

EEF LIMITED
Trading as Make UK



REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

EEF LIMITED

COMPANY INFORMATION

Directors	S Phipson CBE (Chief Executive Officer) RI Greenway (Chief Financial Officer) LE Harry A Watson RGNS Forsyth (appointed 27 March 2025) RP Glazebrook (Senior Independent Director) (appointed 27 March 2025) Lord RI Harrington (Chair) (appointed 28 March 2025) AM Adams (appointed 18 September 2025) CJ Rea (appointed 26 March 2026) N Blenkinsop (appointed 21 May 2026)
Company secretary	J McMillan OBE
Registered number	05950172
Registered office	Broadway House, Tothill Street London SW1H 9NQ
Independent auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank plc
Solicitors	Russell-Cooke LLP Eversheds Sutherland LLP Bates Wells & Braithwaite London LLP

EEF LIMITED

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

It has been a privilege to serve as Chair of Make UK during a year that tested the resilience and resolve of UK manufacturing. Despite this, it was yet another year where we demonstrated the sector's enduring strategic importance to the UK's economic strength, security and long term prosperity. Throughout 2025, manufacturers continued to operate in exceptionally challenging conditions, facing high energy costs, volatile global trade, supply chain disruption and persistent skills shortages. And yet, across every region and subsector, manufacturers continued to invest, innovate and adapt.

UK manufacturing remains a cornerstone of the national economy. We are proud of the fact that UK manufacturing supports over 2.5 million high skilled high pay jobs in communities across the UK. Manufacturing drives innovation and research, accounts for a substantial share of exports and business investment, and anchors economic activity across communities in every part of the UK. Manufacturing's long term success is central to addressing some of the biggest challenges facing the country - from productivity and regional growth, to decarbonisation, defence resilience and technological leadership.

Make UK exists to champion the brilliance of British manufacturing. During 2025 we strengthened our role as the authoritative voice of the sector. We did so not only by advocating forcefully on behalf of members, but by grounding our work in deep member engagement, robust economic analysis and practical insight from manufacturers at the frontline of delivery.

A defining achievement of the year was the publication of the Government's Modern Industrial Strategy. After nearly a decade of sustained campaigning by Make UK and its members, the strategy represented a clear, and extremely hard-fought breakthrough. It addressed long standing structural barriers to competitiveness, particularly industrial energy costs, skills shortages and access to finance. Importantly, it also reflected many of the sector specific solutions developed by Make UK, including proposals from our Skills Commission and our work on energy pricing reform.

This outcome was not achieved in isolation. It was built on years of evidence based policy development, constructive engagement with Government and Parliament, and the active involvement of members through our regional advisory boards, surveys, events and direct engagement. During the year, Make UK contributed to more than thirty Government consultations, appeared before Parliamentary committees on multiple occasions and secured regular ministerial and Parliamentary recognition of our policy positions. These efforts translated into tangible wins for manufacturers - from the abandonment of harmful policy proposals, to improved funding commitments and greater flexibility for businesses navigating change.

Alongside national policy influence, Make UK continued to strengthen its offer as a membership organisation. Member engagement remained strong, supported by high renewal rates and continued growth in specialist communities such as defence, aluminium and electrification. Make UK through its UK Steel division, plays a central role in supporting the UK Steel industry which is vital for our national security and resilience. Through events, briefings and intelligence outputs, we ensured that members were informed, connected and supported during a period of significant uncertainty. Our flagship events programme, including the National Manufacturing Conference, showcased the breadth of our services and the strength of the Make UK community, while reinforcing our reputation with government, industry leaders and the media.

Internally, the organisation continued to evolve to meet the needs of members in a demanding operating environment. The Board and Executive took disciplined decisions to align resources with demand, strengthen cost control and maintain financial resilience, while continuing to invest selectively in priority areas such as policy, defence, skills and digital capability. This focus on long term sustainability has ensured that Make UK remains well positioned to support members through the next phase of Industrial Strategy delivery.

The year so far – 2026

The early months of 2026 have reinforced both the opportunity and the challenge ahead. Make UK has maintained strong momentum in policy engagement, with a clear focus on holding Government to account on the implementation of the Industrial Strategy. Clear priorities for this work are reducing the high industrial energy costs and increasing skills funding to ease the skilled workforce shortages.

**CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

We welcomed the Government's Steel Strategy as a significant milestone and a vital step towards securing a competitive, resilient future for one of the UK's most strategically important industries. With global markets distorted by overcapacity and subsidy, a clear long-term plan is essential to unlock investment, accelerate innovation and ensure steelmaking can thrive in the UK. Make UK Defence also continues to grow strongly as we focus on supporting SMEs in the Defence supply chain. We have also been central to supporting a number of large defence contracts which have significant UK content and support thousands of high skilled high paid jobs.

In March, we delivered another highly successful National Manufacturing Conference, bringing together manufacturers, policymakers and partners at scale. The conference underlined Make UK's unique convening power and its central role in shaping the national manufacturing conversation at a time of heightened geopolitical and economic uncertainty.

Looking ahead

The year ahead will be defined by delivery. Manufacturers need certainty, clarity and pace from Government if they are to invest with confidence. Make UK will continue to press for faster implementation of commitments on energy, skills and finance, while also supporting members to navigate employment reforms, trade disruption and the transition to net zero. The relationship with our largest export market the EU will once again feature as a priority in our work.

The great privilege of my role is being able to hear regularly and directly from our members: I remain, as ever, ready to meet members and look forward to many more engagements in the course of the next year.

With thanks

I would like to thank Stephen Phipson and all Make UK staff for their leadership and dedication throughout the year. I am equally grateful to our members and partners, whose engagement underpins everything we achieve. With sustained partnership between industry and government, the UK has a clear opportunity to build a more competitive, innovative and resilient manufacturing sector and Make UK will remain at the forefront of that effort.

I would also like to place on record my sincere thanks to those Board colleagues who stepped down during the year - Ben Fletcher (Chief Operating Officer), Ed Jones, James Greenham and Robin Fletcher for their valued contribution to Make UK and for their support during the first year of my tenure as Chair. I would also like to extend a warm welcome to Austen Adams, Bob Forsyth and Rosie Glazebrook, who joined the Board during 2025, and to Chris Rea and Nigel Blenkinsop, who have joined in early 2026. Each brings valuable experience, insight and perspective that will strengthen the Board as we enter the next phase of delivery. I am most grateful to Rosie Glazebrook for taking on the Senior Independent Director role for our Board this year. Finally, I must sadly also record the extremely sad loss of Fiona Morris, who passed away in early 2026. Fiona served with great dedication as a member of the Make UK Board for over five years, and she will be remembered with enormous respect and gratitude for her commitment, wisdom and generosity of spirit.

Lord RI Harrington
Chairman

1 June 2026

**CHIEF EXECUTIVE'S REVIEW
AS AT 31 DECEMBER 2025**

2025 was a demanding year for Make UK and for the manufacturers we represent. Persistently high costs, subdued discretionary spend, trade disruption and political uncertainty defined the operating environment for much of the year. Against this backdrop, our focus was clear: to remain financially resilient as an organisation, to deliver tangible value for members, and to secure long term policy outcomes that improve the competitiveness of UK manufacturing.

Financially, the year reflected the realities of the market. Reduced demand in some commercial services and rising employment and operating costs contributed to a modest operating loss, which was anticipated and actively managed. Strong investment income resulted in an overall surplus, while disciplined cost control and difficult but necessary decisions on resourcing ensured that the organisation remained resilient and sustainable.

Performance across the business was mixed. Membership and defence activity remained strong, supported by high renewal rates, continued member acquisition and sustained engagement. Our venues business delivered solid outcomes despite significant volatility in demand, while our apprenticeship provision continued to benefit from careful cost alignment and strong employer partnerships. Other areas, particularly those reliant on discretionary spend, experienced sustained pressure, requiring close management and targeted intervention.

Crucially, 2025 was a year of exceptional strategic impact. The publication of the Modern Industrial Strategy represented a landmark moment for Make UK and for the sector. It reflected years of intensive engagement, research and campaigning, and included many of the policy solutions that manufacturers have long called for.

Beyond the Strategy itself, we secured progress on employment rights, trade, energy pricing, apprenticeships and regulation — often by preventing damaging proposals as much as by advancing new ones.

Our role as a national Employer Association was central to this success. Insight gathered through surveys, advisory boards and direct engagement informed our policy positions and strengthened our credibility with decision makers. During the year, Make UK led or participated in dozens of ministerial meetings and Parliamentary engagements, appeared regularly in national and trade media, and delivered more than sixty events reaching thousands of manufacturers. This combination of evidence, access and delivery remains one of our defining strengths.

Internally, we continued to evolve the organisation to ensure it is fit for the future. Investment in digital capability, data and marketing has strengthened our ability to engage members and reach new audiences. Work to improve business development discipline, product clarity and cross selling is ongoing, ensuring that our member services remain relevant and financially sustainable in changing market conditions. At the same time, the Board and Executive have prioritised organisational culture, leadership capability and staff development, recognising that long term impact depends on the strength of our people.

The year so far – 2026

The opening months of 2026 have seen a steady start to the year, with membership performance again ahead of budget and financial results broadly in line with expectations. Policy activity has remained intense, with a sharp focus on Industrial Strategy implementation, defence industrial capacity the UK Steel strategy and the early stages of Employment Rights Act delivery. We will be devoting significant resource to ensure the relationship with the EU develops in a way which is beneficial to UK manufacturing particularly as we campaign for the right outcome from negotiations around the EUs proposed Industrial accelerator act.

We secured an important early policy win in March with Government action to protect high value manufacturing capability and skilled jobs in the defence sector, reinforcing Make UK's role as a trusted partner on matters of national economic security. Engagement with Ministers and Parliament has remained strong, complemented by extensive media coverage and continued intelligence outputs for members.

While market conditions remain challenging in parts of the business, the organisation enters the remainder of the year with a clear set of priorities focused on performance improvement, and long term sustainability.

CHIEF EXECUTIVE'S REVIEW (CONTINUED)
AS AT 31 DECEMBER 2025

Looking ahead

The priorities for the remainder of 2026 are clear. Our members are at the heart of everything we do. We will continue to support members through a complex policy and economic environment, focusing on Industrial Strategy delivery, employment reform, energy costs, skills and trade resilience. Internally, we will continue to strengthen our commercial discipline, invest selectively in growth areas and ensure that Make UK remains financially sustainable and capable of long term impact.

With thanks

I would like to thank our members for their continued trust, our partners for their collaboration, and colleagues across Make UK for their professionalism and commitment during a demanding period. Together, we enter the next phase with a clear sense of purpose and a determination to deliver for UK manufacturing.

I would like to record my sincere thanks to the Chair and the Make UK Board for their strong support, guidance and constructive challenge throughout the year. In what has continued to be a demanding operating environment, the Board's collective insight and commitment have been invaluable in helping the organisation remain focused on long term sustainability and impact. I would also like to place on record my personal thanks to Ben Fletcher, who concluded his role as Chief Operating Officer and Board Director in autumn 2025 after more than seven years with Make UK.

I would also like to note, with great sadness, the passing of Fiona Morris in early 2026. Fiona was a highly respected and dedicated member of the Make UK Board for over five years, and a warm, thoughtful and empathetic colleague whose support I personally greatly valued. She made a significant contribution to the organisation and will be greatly missed by all of her colleagues across Make UK.

Stephen Phipson

S Phipson CBE
Chief Executive Officer
1 June 2026

EEF LIMITED

OUR MEMBER MANDATE AS AT 31 DECEMBER 2025

EEF Ltd is not a political organisation; we represent objectively the evidence based views of manufacturing businesses to secure outcomes that advance the sector and support jobs and growth. Our member voice forums provide structured challenge and endorsement, with the National Membership Board reporting periodically to our Corporate Board, helping ensure our advocacy remains accurate, current and translates member priorities into practical policy outcomes for UK manufacturing.

Our National Membership Board is our national member forum, drawing together our regional, sector and subject voices into our overarching advocacy position. It is informed by our Regional Advisory Boards, subject based Policy Committees and Working Groups, and affiliate partnerships with specialist trade bodies, ensuring our mandate comes directly from our members.

National Membership Board

Rowan Crozier	Chair
Laura McBrown	Vice Chair

Regional Advisory Boards (Chairs)

Adrian May	North West
Carl Haycock	East of England
Austen Adams	East Midlands
Mike Evans	North & South Wales
Sharon Lane	North East
Mike Maddock	Yorkshire & Humber
Laura McBrown	South East
Brian Cutts	South West
Rowan Crozier	West Midlands
Peter Williamson	Affiliate Board Chair

Policy Committees (Chairs)

Bonnie Dean	Economic Policy Committee
Daphne Vlastari	Environment Sustainability Policy Committee
Pete James	Health, Safety & Wellbeing Policy Committee
Clare Porter	Technology, Innovation & Digitalisation Policy Committee
Barbara Henry	Labour Market & Skills Policy Committee
Denise Peet	Government Affairs Group
Ewelina Pieckowska	International Trade Policy Group
James Tangney	Aluminium Special Interest Group

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

Introduction

The Directors present the Strategic Report for the year ended 31st December 2025.

About Us

Our vision

We are the voice of modern British manufacturing — a driving force of innovation, productivity, and prosperity.

We envision a United Kingdom where manufacturing is world-class, digitally advanced and sustainable; where businesses of all sizes thrive, people have access to high-quality jobs and skills, and our industrial base leads the global transition to a net-zero economy.

Our vision is of a vibrant, competitive sector that powers economic growth, strengthens communities, and inspires the next generation to make, create and build.

Our Mission

To enable UK manufacturers to thrive — by championing their interests, developing their people, and accelerating innovation and sustainable growth.

We exist to empower industry through representation, insight and world-class support, ensuring that “Made in the UK” stands for quality, resilience and ambition worldwide.

Our values

We put our values at the heart of everything we do. They guide our relationships, our decisions, and how we represent the manufacturing community.

- Inclusivity & Diversity: Supportive, respectful, adaptable.
- Integrity: We build trust, relationships and pride.
- Innovation: We have a culture of improvement, agility and being inquisitive.
- Collaboration: We are open, sharing and informed.

Highlights

2025 was a challenging year for manufacturers and for EEF Ltd T/A Make UK, shaped by rising costs, reduced discretionary spend amid global uncertainty. The organisation remained financially resilient through disciplined cost control and a continued focus on sustainability. Whilst the Company recorded a small operating loss, down on the operating profit recorded in the prior year, operating activities are still cash generative, with an overall cash profit achieved when including investment income but excluding the non-cash fair value revaluations of investments and pension liabilities.

Alongside financial discipline, Make UK delivered exceptional strategic impact, including the publication of the Modern Industrial Strategy after nearly a decade of campaigning. Looking ahead, the organisation enters 2026 with clear priorities focused on performance improvement, targeted growth and supporting members through policy delivery.

Business review

2025 was a mixed picture from a trading perspective with some areas performing exceptionally well compared to prior year, some areas more stable and some showing a decline in bookings as companies reign in discretionary spend following a raft of business cost increases including tax, wages and other business-related costs.

Make UK Defence in particular generated significant year on year growth as the government continues to outline plans for an increase in defence spending following a period of geo-political uncertainty. The main core membership offering also remained strong and delivered welcome growth on both the number of the members

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

and associated revenues, with the addition of support from special interest groups for UK Steel, Electrification and Aluminium also helping generate growth in this area.

Apprentice training numbers showed a modest increase compared to the 2023 and 2024 intakes resulting in improved financial contribution and the first full year of Bhayani Law trading since the acquisition in October 2024 generated above expected returns following a successful integration with the Make UK business.

Our Venues conferencing business remains robust across all three venues with capacity now being a limiting constraint on growth that can be meaningfully generated.

Environmental, Health & Safety services experienced reduced volumes, notably in the second half of the year, with increasing costs for business and ongoing uncertainty resulting in a downturn in demand for non-essential training. Lower overall demand in 2024 for employment law services also resulted in reduced financial performance in 2025, but with the subsequent introduction of the Employment Rights Act 2026 we are already seeing growth in demand for these services.

As businesses scrutinise more closely value for money and embark on stringent cost control, Make UK continue to consider how AI may be leveraged to deliver services cost effectively and efficiently, but also continue to explore ways in which direct member offerings, product and services could be delivered using some form of AI platform. Work is actively underway in the legal services area with a view to piloting an offering during 2026.

With a mixed picture of performance and ongoing cost control, the company posted an operating loss of £0.2m before exceptional one-off items in 2025, down on the £0.9m profit posted in 2024.

2026 has delivered a strong start to the year with most parts of the business either showing year on year growth or a stable position.

The Company's forecasts and projections for the next 12 months from the date of the approval of these financial statements take account of any expected ongoing risks, including any possible changes in trading performance, as well as the mitigating actions taken by, or available to us. These forecasts and projections show that the Company will be able to continue to operate given its current and projected levels of resources.

After making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Further information on the business and future developments are contained in the Chairman's Statement and Chief Executive's Review, which contain details of the activities carried out on behalf of members.

Principal risks and uncertainties

As a membership organisation, one of the key risks identified relates to the potential loss of members should the Company's services to, or representation of, its members not be performed satisfactorily, or should the Company suffer significant reputational damage. Net membership attrition is routinely reviewed by the management and flagged to the Board where necessary to ensure that any risk of membership loss is recognised at an early stage. Furthermore, an Ethics Committee established by the Board considers aspects which could give rise to any significant reputational risk.

The Board considers the endemic risk surrounding any adverse Ofsted inspection on the Apprentice training centre to be high. The Directors are satisfied that appropriate actions have been put in place to mitigate this risk.

In relation to any changes in the market value of investments which impact both the carrying value of financial investments held by the Company, and additionally the position of the defined benefit pension scheme, these items are considered by the Finance and Investment and Audit and Risk Committees as appropriate, as well as the Corporate Board.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

A further risk which the Company views as an increasing threat is that of a Cyber event/attack, whether direct or indirect. The Company continues to invest in appropriate upgrades to IT systems and associated infrastructure, as well as investing in staff training to ensure the Company is appropriately protected to thwart any attempts from potential threat actors. Cyber Essentials plus accreditation continues to be held, and internal audit reviews on the Company's cyber position demonstrated a strong posture against known controllable threats, acknowledging that new threats continually emerge. The Board are also assessing how the Company aligns to the National Cyber Security Centre governance code to ensure that cyber risk is managed in an appropriate manner.

Financial key performance indicators

The Board reviews a number of key performance indicators throughout the course of the year, including:

- Membership attrition rates in order to assess revenue risk, and the relative growth rate of the business.
- Staff utilisation rates within the legal, training and consultancy business to ensure spare capacity is addressed.
- Gross and net margin by business unit, including variances against budget to ensure financial performance shortfalls are identified and discussed.
- Cashflow forecasts to ensure that the Company has sufficient access to working capital along with ongoing liquid net asset assessment.

Membership Activity

Membership remained at the heart of Make UK's purpose throughout 2025. Against a challenging trading backdrop for many manufacturers, we sustained strong engagement and delivered continued value to member companies through practical support, insight and convening power. Strong renewal and continued recruitment reflected members' trust in Make UK as the authoritative voice of UK manufacturing and a partner in navigating cost pressures, skills challenges and ongoing global volatility.

Member priorities raised through our engagement activity in 2025 were consistent and clear. Businesses highlighted the need for pace and certainty as the Industrial Strategy moved from publication into delivery, alongside urgent action to improve industrial energy competitiveness. Ongoing global trade and tariff uncertainty, the practicalities of emerging regulation, and the impact of rising employment and input costs also featured strongly in member feedback. Across regions and subsectors, manufacturers continued to stress persistent skills and labour shortages and the importance of resilience across supply chains.

Our membership proposition was strengthened through a year round programme of events, briefings and intelligence outputs, ensuring members were informed, connected and supported. This included regular regional and national engagement through Regional Advisory Boards, policy committees and working groups, alongside high profile moments that brought the community together and showcased manufacturing excellence—from National Manufacturing Day activity across the UK to regional Manufacturing Awards dinners celebrating apprentices and businesses.

Our National Membership Board in 2025

During 2025, the National Membership Board (NMB) provided a central forum for member insight and challenge, shaping Make UK's advocacy priorities and policy positions. Discussion covered the publication of the Industrial Strategy and the shift to implementation at pace, including member input to Make UK's progress tracker on delivery of the commitments secured. Members maintained a strong emphasis on industrial energy costs and competitiveness, including the scope and timing of the British Industrial Competitiveness Scheme (and the case for earlier implementation and wider coverage) and wider network charging reforms. The Board also considered access to finance for growing businesses through engagement with the British Business Bank, the implications of the Employment Rights Bill and associated consultations, and trade and tariff uncertainty, including practical questions on CBAM compliance. Members highlighted resilience issues affecting supply chains, including lessons from notable cyber incidents, and the Board also heard from the Small Business Commissioner on late payments and the Fair Payment Code, alongside Make UK's work to strengthen SME engagement and improve member communications.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Our membership activity in 2025 focused on:

- Strong retention, reflecting member confidence in Make UK's support, insight and advocacy.
- Continued recruitment of new members across regions and within specialist communities.
- Growing demand for high quality engagement, including briefings, peer networking and practical support.
- Continued development of specialist groups (including defence, steel, aluminium and electrification) to deepen sector representation and amplify member insight.
- Stronger collaboration across Make UK teams to improve the member experience and ensure services remain joined up and responsive.

As we move through 2026, we will build on this momentum—maintaining a clear focus on retention and recruitment, broadening representation in priority sectors, and ensuring that the benefits of membership remain practical, visible and aligned with delivery of the Industrial Strategy.

Section 172(1) Statement

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of the Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters to):

- the likely consequences of any decisions 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 environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The current Directors of the Company have all been provided with a briefing on their duties and in addition any new Directors are briefed as part of any induction process. They are entitled to seek professional advice on their duties, either from the Company Secretary, or if judged necessary from an independent adviser.

It is important to note that the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company and details of this can be found in the Corporate Governance Report on pages 16-20.

The Directors of the Company consider its key stakeholders to be:

- Manufacturing sector,
- Members & Customers,
- Employees,
- Apprentices,
- Suppliers,
- HM Government,
- Media,
- Pension Scheme trustees & members, and
- Local Communities.

The following provides some examples of how the Directors have fulfilled their obligations with consideration to the key strategic decisions taken during the year.

Pension Scheme Strategy

The Company considers the legacy defined benefit pension scheme, which is in deficit, to be a longstanding encumbrance on the organization restricting its ability to invest in membership activities in favour of the sector.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board consider the pension scheme a strategic priority to fulfill its regulatory obligations but equally to free itself from the ongoing cash drain from operating cashflows each year.

Accordingly, the Board is considering, given the ongoing material risks associated with such schemes, a risk transfer transaction in the near future to secure pension members benefits and free the organisation from its ongoing obligations in order to focus on strategic activities which benefits its member companies in the manufacturing space.

The Company is actively engaged with the pension trustee and appropriate company advisers to ensure that regulatory obligations are fulfilled and any transfer of the pension scheme is handled in an appropriate manner.

Governance improvements

The Board considers its reputation and high regard to be non-negotiable and so the Company continues to review its governance framework to ensure that it is fit for purpose.

The Company has now introduced a new position of Senior Independent Director to work alongside and support the Chair, has selected the Wates principles as an appropriate governance framework against which to benchmark itself, even though there is no requirement for compliance to this code, have equally selected the NCSC Governance code as a form of benchmarking its cyber posture and have enhanced the Ethics Committee with the introduction of Non-Executive Directors onto that Committee.

The Board is keen that governance continues to be reviewed to ensure its good standing is maintained to the benefit of all stakeholders to the organisation.

This report was approved by the board and signed on its behalf.


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RI Greenway
Chief Financial Officer

1 June 2026

**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' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report, the Corporate Governance Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activities of the Company are to promote and further the interests of its members.

The Company represents members in the human resource, economic, legal, and other spheres of business activity locally, regionally, nationally, and internationally. It provides information, advice, assistance, training, and other services on all matters related to human resources and the economic, legal, and other spheres of business activity.

Results

The Group recorded a profit for the year, after taxation, amounting to £4.3m (2024 - £3.9m).

The year-on-year improvement is due to a combination of reduced day-to-day trading performance in the group's HR & Legal and Environment, Health & Safety business units, a sharp year on year increase in business rates and a material increase in the pension deficit liability offset by a marked improvement in the fair value of investments held, and an improved tax charge within the profit & loss account.

Bhayani Law Ltd completed a successful first year under EEF Ltd's control. On 22 October 2024 EEF Ltd acquired the entire share capital for a purchase consideration of £2.6m and the company contributed turnover of £1.3m (2024: £0.2m) and profits after tax of £0.4m (2024: £0.03m) to the Group's 2025 performance. The results for 2025 include a full 12 months' contribution, whereas the 2024 results include the contribution from the acquisition date to 31 December 2024.

The profit on remeasuring the Groups' investments held at fair value amounted to £6m (2024 - £2.4m). Such unrealised investment gains were due to the improvement in financial markets during the year.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

There were no property related transactions in 2025, 2024 included the disposal of the group's Warrington and Edgbaston Properties delivering a £0.4m profit on sale.

No impairments were recognised in 2025. 2024 saw an impairment of £0.3m recognised against the Group's Gateshead property. This is a long leasehold property and continues to be marketed for sale and the impairment was based on market indicators of its fair value.

Exceptional costs in 2025, relate to an increase in pension scheme liability obligations following a legal review of the group's Defined Benefit Pension Scheme benefit specification. The legal review identified a required change to the application of revaluation of benefits and the interpretation of the Fund's rules. The estimated impact of £2.57m has been recognised as a past service cost in the profit and loss account. See Notes 6 & 28 for further details. No exceptional costs were recorded in 2024.

The total comprehensive income for the year was £3.9m (2024 - £1.5m). Within this net income of £3.9m a £0.5m net loss was incurred (2024 - £3.3m loss) due to remeasurements of the Group's defined benefit pension scheme. The deficit within the scheme has grown from £9.3m in 2024 to £11.6m in 2025 on an FRS 102 basis. The growth in the pension deficit from 2024 to 2025 is due to weaker asset returns than expected and the increase in past service costs referenced above following a revised legal opinion on the calculation of benefits. More details on the accounting for the Group's defined benefit pension scheme can be found in note 28.

At 31st December 2025 the Group had net assets of £55.8m (2024 - £51.9m).

Directors

The Directors who served during the year were:

Rt Hon Lord JM Hutton of Furness (Chair) (resigned 27 March 2025)
S Phipson CBE (Chief Executive Officer)
RI Greenway (Chief Financial Officer)
B Fletcher (Chief Operating Officer) (resigned 18 September 2025)
RC Fletcher (resigned 18 September 2025)
JR Greenham (resigned 19 May 2025)
LE Harry
DE Jones (resigned 18 September 2025)
FG Morris (resigned 8 March 2026)
A Watson
RGNS Forsyth (appointed 27 March 2025)
RP Glazebrook (Senior Independent Director) (appointed 27 March 2025)
Lord RI Harrington (Chair) (appointed 28 March 2025)
AM Adams (appointed 18 September 2025)

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

We recognise the value of good environmental performance in managing the cost-base of the business and in minimising any harmful impact of our activities on ecosystems. As a supplier of environmental advice, consultancy and training, it is incumbent upon us to demonstrate our commitment through continually developing the sophistication of our environmental management systems. Accordingly, the Company has signed up to the pledge to achieve net zero by 2050, and halving emissions by 2030.

EEF LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

UK Energy Use and Greenhouse Gas ("GHG") Emissions

The energy used by the company in business activities involving the combustion of gas and fuels, the purchase of electricity and business mileage in the years ended 31 December 2025 and 31 December 2024 was as follows:

	2025		2024	
	kWh	tCO2e	kWh	tCO2e
Scope 1 Total	1,778,607	325.65	1,845,974	337.65
Natural Gas & Other Fuels	1,775,816	324.97	1,845,645	337.58
Transportation	2,791	0.68	329	0.07
Scope 2 Grid Supplied Electricity	1,642,738	290.76	1,660,783	343.87
Scope 3 Transportation	638,441	147.13	624,452	142.62
Total	4,059,786	763.54	4,131,209	824.14

The Company uses an intensity ratio based on the GHG emissions and the average number of full time equivalent (FTE) employees during the year. This intensity ratio allows a comparison of energy efficiency performance over time and with similar types of organisations. The intensity ratio is as follows:

Intensity Ratio	2025	2024
tCO2e	763.54	824.14
FTE Employees	351	355
tCO2e per FTE	2.18	2.32

The Company has pledged to reach carbon zero by 2050 with the aim of reducing emissions by half by 2030. In view of this the company is reducing its company car fleet and its office footprint, placing a greater reliance on video conferencing to reduce business travel and general office energy consumption.

The energy consumption for 2025 and 2024 was based on meter readings and mileage claims, applying a conversion factor taken from the 'UK Government's GHG conversion factors for Company Reporting' information.

An average CV and CO2e factor have been applied to the refunded business mileage. Natural Gas and Other Fuels (Scope 1) emissions decreased by 3.74% in 2025 compared to 2024 due to a 3.87% reduction in natural gas consumption. The change is minimal but has been driven by consumption reductions at the groups Engineers House and Broadway House properties, which decreased by 21.21% and 14.14%, respectively. Ongoing energy efficiency measures have contributed to the observed reduction.

Electricity (Scope 2) emissions decreased by 15.44% in 2025 compared to 2024. While total consumption marginally decreased by 1.09%, a large reduction in the carbon intensity of the UK grid electricity emission factor further drove emissions down. Consumption reductions were observed at Broadway House, Engineers House, and Unit 1 Queens Park, with reductions of 6.15%, 2.85%, and 15.91%, respectively. A combination of greater staff awareness and the ongoing replacement of old equipment has contributed to the observed reductions. The exiting of the group's Warrington and Edgbaston properties during 2024 has further driven consumption down.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Transport emissions increased by 3.59% in FY25 compared to FY24, driven by a small year-on-year increase in grey fleet mileage. Total grey fleet mileage increased by 1.74%, with large diesel cars and medium petrol cars driving the overall increase.

Engagement with employees

The Company has established employment policies to encourage an environment that promotes high productivity, good communications, effective employee consultation in management processes and harmonious working relationships. We aim to recruit and to retain excellent, highly qualified, and motivated staff with staff training a priority and a commitment.

Employees are kept informed of the performance and objectives of the Company through the established methods of general and personal briefings and through regular meetings.

The Company is committed to ensuring that its recruitment and employment policies are without discrimination in the form of race, creed, gender, disability or otherwise. The Company is committed to ensuring that its employees share in the success of the business.

It is the policy of the Company that disabled persons shall be considered for employment, training, career development and promotion on the basis of their aptitudes and abilities, in common with all employees. The services of any existing employee who becomes disabled are retained wherever possible.

Statement of corporate governance arrangements

In accordance with the requirements of Part 8 of Schedule 7 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the group has prepared a Statement of Corporate Governance Arrangements for the financial year ended 31 December 2025. This statement is provided as a separate report, further details can be found in pages 16-20.

Disclosure 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 the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

EEF LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Auditors

The auditors, HaysMac LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1 June 2026 and signed on its behalf.



.....
RI Greenway
Chief Financial Officer

**CORPORATE GOVERNANCE REPORT
AS AT 31 DECEMBER 2025**

EEF Ltd T/A Make UK is a company limited by guarantee governed by its Articles of Association - agreed at AGM 2018, which set out the Company's objects, the role and composition of the Board, member rights, and the framework for decision making, delegation and accountability. It is also registered with the Certification Officer as an Employers' Association under the Trade Union and Labour Relations (Consolidation) Act 1992 ("TULR(C)A"). The employers who are members of the Association are the guarantors, for £1 each, and company law members of the Company. The Board is responsible for the long term success of the organisation, the promotion of its purpose as a member led employers' organisation, and the stewardship of its assets for the benefit of members and the wider UK manufacturing sector.

Although Make UK is not required by statute to comply with a formal corporate governance code, the Board agreed during 2025 to voluntarily adopt the Wates Corporate Governance Principles, insofar as they are proportionate and relevant to the size, structure and activities of the organisation. This decision reflects the Board's view that clear, transparent and well evidenced governance is essential to maintaining trust with members, policymakers, staff and other stakeholders, particularly given Make UK's national profile, diverse activities and role as the authoritative voice of UK manufacturing.

The Wates Principles are applied on an "apply and explain" basis, enabling Make UK to demonstrate good practice without imposing unnecessary complexity or administrative burden. The Board considers this approach to be an appropriate and pragmatic framework for a membership organisation with significant assets, a wide membership base and growing operational complexity.

Make UK's commitment to the Wates Principles is embedded within its governance framework, including the Matters Reserved for the Board document updated in 2025 which explicitly requires compliance with statutory and broader corporate governance standards and formal reporting against agreed governance principles.

Board leadership, purpose and culture (Wates Principle 1)

The Board provides collective leadership to ensure that Make UK's purpose, values, strategy and culture are aligned and clearly understood across the organisation. Directors are actively engaged with members through attendance at member facing events, Regional Advisory Boards and the National Membership Board, and receive structured insight through executive reporting and an annual report from the National Membership Board Chair.

The Board also maintains regular engagement with the workforce, supported by the presence of executive directors on the Board, direct staff briefings and formal engagement mechanisms including the National Staff Forum and staff surveys. The organisation's values are embedded through induction, appraisal and recognition processes, and the Board plays a direct role in setting and reviewing long term strategy through dedicated annual strategy sessions.

Board composition, effectiveness and succession (Wates Principle 2)

The composition of the Board is governed by the Articles of Association, which require a balance of executive, member representative and independent directors, with executives forming a minority and a balance maintained between independent and member representatives. This structure supports effective challenge, diversity of perspective and strong member representation.

The roles of the Chair and Chief Executive are formally separated, and the Chair is responsible for promoting open debate, ensuring adequate information flow and supporting effective decision-making. A rolling skills audit is maintained by the Nomination and Remuneration Committee to ensure that the Board has the appropriate balance of experience and capability, supported by structured induction and ongoing briefing for directors. Board effectiveness is reviewed through annual internal evaluation, supplemented periodically by independent review where appropriate.

CORPORATE GOVERNANCE REPORT (CONTINUED)
AS AT 31 DECEMBER 2025

In 2025, Make UK strengthened its governance through the introduction of a Senior Independent Director (SID) role, providing additional support to the Chair, leading non-executive oversight of Chair performance and offering an alternative channel for directors and stakeholders to raise concerns where appropriate. The board will consider undertaking a review of its effectiveness through a process led by the SID in the coming 12 months.

Director responsibilities and decision making (Wates Principle 3)

The responsibilities of the Board and its Committees are clearly defined through the Articles of Association and further detailed in the Matters Reserved for the Board which sets out the decisions reserved exclusively to the Board and those delegated to Committees or the executive.

The Board has established a committee structure comprising the Audit and Risk Committee, Nomination and Remuneration Committee, Finance and Investment Committee and Ethics and Culture Committee, each operating under Board approved terms of reference and reporting regularly to the full Board. Registers of interests are actively maintained, conflicts are managed in accordance with the Articles of Association, and standing agenda items ensure transparency and accountability.

Risk management and long term sustainability (Wates Principle 4)

The Board retains responsibility for oversight of risk, financial performance and long term sustainability. Matters such as entry into or withdrawal from significant business activities, approval of budgets, financial commitments and major investments are expressly reserved to the Board.

A comprehensive risk register, aligned to strategic priorities, is maintained throughout the year and reviewed annually by the Board and used to inform major investment and operational decisions, with more detailed oversight provided by the Audit and Risk Committee (ARC), which also reviews annually a risk appetite policy and recommends it for Board approval. An independent internal audit programme approved by the ARC provides additional assurance, with findings reported formally to the Board.

Remuneration and alignment with purpose (Wates Principle 5)

Executive remuneration is overseen and approved by the Nomination and Remuneration Committee, which reviews executive pay and senior appointments annually, ensuring alignment with organisational performance, sustainability and wider workforce arrangements. Non-Executive remuneration is also subject to committee oversight, and wider pay structures across Make UK are benchmarked and reviewed annually.

Total directors' remuneration (note 10 page 49) varies each year due to variable pay elements that are linked to performance objectives, any termination payments and any transitional overlaps in Non-Executive Director roles during succession periods. During 2025 there were a number of overlapping non-executive positions as new Non-Executive Directors were inducted, as well as the introduction of a Senior Independent Director role.

Stakeholder relationships and member engagement (Wates Principle 6)

As a member led organisation, stakeholder engagement is central to Make UK's governance arrangements. The Board regularly considers the views of members, staff, partners and other stakeholders when making decisions, consistent with directors' duties under section 172 of the Companies Act 2006.

In line with these duties, the Directors ensured that decisions taken during the year—including those relating to the future protection of the pension scheme, the best use and stewardship of Make UK's assets, and the development of services for the benefit of our members and clients—were considered in the context of section 172. In doing so, the Board had regard to the likely long term consequences of its decisions; the interests of employees; the need to foster strong relationships with members, clients, suppliers and other partners; the impact of our operations on the community and environment; the importance of maintaining a reputation for high standards of business conduct; and the need to act fairly between members of the Company.

Formal mechanisms exist to support engagement with members, the workforce and other stakeholders, including advisory boards, staff forums and Board visibility at major events such as the National Manufacturing Conference. Section 172 reporting is included within the Annual Report to explain how stakeholder interests are considered in decision making.

CORPORATE GOVERNANCE REPORT (CONTINUED)
AS AT 31 DECEMBER 2025

Looking ahead

The Board considers the voluntary adoption of the Wates Principles to be a positive and appropriate step in strengthening Make UK's governance. During 2026, the organisation will continue to refine and develop its governance arrangements, reporting transparently on progress and ensuring that governance remains proportionate, effective and aligned with Make UK's purpose and members' interests.

Make UK Boards & Committees

Corporate Board

Current Directors

- Lord RI Harrington
- AM Adams*
- A Watson*
- RGNS Forsyth
- CJ Rea*
- LE Harry*
- N Blenkinsop*
- RI Greenway
- RP Glazebrook
- S Phipson CBE

* denotes member director

- J McMillan OBE (Company Secretary)

The Directors have delegated day-to-day management of the Company to an Executive Board and determined terms of reference for it. The Executive Board is chaired by the Chief Executive and manages the Company by implementing the policy and strategy adopted by and within a budget approved by the Directors. Certain matters are specifically reserved to the Corporate Board to consider and approve.

Members of the Executive Board as at 21 May 2026 were as follows:

S Phipson CBE	Chief Executive Officer
G Stace	Director General, UK Steel
H Bowler	Executive Director, Venues
J Bhayani	Managing Director, Bhayani Law
J McMillan OBE	Company Secretary & Performance Director
M Corkan	Executive Director, HR
RI Greenway	Chief Financial Officer
Rt Hon Robert Halfon	Executive Director, External Affairs, Policy & Membership

International Advisory Board (2026)

In late 2025, Make UK established the Make UK International Advisory Board (MIAB) to support the creation of strategic and commercial partnerships that promote UK manufacturing and trade interests abroad, and help members access export, trade and investment opportunities. The MIAB, chaired by Rosie Glazebrook, will focus on priority markets where the UK Government has identified opportunities and where inward investment can support the UK's industrial and trade strategies. The MIAB will undertake planned programmes of engagement with relevant governments, businesses and investors, provide market insight and horizon scanning, and support knowledge transfer and research across the Make UK membership. The MIAB is an advisory group to the Corporate Board and does not exercise decision making authority. Its activity and market engagement are reviewed and agreed with the Corporate Board.

CORPORATE GOVERNANCE REPORT (CONTINUED)
AS AT 31 DECEMBER 2025

Nomination and Remuneration Committee

Members and attendees

- RP Glazebrook (Chair)
- AM Adams
- Lord RI Harrington
- S Phipson CBE*

*S Phipson is not a member of the committee but is invited to attend in his capacity as Chief Executive Officer, except when the CEO's remuneration is being considered.

The Nomination and Remuneration Committee exists to ensure that Make UK has an effective, well balanced and forward looking Board and senior leadership team, and that remuneration arrangements support the organisation's long term sustainability, performance and values. The Committee oversees Board and Executive appointments and succession planning, maintains the appropriate structure, size and composition of the Board, and sets and monitors the remuneration framework to ensure it is fair, proportionate, aligned to strategy and consistent with the organisation's risk appetite and values, while remaining independent from the Audit & Risk Committee.

The Committee supports the Wates Principles by supporting a clear and effective leadership model by overseeing Board composition, succession planning and senior appointments, ensuring the Board has the skills, diversity and capacity required to deliver the organisation's purpose. It also establishes remuneration policies that align executive pay with long term success, values and performance, taking into account fairness and organisational sustainability.

Relevant Wates principles:

Principle 1 – Purpose and Leadership

Principle 2 – Board Composition

Principle 5 – Remuneration

Audit and Risk Committee

Members and attendees

- RGNS Forsyth (Chair)
- A Watson
- D Bramwell*
- RI Greenway**

*D Bramwell is not a director of the company

**RI Greenway is not a member of the committee but attends in his capacity as Chief Financial Officer

The Audit and Risk Committee met 4 times in the year and supports the Board by overseeing the integrity of the Company's financial reporting, audit arrangements and risk management framework. The Committee advises on the appointment and performance of external auditors, monitors the effectiveness of internal controls and internal audit, and ensures compliance with relevant legal and regulatory requirements. It also oversees risk identification and management, including consideration of external factors that could affect the organisation's sustainability, and provides assurance that the Company operates ethically and that appropriate arrangements are in place for confidential whistleblowing and the escalation of concerns.

The Committee supports the Wates Principles by providing assurance that the Board discharges its responsibilities for financial stewardship, transparency and accountability. It oversees risk identification and mitigation, internal and external audit effectiveness, compliance and whistleblowing arrangements, enabling informed decision making and responsible management of risk in pursuit of long term value. The Committee also conducts risk led deep dives into specific areas and in the year reviewed cyber mitigation and resilience.

Relevant Wates principles:

Principle 3 – Director Responsibilities

Principle 4 – Opportunity and Risk

CORPORATE GOVERNANCE REPORT (CONTINUED)
AS AT 31 DECEMBER 2025

Finance and Investment Committee

Members

- AM Adams (Chair)
- RGNS Forsyth
- RP Glazebrook
- RI Greenway
- S Phipson CBE

The Finance and Investment Committee is responsible for overseeing the Company's investments in business activities, property and financial assets, in line with the strategy and objectives approved by the Board. The Committee develops and monitors the investment policy, reviews the performance of investments and property holdings, and authorises changes to ensure compliance with that policy. It also reviews the performance and appointment of investment managers, where applicable, and makes recommendations to the Board to support prudent financial stewardship, sustainability and long term value creation.

The Committee supports the Wates Principles by supporting long term sustainable success by providing focused oversight of investment strategy, performance and asset allocation. It also ensures that opportunities to preserve and create value are assessed rigorously, that financial risks are appropriately understood, and that capital allocation decisions are aligned with strategic objectives.

Relevant Wates principles:

Principle 3 – Director Responsibilities

Principle 4 – Opportunity and Risk

Ethics and Culture Committee

Members

- LE Harry (Chair)
- M Corkan
- RI Greenway
- S Phipson CBE

The Ethics and Culture Committee exists to support a culture of high ethical standards, integrity, corporate responsibility, legal compliance and employee wellbeing across Make UK. The Committee reviews and recommends policies and procedures relating to ethics, including codes of conduct, anti bribery, gifts and whistleblowing arrangements, and ensures appropriate training and reporting mechanisms are in place. It also considers reputational risks arising from the organisation's activities and membership base, reviews wellbeing related policies and culture initiatives, and provides assurance to the Board that ethical conduct and employee wellbeing are embedded within the organisation's governance framework.

The Committee supports the Wates Principles by reinforcing organisational purpose and values by overseeing ethical conduct, codes of behaviour, whistleblowing and compliance frameworks. Supports meaningful engagement with employees and other stakeholders by reviewing wellbeing initiatives, staff policies and reputational considerations, ensuring the Board remains informed of stakeholder perspectives and cultural risks.

Relevant Wates principles:

Principle 1 – Purpose and Leadership

Principle 6 – Stakeholder Relationships and Engagement

This report was approved by the board and signed on its behalf.



RI Greenway
Chief Financial Officer
1 June 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EEF LIMITED

Opinion

We have audited the financial statements of EEF Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2025 and of the Group's profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 AUDITORS' REPORT TO THE MEMBERS OF EEF LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and parent company 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.

In connection with our audit of the group and parent company financial statements, 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 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 or a material misstatement of the other information. 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.

Opinion 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 Group 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 Group Strategic Report and the 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EEF LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 11, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management and the Audit Committee including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management and approved by the directors in their critical accounting estimates, and in particular the valuation of the company's defined benefit pension scheme and particular judgements surrounding impairment of property assets.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves

EEF LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EEF LIMITED (CONTINUED)

intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Auditors' 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.



Thomas Wilson (Senior Statutory Auditor)

for and on behalf of

HaysMac LLP

10 Queen Street Place

London

EC4R 1AG

1 June 2026

EEF LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 £000	2024 £000
Turnover	4	42,125	39,216
Cost of sales		(22,690)	(20,760)
Gross profit		19,435	18,456
Administrative expenses		(19,674)	(17,515)
Operating (loss)/profit	5	(239)	941
Exceptional Costs	6	(2,576)	-
Fair value movements	17	6,032	2,374
(Loss) / Profit on disposal of fixed assets		(1)	566
Impairment Losses		-	(300)
Profit on ordinary activities before interest and investment income		3,216	3,581
Income from fixed asset investments	11	1,057	945
Interest receivable and similar income	12	612	581
Interest payable and similar expenses	13	(511)	(354)
Profit before tax		4,374	4,753
Tax on profit	14	(124)	(819)
Profit for the financial year		4,250	3,934

The notes on pages 36 to 67 form part of these financial statements.

EEF LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Profit for the financial year		4,250	3,934
Other comprehensive income			
Remeasurements of net defined benefit obligation		(496)	(3,299)
Total tax on components of other comprehensive income		124	825
Other comprehensive income for the year net of tax		(372)	(2,474)
Total comprehensive income for the year		3,878	1,460

The notes on pages 36 to 67 form part of these financial statements.

EEF LIMITED
REGISTERED NUMBER: 05950172

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2025**

	Note	2025 £000	2024 £000
Fixed assets			
Intangible assets	15	1,201	1,516
Tangible assets	16	16,415	16,707
Investments	17	49,563	42,731
		<u>67,179</u>	<u>60,954</u>
Current assets			
Stocks	18	6	6
Debtors: amounts falling due within one year	19	10,924	10,870
Cash at bank and in hand	20	1,814	2,975
		<u>12,744</u>	<u>13,851</u>
Creditors: amounts falling due within one year	21	(12,289)	(12,999)
Net current assets		<u>455</u>	<u>852</u>
Total assets less current liabilities		<u>67,634</u>	<u>61,806</u>
Creditors: amounts falling due after more than one year	22	(308)	(555)
Provisions for liabilities			
Deferred tax	25	(4)	(4)
Other provisions	26	-	(35)
		<u>(4)</u>	<u>(39)</u>
Net assets excluding pension liability		<u>67,322</u>	<u>61,212</u>
Pension liability	28	(11,555)	(9,323)
Net assets		<u>55,767</u>	<u>51,889</u>
Capital and reserves			
Profit and loss account		55,767	51,889
		<u>55,767</u>	<u>51,889</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 June 2026.

Stephen Phipson

.....
S Phipson CBE
Chief Executive Officer



.....
RI Greenway
Chief Financial Officer

The notes on pages 36 to 67 form part of these financial statements.

EEF LIMITED
REGISTERED NUMBER: 05950172

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	16	16,401	16,690
Investments	17	52,115	45,283
		<u>68,516</u>	<u>61,973</u>
Current assets			
Stocks	18	6	6
Debtors: amounts falling due within one year	19	10,777	10,732
Cash at bank and in hand	20	1,177	1,857
		<u>11,960</u>	<u>12,595</u>
Creditors: amounts falling due within one year	21	(12,168)	(12,751)
Net current liabilities		<u>(208)</u>	<u>(156)</u>
Total assets less current liabilities		<u>68,308</u>	<u>61,817</u>
Creditors: amounts falling due after more than one year	22	(308)	(555)
Provisions for liabilities			
Other provisions	26	-	(35)
		<u>-</u>	<u>(35)</u>
Net assets excluding pension liability		<u>68,000</u>	<u>61,227</u>
Pension liability	28	(11,555)	(9,323)
Net assets		<u>56,445</u>	<u>51,904</u>
Capital and reserves			
Profit and loss account		56,445	51,904
		<u>56,445</u>	<u>51,904</u>

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 June 2026.

Stephen Phipson

.....
S Phipson CBE
Chief Executive Officer



.....
RI Greenway
Chief Financial Officer

The notes on pages 36 to 67 form part of these financial statements.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The Company's profit for the year was £4.9m (2024: £3.9m).

EEF LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Profit and loss account £000	Total equity £000
At 1 January 2024	50,429	50,429
Comprehensive income for the year		
Profit for the year	3,934	3,934
Remeasurements of net defined benefit obligation	(3,299)	(3,299)
Total tax on components of other comprehensive income	825	825
Other comprehensive income for the year	(2,474)	(2,474)
Total comprehensive income for the year	1,460	1,460
At 1 January 2025	51,889	51,889
Comprehensive income for the year		
Profit for the year	4,250	4,250
Remeasurements of net defined benefit obligation	(496)	(496)
Total tax on components of other comprehensive income	124	124
Other comprehensive income for the year	(372)	(372)
Total comprehensive income for the year	3,878	3,878
At 31 December 2025	55,767	55,767

The notes on pages 36 to 67 form part of these financial statements.

EEF LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Profit and loss account £000	Total equity £000
At 1 January 2024	50,429	50,429
Comprehensive income for the year		
Profit for the year	3,949	3,949
Remeasurements of net defined benefit obligation	(3,299)	(3,299)
Total tax on components of other comprehensive income	825	825
Other comprehensive income for the year	(2,474)	(2,474)
Total comprehensive income for the year	1,475	1,475
At 1 January 2025	51,904	51,904
Comprehensive income for the year		
Profit for the year	4,913	4,913
Remeasurements of net defined benefit obligation	(496)	(496)
Total tax on components of other comprehensive income	124	124
Other comprehensive income for the year	(372)	(372)
Total comprehensive income for the year	4,541	4,541
At 31 December 2025	56,445	56,445

The notes on pages 36 to 67 form part of these financial statements.

EEF LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025 £000	2024 £000
Cash flows from operating activities		
Profit for the financial year	4,250	3,934
Adjustments for:		
Amortisation of intangible assets	315	53
Depreciation of tangible assets	1,053	1,034
Impairments of fixed assets	-	300
Loss / (Profit) on disposal of tangible assets	1	(401)
Interest paid	511	354
Investment income	(1,057)	(945)
Taxation charge	124	819
(Increase)/decrease in debtors	(54)	990
(Decrease) in creditors	(632)	(1,515)
(Decrease) in provisions	(35)	(325)
Net fair value (gains) recognised in P&L	(6,032)	(2,374)
Corporation tax (paid)/received	(79)	-
Interest Received	(612)	(581)
Pension fund administration expenses	770	640
Pension fund past service cost / (credit)	2,576	-
(Profit) / Loss on disposal of investments	-	(165)
Net cash generated from operating activities	1,099	1,818
Cash flows from investing activities		
Purchase of tangible fixed assets	(768)	(1,009)
Sale of tangible fixed assets	7	1,834
Purchase of listed investments	(800)	(1,000)
Sale of listed investments	-	2,500
Purchases of Subsidiary (net of cash acquired)	-	(1,498)
Income from investments	190	185
Dividends received	867	760
Payments to defined benefit pension schemes	(2,075)	(2,098)
Interest Received	612	581
Net cash from investing activities	(1,967)	255

EEF LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £000	2024 £000
Cash flows from financing activities		
Repayment of loans	(247)	(247)
Interest paid	(46)	(57)
Net cash used in financing activities	(293)	(304)
Net (decrease)/increase in cash and cash equivalents	(1,161)	1,769
Cash and cash equivalents at beginning of year	2,975	1,206
Cash and cash equivalents at the end of year	1,814	2,975
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,814	2,975
	1,814	2,975

The notes on pages 36 to 67 form part of these financial statements.

EEF LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2025

	At 1 January 2025 £000	Cash flows £000	Other non- cash changes £000	At 31 December 2025 £000
Cash at bank and in hand	2,975	(1,161)	-	1,814
Debt due after 1 year	(555)	-	247	(308)
Debt due within 1 year	(247)	247	(247)	(247)
	<u>2,173</u>	<u>(914)</u>	<u>-</u>	<u>1,259</u>

The notes on pages 36 to 67 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. General information

EEF Ltd is an Employers Association registered with the Certification officer under the Trade Union and Labour Relations (Consolidation) Act 1992 (the "Act"). It was incorporated in the United Kingdom and its registered office is Broadway House, Tothill Street, London SW1H 9NQ.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The following are the group's key sources of estimation uncertainty:

2.1 Post-Employment Benefits

The company operates a multi-employer defined benefit scheme. The group is able to reliably split the pension liability by employer accounts for the scheme as a Defined Benefit scheme in accordance with FRS 102, paragraphs 28.11B and 28.11C.

The FRS 102 valuation involves making assumptions about discount rates, inflation, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. The mortality rate is based on publicly available mortality tables for the UK. Future pension increases are based on expected future inflation rates for the UK.

The group has applied paragraph 28.11 of FRS 102 where applicable and it is considered that it has an unconditional right to a refund of any surplus arising from the Fund.

2.2 Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculations are based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculations are based on a discounted cash flow model over an appropriate time period in order to determine the net recoverable amount. The recoverable amount is most sensitive to the discount rate used, the expected cash flows generated and growth assumptions over the relevant time period. Changes to any of these can significantly affect the recoverable amount.

The group considers the Apprentice training centre, operating out of the Technology Hub in Noble Way, Birmingham, to form part of its core activity in the provision of services to its members and in support of the wider manufacturing sector, to address the skills shortages faced by the sector. Accordingly, the Group considers any impairment by reference to its service potential and a depreciated replacement cost approach for this specific property. This approach indicates impairment is not required.

The discount rate reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the future cash flows have not been adjusted. The rate is based on observable market data, such as the Group's weighted average cost of capital (WACC), adjusted where necessary for asset-specific risks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The following principal accounting policies have been applied:

3.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. Disposals are deconsolidated from the date control ceases.

3.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is British Pound Sterling.

Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Membership & Other Subscription Income

Membership & Other Subscription income represents the amount receivable, excluding VAT, for the year after providing for associated doubtful debts. Member and other subscriptions, once receipted, are deferred and released to income over the period the membership or subscription relates to.

Government funded training

The Group receives funding from the Education & Skills Funding Agency (ESFA) for its apprentice operations. Revenue is recognised in the income statement based on the stage of completion of the underlying apprentice programme typically measured by the proportion of teaching time cumulatively spent at a point in time as a proportion of the total expected teaching time. This reflects the pattern in which services are delivered and ensures that revenue reflects the amount of teaching and course content that has been delivered.

Programme funding from the ESFA, excluding a final success on completion payment, is received on a straight-line basis over the term of the programme. As such, where the revenue earned based on stage of completion exceeds the amount of funding received to date, the difference is recorded as accrued income and presented as a current asset on the balance sheet.

Where students fail to complete their programme in full, the sponsoring employer is liable for any shortfall in funding unable to be claimed from the ESFA, under the terms of their contract.

Final completion payments are recognised in full once the student has successfully completed their End Point Assessment, and funding becomes due.

Consultancy and Training

Income is recognised on a receivable basis where entitlement to the income and the amount can be measured with reasonable certainty. It is reported gross of related expenditure.

Other income

Other income is recognised on a receivable basis where entitlement to the income and the amount can be measured with reasonable certainty. It is reported gross of related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.4 Revenue (continued)

Grants receivable are recognised at the same time as the expenditure which they subsidise. Capital grants are offset against the cost of the asset in the balance sheet, and depreciation charged on the net amount. Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

3.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

3.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

3.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain longstanding employees. The scheme is closed to new entrants. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets (if any) at the balance sheet date out of which the obligations are to be settled.

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit obligation'.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Profit and Loss Account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	5	years
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Management have estimated the useful life of the goodwill to be 5 years. This relates to the expected payback period on the investment in Bhayani Law Ltd and is equally a suitable time period for synergies and efficiencies to be realised.

3.12 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.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. In the case of the Technology Hub, Aston, from which Apprentice Training is delivered, any impairment is assessed based on Depreciated Replacement Cost, reflecting the service potential of the centre.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Building Improvements	- 7%
Long-term leasehold property	- The cost of long leasehold premises is written off by equal instalments over the last 50 years of the lease.
Short-term leasehold property	- All other leasehold premises are written off by equal instalments over the life of the lease.
Plant and machinery	- 10-33%
Motor vehicles	- 33%
Fixtures and fittings	- 33%
Computer equipment	- 33%

Freehold buildings are maintained in such a state of repair that their residual value is at least equal to their net book value, with maintenance costs being charged to profit and loss in the year incurred. As a result, it is considered that depreciation would be immaterial and is not charged in the accounts.

The assets' 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 or loss.

3.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, or in the case of the Technology Hub, Aston, its Depreciated Replacement Cost (DRC). The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

3.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

3.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

3.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.19 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

3.20 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.20 Financial instruments (continued)

objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

4. Turnover

An analysis of turnover by class of business is as follows:

	2025	2024
	£000	£000
Make UK Members Subscriptions	15,751	14,086
Steel levy income	957	776
Training	5,499	6,069
Consultancy	1,845	1,904
Conference Hire	8,730	8,816
Government Funded Training	5,323	4,825
Other Income	4,020	2,740
	42,125	39,216

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

5. Operating profit

The operating profit is stated after charging:

	2025 £000	2024 £000
Depreciation on tangible fixed assets	1,053	1,034
Amortisation on goodwill	315	53
Exchange differences	4	2
Other operating lease rentals	513	418
Defined Benefit Pension Scheme - Administration costs	770	640
	<u> </u>	<u> </u>

6. Exceptional items

Exceptional items includes the following charges/(credits):

	2025 £000	2024 £000
Defined Benefit Pension Scheme - Past Service Costs	2,576	-
	<u> </u>	<u> </u>
	<u>2,576</u>	<u>-</u>

During 2025, a legal review of the group's Defined Benefit Pension Scheme benefit specification identified a required change to the application of revaluation of benefits and the interpretation of the Fund's rules. The differences relate to statutory revaluation underpins compared to the requirements of the Fund's rules for cumulative revaluation. The estimated impact has been recognised as a past service cost in the profit and loss account. See Note 28 for further details.

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7. (Loss)/Profit on disposal of fixed assets

	2025 £000	2024 £000
(Loss)/Profit on disposal of tangible fixed assets	(1)	401
Profit on disposal of listed investments	-	165
	<u>(1)</u>	<u>566</u>

8. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2025 £000	2024 £000
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	62	55
Fees payable to the Company's auditors in respect of:		
The auditing of accounts of subsidiaries of the Company	15	10
Taxation compliance services	9	9
All non-audit services not included above	-	56
	<u>-</u>	<u>56</u>

Fees paid for non-audit services in 2024 relate to the due diligence undertaken on Bhayani Law Ltd. These fees have been included in the cost of the investment in this subsidiary.

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

9. Employees

Staff costs were as follows:

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Wages and salaries	19,946	18,375	19,564	18,325
Social security costs	2,413	1,937	2,413	1,937
Cost of defined contribution scheme	1,009	930	1,009	930
	23,368	21,242	22,986	21,192

In addition to the above the Company made a payment of £2.1m (2024: £2.1m) to the multi-employer defined benefit scheme (see Note 28).

Key Management personnel include members of the Executive Board, and remuneration in the year was £2.3m (2024: £1.6m).

Redundancy costs of £0.1m (2024: £0.1m) were also incurred during the year. These costs are included in the above table of employee costs.

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2025 No.	<i>Group 2024 No.</i>	Company 2025 No.	<i>Company 2024 No.</i>
Average number of employees	409	409	399	400

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

10. Directors' remuneration

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Remuneration	1,410	<i>1,013</i>	1,410	<i>1,013</i>
Contributions to money purchase pension schemes	32	<i>35</i>	32	<i>35</i>
	1,442	<i>1,048</i>	1,442	<i>1,048</i>

Retirement benefits were accruing for three directors throughout the year (2024: three directors).

For further details see the Remuneration and alignment with purpose (Wates Principle 5) section in the Corporate Governance Report on page 17.

The remuneration of directors presented above includes the following amounts attributable to the highest paid director:

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Remuneration	471	<i>331</i>	471	<i>331</i>
	471	<i>331</i>	471	<i>331</i>

11. Income from investments

	2025 £000	<i>2024 £000</i>
Fee Rebates from listed investments	190	<i>185</i>
Dividends received - listed investments	867	<i>760</i>
	1,057	<i>945</i>

12. Interest receivable

	2025 £000	<i>2024 £000</i>
Interest received on investments	612	<i>581</i>
	612	<i>581</i>

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

13. Interest payable and similar expenses

	2025 £000	2024 £000
Loan interest payable	46	57
Net interest payable on defined benefit pension scheme	465	297
	<u>511</u>	<u>354</u>

14. Taxation

	2025 £000	2024 £000
Corporation tax		
Current tax on profits for the year	-	(6)
	<u>-</u>	<u>(6)</u>
Total current tax	<u>-</u>	<u>(6)</u>
Deferred tax		
Origination and reversal of timing differences	124	825
Total deferred tax	<u>124</u>	<u>825</u>
	<u>124</u>	<u>819</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

14. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025	<i>2024</i>
	£000	<i>£000</i>
Profit on ordinary activities before tax	4,374	<i>4,753</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	1,094	<i>1,188</i>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14	<i>8</i>
Fixed Asset Differences	106	<i>-</i>
Movement in deferred tax not recognised	(799)	<i>(1,626)</i>
Exempt AGBH Distributions	(415)	<i>-</i>
Non-taxable income	(1,423)	<i>(599)</i>
Chargeable gains	1,423	<i>1,171</i>
Dividends from UK companies	-	<i>(187)</i>
Deferred tax relating to other comprehensive income	124	<i>825</i>
Other differences leading to an increase (decrease) in the tax charge	-	<i>39</i>
Total tax charge for the year	124	<i>819</i>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15. Intangible assets

Group

	Goodwill £000
Cost	
At 1 January 2025	1,571
At 31 December 2025	<u>1,571</u>
Amortisation	
At 1 January 2025	55
Charge for the year	315
At 31 December 2025	<u>370</u>
Net book value	
At 31 December 2025	<u><u>1,201</u></u>
At 31 December 2024	<u><u>1,516</u></u>

On 22 October 2024, the company acquired 100% of the ordinary share capital of Bhayani Law Ltd for a purchase consideration of £2.5m. Goodwill of £1.56m was recognised on this transaction.

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

16. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Plant & Machinery, Equipment & Systems £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 January 2025	11,714	1,300	7,038	17,759	14	37,825
Additions	21	-	-	734	13	768
Disposals	-	-	-	-	(14)	(14)
At 31 December 2025	11,735	1,300	7,038	18,493	13	38,579
Depreciation						
At 1 January 2025	286	300	4,484	16,044	5	21,119
Charge for the year	10	-	227	812	4	1,053
Disposals	-	-	-	-	(8)	(8)
At 31 December 2025	296	300	4,711	16,856	1	22,164
Net book value						
At 31 December 2025	11,439	1,000	2,327	1,637	12	16,415
At 31 December 2024	11,428	1,000	2,554	1,716	9	16,707

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

16. Tangible fixed assets (continued)

Company

	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Plant & Machinery, Equipment & Systems £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 January 2025	11,714	1,300	7,038	17,695	14	37,761
Additions	21	-	-	730	13	764
Disposals	-	-	-	-	(14)	(14)
At 31 December 2025	11,735	1,300	7,038	18,425	13	38,511
Depreciation						
At 1 January 2025	286	300	4,484	15,996	5	21,071
Charge for the year	10	-	227	806	4	1,047
Disposals	-	-	-	-	(8)	(8)
At 31 December 2025	296	300	4,711	16,802	1	22,110
Net book value						
At 31 December 2025	11,439	1,000	2,327	1,623	12	16,401
At 31 December 2024	11,428	1,000	2,554	1,699	9	16,690

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

16. Tangible fixed assets (continued)

The freehold land and buildings comprise:

- Broadway House, Tothill Street, London, SW1H 9NQ
- Engineers House, The Promenade, Clifton Downs, Bristol, BS8 3NB
- Woodland Grange, Old Milverton Lane, Leamington Spa CV32 6RN

Leasehold property comprises:

- EEF House, Gateshead NE11 0NX. A long lease expiring in 2131. The company recognised a £0.3m impairment against this property in 2024.
- The EEF Technology Hub, Noble Way, Birmingham, B6 7EU. The lease expires in 2032.

The group has granted the following charges over its freehold land and buildings:

- An uncapped charge in favour of the Trustees of the EEF Staff Pension Fund over Broadway House, Tothill Street, London, included in the Balance Sheet at 31st December 2025 at £2.2m, as explained in Note 29.
- A legal charge over Woodland Grange included in the Balance Sheet at 31st December 2025 at £8.8m, as explained in Note 22.
- An uncapped secondary legal charge over Woodland Grange in favour of the Trustees of the EEF Staff Pension Fund. The primary but capped legal charge already in place at the balance sheet date was in favour of any outstanding bank loans as referenced in Note 22.
- An uncapped charge in favour of the Trustees of the EEF Staff Pension Fund over Engineers House, Clifton Downs, Bristol, included in the Balance Sheet at 31st December 2025 at £0.2m, as shown in Note 29.

17. Fixed asset investments

Group

	Listed investments £000
Cost or valuation	
At 1 January 2025	42,731
Additions	800
Revaluations	6,032
At 31 December 2025	<u>49,563</u>

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 January 2025	2,552	42,731	45,283
Additions	-	800	800
Revaluations	-	6,032	6,032
At 31 December 2025	2,552	49,563	52,115

The group has granted a floating charge of £15m over listed investments, as shown in Note 29, and a further £5m against any overdraft facility it may arrange. As of 31 December 2025, an overdraft facility of £2m was in place but unutilised.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Bhayani Law Ltd	59 Shoreham St, Sheffield City Centre, Sheffield, S1 4SB	HR & Employment Law Services	Ordinary	100%

18. Stocks

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Finished goods	6	6	6	6
	6	6	6	6

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

19. Debtors

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Trade debtors	5,552	5,062	5,456	4,946
Other debtors	238	93	199	70
Prepayments and accrued income	5,134	5,715	5,122	5,716
	10,924	<i>10,870</i>	10,777	<i>10,732</i>

20. Cash and cash equivalents

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Cash at bank and in hand	1,814	2,975	1,177	1,857
	1,814	<i>2,975</i>	1,177	<i>1,857</i>

21. Creditors: Amounts falling due within one year

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Bank loans	247	247	247	247
Trade creditors	1,889	2,504	1,892	2,466
Corporation tax	-	79	-	-
Other taxation and social security	1,284	1,104	1,241	1,068
Other creditors	594	940	589	940
Accruals and deferred income	8,275	8,125	8,199	8,030
	12,289	<i>12,999</i>	12,168	<i>12,751</i>

EEF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

22. Creditors: Amounts falling due after more than one year

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Bank loans	308	<i>555</i>	308	<i>555</i>
	308	<i>555</i>	308	<i>555</i>

Capital will be repaid as follows:

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Within 1 year	247	<i>247</i>	247	<i>247</i>
Between 1 and 5 years	308	<i>555</i>	308	<i>555</i>
	555	<i>802</i>	555	<i>802</i>

Bank Loans consist of a loan originally arranged in 2005 by EEF West Midlands to fund development work at Woodland Grange. The loan was transferred to EEF Ltd as part of the amalgamation process, and it is repayable over a total period of 22 years. Interest is charged using the Sterling Overnight Index Average (SONIA), a Cessation Sterling Adjustment Spread and an applicable margin. At 31 December 2025, the effective interest rate was 5.12% (2024:6.08%). It is secured by a legal charge over Woodland Grange.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

23. Financial Instruments

The carrying values of financial assets and financial liabilities by category are as follows:

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Financial Assets measured at amortised cost				
Debtors Within One Year	5,552	<i>5,062</i>	5,456	<i>4,946</i>
Other debtors	238	<i>93</i>	199	<i>70</i>
Accrued income	3,612	<i>3,850</i>	3,600	<i>3,850</i>
	9,402	<i>9,005</i>	9,255	<i>8,866</i>
	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Financial liabilities measured at amortised cost				
Bank loans 1-2 yrs	(308)	<i>(555)</i>	(308)	<i>(555)</i>
Bank loans < 1 yr	(247)	<i>(247)</i>	(247)	<i>(247)</i>
Trade creditors	(1,889)	<i>(2,504)</i>	(1,892)	<i>(2,466)</i>
Other creditors	(594)	<i>(940)</i>	(589)	<i>(940)</i>
Accruals	(2,427)	<i>(2,516)</i>	(2,398)	<i>(2,477)</i>
	(5,465)	<i>(6,762)</i>	(5,434)	<i>(6,685)</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

24. Financial Risk Management

The Group considers it faces four main areas of financial risk: stock market exposure, liquidity risk, customer credit exposure and interest rate risk.

Stock Market Exposure

The Group is exposed to significant movements in the stock market in both the short and long term in relation to investments held as an asset on the balance sheet, and also the defined benefit pension scheme liability.

The performance of the group's investments in relation to the stock market is managed on a day-to-day basis by a corporate fund manager, with governance of that performance being overseen by a specifically formed Finance and Investment Committee.

The performance of investments within the context of the defined benefit scheme is managed on a day-to-day basis by investment fund managers with governance of that performance being overseen by an independent board of trustees.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the Group has the ability to draw down on equity investments or utilise bank related credit facilities. The Group is, however, in a position to meet its commitments and obligations as they fall due.

Customer credit exposure

The Group may offer credit terms to its customers that allow payment of the debt after delivery of the services. The Group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by embedding strong customer relationship management throughout the Group.

Interest rate risk

The Group includes on its balance sheet its defined benefit pension scheme, which is revalued every year in accordance with FRS 102. The valuation is influenced by several factors including interest rates which affect future funding requirements to meet future liabilities. Whilst the Group cannot control interest rates, the pension scheme Trustees monitor investment performance within the fund to ensure that any risk is mitigated as far as possible.

25. Deferred taxation**Group**

	2025	2024
	£000	£000
At beginning of year	(4)	(4)
At end of year	(4)	(4)

EEF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

25. Deferred taxation (continued)

Company

	2025	<i>2024</i>
	<u> </u>	<u> </u>
At end of year	-	<i>-</i>
	<u> </u>	<u> </u>

The provision for deferred taxation is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2025	<i>2024</i>	2025	<i>2024</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Accelerated capital allowances	(4)	<i>(4)</i>	-	<i>-</i>
Profit and loss account	124	<i>825</i>	136	<i>825</i>
Taxation on components of other comprehensive income	(124)	<i>(825)</i>	(136)	<i>(825)</i>
	<u>(4)</u>	<u><i>(4)</i></u>	<u>-</u>	<u><i>-</i></u>
	<u><u>(4)</u></u>	<u><u><i>(4)</i></u></u>	<u><u>-</u></u>	<u><u><i>-</i></u></u>

The timing of any resulting tax payments is not known.

A reduction of a deferred tax liability has been recognised in other comprehensive income on the remeasurement of the pension scheme obligation in 2025 & 2024. An equal reduction in a deferred tax asset has been recognised in the profit and loss account with the deferred tax asset representing sufficient tax losses available for use by the Company.

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26. Provisions

Group and Company

	Other provisions £000
At 1 January 2025	35
Utilised in year	(35)
At 31 December 2025	-

Other provisions consists of a £35k holiday pay provision. This is based on the judgment in the Chief Constable of the Police Service of Northern Ireland and another v Agnew and others case ("Agnew"). The ruling stated that employers that provide overtime, commission and other similar additional payments should complete a review of their holiday pay calculations and ensure that they factor in these additions on top of the basic salary. The provision factors how holiday pay has been calculated historically by the Company and is an estimate of the liability based on the Agnew case ruling. The provision was calculated with reference to the relevant employees' earnings for the last 1 year. This was fully utilised in 2025.

All of the Group's provisions are held in the Parent Company.

27. Company status

The Company is a private company limited by guarantee and consequently does not have share capital.

The subscribers to the memorandum of association of the Company (Limited by Guarantee and not having Share Capital) are the members. Each member's liability is limited to £1.00.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

28. Pension commitments

The group operates a multi-employer defined benefit scheme which is held in the Parent Company. The Company provides pensions for its employees through participation in the Engineering Employers' Federation Staff Pension Fund (the Fund), which is administered by a Trustee and maintained independently of the Company's finances for defined benefit members and a separate Master Trust for defined contribution members. The Fund was established to enable several autonomous but related employers to operate a scheme through the sharing of risk within a wider membership base. The Company is liable for its own funding obligations and is also liable for those of the other sponsoring employers, should those sponsoring employers default on their obligations. It should be noted that the defined benefit scheme was closed to all future accruals during 2011.

The Group is able to identify its share of the underlying assets and liabilities of the pension scheme and accounts for the scheme as a Defined Benefit Scheme under FRS 102, paragraphs 28.11B and 28.11C.

The FRS 102 valuation is undertaken annually and is based upon a best estimate of the liabilities rather than the more prudent actuarial basis. The actuarial valuation of the scheme is done triennially, and the company finalised the most recent valuation using a spot point date of 31 March 2023 in December 2023 which showed an actuarial deficit as at 31 December 2023. The FRS 102 valuation also shows a deficit position since 2023.

The increase in the pension deficit from 2024 to 2025 is due to:

- A past service cost calculated as a result of a benefit rectification issue, in relation to the incorrect revaluation applied to members' benefits;
- An increase in longevity expectations, leading to an increase in the defined benefit obligation ("DBO");
- Lower than expected investment returns, leading to a decrease in the asset value over the year; and
- Actual inflationary experience over the period.

These have been partially offset by:

- An increase in corporate bond yields underlying the discount rate assumption and a decrease in inflation assumptions, leading to a decrease in value placed on the ("DBO"); and
- Company contributions paid over the period.

The Company renegotiated its deficit repair contributions when the 2023 actuarial valuation was finalised and is paying £2m per annum from 2024, increasing by 5% annually. Deficit repair contributions are now envisaged to cease in 2031.

The Company has continued to grant the pension Trustee uncapped security over freehold buildings as referenced in note 16, as well as additional contingent payments based upon achieving certain profit levels in future years. The Company has granted a charge to the Trustee of the Fund, over freehold properties included in the Balance Sheet at 31st December 2025 at £11.0m, and a floating charge of £15m over the Company's investments.

	2025	2024
	£000	£000
Amounts recognised in the Balance Sheet:		
Fair value of plan assets	105,282	107,197
Present value of plan liabilities	(116,837)	(116,520)
Net pension scheme liability	(11,555)	(9,323)

EEF LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

28. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2025	2024
	£000	£000
Net interest on the defined benefit liability/(asset)	465	297
Past service cost	2,576	-
Scheme administration expenses	770	640
Total cost/(credit)	3,811	937

The amounts recognised in the statement of comprehensive income are as follows:

Return on plan assets in excess of interest income	1,017	13,504
Actuarial loss/(gain) on demographic assumptions	1,378	(1,096)
Actuarial loss/(gain) on financial assumptions	(2,806)	(8,767)
Actuarial loss/(gain) on experience adjustment	907	(342)
Total loss/(gain)	496	3,299

Reconciliation of fair value of plan liabilities were as follows:

	2025	2024
	£000	£000
Opening defined benefit obligation	116,520	128,842
Interest Cost	6,029	5,748
Past service costs	2,576	-
Actuarial loss/(gain) on demographic assumptions	1,378	(1,096)
Actuarial loss/(gain) on financial assumptions	(2,806)	(8,767)
Actuarial loss/(gain) on experience adjustment	907	(342)
Benefits paid	(7,767)	(7,865)
Closing defined benefit obligation	116,837	116,520

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

28. Pension commitments (continued)

Reconciliation of fair value of plan assets were as follows:

	2025 £000	2024 £000
Opening fair value of scheme assets	107,197	121,657
Contributions by employer	2,075	2,098
Expenses Paid	(770)	(640)
Return on plan assets in excess of interest income	(1,017)	(13,504)
Interest Income	5,564	5,451
Benefits paid	(7,767)	(7,865)
	<u>105,282</u>	<u>107,197</u>

The Group expects to contribute £2.1m to its Defined Benefit Pension Scheme in 2026.

Fair value of scheme assets in each category:

	2025 £000	2024 £000
Absolute Return Bonds	27,871	27,166
Liability Driven Investment	33,358	33,130
Private Market Credit	3,780	6,642
Direct Lending	8,564	10,428
Cash	10,103	9,513
Short dated credit	21,606	20,318
Total	<u>105,282</u>	<u>107,197</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025 %	2024 %
Discount rate	5.40%	5.35%
RPI Inflation	2.80%	3.20%
CPI Inflation	2.35%	2.65%
Pension Increases:		
Fixed 3%	3.00%	3.00%
RPI max 5%	2.70%	3.00%
RPI min 3%, max 5%	3.60%	3.75%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

28. Pension commitments (continued)

CPI max 2.5%	1.75%	1.85%
CPI max 5%	2.40%	2.60%
Mortality (Years)		
- life expectancy for a male aged 63 now	86.4	86.0
- life expectancy at 63 for a male aged 43 now	87.4	87.0
- life expectancy for a female aged 63 now	88.9	88.8
- life expectancy at 63 for a female aged 43 now	90.0	89.9

At the reporting date, reasonable possible changes to one of the relevant actuarial assumptions, with the other assumptions held constant, would have affected the defined benefit obligation by the amounts shown below.

	Effect on defined benefit obligation 2025	Effect on defined benefit obligation 2024
Discount Rate +0.25%	-£2.8m	-£2.9m
RPI Inflation +0.25%	+£1.5m	+£1.4m
CPI Inflation +0.25%	+£1.5m	+£1.4m
Mortality all increased by 1 year	+£4.8m	+£4.9m

Market values of the Plan's assets, which are not intended to be realised in the short-term, may be subject to significant changes before they are realised. The Fund assets include no assets from the Company's own financial instruments, no property occupied by, or other assets used by, the Company.

At the reporting date, reasonable possible changes to one of the relevant actuarial assumptions, with the other assumptions held constant, would have affected the defined benefit obligation by the amounts shown above. The change to the inflation sensitivity allow for changes to pension increases in deferment and in payment. Although the analysis does not take account of the full distribution of cash flows expected, it does provide an approximation of the sensitivity of the assumptions shown.

EEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

29. Commitments under operating leases

At 31 December 2025 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Not later than 1 year	473	494	458	457
Later than 1 year and not later than 5 years	1,781	1,808	1,781	1,793
Later than 5 years	1,028	1,468	1,028	1,468
	3,282	3,770	3,267	3,718

At 31 December 2025 the future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group 2025 £000	<i>Group 2024 £000</i>	Company 2025 £000	<i>Company 2024 £000</i>
Not later than 1 year	127	115	127	115
Later than 1 year and not later than 5 years	178	156	178	156
	305	271	305	271

30. Related party transactions

During 2025, Bhayani Law Ltd paid rent of £36,000 (2024: £6,000) for the lease of the company's office premises in Sheffield. The building is owned by Juthika Bhayani in a personal capacity. Juthika Bhayani is also a director of Bhayani Law Ltd.

The company is exempt from disclosing other related party transactions as they are with companies that are wholly owned within the EEF Ltd Group.

31. Post balance sheet events

There are no post balance sheet events.