidiary and associate companies. The review is being carried out by Mr Andrew Bell, an independent external consultant.

- **Engagement** – We have implemented a refreshed way in which colleagues learn about the history and responsibilities of democracy in Scott Bader. We will continue to improve and monitor this development throughout 2026.

- **Constitution Review –** We have committed to complete a wholesale review of the Constitution to deliver on the commitment we made to our colleagues to review the updates made to the Constitution in 2022.

- **Keep House –** We are committed to increasing the occupancy within Keep House.

Going Concern

When assessing the going concern principle for the Commonwealth, considerations of the Trustees include, but are not limited to the following in relation to SBCL; the Financial position of the SBCL Group as at 31 December 2025, 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 ahead of last year as a result of ongoing transformational activities. 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.

Given continuing economic uncertainty, performance forecasts to June 2027 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 Trustees 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, the Trustees are confident that the SBCL Group, and therefore the Commonwealth Group, remains a going concern, and that the results within this document represent a true and fair view of the position of the Group.

The accounts are prepared on the going concern basis.

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 21 May 2026 and signed on its behalf by:

Signed by:
Martin Ford
16CF7133D18C4D6...

Martin Ford
Trustee

DocuSigned by:
Tim Jones
ACF1298F6C67425...

Timothy Jones
Trustee

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).

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 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.

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 2025 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 2025 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

- 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:

- 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.



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

2 June 2026

THE SCOTT BADER COMMONWEALTH LIMITED

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

For the year ended 31 December 2025

	Notes	Group 2025 Unrestricted* £'000	Group 2024 Unrestricted* £'000	Charity 2025 Unrestricted* £'000	Charity 2024 Unrestricted* £'000
Income from:					
Donations		**-**	-	**316**	466
Other trading activities:					
Commercial trading operations		**231,927**	252,343	**-**	-
		231,927	252,343	**316**	466
Dividend income		**-**	-	**331**	-
Other operating income	5	**1,727**	2,237	**51**	47
Total income	4	**233,654**	254,580	**698**	513
Expenditure on:					
Raising funds:					
Commercial trading operations		**(246,280)**	(258,149)	-	**-**
Charitable activities	9	**(715)**	(689)	**(715)**	(689)
Total expenditure	6	**(246,995)**	(258,838)	**(715)**	(689)
Net expenditure before joint venture income		**(13,341)**	(4,258)	**(17)**	(176)
Share of net income from joint ventures	15	**-**	46	**-**	-
Net expenditure before tax for the financial year		**(13,341)**	(4,212)	**(17)**	(176)
Net losses on investments	15	**-**	(15)	**-**	(15)
Tax payable	10	**(858)**	(1,149)	**-**	-
		(14,199)	(5,376)	**(17)**	(191)
Attributable to the owner		**(14,106)**	(5,394)	**-**	-
Attributable to Non-Controlling Interest		**(93)**	18	**-**	-
Net expenditure		**(14,199)**	(5,376)	**(17)**	(191)
Other recognised gains / (losses):					
Actuarial loss on defined benefit pension	23	**(486)**	(981)	**-**	-
Change in value of hedging instrument	17	**(5)**	(13)	**-**	-
Currency translation differences		**1,731**	(1,873)	**-**	-
Deferred tax on other recognised gains and losses	10	**122**	245	**-**	-
Net movement in funds		**(12,837)**	(7,998)	**(17)**	(191)
Attributable to the owner		**(12,744)**	(8,016)	**-**	-
Attributable to the NCI		**(93)**	18	**-**	-
Net movement in funds		**(12,837)**	(7,998)	**(17)**	(191)
Total funds brought forward	25	**100,849**	108,847	**1,734**	1,925
Total funds carried forward	25	**88,012**	100,849	**1,717**	1,734

*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.

	Notes	Group 2025 £'000	Group 2024 Restated* £'000	Charity 2025 £'000	Charity 2024 £'000
Fixed assets					
Intangible fixed assets	12	**4,557**	8,333	**-**	-
Tangible fixed assets	13	**49,463**	61,982	**-**	-
Investment property	15	**480**	480	**480**	480
		54,500	70,795	**480**	480
Current assets					
Stocks	16	**21,695**	27,614	**-**	-
Debtors within one year	17	**39,539**	43,523	**22**	14
Debtors greater than one year	18	**2,371**	3,919	**-**	-
Investments		**210**	200	**210**	200
Cash at bank and in hand		**34,176**	19,367	**1,163**	1,095
		97,991	94,623	**1,395**	1,309
Current liabilities					
Creditors: amounts falling due within one year	19	**(61,770)**	(59,821)	**(158)**	(55)
Net current assets		**36,221**	34,802	**1,237**	1,254
Total assets less current liabilities		**90,721**	105,597	**1,717**	1,734
Creditors: amounts falling due after more than one year	20	**(86)**	(387)	**-**	-
Provisions	22	**(7,303)**	(8,814)	**-**	-
		(7,389)	(9,201)	**-**	-
Net assets excluding pension asset		**83,332**	96,396	**1,717**	1,734
Net pension asset	23	**4,680**	4,453	**-**	-
Net assets		**88,012**	100,849	**1,717**	1,734
Reserves:					
General reserve funds					
Unrestricted income funds	25	**87,532**	100,276	**1,245**	1,262
Designated funds					
Fair Value Reserve	25	**472**	472	**472**	472
Total charity funds		**88,004**	100,748	**1,717**	1,734
Non-Controlling interest					
Non – Controlling interest	25	**8**	101	**-**	-
		88,012	100,849	**1,717**	1,734

*See note 26 for details regarding the restatement as a result of a review of the financial statements.

The financial statements on pages 28 to 65 were approved by the board of Trustees on 21 May 2026 and signed on their behalf by

Martin Ford
Trustee

Signed by:
Martin Ford
16CF7133D18C4D6...

Timothy Jones
Trustee

DocuSigned by:
Tim Jones
ACF1298F6C67425...

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 2025

	Notes	2025		2024 Restated*	
		£'000	£'000	£'000	£'000
Net cash provided by operating activities	26		**15,215**		8,371
Taxation paid			**(750)**		(1,015)
Net cash generated from operating activities			**14,465**		7,356
Cash flows from investing activities					
Purchase of tangible assets		**(2,463)**		(4,378)	
Purchase of intangible assets		**(158)**		(994)	
Proceeds from disposals of tangible assets		**1,081**		554	
Acquisition of subsidiary		**-**		(1,799)	
Investment in current asset investments		**(10)**		(200)	
Rental income received		**47**		27	
Interest received		**736**		1,163	
Net cash used in investing activities			**(767)**		(5,627)
Cash flows from financing activities					
Repayment of bank loans		**(4,290)**		(4,343)	
Interest paid		**(1,578)**		(2,167)	
Net cash used in financing activities			**(5,868)**		(6,510)
Net increase/(decrease) in cash and cash equivalents			**7,830**		(4,781)
Effect of exchange rate changes			**542**		-
Cash and cash equivalents at the beginning of the year			**4,238**		9,019
Cash and cash equivalents at the end of the year			**12,610**		4,238
Cash and cash equivalents consist of:					
Cash at bank and in hand			**34,176**		19,367
Bank overdrafts			**(21,566)**		(15,129)
Cash and cash equivalents at the end of the year			**12,610**		4,238

*See note 26 for details regarding the restatement as a result of a review of the financial statements.

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

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 in relation to SBCL; the Financial position of the SBCL Group as at 31 December 2025, 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 ahead of last year as a result of ongoing transformational activities. 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.

Given continuing economic uncertainty, performance forecasts to June 2027 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 Trustees 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, the Trustees are confident that the SBCL Group, and therefore the Commonwealth Group, remains a going concern, and that the results within this document represent a true and fair view of the position of the Group.

The accounts are prepared on the going concern basis.

2. ACCOUNTING POLICIES (CONTINUED)

Group financial statements and basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings, together with the Group's share of the results of associates, 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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income and retained earnings from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more third parties 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 accounting policies that differ from those adopted by the Group, adjustments are made to align those policies with the Group's accounting policies when preparing the consolidated financial statements.

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent Company. Non-controlling interests are presented within equity in the consolidated balance sheet, separately from the equity attributable to the owners of the parent. Profit or loss and total comprehensive income are attributed to the owners of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the Group's share of profits and losses arising on transactions with associates.

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.

2. ACCOUNTING POLICIES (CONTINUED)

Income recognition (continued)

(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.

(iv) Donation income
Donation income including donations, gifts and grants that provide core funding 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’.

2. ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

(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.

(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, and there is an intention to settle the balances on a net basis or to realise the asset and settle the liability simultaneously.

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.

2. ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (continued)

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.

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 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.

2. ACCOUNTING POLICIES (CONTINUED)

Impairment of fixed assets (continued)

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.

(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).

2. ACCOUNTING POLICIES (CONTINUED)

Stocks (continued)

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.

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.

2. ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

(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 payments discounted at a market rate of interest.

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

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 Commonwealth.
- 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 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 that are not directly 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.

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) Impairment of Fixed Assets, Intangible Assets & Goodwill (notes 12–13)
The Group exercises significant judgement in assessing whether tangible and intangible fixed assets, including goodwill, are impaired. Indicators of impairment are evaluated at each reporting date and may include deteriorating financial performance, restructuring decisions affecting asset utilisation, technological obsolescence, adverse market conditions, or changes in strategic plans.

Where such indicators exist, the Group estimates the recoverable amount of the relevant asset or cash-generating unit (CGU). Recoverable amount is the higher of value in use and fair value less costs to sell. The value-in-use calculation requires management to apply judgement in estimating future cash flows, long-term growth rates, operating assumptions, and discount rates that reflect market-based assessments of the risks specific to the asset. Recoverable amount is the higher of value in use and fair value less costs to sell. The value-in-use calculation requires management to apply judgement in estimating future cash flows, long-term growth rates, operating assumptions, and discount rates that reflect market-based assessments of the risks specific to the asset.

During the year, the Group recognised significant impairments in relation to:

- The Mocksville, US manufacturing facility, where the decision to close the site resulted in an impairment charge of £8.6m following a reassessment of expected recoverability of property, plant and equipment.
- The ERP programme, where the discontinuation of the project resulted in an impairment of previously capitalised intangible assets of £2.7m.

These impairment assessments required management to evaluate the viability of continued asset use, revise assumptions about future economic benefits, and determine the appropriate timing and classification of impairment charges.

In addition, the Group also considered the carrying value of its goodwill, which predominantly relate to the acquisition of the remaining 50% shareholding in its Indian Joint Venture in 2022. Despite trading headwinds and challenging market conditions faced by the business, management concluded that these factors did not constitute a sufficient indicator to trigger a formal impairment review during the period. This judgement reflects the Group's long-term strategic plan for the Indian operations, which supports the recoverable value of the acquired assets and goodwill.

(vi) Deferred Taxation (note 10, note 18, and note 22)
As discussed elsewhere in the report the Group is forecast to return to a profitable tax paying position in 2026 and beyond following a year of transformation in 2025, despite ongoing uncertainty in the global macro-economic environment.

The group has therefore recognised a £4.3m net 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 £5.0m 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 2028.

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.

(vii) Stock Provisioning (note 16)
The Group holds inventories of raw materials, work-in-progress and finished goods across multiple manufacturing and distribution sites. In determining the appropriate level of stock provisioning, management is required to exercise judgement in assessing whether inventories are carried at the lower of cost and estimated selling price less costs to sell. Provisions are recorded to reflect inventory that is obsolete, slow-moving, damaged, or otherwise impaired. The identification of such inventory requires the application of judgement over several factors, including:

- Historical and forecast sales demand, taking account of current market conditions and product lifecycle considerations.
- Ageing analyses, including the period since last usage or sale.
- Technical assessments by operations and R&D teams where product quality, shelf-life, or regulatory changes may limit saleability.
- Planned product rationalisation or reformulation, which may reduce the recoverable amount of existing stock.
- Expected selling prices, including the impact of customer-specific pricing, discounts, and estimated costs of disposal.

The estimation of stock provisions is inherently uncertain because future demand and recoverable values may differ from those assumed. Changes in these assumptions could materially affect the level of provisioning required.

4. ANALYSIS OF TOTAL INCOME

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
External turnover of Scott Bader Company Limited and its subsidiaries	**231,927**	252,343	**-**	-
Other operating income	**1,727**	2,237	**51**	47
Donation from Scott Bader Company Limited	-	-	**316**	466
Dividend from Scott Bader Company Limited	**-**	-	**331**	-
	233,654	254,580	**698**	513

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

	2025	2024
	£'000	£'000
UK and Eire	**37,302**	44,191
Continental Europe	**82,081**	88,828
Rest of World	**112,544**	119,324
	231,927	252,343

5. OTHER OPERATING INCOME

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Rental income	**47**	35	**33**	27
Royalties receivable	**-**	39	**-**	-
Interest receivable and similar income	**989**	1,391	**18**	20
Others	**691**	772	**-**	-
	1,727	2,237	**51**	47

6. ANALYSIS OF TOTAL EXPENDITURE

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Raising funds:				
Staff costs (including related costs) (note 11)	**41,110**	45,912	**-**	-
Other trading costs	**205,170**	212,237	**-**	-
Total expenditure on commercial trading operations	**246,280**	258,149	**-**	-
Charitable activities (note 9)	**715**	689	**715**	689
Total expenditure	**246,995**	**258,838**	**715**	689

7. NET EXPENDITURE

	Group		Charity	
	2025	2024	**2025**	2024
Net expenditure is stated after charging / (crediting) the following items:	**£'000**	£'000	**£'000**	£'000
Research and development	**3,680**	3,731	**-**	-
Depreciation and amortisation	**5,493**	5,517	**-**	-
Net interest on DB Pension Scheme	**253**	218	**-**	-
(Gain)/loss on disposal of tangible assets	**236**	(436)	**-**	-
Impairment of intangible assets	**2,681**	-	**-**	-
Impairment of tangible assets	**8,563**	-	**-**	-
Impairment of trade debtors	**425**	285	**-**	-
Impairment of stocks	**697**	1,060	**-**	-
Operating lease charges	**2,032**	2,166	**-**	-
Foreign exchange loss	**2,546**	229	**-**	-
Auditor's remuneration:				
Fees payable to the Charity's auditors:				
- for the audit of the Charity's financial statements	**25**	24	**25**	24
- for the audit of the Charity's subsidiaries	**484**	433	**-**	-
Other non-audit fees	**184**	163	**10**	9

8. INTEREST PAYABLE AND SIMILAR CHARGES

	Group	
	2025	2024
	£'000	£'000
Interest expense on bank loans and overdrafts	**1,288**	1,895
Interest expense on other loans	**290**	271
Total interest payable and similar charges	**1,578**	2,166

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 is given below. As advised earlier in the report, funds are made available to all the companies in the Scott Bader Group (proportionate to the number of people employed at each location). Via small Charity committees (if they choose) they then submit applications via the grant management tool 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	**2025 £'000**
UK Nomination Scheme	10.8
Corby and District Cancer Care (En)	3.0
Cransley Hospice Trust	0.5
Dentaid The Dental Charity (P)	2.0
FACES Bedford (P)	4.0
Glamis Hall For All (Ed)	4.0
Nene Valley Care Trust (En)	4.2
Northamptonshire Voluntary Community Social Enterprise Assembly Limited (P)	4.9
One Can Trust (P)	4.0
Read for Good (Ed)	5.0
Stand Against Violence (Ed)	4.0
The Country Trust (P)	4.4
The Lowdown (P)	5.0
The Never Alone Project (Ed)	4.0
The Outward Bound Trust (P)	2.7
The Reanella Trust (Ed)	1.5
Victoria Centre (P)	2.0
Wollaston School	0.5
	66.5

In the prior year, the charity made 21 grants to charitable institutions totalling £67.4k under the UK Fund.

Ireland (Glocal Fund)

Charity Name	**2025 £'000**
Barnardo's (Ed)	1.8
Extern Ireland (P)	1.8
Little Heroes	0.5
	4.1

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

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

France (Glocal Fund)

Charity Name	2025 £'000
Small donations	11.4
Association Les Fees Sourires (Ed)	1.3
Grandir Sans Cancer (Ed)	1.7
Association Secours Populaire (P)	2.2
CRE2ADO (Ed)	4.3
For Senegal (P)	0.9
Initi'elles (Ed)	1.3
Relais Social (P)	0.9
Relais Social (En)	0.4
Maisons D'Accrueil I'llot (Ed)	2.0
	26.4

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

Croatia (Glocal Fund)

Charity Name	2025 £'000
Kud Croatia (Ed)	3.0
International Association of Natural Health (Ed)	3.5
Izaberi Zivot (P)	10.0
MS Pilates (P)	2.0
	18.5

In the prior year, the charity made four grants to charitable institutions in Croatia totalling £19.5k.

South Africa (Glocal Fund)

Charity Name	2025 £'000
African Wanderers Football Club Academy (Ed)	1.8
Focus On iThemba (Ed)	2.0
Hammarsdale Cato Ridge Development Association (P)	2.0
Intakezamozolo Combined School (Ed)	7.3
Lulama Trust (En)	2.9
Starfish Greathearts Foundation Bongimpilo Creche and Pre School (Ed)	2.5
	18.5

In the prior year, the charity made ten grants to charitable institutions in South Africa totalling £15.3k.

China & Japan (Glocal Fund)

Charity Name	2025 £'000
Shanghai Charity Foundation (Ed)	7.5
	7.5

In the prior year, the charity made one grant to a charitable institution in China totalling £7.8k.

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Dubai (Glocal Fund)

Charity Name	2025 £'000
MAAN Education & Health Development Organisation (Ed)	6.5
Maharshi Karve Stree Shikshan Samstha (Ed)	2.5
Royal Commonwealth Society for the Blind (Ed)	2.5
Ruchika Social Service Organisation (Ed)	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
Fazilia Trust Pakistan (Ed)	2.5
	24.0

In the prior year, the charity made eight grants to charitable institutions in Dubai totalling £22.5k.

USA (Glocal Fund)

Charity Name	2025 £'000
Feeding America	1.6
Mercury One	1.6
Ronald McDonald House	1.6
Samaritans Purse	1.5
St Judes Children's Research Hospital	1.5
	7.8

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

Spain (Glocal Fund)

Charity Name	2025 £'000
Fundacion Pasqual Maragall (En)	3.3
	3.3

In the prior year, the charity made one grant to a charitable institution in Spain totalling £3.2k.

Czech Republic (Glocal Fund)

Charity Name	2025 £'000
Czech Blind United (Ed)	1.9
Helppes Centrum (Ed)	0.8
Nadace Jedlickova Ustavu (P)	1.5
	4.2

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

No donations were made this year to institutions in Germany (2024: £2.8k) and Turkey (2024: 2.7k).

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Canada (Glocal Fund)

Charity Name	2025 £'000
Centre d'ecoute et de Prevention Suicide Drummond (Ed)	3.1
Fondation Le Tremplin (Ed)	3.1
Fondation Rene Verrier (En)	3.1
	9.3

In the prior year, the charity made five grants to charitable institutions in Canada totalling £9.5k.

Australia (Glocal Fund)

Charity Name	2025 £'000
Purple Hands Foundation Ltd (Ed)	4.3
	4.3

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

India (Glocal Fund)

Charity Name	2025 £'000
Association For Nutrition and Development Action (P)	5.0
Hkm Charitable Foundation (Ed)	4.8
	9.8

In the prior year, the charity made two grants to a charitable institution in India totalling £8.5k.

Sweden (Glocal Fund)

Charity Name	2025 £'000
BarncancerFonden (Ed)	2.5
Falkenbergs Fontanhus (P)	1.0
	3.5

In the prior year, the charity made two grants to charitable institutions in Sweden totalling £4.0k.

Italy (Glocal Fund)

Charity Name	2025 £'000
Children in Crisis Italy (Ed)	2.8
	2.8

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

9. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Godric Bader Fund

Charity Name	2025 £'000
Victoria Centre	1.0
Wollaston Heritage Society	1.0
QUNO	3.0
Baby Basics Northampton	1.0
Northamptonshire Domestic Abuse Service	1.0
Wollaston Library	1.0
	8.0

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

Global Impact Fund

Charity Name	2025 £'000
Action On Poverty (P)	25.0
Pump Aid (P)	25.0
RedEarth Village Schools Uganda (Ed)	25.0
Railway Children (P)	25.0
	100.0

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

Other Donations

Charity Name	2025 £'000
Carers Worldwide	0.6
Eco Brix (P)	4.0
Northamptonshire Community Foundation (P)	5.0
Northamptonshire Community Foundation	2.5
Sals Shoes (P)	4.0
Sreepur Village (P)	4.0
University Of Northampton	0.5
	20.6

	2025 £'000	2024 £'000
Total direct charitable expenditure (grants payable)	**339**	336
Support costs:		
Governance costs	**178**	167
Other support costs	**198**	186
Total charitable expenditure	**715**	689

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	**2025**	2024
	£'000	£'000
Current tax:		
– UK Corporation tax on profits for the year	**257**	313
– Foreign corporation tax on profits for the year	**515**	554
– Adjustment in respect of prior periods (UK)	**50**	(38)
– Adjustment in respect of prior periods (Overseas)	**(8)**	(96)
Group and total current tax	**814**	733
Deferred tax:		
– Change in tax rate	**(1)**	2
– Origination and reversal of timing differences	**69**	242
– Adjustment in respect of prior periods	**(24)**	172
Group and total deferred tax	**44**	416
Group current tax	**814**	733
Group deferred tax	**44**	416
Group tax on (loss)/profit on ordinary activities	**858**	1,149

b) Tax expense included in other comprehensive income	**2025**	2024
	£'000	£'000
Deferred tax:		
– Change in tax rate	**-**	-
– Origination and reversal of timing differences	**122**	245
Total tax credit included in other comprehensive income	**122**	245

(c) Reconciliation of tax charge

The tax assessed for the year is higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:	**2025** **£'000**	2024 £'000
Total net expenditure before tax for the financial year	**(13,341)**	(4,212)
Loss on ordinary activities at standard rate of corporation taxation in the UK: 25% (2024: 25%)	**(3,336)**	**(1,053)**
Effects of:		
Foreign subsidiary profits within zero tax rate regime	**(36)**	(124)
Other adjustments in respect of foreign tax rates	**422**	(52)
Expenses/(income) not deductible for tax purposes	**2,475**	178
Unrecognised deferred tax	**1,317**	2,040
Withholding tax suffered	**-**	120
Re-measurement of deferred tax (change in tax rate)	**-**	3
Adjustment in respect of prior periods	**16**	37
Group tax on net expenditure	**858**	1,149

10. TAXATION (CONTINUED)

Change in Effective Tax Rate

The Effective Tax Rate (ETR) of the Group (excluding adjustments in relation to prior periods) is -6.5% (2024: 17.1%).

Due to losses before tax of £12,993k (2024: £4,036k), profit mix and local tax rates continue to have an impact on ETR. The impact of local tax rates outside of the UK on ETR (including the impact of profits for Scott Bader Middle East being within a zero-tax regime) was a decrease in ETR of 3.0% (2024: 3.1%). 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.

The impairment of assets in Scott Bader Inc is a non-deductible expense for tax purposes and as such this had the impact of decreasing ETR by 13.9%.

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. No deferred tax asset has been recognised in respect of £4,469k (2024: £3,228k) relating to tax carried forward losses. The non-recognition of deferred tax assets has the impact of decreasing ETR by 10.1% (2024: 50.6%).

Other factors driving the ETR for the year were disallowable expenses for tax purposes, decreasing ETR by 4.6% (2024: 6.4%).

11. ANALYSIS OF STAFF COSTS

The charity employs 3 employees (2024: 3). £198k of staff costs were recharged to SBCW from SBCL in the year (2024: £176k). The following are disclosures for the Group.

	2025	2024
	£'000	£'000
Wages and salaries	**30,651**	34,654
Staff bonuses	**947**	879
Other staff benefits	**1,458**	1,865
Social security costs	**4,264**	4,460
Pension costs	**1,880**	2,532
Redundancy costs	**1,910**	1,698
	41,110	46,088

Expenses reimbursed to the Trustees in the year were £2.0k (2024: £4.2k), relating to travel and subsistence for 4 Trustees (2024: 4).

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:

	2025	2024
	£'000	£'000
Basic Salary	**170**	164
Pension contributions and other benefits	**16**	13
Bonuses	**5**	-
	191	177

The remuneration of key management personnel of the Group was £2,323k (2024: £2,506k). 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.

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:

	2025 Number	2024 Number
£60,001 - £70,000	**43**	42
£70,001 - £80,000	**26**	25
£80,001 - £90,000	**15**	16
£90,001 - £100,000	**17**	18
£100,001 - £110,000	**10**	7
£110,001 - £120,000	**9**	7
£120,001 - £130,000	**4**	3
£130,001 - £140,000	**3**	2
£140,001 - £150,000	**4**	4
£150,001 - £160,000	**4**	3
£170,001 - £180,000	**2**	2
£180,001 - £190,000	**-**	3
£200,001 - £210,000	**1**	1
£210,001 - £220,000	**1**	1
£240,001 - £250,000	**3**	-
£260,001 - £270,000	**1**	-
£270,001 - £280,000	**1**	-
£290,001 - £300,000	**-**	1
£310,001 - £320,000	**1**	-
£460,001 - £470,000	**1**	-
	146	135

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

	2025 Number	2024 Number
UK and Eire	**239**	299
Continental Europe	**214**	224
Rest of World	**251**	277
	704	800

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

	2025 Number	2024 Number
Administration	**141**	137
Research & Development	**73**	52
Manufacturing & Distribution	**399**	494
Sales & Marketing	**91**	117
	704	800

12. INTANGIBLE FIXED ASSETS

Group	Goodwill	Customer lists	Technology	Group Total
	£'000	£'000	£'000	£'000
Cost at 1 January 2025	2,392	1,162	8,965	12,519
Additions	-	-	158	158
Reclassifications	-	-	4,431	4,431
Disposals	-	-	(2,681)	(2,681)
Difference on exchange	(37)	(131)	(467)	(635)
Cost at 31 December 2025	**2,355**	**1,031**	**10,406**	**13,792**
Accumulated Amortisation at 1 January 2025	1,441	581	2,164	4,186
Charge for the year	118	217	614	949
Reclassifications	-	-	4,381	4,381
Disposals	-	-	(2,681)	(2,681)
Impairment losses	-	-	2,681	2,681
Difference on exchange	(22)	(77)	(182)	(281)
At 31 December 2025	**1,537**	**721**	**6,977**	**9,235**
Net book value at 31 December 2025	**818**	**310**	**3,429**	**4,557**
Net book value at 31 December 2024	951	581	6,801	8,333

Assets in the course of construction and on which depreciation has yet to commence are included in the cost of Technology to the value of £856k (2024: £3,379k).

Amortisation has been included within expenditure on commercial trading operations.

The reclassification during the financial year relates to software implementation costs and licences with a total cost of £4,431k, and accumulated amortisation, as at 31 December 2025, of £4,381k. These assets were previously included in tangible fixed assets (plant and equipment), however a review of the asset register by the Directors has highlighted that they would be more appropriately disclosed as intangible assets (technology). The net book value thus reclassified is £50k as at 31 December 2025.

13. TANGIBLE FIXED ASSETS

Group	Land and Buildings		Plant and equipment	Motor vehicles	Total
	Freehold	Short leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation:					
At 1 January 2025	51,520	5,492	100,534	554	158,100
Additions	15	-	2,435	13	2,463
Disposals	(268)	(31)	(4,759)	(131)	(5,189)
Reclassification	-	777	(5,208)	-	(4,431)
Difference on exchange	216	(336)	618	(21)	477
At 31 December 2025	**51,483**	**5,902**	**93,620**	**415**	**151,420**
Accumulated Depreciation:					
At 1 January 2025	20,603	2,945	72,200	370	96,118
Charge for the year	887	270	3,542	52	4751
Disposals	(181)	(28)	(3,608)	(57)	(3,874)
Impairment losses	2,824	-	5,739	-	8,563
Reclassification	-	351	(4,732)	-	(4,381)
Difference on exchange	272	(117)	682	(57)	780
At 31 December 2025	**24,405**	**3,421**	**73,823**	**308**	**101,957**
Net book value					
At 31 December 2025	**27,078**	**2,481**	**19,797**	**107**	**49,463**
At 31 December 2024	30,917	2,547	28,334	184	61,982

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 £2,987k (2024: £3,878k). Freehold land of £4,597k (2024: £4,934k) is not depreciated.

Following a review of the asset register by the Directors in the year, certain assets have been reclassified from tangible fixed assets to intangible assets, with the overall impact on the tangible fixed assets being a reduction of £4,431k (cost), £4,381k (accumulated depreciation), and £50k (net book value) as at 31 December 2025. Further details have been disclosed in note 12.

14. SUBSIDIARY UNDERTAKINGS

The Commonwealth 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.

14. SUBSIDIARY UNDERTAKINGS (CONTINUED)

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.

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

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. Loockerman 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		Manufacturer of resins	Rodovia Gobernador Mario Covas, no 600, sala 48, Lote Tabajara, Serra do Anil, CEP 29.147-030, City of Cariacisa/ES, Brazil
Scott Bader Private Limited[5]	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[5]	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
Hypar Tank Panels Limited	Great Britain	01810634	Dormant	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7FH
Scott Bader Exports Limited	Great Britain	01190209	Dormant	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7FH
Scott Bader India Private Limited[5]	India		Intermediate holding company	103B, 1st Floor, Peninsula Towers, Ganpatrao Kadam Marg, Off Senapati Bapat Marg, Lower Parel, Mumbai, 400013, India
Scott Bader Italy S.r.l.	Italy		Distributor of resins	Via Melchiorre Gioia 8, CAP 20124, Milano, Italy
Scott Bader Pension Scheme Trustees Limited	Great Britain	04345836	Dormant	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7FH
Scott Bader Tr. Zel Kimyasallar Sanayi Ve Ticaret Limited Sirketi	Turkey		Distributor of resins	Resitpasa Mah. Eski Büyükdere Cd. , Park Plaza No: 14 Ic Kapi No: 24, Seriyer, Istanbul, Turkey
Strand Glassfibre Limited	Great Britain	02925296	Dormant	Wollaston Hall, Wollaston, Wellingborough, Northants, NN29 7FH

[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 [5] accounting reference date of 31 March

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

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

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:

	2025	2024 Reclassified
	£'000	£'000
Turnover	**231,927**	252,343
Other operating income	**705**	822
Direct and indirect overheads	**(245,018)**	(256,452)
Group operating loss	**(12,386)**	(3,287)
Share of operating profit in joint ventures	**-**	47
Total operating loss: group and share of joint ventures	**(12,386)**	(3,240)
Interest receivable and similar income	**971**	1,371
Interest payable and similar charges	**(1,578)**	(2,167)
Loss before taxation on ordinary activities	**(12,993)**	(4,036)
Taxation on profit on ordinary activities	**(858)**	(1,149)
Loss for the financial year	**(13,851)**	(5,185)

Following a review of the financial statements, the directors of the SBCL group determined that a change in presentation of the consolidated profit and loss account would enhance the information available to the users of the accounts and would make the presentation of the Group's results more comparable to other similar sized companies and groups operating in the same industry. As a result, the presentation of certain line items in the consolidated profit and loss account has been amended, changing the presentation of the Group's expenditure from a format grouping expenses by nature to a format grouping expenses by function.

14. SUBSIDIARY UNDERTAKINGS (CONTINUED)

A summary of the financial position of the SBCL Group is shown below:	**2025** **£'000**	2024 Restated* £'000
Fixed assets	**54,020**	70,315
Current assets	**96,706**	93,315
Current liabilities	**(61,722)**	(59,767)
Long term liabilities	**(86)**	(387)
Provisions for liabilities	**(7,303)**	(8,814)
Pension asset	**4,680**	4,453
Net assets	**86,295**	99,115
Capital and reserves	**86,295**	99,115

*See note 26 for details regarding the restatement as a result of a review of the financial statements.

15. INVESTMENTS

	Group Joint Ventures		**Group and Charity Investment Property**	
	2025 **£'000**	2024 £'000	**2025** **£'000**	2024 £'000
Balance at 1 January	**-**	392	**480**	495
Share of profits retained	**-**	46	**-**	-
Disposal	**-**	(377)	**-**	-
Revaluation	**-**	-	**-**	(15)
Difference on foreign exchange	**-**	(61)	**-**	-
Balance at 31 December	**-**	-	**480**	480

Investment property historical cost: The investment property is owned by the charity:	**2025** **£'000**	2024 £'000
Cost at 1 January and at 31 December	**8**	8

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 2025.

16. GROUP STOCKS

	2025 **£'000**	2024 £'000
Raw materials and consumables	**10,021**	12,521
Finished goods and goods for resale	**11,674**	15,093
	21,695	27,614

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

17. DEBTORS

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Trade debtors	**28,204**	30,936	**5**	**14**
Corporation tax recoverable	**1,244**	584	**-**	**-**
Deferred tax asset	**2,327**	2,319	**-**	**-**
Other taxation recoverable	**702**	864	**-**	**-**
Other debtors	**2,330**	2,031	**-**	**-**
Prepayments and accrued income	**4,732**	6,789	**17**	**-**
	39,539	43,523	**22**	14

Trade debtors are stated after provisions for impairment of £591k (2024: £652k). Recorded within other debtors is derivative financial instrument with the value of £nil (2024: £5k). Movement in the year was a loss of £5k (2024: loss of £13k). Note 24 provides additional detail.

18. DEBTORS GREATER THAN ONE YEAR

	Group		Charity	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Deferred tax asset	**2,371**	3,919	**-**	-
	2,371	3,919	**-**	**-**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2025	2024 Restated	**2025**	2024
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts	**21,816**	19,429	**-**	-
Trade creditors	**29,448**	31,191	**-**	14
Amounts owed to group undertakings	**-**	-	**110**	-
Corporation tax	**1,089**	263	**-**	-
Other taxation and social security	**2,560**	2,283	**-**	-
Other creditors	**2,265**	1,471	**-**	1
Accruals and deferred income	**4,592**	5,184	**48**	40
	61,770	59,821	**158**	55

See note 26 for analysis of the overdraft and cash pooling and details regarding the restatement as a result of a review of the financial statements.

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

	Group	
	2025	2024
	£'000	£'000
Loans		
Within one to two years	**14**	238
Within two to five years	**10**	25
	24	263
Other creditors		
Within one to two years		
	62	124
	62	124
	86	387

21. LOANS AND OTHER BORROWINGS

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

	Group	
	2025	2024
	£'000	£'000
		Restated
Due within one year or on demand		
Bank loans and overdrafts	**21,816**	19,429
Due after more than one year		
Bank loans and overdrafts	**24**	263
Total borrowings	**21,840**	19,692
Maturity of financial liabilities:		
In one year or less, or on demand	**21,816**	19,429
In more than one year, but not more than two years	**14**	238
In more than two years, but not more than five years	**10**	25
	21,840	19,692

£nil (2024: £3,988k) of Group borrowings are secured by fixed and floating charges over the Group's assets.

See note 26 for analysis of the overdraft and cash pooling and details regarding the restatement as a result of a review of the financial statements.

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 2025 the outstanding amount was €270k (£236k). 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% (2024: 0.77% to 5.25%). They are included within the above bank loans across maturity buckets.

22. GROUP PROVISIONS FOR LIABILITIES

Group

	Environmental	Leaving Provisions	Retirement Benefits	Deferred Tax	**Total**
	£'000	£'000	£'000	£'000	**£'000**
At 1 January 2025	2,100	3,084	1,541	2,089	**8,814**
Foreign exchange impact	9	(218)	-	-	**(209)**
Amounts charged to the profit and loss account	332	289	(38)	369	**952**
Amounts used during the year	-	(166)	-	(2,089)	**(2,255)**
At 31 December 2025	**2,441**	**2,989**	**1,503**	**369**	**7,302**

The provision for deferred taxation is disclosed as a Debtor falling due in 2 to 5 years (Note 18) £2,371k (2024: £3,919k) and Debtor falling due in under 1 year (Note 17) £2,327k (2024: £2,319k) and a provision for liabilities and charges of £369k (2024: £2,089k).

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

	2025	2024
	£'000	£'000
Excess of capital allowances over depreciation	**(1,237)**	(3,943)
Short term timing differences	**1,621**	1,692
Post-employment benefits	**(1,170)**	(1,113)
Losses	**5,115**	7,513
	4,329	4,149

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 2026 and 2050.

Retirement benefits:

a) £831k (2024: £935k) 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 2026 and 2042.

b) £672k (2024: £606k) relates to French statutory retirement benefits payable to France based employees of the Group. The provision is expected to be utilised between 2026 and 2040.

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 2025. This update was done by an independent qualified actuary, using the following major assumptions:

	2025	2024
Rates of increase in salaries	**n/a**	n/a
Rate of increase in 5% LPI pensions in payment	**2.90%**	3.20%
Rate of increase in 5% LPI pensions with 3.5% underpin in payment	**3.80%**	3.90%
Rate of increase in pensions in deferment	**2.00%**	2.30%
Discount rate	**5.40%**	5.40%
Inflation assumption	**2.90%**	3.30%

Assumed life expectancies on retirement at age 60:

		2025 Years	2024 Years
Retiring today	Males	**26.3**	26.0
	Females	**28.9**	28.8
Retiring in 10 years	Males	**27.0**	26.6
	Females	**29.6**	29.5

Amount recognised in profit and loss in respect to the deferred benefit scheme is as follows:

	2025	2024
	£'000	£'000
Interest on liabilities	**4,216**	3,966
Interest on assets	**(4,469)**	(4,184)
	(253)	(218)

23. GROUP POST EMPLOYMENT BENEFITS (CONTINUED)

Reconciliation of scheme assets and liabilities:	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2025	**85,560**	**(81,107)**	**4,453**
Remeasurement gains / (losses)			
- Experience (losses) on liabilities	-	19	19
- Changes to demographic assumptions	-	(812)	(812)
- Actuarial loss	-	1,072	1,072
- Return on plan assets excluding interest income	(765)	-	(765)
Net remeasurement gains	(765)	279	(486)
Benefits paid	(6,171)	6,171	-
Employer contributions	460	-	460
Interest income/(expense)	4,469	(4,216)	253
At 31 December 2025	**83,553**	**(78,873)**	**4,680**

The actual return on plan assets was £3,704k (2024: £4,607k).

The fair values of the plan assets were:	2025 £'000	2024 £'000
Equities	**4,861**	6,946
Gilts and LDI funds	**63,454**	60,781
Corporate Bonds	**13,789**	14,821
Cash & net current assets	**1,449**	3,012
	83,553	85,560

In accordance with FRS 102, the net defined benefit surplus is recognised as an asset only to the extent that it is recoverable. The amount recognised is limited to the present value of economic benefits available to the entity, primarily in the form of reductions in future contribution obligations.

(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 2025 were £138k (2024: £185k).

	Group	
The amount recognised as an expense for these defined contribution schemes was:	2025 £000	2024 £000
Current period contributions	**1,232**	1,491

24. FINANCIAL INSTRUMENTS

	Note	Group 2025 £000	2024 £000
Financial assets measured at fair value through profit or loss:			
Derivative financial instruments	17	-	5

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 £nil (2024: asset of £5k).

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 £5k (2024: 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 2024	487	108,277	83	108,847
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 1 January 2025	472	100,276	101	100,849
Income	-	233,654	-	233,654
Expenditure	-	(246,995)	-	(246,995)
Tax payable	-	(858)	-	(858)
Gains	-	1,362	-	1,362
Amount attributable to NCI		93	(93)	-
At 31 December 2025	**472**	**87,532**	**8**	**88,012**

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.

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 2024	487	1,438	-	1,925
Income	-	513	-	513
Expenditure	-	(689)	-	(689)
(Losses)	(15)	-	-	(15)
At 1 January 2025	472	1,262	-	1,734
Income	-	698	-	698
Expenditure	-	(715)	-	(715)
(Losses)	-	-	-	-
At 31 December 2025	**472**	**1,245**	**-**	**1,717**

GROUP For the year ended 31 December 2025	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
Intangible fixed assets	-	4,557	-	4,557
Tangible fixed assets	-	49,463	-	49,463
Investments	472	8		480
Net current assets	-	36,213	8	36,221
Long term liabilities	-	(86)	-	(86)
Provisions	-	(7,303)	-	(7,303)
Pension asset	-	4,680	-	4,680
	472	**87,532**	**8**	**88,012**

CHARITY For the year ended 31 December 2025	Fair Value Reserve (Designated fund) £000	Unrestricted income funds £000	Non – Controlling interest £000	Total £000
Investments	472	8	-	480
Net current assets	-	1,237	-	1,237
	472	**1,245**	**-**	**1,717**

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**

25. ANALYSIS OF MOVEMENT IN FUNDS (CONTINUED)

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**

26. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2025 £'000	2024 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	**(14,199)**	(5,376)
Adjustments for:		
Interest payable	**1,578**	2,166
Interest receivable	**(989)**	(1,381)
Rental income received	**(47)**	(27)
Taxation	**858**	1,149
Impairment of intangible assets	**2,681**	-
Impairment of tangible assets	**8,563**	15
Share of operating profit in joint ventures	**-**	(46)
Loss/(Profit) on disposal of fixed assets	**238**	(436)
Depreciation and amortisation	**5,493**	5,517
Exchange difference	**2,046**	(838)
Contributions to UK defined benefit pension scheme	**(460)**	(926)
Decrease in stocks	**5,919**	8,235
Decrease in debtors	**4542**	2,563
Decrease in creditors	**(1,216)**	(2,935)
Increase in provisions	**208**	691
Net cash provided by operating activities	**15,215**	8,371

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

Group	At 1 January 2025	Cash flows	Non-cash flows	Exchange rate movement	At 31 December 2025
	£'000 Restated	£'000	£'000	£'000	£'000
Cash and cash equivalents:					
Cash	**19,367**	14,809	-	**-**	**34,176**
Overdraft	**(15,129)**	(6,437)	-	**-**	**(21,566)**
	4,238	8,372	-	**-**	**12,610**
Borrowings:					
Borrowings - repayable within one year	**(4,300)**	4,050	-	-	**(250)**
Borrowings - repayable after one year	**(263)**	239	-	-	**(24)**
	(4,563)	4,289	-	-	**(274)**
Net funds/(debt)	**(325)**	12,661	-	-	**12,336**

26. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

As per the net (debt)/cash analysis above, the Group has access to cash of £34,176k (2024: £19,637k), offset by an overdraft of £21,566k (2024: £15,129k), resulting in a net cash & cash equivalent position of £12,610k (2024: £4,238k). Of these amounts, £23,949k (2024: £12,008k) of cash and £21,299k (2024: £8,987k) of overdraft relate to balances held in a cash pool facility. Balances held in the cash pool facility accrue interest on a net basis, and treasury monitoring of Group liquidity is based on the net pooled position. There is a legal right to settle balances held in the cash pool facility net.

Following a review of the financial statements, the directors have determined that balances relating to the cash pooling arrangement described above should be presented gross in the financial statements, whereas they had been presented net in the 2024 financial statements. As a result, the presentation of cash and creditors: amounts falling due within one year in the consolidated and Company balance sheet has been amended accordingly. The analysis of cash and cash equivalents in the group cash flow statement has also been amended to show cash at bank and in hand and bank overdrafts gross, in accordance with the above.

The comparative amounts have been accordingly restated. This restatement has had no effect on the Group's consolidated profit and loss account, consolidated statement of comprehensive income, or net increase/(decrease) in cash and cash equivalents. The reclassification has had no effect on the net assets of the Company or Group.

Consolidated balance sheet as at 31 December 2024

	As previously stated £'000	Adjustment £'000	As restated £'000
Current assets:			
Stocks	27,614		27,614
Debtors within one year	43,523		43,523
Debtors greater than one year	3,919		3,919
Investments	200		200
Cash at bank and in hand	10,380	8,987	19,367
	85,636	8,987	**94,623**
Current liabilities			
Creditors: amounts falling due within one year	**(50,834)**	(8,987)	(59,821)
Net current assets	**(34,802)**	-	**34,802**

Group cash flow statement for the year ended 31 December 2024

	As previously stated £'000	Adjustment £'000	As restated £'000
Cash and cash equivalents consist of:			
Cash at bank and in hand	10,380	8,987	19,367
Bank overdrafts	(6,142)	(8,987)	(15,129)
Cash and cash equivalents at the end of the year	**4,238**	-	**4,238**

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. It is not practicable to quantify the financial effect of this guarantee at the reporting date, and accordingly no such estimate has been disclosed.

28. GROUP CAPITAL AND OTHER COMMITMENTS

a) Contracts for future capital expenditure not provided in the financial statements – Property, plant and equipment	**Group 2025 £'000**	Group 2024 £'000
No expenditure has been incurred although contracts have been placed	**242**	389

b) future minimum lease payments under non-cancellable operating leases for each of the following periods:	**Group 2025 £'000**	Group 2024 £'000
Not later than one year	**1,803**	2,113
Later than one year and not later than five years	**3,521**	4,404
Later than five years	**529**	615
	5,583	7,132

The Charity has no capital or operating lease commitments at 31 December 2025 (2024: Nil).

29. RELATED PARTIES

Group

The Group received dividends from Satyen Scott Bader LLP of £nil (2024: £36k), one of the Group's joint ventures which is currently undergoing liquidation proceedings, during the year. No amount was outstanding at the year-end (2024: £nil).

Revenue in relation to the share of profit in joint ventures of £nil (2024: £47k) has been recognised in the statement of financial activities of the Group.

The Group has provided a capital contribution to Polymer Mimetics Limited of £2,761k (2024: £2,297k).

Charity

During the year, the charity received a donation of £316k (2024: £466k) from Scott Bader Company Limited (SBCL). In addition, a dividend of £331k (2024: £Nil) was received from SBCL. In accordance with the Scott Bader Constitution and the Articles of Association of SBCL, the donation represents the greater of the Group staff bonus or 1% of the Group staff salary cost. In addition, the Commonwealth reimbursed SBCL, at cost, for management services provided in the year of £198k (2024: £176k). The net year-end balance of money owed by Scott Bader Company Limited to The Scott Bader Commonwealth Limited was £nil (2024: £Nil).

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.