BASF Agricultural Specialities Limited

Directors' Report and Financial Statements

Registered Number 1639557

for the Year Ended 31 December 2025

BASF Agricultural Specialities Limited

Contents

BASF Agricultural Specialities Limited

Strategic Report for the Year Ended 31 December 2025

The directors present their strategic report for the year ended 31 December 2025.

Principal activity
The principal activity of the company is the manufacture and sale of bio-inoculants and bio-pesticides. The principal activities are not expected to change in the foreseeable future.

Fair review of the business
Biological farming solutions remain a strategic part of the BASF Agricultural Specialities business and as such the company continues to invest in research and development activities at the Littlehampton site. The site is the hub for continued development of nematode products within the wider BASF Group and is the designated production site for the growing European inoculants market.

The decrease in the turnover for 2025 is attributed to seasonal factors for nematodes and timing of inoculant sales to Europe (some sales deferred to January 2026). The 2025 loss is attributed to this decrease in turnover and a conscious decision to invest in Environmental, Health and Safety technical improvements and continued capacity building and stabilisation of the production process. The Resilience Project vessels were, commissioned late 2025 and will put the site in a good position to meet increasing nematode and inoculant demands from 2026 onwards. The company made a loss after tax of £1,707,000 (2024 Profit after tax of: £104,000).

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2025	2024
Turnover	£000	7,299	8,373
Gross Profit Margin	%	2.49	24.83
Average Headcount	Number	37	34

Comparing the respective 12 month periods to December, turnover decreased by 12.83% which can largely be attributed to seasonal factors for nematodes and timing of inoculant sales to Europe.

The gross profit margin on turnover was 2.49% (2024: 24.83%). The decrease is due to the decrease in turnover, as the cost of sales is fairly stable, the raw materials make up a small percentage of the product value.

The average headcount figure is higher than the prior year, as additional staff recruited due to restructuring. This figure will now stabilise as the restructuring process is complete.

Section 172(1) Companies Act 2006
The Directors confirm that they have acted in good faith in the way they consider what would be most likely to promote the success of the Company for the benefit of its members. In doing so they have considered, among other matters, those set out in section 172(1) (a) to (f) of the Companies Act 2006: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company. This statement applies equally to the Directors individually and when acting collectively as the Board.

In discharging their duties in relation to section 172 (1), careful consideration is given to the matters set out above. The stakeholders we consider in this regard are primarily employees, suppliers and customers, the communities we operate in, the wider world and environment.

Engagement with our shareholders and all stakeholders is of fundamental importance across the business and the Directors are focused on building these relationships on a continuous basis.

Communities
We are committed to creating sustainable, long-term opportunities in our communities in addition to aiming to become an employer of choice.

Outreach initiatives that particularly encourage education, women in science, stem ambassador, and trainee placements continue.

Environment
The company has continued our approach to develop biological pest control solutions and inoculants for Home & Garden, farmers and the broader agricultural market.

The company has continued to develop its views and laterally is continuing to develop its assessment of the economic, ecological and social impacts of its business activities along the value chain: the "Value to Society" approach. The intention is to measure the value proposition of our actions along the entire value chain, aware that our business activities are connected to both positive and negative impacts on the environment and society.
Our Net Zero target is a key aspect of this as we strive to increase our positive contribution to society and all our climate change journeys.

Engagement with employees
Our employees are critical to the success of our business, and we strive for good communication with them through both segmental and group-wide publications and an intranet in order to foster content, engaged and productive personnel.

We encourage two-way participation from all personnel, and contributions are published in a weekly online wrap for site

Engagement with suppliers, customers and other relationships
We are fully committed to our customers (both country and end user). We monitor our KPIs on a Scorecard on a monthly basis (including On Time in Full and Non-conformance Management targets).

We are proud to hold the accredited ISO 9001:2015 award.

Outlook for 2026

In 2025, the initiatives launched in 2024 to stabilise and optimise production processes and equipment continued to deliver progress. During the latter part of the year, the Resilience Project vessels were successfully commissioned. These vessels significantly increase nematode, bacteria, and inoculum production capacity, positioning the site well to meet the growing demand for nematodes and inoculants from 2026 onwards.

Risks and uncertainties

The board of directors have identified the following risks and uncertainties as those which could have a significant impact on the performance of the company going forward:

- Inherent risks in BASF products of obsolescence due to competitors developing technically superior product and new competitors entering the market. These will be managed by looking at new improved formulations, consistency and improvements in production processes which will have a positive impact on pricing and product performance against competitors.

- Raw material and energy costs are prone to increase and the company makes all efforts to pass onto the customer. Dependent on the market, selling price increases cannot always be attained.

- Risk of significant changes in currency exchange rates. The company maintains constant management review of foreign exchange exposure and the group's policy is to hedge these risks using forward exchange contracts which are entered into by BASF Societas Europaea.

The company meets the legal requirements to manage these risks. Given the importance the company places on managing those risks, it also adheres to best practice and Chemical Industries Association Standards. There are regular risk assessment activities carried out on a site by site basis. Where corrective actions are required, these are implemented and reviewed at the next internal audit. The production sites regulations are subject to Health and Safety Executive audits.

The war between Russia and Ukraine caused additional administrative requirements, leading to delivery delays again in 2025. All dispatches were however successfully delivered before the season in Q1 2026.

The company is exposed to risks arising from geopolitical uncertainty, including the potential escalation of conflict involving Iran. Such developments may adversely affect global economic conditions, disrupt supply chains, and contribute to volatility in energy prices and foreign exchange markets. These factors could increase operating costs and impact customer demand.

Increased cost of raw materials, energy and freight together with rising inflation continues. Mitigation is an ongoing priority.

The direct impact of US tariffs on the company is limited as sales invoiced or shipped to the US make up less than 8% of total turnover. Indirect effects could include changes in consumer market demand meaning our customers might sell less or adjustments of global supply chains leading to customers relocating production. The company continues to monitor developments in this area.

BASF Agricultural Specialities Limited

Strategic Report for the Year Ended 31 December 2025 (continued)

Approved and authorised by the Board on 10 July 2026 and signed on its behalf by:

Neil Kay (Jul 10, 2026 13:14:47 GMT+1)

....

N Kay

Director

BASF Agricultural Specialities Limited

Directors' Report for the Year Ended 31 December 2025

The directors present their report and the financial statements for the year ended 31 December 2025.

Directors of the company
The directors who held office during the year up to the date of the report were as follows:

T Birk (ceased 1 April 2025)

N Kay

T Holstein

D Shewell (appointed 1 April 2025)

Proposed dividend

The directors do not recommend the payment of a dividend (2023: £2,500,000 was paid during the year).

Information included in the Strategic Report
The principal activity, business performance, key performance indicators and future developments are set out in the Strategic Report.

Going concern
Following detailed assessment the financial statements have been prepared on the going concern basis. Further details are given in note 2 to the financial statements.

Financial instruments

Objectives and policies

The company primarily finances its operations using borrowings, cash and liquid resources, trade debtors and creditors, debt and equity. These financial instruments all arise in the normal course of the company's operating activities.

Price risk, credit risk, liquidity risk and cash flow risk

The company does not engage in speculative activities using derivative financial instruments. Company cash reserves are pooled and managed centrally in order to ensure the best returns. The majority of borrowing is also within the BASF group, which results in lower financing costs.

Credit risk is low due to all sales being intercompany sales.

Price risk, interest rate risk, liquidity risk and exchange risk are managed at a group level via a combination of BASF Services Europe GmbH and BASF SE, the company's ultimate parent. This reduces significantly the exposure of BASF Agricultural Specialities Limited to movements in the markets.

Employment of disabled persons
Applications for disabled employees are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
Employee involvement and consultation is managed in a number of ways. The process of team briefings by line managers continues to be an important basis for ensuring good internal communications. These arrangements also promote a common awareness amongst employees of the financial and economic factors affecting the performance of their segments and the business. This is supplemented by both segmental and company-wide publications and an intranet.

Environmental matters
BASF use efficient processes while simultaneously protecting the environment, since we consume less resources as well as reducing emissions and waste.

New technologies for energy production and energy distribution are continuously being tested and evaluated to achieve an increase in the energy efficiency of our site.

Research and development
The company incurred £nil of expense in the year ended 31 December 2025 on research and development (2024: £nil)

Directors' Indemnities
The Company has purchased and maintained throughout the financial year Directors’ and Officers’ liability insurance in respect of itself and its Directors, subject to the conditions set out in section 236 of the Companies Act 2006.

Disclosure of information to the auditor
Each of the persons who is a director at the date of approval of this report confirms that:
• so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
• the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company’s auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a members written resolution to reappoint them in accordance with the provisions of Section 485 of the Companies Act 2006 will be proposed by the Directors.

Approved and authorised by the Board on 10 July 2026 and signed on its behalf by:

Neil Kay (Jul 10, 2026 13:14:47 GMT+1)

....

N Kay

Director

4th and 5th Floor
2 Stockport Exchange
Railway Road
Stockport
SK1 3GG
United Kingdom

BASF Agricultural Specialities Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Director's 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Deloitte LLP

Independent auditor's report to the members of BASF Agricultural Specialities Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BASF Agricultural Specialities Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practices, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council’s (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 of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditor's report to the members of BASF Agricultural Specialities Limited (continued)

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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of BASF Agricultural Specialities Limited (continued)

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of BASF Agricultural Specialities Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matter 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 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.

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 any material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in these respects.

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.

....
Douglas King FCA
For and on behalf of Deloitte LLP,
Statutory Auditor
100 Embankment
Cathedral Approach
Manchester
M3 7FB
Date: 10/07/26

BASF Agricultural Specialities Limited

Profit and Loss Account for the Year Ended 31 December 2025

	Note	2025 £ 000	As restated* 2024 £ 000
Turnover	3	7,299	8,373
Cost of sales		(7,117)	(6,294)
Gross profit		182	2,079
Distribution costs		(1,277)	(1,203)
Administrative expenses		(1,046)	(503)
Other operating income		140	79
Operating (loss)/profit	4	(2,001)	452
Other interest receivable and similar income	5	4	52
Interest payable and similar expenses	6	(253)	(314)
		(249)	(262)
(Loss)/profit before tax		(2,250)	190
Tax on (loss)/profit	10	543	(86)
(Loss)/profit for the financial year		(1,707)	104

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

*Refer to note 19 for explanation of the restatement.

BASF Agricultural Specialities Limited

Statement of Comprehensive Income for the Year Ended 31 December 2025

	2025 £ 000	2024 £ 000
(Loss)/profit for the year	(1,707)	104
Total comprehensive (expense)/income for the year	(1,707)	104

The notes on pages 17 to 29 form an integral part of these financial statements.

BASF Agricultural Specialities Limited

Balance Sheet as at 31 December 2025

	Note	2025 £ 000	2024 £ 000
Fixed assets			
Tangible assets	11	6,131	6,541
Current assets			
Stocks	12	1,449	1,362
Debtors falling due within one year	13	3,492	2,613
		4,941	3,975
Creditors: Amounts falling due within one year	14	(8,580)	(6,351)
Net current liabilities		(3,639)	(2,376)
Total assets less current liabilities		2,492	4,165
Provisions for liabilities		(23)	11
Net assets		2,469	4,176
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		2,469	4,176
Total equity		2,469	4,176

Approved and authorised by the Board on 10 July 2026 and signed on its behalf by:

Timothy Holstein (Jul 10, 2026 12:25:11 GMT+1)

....

T Holstein

Director

BASF Agricultural Specialities Limited

Statement of Changes in Equity for the Year Ended 31 December 2025

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2024	-	4,072	4,072
Profit for the year	-	104	104
Total comprehensive income	-	104	104
At 31 December 2024	-	4,176	4,176

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2025	-	4,176	4,176
Loss for the year	-	(1,707)	(1,707)
Total comprehensive expense	-	(1,707)	(1,707)
At 31 December 2025	-	2,469	2,469

1 General information

The company is a private company limited by share capital, incorporated in England. The company's registered office is 4th and 5th Floor, 2 Stockport Exchange, Railway Road, Stockport, SK1 3GG.

2 Accounting policies

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

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Summary of disclosure exemptions
The company's ultimate parent undertaking, BASF Societas Europaea (BASF SE) includes the company in its consolidated financial statements. The consolidated financial statements of BASF SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

• Cash Flow Statement and related notes;
• Related Party Transactions; and
• Disclosures required by Sections 11 and 12 of FRS 102 in relation to financial instruments.

The financial statements of BASF SE may be obtained from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

2 Accounting policies (continued)

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

The company meets its day to day working capital requirements from operational cash flows, and trading balances with the group headed by BASF SE, the ultimate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during 12-month period ending 30 June 2027 the going concern assessment period.

Earnings before interest and tax (EBIT), even in a severe but plausible scenario for BASF Agricultural Specialities Ltd, will be positive for 2026. The company is part of the cash concentration agreement so will have full access to further borrowing if required, but the current forecasts show that this will not be required, even in the severe but plausible scenario.

BIL Financing Platform, Dublin, a group company has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements
In the course of preparing the financial statements, no critical accounting judgements have been made.

Key sources of estimation uncertainty
The company makes estimates and assumptions concerning the future. The company believes there were no key sources of estimation uncertainty that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Accounting policies (continued)

Foreign currency transactions and balances
Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Tax
Tax on profit or loss for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Unrelieved tax loses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable.

Tangible assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Asset class	**Depreciation rate**
Buildings	2% - 10% per annum
Leasehold land and Buildings	life of lease
Plant and machinery	10% - 33.3% per annum

No depreciation is provided on assets in the course of construction.

2 Accounting policies (continued)

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Provisions
A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2 Accounting policies (continued)

Share capital
Ordinary Shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
Employer contributions to the defined contribution pension scheme are charged to the profit and loss account as they arise.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company’s activities. Turnover is shown net of sales/value added tax or equivalent overseas sales taxes, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:
• The amount of revenue can be reliably measured;
• it is probable that future economic benefits will flow to the entity;
• and specific criteria have been met for each of the company's activities.

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2025 £ 000	2024 £ 000
Sale of goods	7,299	8,373

The analysis of the company's turnover for the year by market is as follows:

	2025 £ 000	2024 £ 000
UK	1,601	1,991
Europe	2,661	3,079
Rest of world	3,037	3,303
	7,299	8,373

4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2025 £ 000	2024 £ 000
Depreciation expense	681	639
Foreign exchange income	(36)	(44)
Operating lease expense - property	146	152
Operating lease expense - plant and machinery	20	20

5 Other interest receivable and similar income

	2025 £ 000	2024 £ 000
Other finance income	-	6
Receivable from group undertakings	4	46
	4	52

6 Interest payable and similar charges

	2025 £ 000	2024 £ 000
Interest on bank overdrafts and borrowings	-	1
Foreign exchange gains/(losses)	36	(44)
Interest payable to group undertakings	217	357
	253	314

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2025 £ 000	2024 £ 000
Wages and salaries	1,657	1,410
Social security costs	276	192
Pension costs, defined contribution scheme	12	-
Other post-employment benefit costs	255	212
	2,200	1,814

7 Staff costs (continued)

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

	2025 No.	2024 No.
Administration and support	6	7
Research and development	10	8
Sales, marketing and distribution	21	19
	37	34

8 Directors' remuneration

The values disclosed below consist of amounts paid to directors employed by the company. The other directors of the company are employed by fellow subsidiary BASF plc and their costs are borne by that company as their services to this company are incidental to their wider role in the group and remuneration is not allocated by entity.

The directors' remuneration for the period was as follows:

	2025 £ 000	2024 £ 000
Remuneration	72	-
Contributions paid to money purchase schemes	12	-
	84	-

9 Auditor's remuneration

	2025 £ 000	2024 £ 000
Audit of the financial statements	44	43

10 Taxation

Tax charged/(credited) in the profit and loss account

	2025 £ 000	2024 £ 000
Current taxation		
UK corporation tax	(569)	96
UK corporation tax adjustment to prior periods	(8)	(11)
	(577)	85
Deferred taxation		
Arising from origination and reversal of timing differences	34	1
Tax (receipt)/expense in the profit and loss account	(543)	86

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2024 - higher than the standard rate of corporation tax in the UK) of 0% (2024 - 25%).

The differences are reconciled below:

	2025 £ 000	2024 £ 000
(Loss)/profit before tax	(2,250)	190
Corporation tax at standard rate	(563)	48
Effect of expense not deductible in determining taxable profit (tax loss)	39	38
Deferred tax expense from unrecognised temporary difference from a prior period	24	27
Decrease in UK and foreign current tax from adjustment for prior periods	(8)	(11)
Tax decrease from effect of adjustment in research and development tax credit	(35)	(16)
Total tax (credit)/charge	(543)	86

10 Taxation (continued)

Finance Act 2021 increased the UK corporation tax rate to 25% from 1 April 2023. Deferred tax has been recognised at the rate of 25%.

BASF Agricultural Specialities Limited falls within the scope of the OECD Pillar Two Model Rules. The UK enacted relevant Pillar Two legislation effective from 1 January 2024. The application of these rules does not give rise to additional top-up taxes, as the applicable UK corporation tax rate is 25%.

BASF Agricultural Specialities Limited also applies the exception in FRS 102 whereby no deferred tax assets or liabilities are recognised in connection with Pillar Two income taxes under the OECD Model rules; nor are any disclosures made on the matter.

Deferred tax

Deferred tax assets and liabilities

2025	Asset £ 000	Liability £ 000
Accelerated tax depreciation	-	23
	-	23

2024	Asset £ 000	Liability £ 000
Accelerated tax depreciation	11	-
	11	-

11 Tangible assets

	Land and buildings £ 000	Leasehold improvements £ 000	Assets under construction £ 000	Property, plant and equipment £ 000	Total £ 000
Cost or valuation					
At 1 January 2025	5,061	572	1,301	7,340	14,274
Additions	-	-	95	206	301
Disposals	-	-	-	(36)	(36)
Transfers	-	7	(1,261)	1,254	-
At 31 December 2025	5,061	579	135	8,764	14,539
Depreciation					
At 1 January 2025	1,303	326	-	6,104	7,733
Charge for the year	153	18	-	510	681
Eliminated on disposal	-	-	-	(6)	(6)
At 31 December 2025	1,456	344	-	6,608	8,408
Carrying amount					
At 31 December 2025	3,605	235	135	2,156	6,131
At 31 December 2024	3,758	246	1,301	1,236	6,541

Included within the net book value of land and buildings above is £3,605,000 (2024 - £3,759,000) in respect of freehold land and buildings.

12 Stocks

	2025 £ 000	2024 £ 000
Raw materials and consumables	933	860
Merchandise	28	28
Work in progress	488	474
	1,449	1,362

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £7,117,000 (2024: £6,294,000). The write-down of stocks to net realisable value and aged stock provision amounted to a loss of £96,000 (2024: gain £122,000), and have adjusted gross stocks to the carrying amount above.

13 Debtors falling due within one year

Current	Note	2025 £ 000	2024 £ 000
Trade debtors		1	-
Amounts owed by related parties	18	2,683	2,387
Other debtors		177	133
Prepayments		56	23
Corporation tax		575	70
		3,492	2,613

14 Creditors

	Note	2025 £ 000	2024 £ 000
Due within one year			
Trade creditors		464	424
Amounts due to related parties	18	7,827	5,745
Social security and other taxes		54	36
Accrued expenses		235	139
Other financial liabilities		-	7
		8,580	6,351

15 Pension and other schemes

The employees of the company participate in the Defined Contribution section of the BASF (UK) group Pension Scheme.

Information about the plan as a whole can be obtained from the BASF Plc financial statements.

The pension cost shown in note 7 of £255,000 (2024: £212,000) represents the contribution payable by the Company to the fund. Contributions due to the fund are paid over in the monthly deduction from the payroll, so at the balance sheet date contributions of £ nil are outstanding (2024: £ nil).

16 Share capital

Allotted, called up and fully paid shares

	2025		2024	
	No.	**£ 000**	**No.**	**£ 000**
Ordinary shares of £1 each	100	-	100	-

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2025 £ 000	2024 £ 000
Not later than one year	219	159
Later than one year and not later than five years	875	817
Later than five years	992	1,183
	2,086	2,159

The amount of non-cancellable operating lease payments recognised as an expense during the year was £165,472 (2024 - £171,810).

18 Related party transactions

All material transactions with related parties during the current and prior year have been with the company's immediate parent, fellow subsidiaries and other group undertakings. As such, the company has taken advantage of the exemption allowed under FRS 102.33.1A not to disclose such transaction. Related party balances outstanding at the balance sheet date are disclosed in total under the relevant notes above.

19 Prior period adjustment

The prior year financial statements have been restated to correct a mapping error in the classification of inventory write-off related costs which were previously reported within Administrative Expenses. This restatement moves these costs to Cost of Sales which is consistent with FRS 102 Section 13.

	2024 As originally reported £ 000	Adjustment £ 000	2024 As restated £ 000
Turnover	8,373	-	8,373
Cost of sales	(5,113)	(1,181)	(6,294)
Gross profit/(loss)	3,260	(1,181)	2,079
Distribution costs	(1,203)	-	(1,203)
Administrative expenses	(1,684)	1,181	(503)
Other operating income/(expense)	79	-	79
Operating profit/(loss)	452	-	452

20 Parent and ultimate parent undertaking

The company's immediate parent is Becker Underwood (UK) Limited, incorporated in England.

The ultimate parent is BASF Societas Europaea, incorporated in Germany.

The most senior parent entity producing publicly available financial statements is BASF Societas Europaea. These financial statements are available upon request from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

BASF SE is the largest and smallest group preparing consolidated group financial statements.

The ultimate controlling party is BASF Societas Europaea.