

Bostik Limited
Annual reports and financial statements
for the year ended 31 December 2024

Registered number: 00068328

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COMPANIES HOUSE

Bostik Limited

Directors

R Massey
J Latrille
X Durand-Delacre
J Tisseuil

Secretary

K Kane

Auditors

Ernst & Young LLP
No.1 Colmore Square
Birmingham B4 6HQ
United Kingdom

Bankers

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Bostik Limited

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Bostik Limited

Strategic report for the year ended 31 December 2024

The directors present their strategic report on Bostik Limited for the year ended 31 December 2024.

Principal activities

The principal activity of Bostik Limited (“the company”) continues to be the manufacture of adhesives, sealants and other chemicals.

The company continues to develop business in the Consumer and Industrial market place, in both its domestic and export markets. The company also purchases inventory that is manufactured in its sister companies in the wider Arkema group.

Review of business

On 1 January 2024, the company acquired the trade and assets of a sister company, Bostik Adhesives Limited, for consideration equal to the net book value of the net assets, £95,274,000. This acquisition saw revenue for the year increase to £160,330,000 (2023: £142,763,000), a rise of 12.3%. The movement in revenue also reflects challenging market conditions but where the company has managed to still compete successfully to gain profitable business in the markets which it serves. The operating result before exceptional items increased, mainly due to the reduction of the impact of inflationary pressures, particularly in respect of utility prices and the costs of commodities used to produce our products.

The company recorded exceptional costs of £14,950,000 in the year (2023: £38,000 gain) from an impairment to reflect in these financial statements an appropriate value of the recorded goodwill associated with the Bostik Adhesives transfer, reflecting the challenging market conditions in that sector. The prior year exceptional gain was from the sale of part of its land and buildings.

Loss before tax including exceptional items was £9,395,000 (2023: profit of £9,184,000). The total loss after tax for the year was £10,746,000 (2023: profit of £7,545,000).

The retained earnings of the company increased by £61,931,000 (2023: increase of £798,000). The increase comprises the loss for the year of £10,746,000 (2023: profit of £7,545,000), an actuarial gain net of deferred tax of £2,677,000 (2023: loss of £1,747,000) related to the defined benefit pension scheme and the issue of £70,000,000 of share capital in the year. This increase in share capital occurred on 12 December 2024, with the company issuing 70,000,000 shares, each of £1, totalling £70,000,000 to its parent company.

Future development of the business

The business remains committed to growing sales and profitability into the future by adopting and investing in the following areas.

1. Development & marketing of new and improved products.
2. Product quality
3. Customer service
4. Fixed cost control
5. Sustainability and reduction in waste

Bostik Limited

Strategic report for the year ended 31 December 2024 (continued)

Key performance indicators

The Board has assessed that the following financial Key Performance Indicators (KPIs) as the most effective measures of progress towards achieving the company's strategic objectives.

1. Cash and liquidity
2. Revenue
3. Headcount
4. Profit

1. Cash and liquidity

The reported cash balance at the end of December 2024 was £2,285,000 (2023: £2,394,000). The company has a zero-balance cash pooling agreement with Arkema France and the balance at the end of December 2024 was a liability of £13,097,000 (2023: asset £289,000) reported as an intercompany balance. The company has an intercompany facility of £125,000,000. Strong control over working capital has allowed the company to meet its obligations to suppliers and for other short term liabilities.

2. Revenue

The company's revenue for the year is £160,330,000 (2023: £142,763,000). The increase in revenue reflects both the acquisition of the trade of Bostik Adhesives Limited and despite challenging market conditions in which the company has managed to still compete successfully to gain profitable business with some of the key players in the market.

3. Headcount

Headcount in the business continues to be an important KPI. Average headcount for 2024 was 419 (2023: 365), with the increase attributable to the transfer of employees from Bostik Adhesives Limited. The business continues to invest and focus on the importance of a well-planned strategy for timely recruitment, retention, training and development of employees to meet the business objectives efficiently.

4. Profit

Profit in the business continues to be a fundamental KPI. The business continues to invest in R&D, manufacturing capability, quality, marketing and other key activities to enable it to maintain its profitability target.

Bostik Limited

Strategic report for the year ended 31 December 2024 (continued)

Principal risks and uncertainties

There are a number of risks and uncertainties that can impact the performance of the company, some of which are beyond the control of Bostik. The company monitors market trends and risks on an on-going basis, taking corrective action as necessary.

The company has the risk of losing customers; this is managed by continued research investment and adoption of modern techniques to ensure that the company retains its competitive advantage.

Financial risk management

The directors constantly monitor the risks and uncertainties facing the company with particular reference to the exposure to foreign currency risk, liquidity risk and credit risk. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered. The company's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations. During the year no speculative trading in financial instruments was undertaken.

Foreign currency risk

The risk in USD & EUR currency fluctuation is minimised by effective foreign exchange management via spot currency purchases. The directors will revisit the appropriateness of this policy should the exposures change significantly.

Liquidity risk

The company has sufficient available funds for operations and planned activities. Funding comes from the parent company. The remainder of the company's funding comes from the cash flow it generates from its operations.

The current treasury agreements in place with the Arkema treasury department are reviewed and adapted annually if necessary, to meet the requirements of the company.

Credit risk

Credit risk is limited because of the nature of the company's customers, primarily large corporations. The company has taken the strategic decision to insure its customer debt against bad debt, and this remains in place.

Commodity price risk

The company faces the possibility of greater than forecast increases in raw material price and inflation which cannot be passed onto customers.

Continuing global conflicts

Whilst the management of the company continue to monitor the impact of the continuing conflicts in Ukraine and Gaza on the company's financial results and cashflows, the directors believe that these are not having any impact on the ability of the company to trade as expected.

Bostik Limited

Strategic report for the year ended 31 December 2024 (continued)

Directors' statement of compliance with duty to promote the success of the Company

The directors are required to report on the matters set out in sections 172(1) (a) to (f) of the Companies Act 2006 in respect of the way in which the directors undertake their decision making processes so that the company acts in an ethical manner that is mutually beneficial to all the interested stakeholders of the company.

The company is a member of the Arkema Group, a global material company with sales in excess of €9 billion and employing over 21,000 people. As a wholly owned subsidiary of the Arkema Group, the company therefore has only has a sole member and the company provides regular updates on the company's performance through its regular reporting lines.

The Arkema Group of companies has strong ethical standards that are shared amongst all the companies that make up the group. These cover all aspects of the business including, but not limited to, protecting the environment and sustainability, ensuring compliance with both local and international laws and fair and equal treatment of staff.

The directors of the company follow these policies when making decisions that impact the company.

The directors aim to maximise the profit of the company by ensuring that decisions made are both ethical and are made in good faith whilst not taking a disproportionate level of risk. Structures are in place to escalate issues to Group and this is complied with by the directors. This is to minimise risk.

The directors recognise that customers and employees are key to the success of the business and their dealings with them are transparent, consistent and fair. They place great emphasis on ensuring that their dealings are compliant with legislation and that customers and employees adhere to these principles.

Bostik Limited

Strategic report for the year ended 31 December 2024 (continued)

Reporting under s172(1) of the Companies Act 2006 (continued)

The key decisions made by the company in the year occurred on 1 January 2024 when the company acquired the trade and assets of a fellow group company, Bostik Adhesives Limited. The consideration paid was equal to the net book value of the net assets of Bostik Adhesives Limited, as noted in note 13.

Streamlined Energy and Carbon Reporting (SECR)

The company is required to report its annual greenhouse gas emissions pursuant to the Directors' Report and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("Regulations"). The 2018 regulations, known as Streamlined Energy and Carbon Reporting (SECR) came into effect on 1 April 2019 and the company is required to report the emissions and energy consumption.

	2024	2023
Energy consumption (Mwh)	28,194	18,166
Fuel (litres)	140,346	95,665
CO2 emissions (kg CO2)	8,679,000	5,930,000
Energy Intensity (kg CO2 per employee)	20,714	16,250

Following location-based methodology, 28,194 MWh of scope 2 energy and 80,325 litres of diesel and 60,021 litres of unleaded petrol in company cars was consumed in relation to the company's UK premises, resulting in 8,679,000 kg CO2. The scope 2 energy usage was obtained from meter readings from each of the sites. The diesel usage has been drawn from the actual purchases from the company fuel cards. The unleaded petrol usage in hybrid vehicles was estimated from the costs reimbursed and the average petrol prices in the year. The conversion factors applied were from the website: www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

The intensity measure, calculated in relation to the average number of employees is 20,714 kg CO2 per employee.

The increase in figures from prior year is primarily due to the effect of incorporating consumption from the business acquired in the year, which included an additional manufacturing plant. During the year steps were taken to lower energy consumption. The company has implemented a new company car policy where the use of electric and hybrid cars has been introduced and further charging points have been installed on site to facilitate the roll out of this policy. The company has also appointed an "energy champion" to implement measures to reduce the usage of both gas and electricity. The company's aim continues to be to lower this where possible in the future.

By order of the board

DocuSigned by:

 R Massey

Director

6 November 2025

Bostik Limited

Directors' report for the year ended 31 December 2024

The directors present their report and the audited financial statements of the company for the year ended 31 December 2024. These accounts are prepared under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Dividends

No dividend was paid in the year (2023: £5,000,000). The directors have not declared a final dividend.

The loss after tax for the year was £10,746,000 (2023: profit of £7,545,000).

Directors

The directors of the company who held office during the year were as follows:

R Massey
X Durand-Delacre
J Latrille
J Tisseuil

No director has any interests in shares of the company. They do hold shares in the parent company through participation in group share option schemes. In accordance with the articles of association, no directors retire by rotation.

Research and development

The company undertakes research and development activities, involving new product invention and new production service functions.

Charitable donations

During the year there were charitable donations of £nil (2023: £27,500).

Future developments

The future developments of the company are discussed in the strategic report.

Bostik Limited

Directors' report for the year ended 31 December 2024 (continued)

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

The company is part of the Intra Group Treasury Agreement, with Arkema France. Arkema France has confirmed that the company has available funding of up to £125,000,000 through this group facility, and as at 30 September 2025 the company has a negative balance of £9,507,000.

Arkema France has also confirmed that this funding level will be available for a period until 31 December 2026.

In assessing the going concern position of the company for the year ended 31 December 2024, the Directors have considered the company's cash flows, liquidity and likely business activities over a period until 31 December 2026.

The company expects to be cash generative over this period. In making their assessment, the Directors have considered the direct and indirect impact of the economic downturn on the cash flows and liquidity of the company. The Directors consider that the company has access to sufficient resources, as set out above, to meet its obligations. This includes the downsides scenarios that have been applied by the Directors in their assessment of going concern.

The directors have also considered a reverse stress test to identify the downside sensitivity assumptions which would need to arise in order for the business to need additional funding to continue in operation. Having identified and considered these assumptions, and after taking into consideration potential mitigating actions that the directors could take, including right sizing the cost base to reflect the potential trading downturn and the deferral of non-contractual payments, the directors have concluded that such a scenario is not plausible.

For this reason, the directors continue to adopt the going concern basis for the preparation of the financial statements.

Bostik Limited

Directors' report for the year ended 31 December 2024 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Bostik Limited

Directors' report for the year ended 31 December 2024 (continued)

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the company has occurred. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

By order of the board

DocuSigned by:
Robert Massey
1093578658DC456...

R Massey
Director

6 November 2025

Bostik Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOSTIK LIMITED

Opinion

We have audited the financial statements of Bostik Limited for the year ended 31 December 2024 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 27, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 and of its loss 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 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 directors' 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 company's ability to continue as a going concern for a period until 31 December 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

Bostik Limited

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 there is 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 the 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the 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.

Bostik Limited

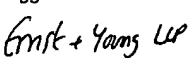
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations, including, health and safety and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We identified rebates given to customers as a specific revenue recognition risk and we tested specific rebate transactions to source documentation, ensuring appropriate authorisation of the transactions.
- Based on our understanding we designed our audit procedures to identify non-compliance with these laws and regulations. Our procedures included verifying that material transactions are recorded in compliance with FRS 101 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiry with no indication of non-compliance identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

^{DS}

Ernst & Young LLP

Helen Hemming (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham, UK

6 November 2025

Bostik Limited

Income statement for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue	4	160,330	142,763
Cost of sales		(123,829)	(110,091)
Gross profit		36,501	32,672
Distribution costs		(9,594)	(13,930)
Administrative expenses - ongoing		(16,945)	(9,524)
Administrative expenses – exceptional items	6	(14,950)	-
Other operating income	7	223	-
Operating (loss)/profit	5	(4,765)	9,218
Exceptional items	5	-	38
Finance income	10	850	693
Finance expense	11	(5,480)	(765)
(Loss)/profit on ordinary activities before income tax		(9,395)	9,184
Income tax expense on ordinary activities	12	(1,351)	(1,639)
(Loss)/profit for the financial year		(10,746)	7,545

The results for the current and prior year derive from continuing activities.

Statement of other comprehensive income for the year ended 31 December 2024

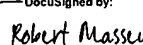
	Note	2024 £'000	2023 £'000
(Loss)/profit for the financial year		(10,746)	7,545
Other comprehensive income: items that will not be reclassified to profit or loss			
Re-measurements on the defined benefit pension plans	25	3,570	(2,329)
Tax on items recognised in other comprehensive income	12	(893)	582
Other comprehensive income/(expense) for the year		2,677	(1,747)
Total comprehensive (expense)/income for the year		(8,069)	5,798

Bostik Limited

Statement of financial position as at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	16	60,704	26,832
Tangible assets	15	33,194	19,910
		93,898	46,742
Current assets			
Inventories	18	17,114	16,929
Trade and other receivables	19	51,471	26,126
Cash and cash equivalents		2,285	2,394
		70,870	45,449
Creditors: amounts falling due within one year	20	(46,172)	(37,171)
Net current assets		24,698	8,279
Total assets less current liabilities		118,596	55,020
Creditors: amounts falling due after more than one year	21	(1,699)	(1,097)
Defined benefit pension	25	(1,997)	(5,202)
Deferred taxation	13	(4,908)	(597)
Provisions for liabilities	22	(348)	(411)
Net assets		109,644	47,713
Capital and reserves			
Called up share capital	23	77,882	7,882
Merger reserve	24	(1,355)	(1,355)
Profit and loss account		33,117	41,186
Total shareholders' funds		109,644	47,713

The financial statements on pages 13 to 47 were approved by the board of directors on 6 November 2025 and were signed on its behalf by:

DocuSigned by:

 1093578858DC458...
 R Massey

Director

Registered number: 00068328

Bostik Limited

Statement of changes in equity for the year ended 31 December 2024

	Called up share capital £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2023	7,882	(1,355)	40,388	46,915
Profit for the year	-	-	7,545	7,545
Other comprehensive expenditure	-	-	(1,747)	(1,747)
Total comprehensive income for the year	-	-	5,798	5,798
Dividends paid	-	-	(5,000)	(5,000)
At 31 December 2023	7,882	(1,355)	41,186	47,713
Loss for the year	-	-	(10,746)	(10,746)
Share issue	70,000	-	-	70,000
Other comprehensive income	-	-	2,677	2,677
Total comprehensive expense for the year	-	-	(8,069)	(8,069)
At 31 December 2024	77,882	(1,355)	33,117	109,644

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024

1 General information

The principal activity of the company during the year was the manufacture of adhesives, sealants and other chemicals and is expected to remain so for the foreseeable future. The company is a subsidiary of Arkema Holding Ltd and is incorporated and domiciled in the UK. The address of its registered office is Common Road Works, Common Road, Stafford, ST16 3EH. The financial statements were authorised for issue by the board of directors on 6 November 2025 and the balance sheet was signed on the board's behalf by R Massey.

2 Summary of significant accounting policies

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

Basis of preparation

The financial statements are presented in Sterling, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the periods presented.

The company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to produce group financial statements because it is a wholly owned subsidiary of Arkema SA, registered in France. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101) and, the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 26 gives details of the company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Financial Reporting Standard 101 – reduced disclosures exemptions.

The company has taken advantage of the following disclosure exemptions under FRS101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair value Measurement
- the requirement in paragraph 38 of IAS 1 “presentation of Financial Statements” to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The following paragraphs of IFRS 15, ‘Revenue from Contracts with Customers’:
 - (i) the requirements of the second sentence of paragraph 110 (qualitative and quantitative information about contracts with customers, significant judgements, changes in judgements in applying this standard to those contracts, and assets recognised from the costs to obtain or fulfil a contract);
 - (ii) paragraph 113(a) (revenue recognised from contracts with customers);
 - (iii) paragraphs 114 and 115 (disaggregation of revenue);
 - (iv) paragraph 118 (changes in contract asset and liability);
 - (v) paragraphs 119(a) to (c) and 120 to 127 (performance obligations); and
 - (vi) paragraph 129 (practical expedients);
- The following paragraphs of IFRS 16, ‘Leases’:
 - (i) paragraph 58 (separate maturity analysis for lease liabilities)
 - (ii) paragraphs 90 and 91 (table of lease income from operating leases, including separate disclosure of income from variable lease payments not dependant on an index or a rate)
 - (iii) paragraph 93 (qualitative and quantitative explanation of the significant changes in the carrying amount of the net investment in finance leases)

This information is included in the consolidated financial statements of Arkema SA as at 31 December 2024 and these financial statements may be obtained from 420 rue d’Estienne d’Orves, 92700 Colombes, France.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

The company is part of the Intra Group Treasury Agreement, with Arkema France. Arkema France has confirmed that the company has available funding of up to £125,000,000 through this group facility, and as at 30 September 2025 the company has a negative balance of £9,507,000.

Arkema France has also confirmed that this funding level will be available for a period until 31 December 2026.

In assessing the going concern position of the company for the year ended 31 December 2024, the Directors have considered the company's cash flows, liquidity and likely business activities over a period until 31 December 2026.

The company expects to be cash generative over this period. In making their assessment, the Directors have considered the direct and indirect impact of the economic downturn on the cash flows and liquidity of the company. The Directors consider that the company has access to sufficient resources, as set out above, to meet its obligations. This includes the downsides scenarios that have been applied by the Directors in their assessment of going concern.

The directors have also considered a reverse stress test to identify the downside sensitivity assumptions which would need to arise in order for the business to need additional funding to continue in operation. Having identified and considered these assumptions, and after taking into consideration potential mitigating actions that the directors could take, including right sizing the cost base to reflect the potential trading downturn and the deferral of non-contractual payments, the directors have concluded that such a scenario is not plausible.

For this reason, the directors continue to adopt the going concern basis for the preparation of the financial statements.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	– 20-45 years
Plant and machinery	– 12 years
Fixtures and fittings	– 10 years
Office equipment	– 10 years
Computer equipment	– 5 years
Commercial vehicles	– 4 years

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit and loss.

Intangible Assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of consideration transferred, compared to the fair value of the acquired company at the acquisition date. Goodwill impairment reviews are undertaken annually or more frequently if events, or changes in circumstances indicate a potential impairment. The carrying value of the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act.

Software

Software development costs that are not integral to specific hardware are capitalised at cost. Amortisation commences when the software installation is complete and is charged over 10 years.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Intangible assets (continued)

Customer list

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The expected useful lives is amortised in equal annual instalments over 5 years, and the amortisation is included in administrative expenses.

Impairment

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted where material to the company.

Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value. Cost is based on:

Raw materials and consumable	-	purchase cost on a first-in, first-out basis
Work in progress and Finished goods	-	cost of direct materials and labour, plus a proportion of manufacturing overheads, based on normal levels of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Financial instruments - Financial assets

Initial recognition and measurement

Financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristic. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15. The company only has financial assets that are measured at amortised cost.

Financial assets at amortised cost

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The company's financial assets at amortised cost includes trade receivables.

Trade and other debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. When the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Financial liabilities

Financial liabilities within the scope of IFRS9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

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. In the balance sheet bank overdrafts are shown in current liabilities.

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net-payment.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Income tax (continued)

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Sales are recognized in accordance with IFRS 15 at the date when control over the product or the service is obtained by the customer. The assessment is made separately for each type of performance promise. The amount of sales is determined by the contractual agreement. To the extent that the purchase price refers to multiple sales transactions, the transaction price is allocated appropriately to the individual sales transactions.

Sales from selling products are recognised at a point in time, i.e. once the ownership or the risk is transferred to the customer.

Pensions and other post-employment benefits

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually under the requirements of IAS19 by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise. The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset. Past-service costs are recognised immediately in the income statement.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs. A pension surplus is recognised as an asset when the Company has the right and ability to utilise the surplus.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Pensions and other post-employment benefits (continued)

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Foreign currencies

The functional and presentational currency of the company is Sterling. Transactions denominated in foreign currencies are recorded in Sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the income statement.

Leases as a Lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings: 5-50 years
- Motor vehicles and other equipment: 3 to 5 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment under IAS36.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Summary of significant accounting policies (continued)

Leases as a Lessee (continued)

ii) Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in either creditors falling due within 1 year or creditors falling due after 1 year.

iii) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs are incurred.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

3 Critical accounting estimates and judgment

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The 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.

Pension benefits

The company operates a defined benefit pension scheme. In producing an estimated year end position for the scheme the directors use a series of assumptions related to, for example, mortality, inflation and discount rates. In setting these assumptions the directors rely on advice given to them by the scheme actuary although the final decision as to what assumptions are to be used rests with the directors. Details of the assumptions used in the financial statements can be found in note 24.

Impairment of intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the performance of the assets of the Cash Generating Unit (CGU) being tested.

These budgets are based on the structure and the strategy of the Arkema group and therefore there is significant judgement in the ability of these strategies to achieve the forecast growth rate, including through to perpetuity. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows (which are dependent on volumes and prices) and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill. The key assumptions used to determine the recoverable amount including a sensitivity analysis, are disclosed and further explained in Note 15.

Useful economic life of assets

The annual depreciation charge for property and plant and equipment and right of use assets are sensitive to changes in the estimates useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Under FRS101 the company will no longer amortise its intangible goodwill assets but will perform an annual impairment review. Judgmental areas relate to the level of company business that is allocated to goodwill.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

3 Critical accounting estimates and judgment

Inventory provisioning

The company designs, manufactures and sells adhesives, sealants and other chemicals and is subject to changing industry and consumer demands. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required.

When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience in accordance with IFRS9.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

4 Revenue

The company's turnover and profit on ordinary activities before taxation arise primarily from its principal activity of the manufacture of adhesives, sealants and other chemicals.

Geographical analysis of turnover is as follows:

	2024 £'000	2023 £'000
United Kingdom	113,230	117,357
Rest of Europe	24,798	14,300
Rest of the world	22,302	11,106
Total	160,330	142,763

All turnover is generated by activities in the United Kingdom.

5 Operating profit & exceptional items

Operating profit before exceptional items is stated after charging:

	2024 £'000	2023 £'000
Auditors' remuneration		
Services relating to statutory audit	98	75
Depreciation and other amounts written off:		
Property, plant and equipment	4,074	2,469
Amortisation	1,275	2
Impairment of intangible assets	14,950	-
Research expenditure	1,936	1,277
Operating leases in relation to low-value assets	494	125

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

5 Operating profit & exceptional items (continued)

	2024 £'000	2023 £'000
Exceptional items after operating profit:		
Net profit on disposal of fixed assets	-	(38)

The net profit on disposal of fixed assets in the prior year relates to the sale of a portion of a manufacturing site.

6 Administrative expenses – exceptional items

	2024 £'000	2023 £'000
Impairment of goodwill	14,950	-

During the year there was an impairment charge of £14,950,000 to the goodwill associated with the acquisition of the trade and assets of Bostik Adhesives Limited, a sister company within the Arkema group, due to changing market conditions.

7 Other operating income

	2024 £'000	2023 £'000
Research and Development tax credits	223	-

8 Remuneration of directors

During the financial year ending 31 December 2024, there were no directors (2023 – no directors) employed by the company. The Managing Director was employed by another undertaking in the group for which the undertaking issued invoices in the year totalling €324,000 (2023: €240,000) for managerial services in accordance with transfer pricing regulations.

The emoluments relating to the other directors are borne by other undertakings in the group. In any given year these directors do not spend a significant portion of their time on the company, and the qualifying service provided is therefore considered inconsequential.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

9 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2024 Number	2023 Number
Production	216	185
Sales and distribution	134	121
Administration	69	59
	419	365

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	20,641	16,433
Social security costs	2,194	1,767
Defined contribution pension costs	1,905	1,449
	24,740	19,649

10 Finance income

	2024 £'000	2023 £'000
Group cash pool income	850	693
	850	693

11 Finance expense

Net finance expense	2024 £'000	2023 £'000
Group borrowings	5,430	678
Lease interest expense (note 17)	50	86
	5,480	765

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

12 Income tax expense on ordinary activities

<i>Analysis of tax charge/(credit) for the period</i>	2024	2023
	£'000	£'000
<i>Current tax:</i>		
UK corporation tax at 25% (PY: 23.52%)	1,099	1,550
Group relief payable/(receivable)	-	240
Adjustment in respect of prior years	(245)	178
Total current tax charge	854	1,968
<i>Deferred tax:</i>		
Origination and reversal of timing differences	212	313
Adjustment in respect of prior years	285	(662)
Effect of tax rate change	-	20
Total deferred tax charge/(credit)	497	(329)
Tax on profit on ordinary activities	1,351	1,639
Tax included in statement of statement of recognised income and expense		
	2024	2023
	£'000	£'000
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(893)	582
Tax included in statement of recognised income and expense	(893)	582

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

12 Income tax expense on ordinary activities (continued)

The standard rate of tax for the year, based on the UK standard rates of corporation tax is 25% (2023: 23.52%). The actual tax charge for the year is lower (2023: lower) than the standard rate for the reasons set out in the following reconciliation:

	2024 £'000	2023 £'000
(Loss)/profit on ordinary activities before tax	(9,395)	9,184
Tax on (loss)/profit on ordinary activities at standard rate of 25% (PY: 23.52%)	(2,349)	2,160
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,807	71
Fixed asset differences	92	26
Remeasurement of deferred tax for changes in tax rates	-	20
R&D expenditure credits	(56)	-
Chargeable gains / (losses)	-	9
Transfer pricing adjustments	(183)	(163)
Adjustments to tax charge in respect of prior periods	40	(484)
Total tax for the year	1,351	1,639

Factors that may affect future tax charges

The UK Budget 2023 announcements on 3 March 2023 included an increase to the UK's main corporation tax rate from 19% to 25%, which came into effect from 1 April 2023. These changes were substantively enacted at the balance date and hence have been reflected in the measurement of deferred tax balances at the period end.

Pillar Two of the Organisation for Economic Co-Operation and Development's ("OECD's") Two Pillar Solution provides for the taxation of income of large groups at a minimum effective rate of 15% on a jurisdictional basis. The Company is a wholly owned subsidiary of Arkema SA, which is incorporated in France and is the ultimate parent undertaking. The Group is within scope of the OECD Pillar Two model rules. The Group has a presence in jurisdictions that have enacted Pillar Two model rules. This includes the UK which enacted Income Inclusion Rule ("IIR") and Qualified Domestic Minimum Tax ("QDMTT") for fiscal years starting on or after 31 December 2023, whereas the Undertaxed Profits Rule (UTPR) will become effective for fiscal years starting on or after 31 December 2024. The Group and Company have performed an assessment of the potential exposure of Pillar Two income taxes and have concluded there is no material impact to the Company's UK effective tax rate.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

12 Income tax expense on ordinary activities (continued)

The Company has applied the mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

13 Deferred tax liabilities and assets

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior year. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2023: 25%).

	2024	2023
	£'000	£'000
Movement on deferred taxation balance in the year	(597)	(1,509)
At 1 January	(497)	329
Income statement (note 12)	(2,921)	-
Acquired on business acquisition (note 14)	(893)	582
Tax charged directly to other comprehensive income	(4,908)	(597)
At 31 December	(4,908)	(597)
	2024	2023
	£'000	£'000
Capital allowances in excess of depreciation	(4,544)	(1,938)
Customer list	(863)	-
Short term temporary difference re retirement benefit obligations	499	1,341
Total deferred tax liability	(4,908)	(597)

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

14 Business acquisition

On 1 January 2024, the company acquired the trade and assets of Bostik Adhesives Limited, a sister company within the Arkema group. The consideration paid was equal to the net book value of the net assets of Bostik Adhesives Limited.

In December 2024, the company acquired a portion of the DOW Inc. business, as part of a larger group wide acquisition by the Arkema group. The consideration paid was equal to the net book value of the net assets.

	£'000
Property, plant and equipment	10,590
Intangible assets	50,042
Right of use assets	51
Trade and other receivables, including cash pool	35,971
Inventory	2,774
Cash	2,308
Trade Creditors and other liabilities	(3,469)
Deferred tax provision	(2,921)
Net assets acquired	95,346
Consideration	95,346

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

15 Property, plant and equipment

	Land and buildings £'000	Right of use buildings £'000	Right of use vehicles £'000	Assets under construction £'000	Plant office and machinery £'000	Total £'000
Cost						
At 1 January 2024	16,195	1,056	3,372	-	53,700	74,323
Additions	246	-	1,862	3,379	1,231	6,718
Acquired on business acquisition	4,837	-	51	-	5,753	10,641
Disposals	-	-	-	-	(77)	(77)
Transfers	812	-	-	(2,663)	1,851	-
At 31 December 2024	22,090	1,056	5,285	716	62,458	91,605
Accumulated depreciation						
At 1 January 2024	10,377	532	1,806	-	41,699	54,414
Charge for the year	745	224	1,065	-	2,039	4,074
Disposals	-	-	-	-	(77)	(77)
At 31 December 2024	11,122	756	2,871	-	43,661	58,411
Net book amount						
At 31 December 2024	10,968	300	2,414	716	18,797	33,194
At 31 December 2023	5,818	524	1,566	-	12,543	19,910

Depreciation has not been charged on freehold land, which is stated at its deemed cost of £3,792,000 (2023: £3,792,000).

On 26 January 1990, Snow & Astill Chartered Surveyors undertook a revaluation of freehold property on an open market value basis. The property, with a cost of £768,235, was re-valued at £1,829,815 and was fully depreciated by the year ended 31 December 2008.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

16 Intangible assets

	Software £'000	Covenant not to compete £'000	Customer Lists £'000	Goodwill £'000	Total £'000
Cost					
At 1 January 2024	4,945	1,652	-	26,277	32,874
Additions	54	-	-	-	54
Acquired on business acquisition	3	-	4,601	45,438	50,042
At 31 December 2024	5,002	1,652	4,601	71,715	82,970
Accumulated depreciation					
At 1 January 2024	4,389	1,652	-	-	6,041
Impairment	-	-	-	14,950	14,950
Charge for the year	125	-	1,150	-	1,275
At 31 December 2024	4,514	1,652	1,150	14,950	22,266
Net book amount					
At 31 December 2024	488	-	3,451	56,765	60,704
At 31 December 2023	556	-	-	26,277	26,833

On 1 January 2024, the company recorded £45,438,000 of goodwill associated with the Bostik Adhesives CGU. The existing goodwill arose on the acquisition of the trade and assets of Biscem, Laybond, Sealocrete and Wetherby was previously being amortised over a period of 20 years however this was frozen at the date of transition to FRS 101 (1 January 2014) and the carrying value is now subsequently assessed annually for impairment.

Goodwill acquired on the acquisition the Evode brand and product range was previously being amortised over a period of 40 years however this was frozen at the date of transition to FRS 101 (1 January 2014) and the carrying value is now subsequently assessed annually for impairment.

Impairment

Goodwill is reviewed for impairment annually in accordance with FRS 101. The recoverable amount of intangible assets, as well as property, plant and equipment is also tested as soon as any indication of impairment is identified. A review to identify if any such indication exists is performed at each year-end, based on a five-year plan validated by management. This impairment test is performed at least once a year and includes all tangible and intangible fixed assets to determine the recoverable amount.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

16 Intangible assets (continued)

Recoverable amount is the higher of Fair Value Less costs to Dispose (FVLCD) or Value in use (VIU). The company forms two cash generating units (CGU's).

The carrying value of goodwill is assessed by reference to its value in use reflecting the projected cash flows the CGUs. These projections are based on the most recent budget, which has been approved by the Board and reflects management's expectations of sales growth, operating costs and margin, taking into consideration past experience and external sources of information. Long-term growth rates for periods not covered by the annual budget reflect the products, industries and countries in which the CGU operates.

The key assumptions in the most recent annual budget on which the cash flow projections are based relate to discount rates, growth rates and expected changes in volumes, and raw material price changes.

The cash flow projections have been discounted using a pre-tax weighted average cost of capital for the CGU, which is 8.5%.

The long-term growth rates beyond the initial budgeted cash flows, applied in the value in use calculations for goodwill allocated to each of the CGUs or groups of CGUs that are significant to the total carrying amount of goodwill, were 2.5%, consistent with the inflation factors included in the discount rates applied.

Sensitivity to changes in key assumptions

Impairment testing is dependent on management's estimates and judgements, particularly as they relate to the forecasting of future cash flows, the discount rates selected and expected long-term growth rates. Key drivers of the forecast improvement in performance include completion of a number of margin improvement initiatives, implementation of planned strategic initiatives and the expansion of market share including through new product development. A key assumption is that raw material price increases will occur and that these can predominantly be passed on to customers.

The company has factored in the downturn in results in 2025, and forecast increased revenue in the years 2026-2029 of 7.2% per annum, should the rate of growth be 1% lower per annum, an impairment of £4.0m would arise.

The company has determined that a growth rate of 2.5% into perpetuity is appropriate. Should this decrease by 0.5% to 2%, an impairment of £2.7m would arise.

The company has determined that a discount rate of 8.5% is appropriate, should this increase by 1% to 9.5%, an impairment of £6.7m would arise.

If all the above changes in assumptions were combined this would lead to an additional impairment of £13.4m.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

17 Leases

The company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 15 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years.

The company applies the 'lease of low-value assets' recognition exemptions for certain leases.

Set out below are the carrying amounts of lease liabilities (included in creditors) and the movements during the period:

Lease liability	Buildings £'000	Vehicles £'000	Total £'000
As at 1 January 2024	548	1,595	2,143
Additions	-	1,862	1,862
Acquired on business acquisition	-	51	51
Accretion of interest	23	27	50
Payments	(250)	(1,077)	(1,327)
As at 31 December 2024	321	2,458	2,779

The lease liability maturity profile on a discounted basis are as follows:

	2024 £'000	2023 £'000
Within one year	1,080	1,046
In the second to fifth years inclusive	1,699	1,097
	2,779	2,143

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

18 Inventories

	2024 £'000	2023 £'000
Raw materials and consumables	6,692	8,006
Finished goods and goods for resale	9,865	8,517
Engineering spares	557	406
	17,114	16,929

In the opinion of the directors there is no significant difference between the replacement cost of stocks and their value above. Inventories are stated after provisions for impairment of £1,514,000 (2023: £1,483,000).

19 Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	16,331	17,419
Other receivables	82	22
Amounts due from group undertakings	29,873	3,874
Amounts due from group undertakings – group relief	938	565
Corporation tax receivable	2,991	3,644
Prepayments and accrued income	1,256	602
	51,471	26,126

£5,579,000 (2023: £3,585,000) relates to trade receivables from group undertakings and is not interest bearing. Of this £nil (2023: £289,000) relates to the net cash pooling arrangements operated by the Arkema Group. All amounts are unsecured and are payable on demand. Trade receivables are stated after provisions for impairment of £1,652,000 (2023: £1,407,000)

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

20 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	20,487	10,897
Amounts due to group undertakings	19,346	18,204
Lease liability	1,080	1,046
Other taxes and social security	1,344	1,582
Accruals and deferred income	3,915	5,442
	46,172	37,171

Amounts due to group undertakings are repayable on demand.

21 Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Lease liability	1,699	1,097
	1,699	1,097

22 Provisions for liabilities

	2024 £'000	2023 £'000
Deferred Tax Liability	4,908	597
Provision for Customer Claims	270	153
Restructuring Provision	78	259
	5,256	1,009

The deferred tax liability is explained in note 12.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

22 Provisions for liabilities (continued)

The provision for customer claims represents an appropriate provision for legal and other claims in progress against the company. The restructuring provision will be utilised within 1 year. The claims provision is expected to be utilised within 1 to 5 years.

	Provision for restructuring £'000	Claims provisions £'000	Total £'000
As at 1 January 2024	153	259	412
Acquired on business acquisition	-	99	99
Accrued	-	768	768
Utilised	(75)	(856)	(931)
As at 31 December 2024	78	270	348

23 Share capital

	2024 £'000	2023 £'000
Allotted and fully paid		
77,882,001 (2023: 7,882,001) ordinary shares of £1 each	77,882	7,882

On 12 December 2024, the company issued 70,000,000 shares of £1 each to its parent company for total consideration of £70,000,000.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

24 Merger Reserve

On 1 January 2022, the company acquired the remaining trade and assets of Sovereign Chemicals Limited. As permitted under FRS101 the company has elected to record the carrying value of the underlying assets and liabilities acquired via the hive across using the pooling of interest method. The resulting difference from the hived up entities being accounted for as a merger reserve within equity was £1,355,000 at 31 December 2024 and 2023.

25 Pension scheme

Defined Benefit Plan

Bostik Ltd is the sponsoring employer for the Arkema Bostik Limited Defined Benefit Pension Scheme ('the Arkema Bostik Scheme'), a registered defined benefit final salary scheme. This scheme was established on the 2 February 2015 following the change in ownership of Bostik Ltd.

On 18 December 2015 the company entered into an irrevocable commitment to close the Arkema Bostik Defined Benefit Pension Scheme to future accrual. This closure to future accrual became effective on the 1 February 2016.

On 29 March 2016, the Arkema group merged the Arkema Bostik Scheme and the assets and liabilities of a sister company defined benefit pension scheme (the "Arkema scheme"), which was also closed to future accrual. As part of this scheme merger, Bostik Limited assumed the role of sponsoring employer of the Arkema scheme, effective as at 31 December 2016. From this date the company is responsible for all the gains or losses incurred by the merged defined benefit pension scheme.

The company assumed an IAS19 deficit on the transfer of £2,281,000, which was funded by payments of £2,553,000 from the Arkema sister companies. Bostik Ltd is the sole sponsoring employer of this enlarged scheme. As part of this process a parent guarantee was also put in place, subject to a cap of 120% of PPF benefits.

The Arkema Bostik Scheme is subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Scheme is operated under trust and as such, the trustees of the Scheme are responsible for operating the Scheme. The trustees have a statutory responsibility to act in accordance with the Scheme's Trust Deed and Rules, in the best interest of the beneficiaries of the Scheme and UK legislation (including Trust law).

The Scheme has one participating employer, Bostik Limited, which is controlled by the Arkema Group. Each year the company utilizes an IAS19 valuation that is performed by an actuary.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

25 Pension scheme (continued)

The trustees carried out actuarial valuations in 2024 in line with the triennial basis, in accordance with the Scheme Specific Funding requirements. The funding valuation revealed a deficit, and the trustees agreed with Bostik Ltd, the participating employer a recovery plan in accordance with that employer's notional deficit.

The future funding of the pension scheme is currently set at contributions of £184,000 per quarter between 1 January 2025 until 31 December 2027, and contribute £220,000 per annum to the pension scheme running costs. The contributions paid by the company are reviewed every 3 years as part of each formal actuarial valuation.

Contracted out pension scheme /Section 27

The Directors are aware of the High Court decision surrounding the treatment of changes to scheme rules between April 1997 and April 2016 (the impacted period) for contracted out defined benefit pension schemes. Virgin Media had its legal case heard in the High Court in June 2023 and the Court of Appeal dismissed an appeal on 25 July 2024, with the judgement handed down that amendments to scheme rules were invalid in the absence of a confirmation from the scheme actuary under Section 37 of the Pension Schemes Act 1993.

The company participates in a defined benefit pension scheme which used to be "contracted out" of the additional state pension scheme. Relevant amendments to scheme rules impacting member benefits may have been made during the impacted period. The Directors have held discussions with their legal advisers and the Trustees of the defined benefit pension scheme regarding the 'Virgin Media vs NTL Pension Trustees II Limited High Court decision', and commenced a review of historic changes to agree on the appropriate next steps.

The company is aware that the Government confirmed in June 2025 that it will legislate to address the effect of the Virgin Media decision. The company will continue to monitor developments and periodically re-assess if there is a need for the company to carry out the appropriate investigations to determine whether any instance of non-compliance occurred. Based on the judgement made to date and whilst the Directors do not expect there to be any instances of the company not having administered scheme rule amendments correctly during the impacted period, it remains uncertain as to whether any retrospective action needs to be taken.

Whilst management consider that appropriate policies and controls were in place at the time, whilst the interventions remain uncertain the company cannot at this time reliably assess the financial impact, if any.

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

25 Pension scheme (continued)

In calculating the liabilities of the defined benefit scheme, the following financial assumptions have been used:

	2024	2023
Discount rate	5.50%	4.50%
Rate of increase in salaries	-	-
Inflation assumption – RPI	3.13%	3.51%
Inflation assumption – CPI	2.13%	2.71%

The longevity assumptions are shown in the following table:

	31 December 2024		31 December 2023	
	Male	Female	Male	Female
Base table	S3PMA_102%	S3PFA_104%	S3PMA_102%	S3PFA_104%
Future improvements	CMI 2022 With a 1.5% Improvements, initial addition 0.2%	CMI 2022 With a 1.5% Improvements, initial addition 0.2%	CMI 2022 With a 1.5% Improvements, initial addition 0.2%	CMI 2022 With a 1.5% Improvements, initial addition 0.2%

The major categories of assets as a percentage of total plan assets are as follows:

Asset category	%	2024	%	2023
		£'000		£'000
Equities	26.17%	9,252	23.79%	7,961
Investment funds	34.62%	12,239	32.62%	12,622
Bonds	37.60%	13,292	42.99%	15,071
Cash	1.61%	569	0.60%	3,717
Total	100%	35,352	100%	39,371

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

25 Pension scheme (continued)

The amounts recognised in the Statement of Financial Position are determined as follows:

	2024	2023
	£'000	£'000
Fair value of plan assets	35,352	39,371
Present value of defined benefit obligation	(37,349)	(44,573)
(Liability) on the balance sheet	(1,997)	(5,202)

The amounts recognised in the Income Statement in relation to the Arkema Bostik Scheme are as follows:

	2024	2023
	£'000	£'000
Current service cost / administration cost	(400)	(400)
Interest on net benefit obligation	(237)	(129)
Total included within the income statement	(637)	(529)

Change in the defined benefit obligation in relation to the Arkema Bostik Scheme:

	2024	2023
	£'000	£'000
Present value of defined benefit obligation at start of year	44,573	42,308
Current service cost/admin cost	400	400
Interest cost	2,027	2,010
Re-measurements	(7,471)	1,424
Cost of managing plan assets	-	(400)
Benefit payments	(2,180)	(1,569)
Present value of defined benefit obligation at end of year	37,349	44,573

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

25 Pension scheme (continued)

Change in plan assets in relation to the Arkema Bostik Scheme:

	2024	2023
	£'000	£'000
Fair value of plan assets at start of year	39,371	39,699
Interest income	1,790	1,881
Re-measurements – return on plan assets	(3,901)	(905)
Cost of managing plan assets	(400)	(400)
Benefits payments	(1,780)	(1,169)
Employer contributions	272	265
Fair value of plan assets at end of year	35,352	39,371

Amount recognised in Other Comprehensive Income:

	2024	2023
	£'000	£'000
Re-measurements on defined benefit obligation	7,471	(1,424)
Re-measurements on plan assets	(3,901)	(905)
Re-measurements	3,570	(2,329)
Deferred tax on re-measurements	(893)	582
Net re-measurements in other comprehensive income	2,677	(1,747)

Bostik Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

25 Pension scheme (continued)

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the plan liabilities are set out below:

	Obligation amount £000	Percentage of plan obligations %
Discount rate (-25 basis points)	38,653	103
Discount rate (+25 basis points)	36,115	97

The above changes show the impact on the present value of the plan liability and as a percentage of the plan current obligations.

The company participates in defined contribution schemes operated by various providers for eligible employees.

The assets of the scheme are held separately from those of the company.

26 Capital management, financial risk management objectives and policies

An explanation of the company's financial instrument risk management objectives, policies and strategies is set out in the directors' report. The directors consider that the company has minimal sensitivity to interest rate and foreign currency risk and hence have not presented sensitivity analysis. The primary objectives of the company's capital management are to ensure that the company maintains strong credit ratings, manages its cash flow and debtors and maintain healthy capital ratios in order to support its business and to maximise shareholders' value

27 Ultimate parent company and controlling party

The company's immediate parent undertaking is Arkema Holding Ltd, a company incorporated in the United Kingdom. Its registration number is 00868680.

In the directors' opinion the company's ultimate parent undertaking and controlling party is Arkema SA, a company incorporated in France. This is the smallest and largest group in which the company is consolidated. Its registered office and the address from which group financial statements can be obtained is at 420 rue d'Estienne d'Orves, 92700 Colombes, registered with the Nanterre Register of Companies, registration number 445 074 685 R.C.S.