

Tandem Group plc

Annual Report and Accounts



2025

Year ended 31st December 2025

Welcome to **Tandem Group plc**

Tandem Group plc is a designer, developer, distributor and retailer of sports, leisure and mobility products.

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Financial calendar

Annual General Meeting	17 June 2026
Interim results for six months to 30 June 2026	September 2026
Annual results for year ending 31 December 2026	March 2027

Directors and advisers

Directors

S J Grant

Non-Executive Chair

G Kaur

Chief Financial Officer and Company Secretary

M A Taylor

Non-Executive Director

Nominated Adviser And Broker

Cavendish Financial plc
1 Bartholomew Close
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Solicitors

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Registration

Registered in England No. 00616818

P Kimberley

Chief Executive Officer

S W Bragg

Non-Executive I Director

D R Poulter

Chief Commercial Officer

J Crookall

Non-Executive Director

Statutory Auditor

Cooper Parry Group Limited
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Registrars

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Websites

www.tandemgroup.co.uk
www.mvsports.com
www.tgc.bike
www.squish.bike
www.bensayers.co.uk
www.jackstonehouse.com
www.electricle.com

Brands

Wheeled toys

Barbie*
Batman*
Bing*
Bluey*
CoComelon*
Disney Frozen*
Disney Junior Mickey*
Disney Junior Minnie*
Disney Moana*
Disney Princess*
Disney Stitch*
Disney Winnie the Pooh*
Dora*
Gabby's Dollhouse*
Hello Kitty*
Hot Wheels*
Jurassic World*
K-Pop Demon Hunters*
L.O.L. Surprise!*
Marvel Avengers*
Marvel Spider-Man*
Marvel Spidey and His Amazing Friends*
Minions*
Monster High*
MoVe
MoVe Squishles
MoVe Pets2go
Nerf*
Paw Patrol*

Peppa Pig*
Superman*
Sonic The Hedgehog*
SpongeBob SquarePants*
Stunted
Teenage Mutant Ninja Turtles*
Thomas & Friends*
Toy Story*
Transformers*
Unicorn Academy*
Wicked*

Bicycles and accessories

Amflow**
Boss
Brompton**
Claud Butler
Cannondale**
Dasher*
Dawes
Elswick
Falcon
Gocycle**
Hoy (Sir Chris Hoy)*
Orbea**
Pure**
Swytch*
Squish

Tern**
Trek**
Whyte**
VanMoof*
Zombie

Football training

Kickmaster
Airwave

Golf

Ben Sayers
Pro Rider

Homewares and Garden

Airwave
Airwave Four Seasons
Garden Trading**
Greenhurst**
Jack Stonehouse

Outdoor play

Hedstrom
Snooker, pool and table sports
Pot Black

* Under licence/distribution

** Retail agreement

Chairperson's statement

Introduction

I am pleased to present the results of the Group for the year ended 31 December 2025, a year of further growth in turnover and pre-tax profit.

Financial highlights

- Group revenue increased by 6.2% to £26.2m (FY24: £24.6m)
- Interest bearing debt reduced significantly from £4.3m to £1.9m
- Underlying profit before tax of £692k (FY24: £510k)
- The Group's reported profit before tax is £568k (FY24: £30k)
- Proposed dividend of 3.0p per share
- Diluted earnings per share of 15.4 pence (FY24: loss per share of 1.1 pence)
- The Group's net assets have increased to £26.1m (FY24: £23.9m) – revaluation of the property increased by £1.8m to £15.9m

Toys, Sports & Leisure

The Toys, Sports and Leisure division continued to play an important role within the Group with total revenue of £10.2m, although 17.5% lower than the prior year. This performance primarily reflected softer demand across certain discretionary categories, changes in retailer purchasing patterns and the timing of product ranging and promotional activity. Despite these market-driven headwinds, the division continued to make strategic progress, supported by encouraging performance in licensed wheeled products and strengthening momentum across the Group's own-brand sports and leisure ranges. Ongoing engagement with key retail partners, alongside improvements in product mix and positioning and development into new categories, continued to support brand awareness and market presence.

Online sales had significant growth during the year, with marketplace sales increasing by 34%. This performance reflects the Group's continued focus on product innovation across the range, enabling the business to better meet customer needs, stimulate demand and maintain a competitive position in the market. We are pleased that this progress has been recognised through multiple industry awards, including the Right Start Awards, The Outdoor Toy Awards and Made For Mums, across both own-brand and licensed wheeled products.

Bicycles

Total bicycle sales, including electric bikes, performed strongly. Revenue was £10.2 million 37.6% ahead of the prior year, outperforming broader sector trends despite a challenging market across all customer types, from independents to national retailers. Electric bikes delivered strong comparative growth of 30.0%, driven by the introduction of new ranges, and were complemented by a significant uplift in mechanical bike revenue, which increased by 47.6%. Within this category, revenue from children's bikes grew by 10.7%, reflecting robust demand during the period. This performance was further supported by the launch of the new HOY range towards the end of the year, developed in collaboration with Sir Chris Hoy.

Our B2C Electric Life brand has continued to deliver consistent growth, sales increased by 26.7% compared to the prior year. Our dedicated public showroom, led by passionate and skilled colleagues, provides servicing and repairs across bikes and scooters while delivering a first-

class customer experience, as reflected in online reviews. The product range has been enhanced with the addition of market-leading brands including Amflow, Brompton and Trek to the existing retail portfolio of Whyte, Orbea and own brands; Dawes, Claud Butler and Falcon, all of which are available for free test rides. To complement the showroom, the fully transactional website now also includes non-electric and children's bikes from all brands, available for both click & collect and home delivery.

Golf

Golf sales increased by 8.6% compared to the prior year with total revenue of £2.8m, reflecting continued positive momentum across the division. The Ben Sayers range delivered a steady performance over the year, while this was more than offset by exceptional growth within the Pro Rider portfolio, which grew by more than 26% compared to the prior year. A continued focus on product development and innovation, alongside the introduction of new ranges in Q4 of FY24, strengthened the overall proposition and underpinned the division's performance.

Home & Garden

The Home & Garden division delivered a robust performance, with revenue increasing 30.1% to £3.0m compared with the prior year. Trading in the early part of the year benefited from sustained demand for heating products, providing a solid foundation for growth. An exceptionally hot summer, with prolonged periods of sunshine across key trading periods, accelerated demand for cooling solutions and outdoor garden products. The introduction of new, trend-driven product ranges throughout the year across core categories, including outdoor patio heaters, storage cabinets, planters, clocks and indoor storage, resonated positively with customers and supported the overall increase in revenue.

Group operating profit

Group operating profit before exceptional costs, finance costs and taxation increased to £968k for the year ended 31 December 2025 compared to a profit of £814k for the year ended 31 December 2024. Gross margin was 31.1% against 29.9% in FY2024 and an increase in operating expenses from £6.6m in the prior period to £7.2m in the year to 31 December 2025, with rates realigning to actual charged, increases in national insurance and additional advertising to support sales.

Group balance sheet

The Group has continued to control its levels of inventory throughout the year, ending the period in a good stock position with new, innovative products being introduced, while stock value decreased to £4.4m compared to £5.9m in the prior period. Goods in transit were £684k compared to £535k for 2024.

Cash and cash equivalents increased to £1,543k at 31 December 2025 compared to £1,385k at 31 December 2024, with the Group moving from a net debt position as at 31 December 2024 of £4.3m to £1.9m at 31 December 2025 due to better stock management and an increase in creditors.

Further details of operational activities can be found in the Strategic Report.

Dividend

In light of the Company's improved financial performance and strengthened cash flow position during the year, the Board has resolved to recommend the payment of a dividend of 3.0 pence per share.

While the Board remains mindful of the ongoing global economic and geopolitical uncertainties, it believes that the Company's financial position supports a prudent return to shareholders while maintaining appropriate financial flexibility.

Subject to shareholder approval at the AGM to be held on 17 June 2026, a dividend of 3.0p per share will be paid on 6 July 2026 to shareholders on the register at the close of business on 5 June 2026 (ex-dividend date 4 June 2026).

Colleagues

Our colleagues continue to be central to the successful delivery of the Group's strategy. During the year, we further enhanced the strength and capability of our teams through targeted recruitment, ensuring we have the right skills and experience in place to support both our strategic priorities and future growth ambitions.

Leadership

The senior leadership team has continued to provide clear and decisive direction, combining momentum with strategic focus. Over the course of the year, the team has strengthened organisational capability across key areas of the business, positioning the Group to execute effectively against its long-term growth strategy.

Following six years as Chair of Tandem, I have decided that it is the right time to step down from the Board at the forthcoming AGM. My fellow director, Jonathan Crookall, will be appointed as Chair and the board looks forward to his leadership through Tandem's next phase of growth.

Outlook

While the trading environment remains challenging, performance in the early part of 2026 has been encouraging. Sales are progressing in line with expectations, providing a positive start to the year.

The Toys, Sports & Leisure division has entered the new financial year with positive momentum, with both Free On Board (FOB) and domestic channels performing ahead of the prior year. This provides a solid foundation as we continue to navigate a dynamic retail environment.

Looking ahead, we will continue to prioritise innovation and disciplined range development, supported by the expansion of our licensed portfolio. Our 2026 programme will introduce major global brands including Toy Story, Dora and Marvel Avengers, alongside additional new properties that further strengthen our position in the UK licensed wheeled goods market.

We are particularly encouraged by our collaboration with Netflix on the launch of K-Pop Demon Hunters. This culturally relevant and entertainment-led property offers a strong platform for future product development and enhances our growth prospects within the licensed wheeled category. Established licences such as Disney's Stitch, the BBC's Bluey and Hot Wheels are expected to continue contributing positively, supported by sustained consumer demand.

We are also extending our wheeled expertise into adjacent categories through the introduction of a new car accessories range. This strategic expansion broadens our addressable market, enables access to new customer segments and provides additional avenues for growth across both licensed and own-brand products.

We will continue to strengthen our position as the UK's leading distributor of affordable electric bikes, introducing six new bikes to the line up bringing our range up to 20 e-bikes across eMTB, eHybrid, eHeritage and eFolding categories. This newly introduced range will be priced in the key sub-£1,100 category, whilst the wider category will benefit from full availability of last year's new product introductions, further enhancing our entry price point offering and supporting category growth.

In Q4 2025 we launched a range of premium lightweight kids' bikes in partnership with Olympic gold medallist Sir Chris Hoy and his brand, Hoy Bikes. This range complements our award-winning Squish lightweight kids' bikes and further cements our position in the lightweight children's bikes category. We will continue to develop the brand, looking at opportunities in Q4 2026 to extend the Hoy range into adult's bikes, further gaining market share from competitors and expanding future market demand.

Following a strong mechanical bikes performance in 2025, we will build on this momentum through the addition of six new entry price point adult and junior bikes alongside an updated BMX range. This newly designed product line-up is competitively priced within the market and includes modern specification, updated geometry and on-trend colour schemes.

In 2026 we will launch our bicycle range internationally. This will increase global brand exposure and drive incremental sales in new markets, supporting long term volume growth. To support this opportunity, we have recruited an experienced Head of International Sales.

We are delighted to continue our partnerships with premium brands Orbea, Whyte and Tern through our Electric Life retail channel. Alongside new additions including Trek, Brompton and AmFlow, these partnerships enhance our direct-to-consumer proposition, broaden our customer reach and enable us to capitalise on the growing demand for electric bicycles within our retail offering.

In our golf division, we successfully launched a fully redesigned range of Ben Sayers package sets and bags during 2025, strengthening our product offering and reinforcing our position within the value-performance segment. This updated range positions us well to capitalise on the continued growth of new-to-market golfers, alongside increasing participation from junior and female players.

Within electric trolleys, we maintain a strong entry price point proposition through our Ben Sayers and Pro Rider brands, offering market-leading products that are strategically channel managed across retail partners and direct-to-consumer platforms. This balanced approach enables us to maximise market reach, support brand growth and drive sustainable category expansion.

Chairperson's statement continued

We are pleased to announce for 2026 the Group has broadened its Home & Garden offering with the introduction of several new product lines designed to further strengthen the division. The expanded range spans key categories including indoor and outdoor heating, cooling solutions, outdoor storage, furniture, parasols and radiator covers, supporting the division's overall revenue growth. Alongside this range expansion, we continued to work closely with our domestic sourcing partners to maintain flexibility and speed to market, while also securing improved cost efficiencies through our Far East partners, supported by enhanced stock availability. These developments underline our ongoing focus on delivering relevant, design-led solutions for indoor and outdoor living, enabling customers to refresh and enhance their spaces with products that combine style, practicality and strong value.

As the Group prepares for its next stage of development, we have incorporated AI capabilities while further refining our marketing investment across an increasingly diverse product portfolio. During the year, focus continues to be directed towards enhancing the creative excellence, consistency and impact of content across product copy, visual images and dynamic assets, supporting both our retail partners and owned channels. The positive response received to-date from customers and accounts validates this approach and provides a strong base from which to expand and elevate our content strategy throughout 2026.

Looking ahead, the Group enters the year with a measured but optimistic outlook, whilst remaining vigilant of fast evolving developments in the Middle East which will logically impact on shipping routes and costs. With key strategic initiatives progressing across the business, we believe the foundations are firmly in place to support sustained performance. The Group remains well positioned to capitalise on future opportunities, leveraging its core strengths to deliver long-term, sustainable growth. The Board continues to have confidence in the Group's strategic direction, underpinned by a clear focus on innovation, customer engagement and operational discipline.

S J Grant

Chair

20 March 2026

Strategic report

Operating and Financial Review

Revenue

Group revenue for the year ended 31 December 2025 was £26,153,000 compared to £24,619,000 in the prior year. The Group's revenue is split into the four main business segments as follows.

	2025 (£000)	2024 (£000)	2023 (£000)
Toys, Sports and Leisure	10,203	12,362	10,369
Bicycles, including electric	10,154	7,380	6,630
Golf	2,766	2,548	2,261
Home and Garden	3,030	2,329	2,982
	26,153	24,619	22,242

Gross profit

Gross profit of £7,366,000 in 2024 increased by 10.4% to £8,130,000 in 2025.

The gross profit margin percentage increased from 29.9% to 31.1%. The Group has again continued to work hard on negotiating cost reductions, together with less clearance activity and foreign exchange hedging in place.

Operating expenses

Group operating expenses increased by 9.3% to £7,162,000 in the year (year ended 31 December 2024 - £6,552,000), with rates realigning to actual charged, increases in national insurance and additional advertising to support sales.

Operating result

Operating profit before exceptional costs was £968,000 for the year ended 31 December 2025 compared to £814,000 in the prior year.

Non-underlying items

Non-underlying items comprised:

- Exceptional costs of £87,000 (year ended 31 December 2024 - £409,000) in respect of employment costs relating to the planned retirement of the Group's commercial director, for whom a replacement was onboarded in July 2024.
- Pension finance costs under IAS19 of £37,000 (year ended 31 December 2024 - £71,000); and
- A deferred tax charge of £102,000 (year ended 31 December 2024 - £83,000) in respect of pension schemes.

Finance costs

Total net finance costs decreased to £313,000 in the year ended 31 December 2025 compared to £375,000 in the year ended 31 December 2024.

There was a decrease in total interest payable on bank loans, overdrafts, hire purchase and invoice finance facilities from £374,000 in the prior year to £326,000 in 2025 with reduced level of borrowing due to strong controls over working capital. This was offset by the income received from the Group's interest rate hedge of £50,000 (year ended 31 December 2024- £70,000).

Finance costs in respect of the pension schemes provided in line with IAS19 were £37,000 compared to £71,000 for the year ended 31 December 2024.

Taxation

The tax credit for the year ended 31 December 2025 was £282,000 compared to an expense of £90,000 in the prior year.

The corporation tax charge in the year ended 31 December 2025 of £3,000 is in relation to the Hong Kong operation (year ended 31 December 2024- £2,000, which comprised a corporation tax charge for the Hong Kong operation).

There was a deferred tax credit of £285,000 compared to a charge of £88,000 in the prior year.

Net profit

Net profit for the year ended 31 December 2025, after non-underlying items and finance costs and reflecting the benefit of FY2025 taxation credits was £850,000 compared to a loss of £60,000 for the year ended 31 December 2024.

Adjusted EBITDA

Adjusted EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and Exceptional Costs) was £1,306,000 for the year ended 31 December 2025, compared to £1,132,000 in the prior year.

Capital expenditure

Total expenditure on property, plant and equipment incurred during the year was £7,000 (year ended 31 December 2024 - £86,000).

Cash flows, working capital and net cash

Net cash inflow from operating activities before movements in working capital for the year ended 31 December 2025 was £789,000 compared to £612,000 in the year ended 31 December 2024.

Cash inflow from operations was £2,665,000 compared to an outflow of £347,000 last year, reflecting the strong management of working capital.

Net cash outflows from investing activities were nil in 2025, against £86,000 in the previous year.

There was a net cash outflow from financing activities of £2,205,000 in 2025, which compared to an inflow of £1,692,000 in 2024, as the invoice finance facility was reduced.

As a result of these movements the closing cash position at 31 December 2025 was £1,543,000 compared to £1,385,000 at 31 December 2024.

Net debt, comprising cash and cash equivalents less invoice financing liabilities and borrowings, was £1,901,000 at 31 December 2025, compared to £4,322,000 at the end of the previous year.

Dividends

In light of the Company's improved financial performance and strengthened cash flow position during the year, the Board has resolved to recommend the payment of a dividend of 3.0 pence per share.

While the Board remains mindful of the ongoing global economic and geopolitical uncertainties, it believes that the Company's financial position supports a prudent return to shareholders while maintaining appropriate financial flexibility.

Strategic report continued

Profit per share

Basic profit per share was 15.5 pence per share for the year ended 31 December 2025 compared to a basic loss per share of 1.1 pence per share for the year ended 31 December 2024.

Product range overview

Turnover has been split into four segments: Toys, Sports & Leisure, Bicycles, Golf and Home & Garden.

Toy, Sports & Leisure

While being disappointed in the 2025 revenue reduction of 17.5%, the Group has made an encouraging start to the new financial year within its Toys, Sports & Leisure division, with trading across both FOB and domestic channels ahead of the prior year comparative period. This performance provides a solid base from which to progress, particularly given the continued volatility within the UK retail environment and ongoing pressure on consumer spending. The Board believes the division's diversified customer base and balanced channel mix position it well to respond to these conditions.

Alongside its core wheeled goods offering, the division is progressing a strategic expansion into adjacent categories through the introduction of a new car accessories range. This development leverages existing sourcing capabilities, brand relationships and distribution channels, while broadening the Group's addressable market and reducing reliance on any single product segment. The Board considers this initiative to be a logical extension of the division's expertise and one that should support incremental growth opportunities over the medium term.

Product development remains centred on innovation, disciplined range management and the continued expansion of the licensed portfolio. The 2026 programme includes several globally recognised brands, notably Toy Story, Dora and Marvel Avengers, together with additional properties currently under evaluation. These introductions are expected to reinforce the Group's position within the UK licensed wheeled goods market and enhance the overall strength of its product pipeline.

The Group is also working in collaboration with Netflix on the planned launch of K-Pop Demon Hunters. As a contemporary entertainment property with international appeal, it is expected to provide a platform for future product development within the licensed wheeled category. Established licences, including Disney's Stitch, the BBC's Bluey and Hot Wheels, continue to trade in line with expectations and remain important contributors to divisional performance, supported by sustained consumer demand and strong brand equity.

Overall, the Board believes the division enters the year with a strengthened portfolio of products, licences and growth initiatives, providing a sound foundation for continued progress despite the uncertain trading backdrop.

Bicycles

In 2026, total bicycle sales, including electric bikes, outperformed the broader market, delivering 37.5% year-on-year growth despite a challenging trading environment across all customer channels.

Growth was recorded across all categories, with electric bikes up 30.0%, complemented by a particularly strong performance in mechanical bikes, which grew 47.6%. Within the mechanical segment, children's bikes rose 10.7%, driven by continual consumer demand.

Looking ahead, we will continue to strengthen our market leading position in affordable electric bikes through targeted range expansion and strategic price-point positioning. Six new electric models will be introduced, increasing our portfolio to 20 e-bikes across eMTB, eHybrid, eHeritage, and eFolding categories. These new additions will focus on the key sub-£1,100 segment, while full availability of our strong-performing new additions from 2025 will support ongoing category growth.

The successful introduction of a new lightweight Hoy Bikes range, developed in partnership with Olympic gold medallist Sir Chris Hoy, complements the award-winning Squish range and further reinforces the division's leadership in the lightweight kids' category. In 2026, we will continue to capture additional market share by expanding the Squish dealer base and explore broadening the reach of the Hoy brand into adult bike categories.

Following excellent mechanical bike performance in 2025, the division will build further momentum through six new entry-level adult and junior models, alongside a refreshed BMX range. The updated line-up features modern specifications, refined geometry, and contemporary colourways, maintaining competitive positioning while remaining accessible to entry-level customers. Similarly to electric bikes, we will also benefit from full year availability of our 2025 hybrid and MTB range launches.

International expansion is a key strategic priority. In 2026, our bicycle ranges will be launched in overseas markets, increasing global brand exposure and generating incremental revenue to support long-term volume growth. This initiative is backed by the appointment of an experienced Head of International Sales to lead market development and execution.

Strategic brand partnership continue to develop, underpinning our direct-to-consumer website, Electric Life alongside own brand range of bikes. Established collaborations with premium brands including Orbea, Whyte, and Tern, alongside newer additions such as Trek, Brompton, and Amflow, broaden the product offer and enhance customer choice.

Through focused product development, competitive pricing, and strong retailer and D2C relationships, the cycling segment is well positioned to deliver sustainable growth and strengthen market leadership in the year ahead.

Golf

Our Golf segment grew by 8.6% year-on-year, driven by exceptional performance across the Pro Rider range, which rose over 26%, while the Ben Sayers range maintained a steady contribution across the year.

During 2025, we launched a fully redesigned range of Ben Sayers package sets and bags, capturing the brands heritage within the value-performance segment. This refreshed offering has been well received by both our off-course and on-course retailers, positioning the business to benefit from the continued growth of new-to-market golfers, alongside increasing participation from junior and female players in 2026.

In 2026 we will continue to maintain a strong entry price point electric trolley proposition through the Ben Sayers and Pro Rider brands, offering market-leading products that are strategically and successfully managed across both retail partners and direct-to-consumer channels.

Home & Garden

Our Home & Garden segment, focused on direct-to-consumer retailing of outdoor living and homeware products, continued to operate in a competitive and evolving market environment. In 2025, the division strengthened its performance through a broader product mix,

and exceptional seasonal conditions supporting overall revenue momentum, which grew by 30.1%. The expanded range now across key indoor and outdoor categories including heating and cooling solutions, outdoor storage, furniture, parasols and complementary home accessories, helping to reduce reliance on seasonal demand patterns.

For 2026 we remained focused on enhancing our sourcing strategy to support this growth. Close collaboration with domestic sourcing partners enabled greater flexibility and faster response times, while deeper relationships with Far East suppliers delivered improved cost efficiencies and stronger stock availability. These measures have improved resilience across the supply chain and supported consistent product availability throughout the year.

Innovation and product development continue to underpin the segment's strategy. By introducing relevant, design-led ranges that reflect current lifestyle trends, we aim to meet evolving customer expectations across both indoor and outdoor living. Our Home & Garden offering is designed to help customers refresh and enhance their spaces with products that combine style, practicality and compelling value, positioning the division well for continued development in the year ahead.

Key performance indicators

A wide variety of daily key performance indicators are produced for all of our businesses to enable us to monitor performance against budget and the previous year. The key performance indicators that the Directors consider salient to the Group's performance are shown below:

	31 December 2025	31 December 2024
Gross profit margin	31.1%	29.9%
The ratio of gross profit to sales expressed as a percentage		
Turnover per employee	£358,000	£337,000
The total of sales invoiced to customers, excluding value added tax, divided by the average number of employees during the period		
Net operating expenses before exceptional costs % of sales	27.4%	26.6%
The ratio of net operating expenses before exceptional costs to the total of sales invoiced to customers, excluding value added tax, expressed as a percentage		
Interest cover	3.5	2.7
The ratio of operating profit before exceptional costs to net interest payable on bank loans, overdrafts and invoice finance facilities		
Shareholders' return	3.6%	(0.3%)
The ratio of profit/(loss) to shareholders' funds at the start of the year expressed as a percentage		
Basic earnings/(loss) per share – pence	15.5	(1.1)
The net profit/(loss) divided by the weighted average number of ordinary shares in issue during the year		

Strategic report continued

Content Marketing

Supporting our wider growth strategy, we continue to invest in marketing content generation across the Group's product portfolio. This approach allows us to deliver clear, consistent and compelling product messaging to a broad range of stakeholders, including key accounts, partners and our own retail platforms. We are leveraging AI-enabled tools to enhance the creation, optimisation and personalisation of content, helping us work more efficiently while maintaining quality and relevance. Our focus remains on producing engaging and authoritative assets across multiple channels and formats, including visual and dynamic motion content, developed for use both online and across social media platforms, clearly showcasing product features, benefits and exclusive points of difference.

Feedback from our retail accounts has been positive and demonstrates the progress made in improving both the quality and impact of our content. The utilisation of this content is strengthening brand awareness, driving higher levels of customer engagement and improved conversion across our digital and retail sales channels whilst supporting sustainable growth across the business in the year ahead.

Consumer Channels

The Group delivered a strong performance across its consumer channels, achieving a 25% increase compared to the previous year. Growth was driven by continued momentum across our own websites, including Jack Stonehouse, Electric Life, Tandem Group Cycles and Ben Sayers, which delivered a 27% uplift compared with the prior year. Sales through third-party consumer marketplaces increased by 23%, compared to the prior year supported by platforms including Amazon Seller and eBay, as well as the online channels of major retail partners B&Q, Tesco, The Range and Wayfair.

Looking ahead to 2026, we continue to explore new strategic partnerships and platform opportunities to accelerate growth and broaden our market reach. This year we are undertaking expansion into Europe through dedicated resource, and a newly appointed Head of European Sales, to accelerate growth across the region.

Sourcing & Logistics

Our Hong Kong office remains a vital sourcing hub for the Group, supporting efficiency, cost savings, and product quality. Following the relocation to Kowloon East, a dynamic and growing business district in late 2024, we have achieved cost efficiencies, which we expect to continue in the year ahead. In addition to facilitating the Group's product sourcing, the team ensures rigorous technical and quality control. It also supports strong supplier relationships, negotiates competitive pricing, and streamlines logistics to enhance cost efficiency and long-term supply chain stability.

Pension schemes

The Group operates two defined benefit pension schemes with both schemes closed to new members. There are no active members in either scheme.

The collective deficit of the schemes at 31 December 2025 decreased to £16,000 compared to £358,000 at 31 December 2024. The reduction in the deficit is largely due to the contributions to the Tandem scheme during the year of £448,000.

The pension schemes continued to utilise the Group's cash resources with payments in respect of the schemes totalling £605,000 (year ended 31 December 2024 - £526,000). The total comprised deficit contributions of £448,000 and £nil in respect of the Tandem and Casket schemes respectively (year ended 31 December 2024 - £397,000 and £nil) and government levies and administration costs of £157,000 (year ended 31 December 2024 - £129,000).

The latest triennial valuation date for the Tandem scheme was 1 October 2025 and the Casket scheme 5 April 2025. The valuations are in the process of being completed and details will be provided in the 2027 Annual Report.

Colleagues

We currently employ 73 colleagues in the Group who remain our most important asset. The Group continues to offer a breadth of cost saving solutions for colleagues and their families, along with access to a discounted range of our clean energy transportation products.

Annual General Meeting

The Group's 2025 Annual General Meeting will be held on 17 June 2026 at the Group's Castle Bromwich offices at 35 Tameside Drive, Castle Vale, Birmingham B35 7AG.

Strategy

We aim to accelerate growth across all operating divisions by responding proactively to changing market dynamics. This includes expanding our product offering, growing our customer base, and enhancing our direct-to-consumer proposition. Building upon last year we will continue by improving website performance, enhancing marketing content, ongoing product development, and sourcing efficiencies. Across our product portfolio we will continue to secure attractive licensing agreements and build high-quality own-brand ranges to strengthen our market positioning.

The Chairperson's statement on page 2 provides an overview of the current outlook for the Group in the forthcoming year.

Principal risks and uncertainties

The management of the business and the nature of the Group's strategy are subject to a number of risks and uncertainties. The principal risks facing the business are as follows:

Economic conditions

The current economic environment in the UK presents significant challenges, which could adversely impact the Group's revenue and financial performance.

Suppliers

To maintain competitive pricing, the Group has outsourced production primarily to Asia. This approach introduces risks, including operational issues at factories, potential changes in import duties, and the possibility of increased costs due to freight and shipping delays. The Group mitigates these risks by maintaining a local office in Hong Kong, where a dedicated team works closely with suppliers. Additionally, the Group has contingency plans in place and diversifies its sourcing to Europe to reduce dependency on any single region.

Fluctuations in currency exchange rates

A substantial portion of the Group's purchases are denominated in US dollars, exposing the Group to fluctuations in foreign exchange rates. The Group manages this exposure by utilising forward foreign exchange contracts and has adopted formal hedge accounting practices. However, if these hedging activities are insufficient, the Group's financial performance and position could be negatively affected.

Interest rates

If interest rates increase, this could have an impact on the Group's finance costs. However, the Group has entered into an interest rate cap mechanism for £3 million on a depreciating basis of borrowings capped at 2%.

Licences

Several of the Group's brands are licensed from global licensors, typically under agreements lasting two to three years. If these licences are not renewed, the Group would secure additional new and on-trend licences to prevent any reduction in revenue.

Competition

The Group operates in highly competitive markets, leading to constant pressure on margins and the risk of not meeting customer expectations. To address these risks, the Group has implemented comprehensive strategies across supply chain management and product development.

Volatility in financial markets may require further cash contributions to our pension funds

The Group has commitments under two defined benefit pension schemes. The Group is obliged to make contributions to the schemes based on actuarial valuations, which in turn are based on long-term assumptions to calculate scheme liabilities. Volatility of the financial markets can also affect the value of the assets in the schemes. This may lead to a requirement to increase the cash contributed by the Group to the schemes. If the Group is required to make significant additional contributions, the financial position of the Group may be materially affected with a significant reduction in operating cash flows. In turn, this may adversely impact future developments of the business.

Financial risks

The main risks arising from the Group's financial instruments are interest rates, liquidity, credit and foreign currency. The Board reviews and agrees policies for managing each of these risks. A summary is disclosed in note 15.

Directors' duties

The Directors of the Company are required to 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 a 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 shareholders as a whole".

The Directors are aware of their obligations with regards to the matters under section 172, namely:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the company.

This Strategic report, the Directors' report on page 10 and the Corporate governance statement on page 14 set out the ways in which these duties are fulfilled.

The Strategic report was approved by the Board on 20 March 2026 and signed on its behalf by:

P Kimberley

Chief Executive Officer
20 March 2026

Directors' report

The Directors submit their annual report with the audited financial statements for the year ended 31 December 2025.

Principal activity

The Group is principally engaged in the design, development, distribution and retail of sports, leisure and mobility products. The Chairperson's statement and Strategic report on pages 2 and 5 should be read in conjunction with this report.

Results and dividend

The results for the year ended 31 December 2025 are set out in the Consolidated income statement on page 22. No interim dividend was paid in respect of the six-month period to 30 June 2025 (period ended 30 June 2024 – no dividend). The Directors are proposing to pay 3.0 pence per share as final dividend this year (year ended 31 December 2024 – no dividend).

Significant shareholders

As at 20 March 2026 the Directors have been notified of the following interests representing 3% or more of the issued ordinary share capital. The percentage holdings exclude 495,773 shares held in treasury.

	Ordinary Shares of 25p	%
S W Bragg	1,044,971	18.6%
D Waldron	358,400	6.4%
J C Shears	286,050	5.1%
S J Grant	285,000	5.1%
B Geary	217,363	3.9%
D Barry	173,500	3.1%

Directors

The present Directors are as follows:

S J Grant

Steve joined MV Sports & Leisure Limited from the accountancy profession in 1990 becoming Finance Director in that year. He was appointed Managing Director of MV in 1996 and became CEO of the Group in June 2010. He was appointed Non-Executive Chair on 1 August 2020.

Steve has in-depth knowledge of the toy, sports, leisure and bicycle sectors, in both licensing and own brand environments, as well as extensive experience in sourcing and importing from overseas suppliers.

Throughout his career he was a regular visitor to the Far East and has considerable knowledge of selling to both national and independent customers.

Steve will retire following the Annual General Meeting (AGM) on 17 June 2026.

P Kimberley

Peter joined the Board in November 2021 and was appointed as CEO in May 2022. Peter brings with him more than 30 years retail experience across a number of sectors including the cycle retail sector with specific experience in the e-mobility retail market – most recently as Chief Executive Officer of Pure Electric Limited, a retailer of e-bikes and e-scooters in the UK and Europe.

His experience encompasses marketing, licensing, product development, Far East sourcing and account management.

D R Poulter

Dave joined the Board in January 2025. With over 25 years of retail sector experience, he previously held several senior roles at Halfords PLC. Prior to acting as Buying/Value Chain Director and Motoring Category Director at Halfords PLC, Dave held various senior positions at Dixons Group PLC and Budget Rent A Car, further enhancing his skills in category management and commercial strategy.

Alongside his professional achievements, he holds a Diploma in Marketing and a Diploma in Management Studies.

G Kaur

Gurvinder joined the Board in July 2024. She is ACCA qualified and an established finance director who has been with the Company for more than 24 years. Most recently, she has served as Chief Commercial Officer for Tandem Group Trading, the Group's main trading subsidiary.

During Gurvinder's tenure with the Group and prior to her role as Chief Commercial Officer of Tandem Group Trading, she has served as Tandem Group Trading's Finance Director overseeing activities across the finance function. Gurvinder has extensive supply chain management experience, from purchasing to distribution, that has been pivotal in maintaining the smooth and effective operations of the business. Gurvinder has further played a crucial role across numerous acquisitions by the Company over her tenure, leading the integration of their requisition finance functions. In addition, Gurvinder has a wealth of experience in the toy industry having previously worked at Mattel Inc for six years as a financial analyst prior to joining the Company.

M A Taylor

Mark joined the Board in October 2019. He was a partner in Grant Thornton UK LLP for 19 years having spent his entire career in the accounting profession. He was an audit and transactions support partner, specialising in transaction support in the latter years. He is a non-executive director and chair of the audit and remuneration committees of another AIM company.

Mark has considerable experience of corporate transactions across many sectors, financial reporting and the management of defined benefit schemes. This experience enables him to support the Group with its financial reporting, any potential corporate transactions and the pension schemes.

Mark is a Chartered Accountant (ACA) member of the Institute of Chartered Accountants in England and Wales.

J Crookall

Jonathan joined the Board in October 2022. He has over 30 years' experience in human resources (HR) and people strategy, across a range of large organisations and sectors. Jonathan's most recent role, until he retired in December 2025, was Chief People Officer at Costa Coffee, a position held since March 2020.

Jonathan brings to the Board a wealth of experience across industry, including franchise businesses, with a skillset focused on commercial leadership, people management and governance.

S W Bragg

Simon joined the Board on 17 October 2024. Simon is a Chartered Accountant (ACA) and an experienced financial services executive, entrepreneur, and investor. He has held a number of significant roles throughout his career, including at Hoare Govett, Cargill Financial Markets and HSBC.

In 2002, Simon co-founded Oriel Securities, which became a leading UK independent broker dealer. Following its sale to Stifel Financial in 2014, Simon served as Chairman and Chief Executive of Stifel Europe, overseeing the integration of European operations. In 2016, Simon co-founded JSB Energy Partners, focusing on energy investments in Western Europe.

Simon has also held multiple non-executive roles, including serving as a Non-Executive Director of JP Morgan American Investment Trust, a FTSE 250 company and Chairman of Trap Oil, an AIM-listed oil and gas business. More recently, Simon has become actively involved in investing in various businesses, such as Intralink Group. He continues to serve on charity and advisory boards and has significant governance and advisory experience across private and public markets.

P Ratcliffe

Phil resigned as a director on 31 January 2025.

The interests of the Directors and their immediate families (as defined by the Companies Act 2006) in the shares of the Company are shown below:

Held beneficially and fully paid

	20 March 2026	31 December 2025	1 January 2025
	25p ordinary shares	25p ordinary shares	25p ordinary shares
S J Grant	285,000	285,000	285,000
P Kimberley	49,668	49,668	40,500
J Crookall	3,916	3,916	3,916
S W Bragg	1,044,971	1,044,971	932,471
G Kaur	114,690	114,690	114,690

All of the Directors, except for S J Grant, who is retiring, offer themselves for re-election at the AGM.

Directors' and officers' liability insurance

Directors' and officers' liability insurance was in place throughout the year.

Business review, key performance indicators (KPIs) and principal risks and uncertainties

A review of the Group's trading operations, KPIs and principal risks and uncertainties is contained in the Strategic report on page 5. The Directors are satisfied with the period under review and are confident of future prospects. After reviewing the Group's forecasts and projections covering a period of at least 12 months from the date of signing the annual report, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Environmental policies

Tandem Group plc recognises its responsibility to protect the environment. The Group manages its operations in ways that are environmentally sustainable and economically feasible and provides appropriate educational programs for staff and other stakeholders.

All Directors and managers of Tandem Group plc and its subsidiaries are committed to ensuring that environmental issues are carefully considered during all planning and operational decision making.

The Group's environmental policy applies to all land, premises and activities within its control. The Group promotes the use of sustainable resources and discourages wasteful or damaging practices. Subsidiary companies within the Group develop their own local policies and arrangements for implementing and monitoring the Group's objectives.

As a major supplier of bicycles and wheeled toys in the UK we believe that we are contributing to a sustainable transport strategy, improving the environment by providing an emission free transport alternative and encouraging better health and fitness of the nation.

To ensure that we robustly identify our carbon footprint, and track and measure the success of our carbon reduction plans, we collect information to enable us to include relevant data required by the Streamlined Energy and Carbon Reporting regulations. This data is reported on page 12.

Corporate social responsibility

The Group has a Corporate Social Responsibility Committee (CSRC), with members from each of the Group's operations, including the Hong Kong office.

The CSRC is responsible for ensuring that each business in the Group operates to the same broad guidelines defined in the Group policy statement issued by the CSRC. This statement deals with health and safety, employee wellbeing, the Group's impact on the environment and its social responsibility.

Every new or prospective supplier must satisfactorily complete an audit before being validated by the Group. Follow up audits are undertaken on a regular basis once suppliers are accepted. With the benefits of language and location, the Group's Hong Kong office is able to control the audits of the suppliers in Asia. Other supplier audits are controlled from the UK.

The Group continues to be engaged in a number of projects, in conjunction with stakeholders, to reduce carbon dioxide emissions, safely and efficiently dispose of waste and, where possible, re-use and recycle products and packaging.

Directors' report continued

Employment policies

It is the policy of the Group that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. All employees are given equal opportunities for career development and promotion. Health and safety committee meetings are held within the operating businesses.

The necessity and importance of good communications and relations with all employees is well recognised and accepted throughout the Group. Employees are kept fully aware of management policies applicable to their respective duties. The Directors are committed to the principle of employee and executive share participation as evidenced by the existence of share option schemes. Options are granted under these schemes in order that employees can participate in the Group's performance.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 101 Reduced Disclosure Framework). 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 and profit or loss of the Company and the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards for the Company accounts and UK adopted international accounting standards for the Group accounts have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

UK Greenhouse gas emissions and energy use data

	2025	2024
Energy consumption used to calculate (kWh)	354,403	300,486
Energy consumption breakdown (kWh):		
– gas	–	–
– electricity	183,999	173,639
– transport fuel	170,404	126,847
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption		–
Owned transport	31.22	32.20
Total Scope 1	31.22	32.20
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	32.18	35.58
Scope 3 emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	5.43	1.42
Total gross emissions in metric tonnes CO ₂ e	68.83	69.20
Intensity ratio Tonnes CO ₂ e per employee	0.94	0.96

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2024 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

There are solar panels installed on the roof of the premises at Castle Bromwich, along with six EV charge points. There are also six fully electric company vehicles.

The intensity ratio has remained at similar levels for the year ended 31 December 2025 compared to the prior year.

Auditor

A resolution to reappoint Cooper Parry Group Limited as the Group's auditor will be proposed at the forthcoming AGM.

By Order of the Board

G Kaur

Company Secretary

20 March 2026

Registered number: 00616818

Corporate governance statement

The Board recognises the importance of strong corporate governance and set out below are the principles and provisions in the Quoted Companies Alliance (QCA) Corporate Governance Code (the Code), as issued on 13 November 2023, which have been applied. This statement should be read in conjunction with the Strategic report on page 5 and the Group's website <https://tandemgroupplc.co.uk/corporate-governance/>.

Principle 1 – Establish a purpose, strategy and business model which promote long-term value for shareholders.

The Board sees the purpose of the Group is to deliver returns to shareholders that reflect the capital that they have invested in the Group. The Board considers the returns to shareholders will be initially via dividends and in the long term by delivering a sustainable increase in profitability that will lead to both an increase in the share price and an improvement in the trading liquidity of the shares. The Group strategy and business model is formulated by the Chief Executive Officer, Group Commercial Director and Chief Financial Officer in regular discussions with the Non-Executive Directors. The final strategy is approved by the full Board. The executive team, led by the Chief Executive Officer, is responsible for implementing this strategy and for generally managing and developing the business. Changes in strategy require approval from the Board. The strategy, business model employed and the principal risks and uncertainties facing the Group is set out in the Strategic report on pages 8 and 9.

Principle 2 – Promote a corporate culture that is based on ethical values and behaviours.

The Group seeks to deliver its purpose, as detailed in principle 1 above, based on strong underlying values and behaviours. The culture of the Group is led by the full Board, who meet regularly with the senior management team, to ensure the purpose of the Group and how it operates, as communicated on a day-to-day basis by the Executive Directors, is clearly understood. The Group recognises there are a broad range of stakeholders in the Group, including shareholders, colleagues, members of the pension schemes, lenders, suppliers and customers and seeks to treat them all openly and fairly. The Group has a Corporate Social Responsibility Committee (CSRC), further details of which are included in the Directors' report on page 11. The Group is mindful of its impact on the environment and has implemented a number of environmental policies, further details of which are provided in the Directors' report on page 11. The Group seeks to be an fair and open employee and the employment policies, which are detailed in the Directors' report on page 12, reflect that.

Principle 3 – Seek to understand and meet shareholder needs and expectations.

The Board recognises the importance of providing shareholders with as much clear and transparent information on the Group's activities, strategy and financial position as is commercially possible and as permitted within the guidelines of the AIM rules, Market Abuse Regulations (MAR) and requirements of the relevant legislation.

The Board believes that the Annual Report and Accounts and the Interim Report play an important part in presenting all shareholders with an assessment of the Group's position and prospects.

The Executive Directors typically holds meetings with larger shareholders following the release of annual and interim financial results, releases an investor presentation and hosts an investor day and regards these and the Annual General Meeting as the principal opportunity for private shareholders to meet and discuss the Group's business with the Directors. There is an open question and answer session at the Annual General Meeting during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are all also available after the meeting for an informal discussion with shareholders.

Simon Bragg is a Non-Executive Director and holds 18.6% of the issues share capital of the Company. The Company, Simon Bragg and the Company's nominated advisor have entered into a simple relationship agreement to ensure the Company is capable of carrying on its business independently at an operational level.

Principle 4 – Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long term success.

The Board recognises its prime responsibility under UK corporate law is to promote the success of the Group for the benefit of its shareholders as a whole. The Board also understands that it has a responsibility towards other stakeholders, including but not limited to its employees, pensions scheme members, lenders, customers and suppliers. Regular meetings are held with each of these stakeholder groups to discuss salient matters which may range from employee schemes to recycle more within the office to reducing the level of packaging required by customers to strict adherence by suppliers to toy safety directives.

In addition, the Group recognises its responsibility to protect the environment. The Group strives to manage its operations in ways that are environmentally sustainable and economically feasible and provides appropriate educational programs for staff and other stakeholders.

The Group has a Corporate CSRC which is responsible for ensuring that each business in the Group operates to the same broad guidelines defined in the Group policy statement issued by the CSRC. This statement deals with health and safety, employee wellbeing, the Group's impact on the environment and its social responsibility.

Every new or prospective supplier must satisfactorily complete an audit before being validated by the Group. Follow up audits are undertaken on a regular basis once suppliers are accepted. With the benefits of language and location, the Group's Hong Kong office is able to control the audits of the suppliers in Asia. Other supplier audits are controlled from the UK.

The Group recognises that is reliant on its team of colleagues to deliver the Group's purpose and so the reward and wellbeing of them is carefully considered and managed by the Board. The Board ensures there is no unfair discrimination in employment practices, all colleagues have equal opportunities, clear and open communication channels and the opportunity for share participation through share option schemes. There is a process by which all colleagues can raise concerns in private.

Principle 5 – Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

The Board is responsible for setting the risk appetite for the Group, which will vary based on the decision to be made. In introducing new product ranges in the Group's four segments the Board is willing to take risk based on the detailed knowledge of the management team of the markets and the likely success of the products. For decisions that are likely to have a major impact on the Group, for example the acquisition of a business, the Board will be more risk averse and undertaken significant due diligence before deciding.

The Audit Committee provides guidance, having taken feedback from the Executive Directors and third-party advisors to the Board on the effectiveness of the Group's system of internal control. The Group has designed and implemented systems that manage, limit and control the risk of failure to achieve business objectives. As with all systems, the Group's processes cannot eliminate all risk completely but provide reasonable rather than absolute assurance against material loss or misstatement. A report from the Audit Committee is included on page 18.

The Chief Financial Officer leads a continuous process, with support from the leadership and finance team, to identify, evaluate and manage the Group's significant risks. The Group's principal risks and uncertainties and mitigating actions are disclosed in the Strategic report on pages 8 and 9.

The Executive Directors, supported by the Group's senior management, are actively involved in the daily management of all aspects of Group operations and meet on a regular basis to discuss:

- Quality, environmental and health and safety performance.
- Monthly financial and commercial results of the business compared to forecast.
- Business risks and appropriate control systems improvements to manage those risks.
- Progress on performance improvement projects.
- Steps taken to embed internal control and risk management further into the Group's operations.

On a monthly basis, agreed financial and non-financial KPIs together with management accounts are reviewed by the Board to assess progress against its key objectives for the year. The KPI's, management accounts and more detailed departmental level data are cascaded via the senior management throughout the organisation.

The Board further considers whether any significant strategic, organisational or compliance issues have occurred (or are at risk) to ensure that the Group's assets are safeguarded and financial information and accounting records can be relied upon.

Principle 6 – Maintain the board as a well-functioning, balanced team led by the chair.

As set out in the Chair's Corporate Governance Statement disclosed on the website, the Group is controlled through the Board of Directors which comprises three Executive Directors and four Non-Executive Directors. Details of the Directors are provided in the Directors' Report on pages 10 and 11. The Directors have used their diverse skills and experience to improve the performance of the Group, whilst maintaining its strong system of controls. The Board consider that M A Taylor and J Crookall are independent as they do not hold or hold minimal shares in the Company and do not receive any performance related remuneration.

The Board has decided that it will now require all Directors to seek re-election at each AGM.

The Board sets the Group's strategic aims and ensures that necessary resources are in place in order for the Group to meet its objectives. All members of the Board take collective responsibility for the performance of the Group and all decisions are taken in the interests of the Group.

The service contracts of the three executive Directors may be terminated by either party giving 6 to 12 months' written notice.

The remuneration and other emoluments of the Executive Directors and senior managers are determined by the Remuneration Committee, of which M A Taylor (Chair), S J Grant, J Crookall and S W Bragg are members. Executive remuneration packages are subject to an annual review and are designed to attract, motivate and retain Directors and senior managers of a high calibre.

The Board normally meets monthly. It is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. It monitors the exposure to key business risks and reviews the strategic direction of its trading businesses, their annual budgets, their progress towards achievement of those budgets and their capital expenditure programmes. The Board also considers environmental and employee issues and key appointments.

The Board has established three committees. The Audit Committee meets as appropriate to review the Group's accounting policies, reporting procedures and financial matters, with the Chief Executive Officer, Chief Financial Officer and the external auditors in attendance. The Nominations Committee meets when applicable to consider and recommend to the Board changes in the Board's composition. The Remuneration Committee reviews the terms and conditions of employment of the Directors and senior managers. S J Grant, M A Taylor (Chair – Audit, Remuneration and Nominations Committee), J Crookall and S W Bragg are members of these committees and take independent external advice when appropriate.

In the year ended 31 December 2025 there were eleven formal board meetings held. All Directors were in attendance for all meetings. In addition, there were two Audit Committee meeting and three Remuneration Committee meetings. There were no Nominations Committee meetings in the year.

Corporate governance statement continued

Principle 7 – Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.

The Board is considered to have all appropriate skills, experience and knowledge sufficient to give it the ability to constructively challenge strategy, decision making and scrutinise business performance.

The Board's biographical details are set out on the Group's website and in the Directors' report on pages 10 and 11

Board composition remains under review to ensure it remains appropriate for the strategic and managerial requirements of the Group

Attendance and participation in relevant training, networking and update events are encouraged in order to create, maintain or enhance relevant skills and knowledge. Updates from external advisers are utilised to ensure relevant knowledge of Corporate Governance matters where appropriate.

All Directors have access to the Group's (or independent) professional advisors at the Company's expense. In addition, they have access to the advice and services of the Company Secretary who is responsible to the Board for advice on corporate governance matters.

Details of all the sub-committees that the Board rely on are included in principle 6.

Principle 8 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

The Group undertakes regular informal evaluations of the performance and effectiveness of the Board and that of each Director and its Committees. Suggestions regarding the strategic direction of the Group are covered during monthly Board meetings.

The Directors have undertaken a review of their roles in the year ended 31 December 2025 and produced a succession plan. They also have committed to undertake a detailed formal Board Effectiveness review over the coming year.

Responsibility for assessing and monitoring the performance of the Executive Directors lies with the Non-Executive Directors. External advice is taken as appropriate.

The Company Secretary, in conjunction with external advisers, ensures that all Directors are updated with changes in relevant legislation and regulation. External advice is also taken as appropriate.

Principle 9 – Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Board has established a remuneration policy which aligns with the Group's purpose, strategy and culture. The remuneration policy is designed to motivate the Executive Directors and senior management to grow long-term shareholder value. This policy aims to reward through salary and bonus for exceeding financial targets and through share options to create long-term, sustainable shareholder value. Further details of the remuneration policy and remuneration are provided in the Remuneration Report on page 17.

Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board is committed to maintaining an open dialogue with shareholders and stakeholders. Communication is co-ordinated by the Chair and Chief Executive Officer.

Throughout the year, the Board maintained a regular dialogue with its major investors, providing them with such information on the Group's progress as is permitted within the guidelines of the AIM rules, MAR and requirements of the relevant legislation.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group's position and prospects.

The Annual General Meeting is the principal opportunity for shareholders to meet and discuss the Group's business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are also available after the meeting for an informal discussion with shareholders.

Directors' remuneration report

The remuneration of the executive directors and certain other key management team members is subject to the approval and oversight of the Remuneration Committee which is chaired by M A Taylor and comprises of all the serving Non-Executive Directors.

The Company's remuneration policy is designed to attract, retain, and motivate high-calibre individuals who are essential to the Group's long-term success, while ensuring that remuneration is aligned with shareholder interests, sustainable performance, and corporate responsibility.

In setting the measurement of executive performance, due notice is taken of the risk profile of the business and to reward progress. The Committee believes that the Executive Directors and management team should be rewarded for securing long-term growth that provides for a sustained growth of investor returns.

Fixed pay is based on a market-based approach which takes into account the size of the Group, peer review of compensation packages and the experience and qualifications of the executive in question. Variable pay is linked to the Group's long-term success designed to promote outperformance, which is achievable, repeatable and sustainable.

To align the interests of Executive Directors with shareholders, long-term incentive plans may be put in place. These plans may include share-based awards, such as performance shares, stock options, or other equity-based compensation

Directors

The Directors who served during the period under review and up to the date of approving the Annual Report and Accounts are disclosed in the Directors' Report on pages 10 and 11.

Directors' interests – interests in shares and share options

Details of the interests of the Directors in the shares of the Company are provided in the Directors' Report on page 11 and details of their interests in the share options of the Company are provided in note 5 to the financial statements on pages 33 and 34.

Contracts of service

The Chief Executive Officer, P Kimberley and Chief Financial Officer, G Kaur have service agreements containing 12 months' notice and Chief Commercial Officer, D R Poulter has a service agreement containing six months' notice. All the service agreements contain claw back and malus clauses with regard to any paid or unpaid bonuses or equity awards.

The non-Executive Directors, S J Grant, S Bragg, J Crookall and M A Taylor, have service agreements with a six months' notice period.

Salaries and benefits

The Remuneration Committee met three times during the year to consider, review and set the remuneration packages for the Executive Directors.

Remuneration is benchmarked annually to ensure it remains comparable and competitive with companies of a similar size and complexity. Remuneration for the Executive Directors comprises basic salary, performance bonuses, pension contributions and benefits in kind (including healthcare, company cars and life insurance). The Non-Executive Directors' remuneration consists of basic salaries, but they are also reimbursed for travel and other out-of-pocket expenses.

	31 December 2025				31 December 2024	
	Salary/Fee £'000	Performance bonus £'000	Benefits in kind £'000	Pension contribution £'000	Total £'000	Total £'000
S J Grant	57	-	-	-	57	57
P Ratcliffe (Resigned 31 January 2025)	14	-	1	1	16	195
P Kimberley	198	39	6	24	267	223
M A Taylor	32	-	-	-	32	32
J Crookall	24	-	-	-	24	24
S W Bragg (Appointed 17 October 2024)	24	-	-	-	24	5
G Kaur (Appointed 17 July 2024)	130	12	7	15	164	77
D R Poulter (Appointed 31 January 2025)	105	12	6	11	134	-
	584	63	20	51	718	613

The performance bonuses for the year ended were awarded based on exceeding the budgeted profit prior to goodwill amortisation, exceptional costs and tax.

In addition to the above the total charge for Employer's National Insurance for the period was £89,000 (year ended 31 December 2024 – £72,000).

During the year the Group contributed to defined contribution pension schemes for D R Poulter, G Kaur, P Ratcliffe and P Kimberley (year ended 31 December 2024 G Kaur, P Ratcliffe and P Kimberley).

The share based remuneration charge was £11,000 (year ended 31 December 2024 - £11,000) of which, £7,000 (year ended 31 December 2024 - £9,000) related to P Kimberley, £3,000 (year ended 31 December 2024-£2,000) related to G Kaur and £1,000 related to D R Poulter (year ended 31 December 2024-£nil).

By order of the Board

M A Taylor

Chair of the Remuneration Committee

20 March 2026

Audit committee report

Members of the Audit Committee

The Committee currently consists of all serving Non-Executive directors. The Committee is chaired by M A Taylor.

The Board is satisfied that as Chair of the Committee in the period, M A Taylor has relevant and recent financial experience as well as being a Chartered Accountant who has served as an audit partner and Chair of Audit Committee in another organisation.

Meetings of the Committee may, by invitation, be attended by the Chief Executive and the Chief Financial Officer. The Committee met formally twice in the period.

The Committee reports the outcome of its deliberations at the subsequent Board meeting and minutes of each meeting are made available to all members of the Board.

Duties

The Audit Committee's duties are set out in its terms of reference, which are available on the Company's website and on request from the Company Secretary.

The normal items of business considered by the Audit Committee during the period included:

- Review of the risk management and internal control framework;
- Review of the financial statements, Annual Report and investor presentations;
- Consideration of the external audit report and management representation letter;
- Review of the interim results and associated presentation for investors;
- Review of the audit plan and audit engagement letter for the year ended 31 December 2025; and
- Meetings with the auditor with and without management present.

Role of the Auditor

The Audit Committee monitors the relationship with the auditor, Cooper Parry Group Limited, to ensure that auditor independence and objectivity is maintained.

The Committee monitors the provision of any non-audit services by the external auditor (if any). During the current and prior periods, the auditor did not provide any non-audit services.

The Audit Committee recommends Cooper Parry Group Limited be reappointed as auditor at the next AGM.

Audit process

The auditor prepares and presents a plan for the audit of the financial statements that establishes the scope, areas of special focus and audit timetable. This plan is reviewed and agreed by the Audit Committee.

Following the audit of the annual financial statements the auditor presents its findings to the Audit Committee for discussion. There were no major areas of concern highlighted by the auditor during the period beyond those areas of significant risk and audit judgment that are routinely discussed and disclosed in their report to the members of the Company.

Internal audit

The Committee considers that, taking account of the size and structure of the Group's trading and assets, an internal audit function is not required. The Committee will keep this under review to ensure that as the Group develops and complexity increases appropriate resources are dedicated to the creation of an internal audit function.

Risk management and internal controls

As described in the Corporate Governance Statement on page 15, the Group has established a framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the period, the Committee has reviewed the framework and the Committee is satisfied that it is currently operating effectively.

Whistleblowing

As noted in the Corporate Governance Statement, the Group has a formal whistleblowing policy which sets out the process for any employee of the Group to raise, in confidence, any concerns about possible improprieties in financial reporting or other governance matters. The Chair of the Audit Committee acts as the independent reviewer for any concerns that are raised, with any relevant matters and actions recorded at the next appropriate meeting. During the period, there have been no incidents recorded or raised for consideration.

By order of the Board

M A Taylor

Chair of the Audit Committee

20 March 2026

Report of the Independent Auditor

to the members of Tandem Group plc

Opinion

We have audited the financial statements of Tandem Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated income statement and Statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated cash flow statement and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

An overview of the scope of our audit

We adopted a risk based audit approach. We gained a detailed understanding of the Group's business, the environment it operates in and the risks it faces. The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of the identified risks of the consolidated financial statements and considered the risk of material misstatement at the assertion level of the consolidated financial statements to determine the planned audit responses based on a measure of materiality.

We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We performed a full-scope audit of the financial statements of the parent company, Tandem Group plc, and its UK trading subsidiaries Tandem Group Trading Limited and Casket Limited. The operations that were subject to full-scope audit procedures made up 100% of consolidated revenues and 99% of consolidated net assets. Analytical procedures were applied over the remaining group entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value and impairment of goodwill Matter

The Group has a significant goodwill balance in relation to the various business acquisitions which have been made historically. The Group's assessment of carrying value requires significant judgement, in particular regarding cash flows, growth rates, discount rates and sensitivity assumptions.

Response

- We challenged the assumptions used in the impairment model for goodwill, which is described in note 8.
- We considered historical trading performance by comparing recent growth rates of both revenue and operating profit.
- We assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations.
- We performed sensitivity analysis to determine whether an impairment would be required if costs increase at a higher than forecast rate.

Valuation of defined benefit pension obligations Matter

The Group operates two defined benefit pension schemes, both of which are closed to new members. These obligations are valued in accordance with IAS19 at the Balance sheet date and the valuations made are based on assumptions agreed by management. These assumptions, and the resulting valuation, are an area of significant judgment.

Response

- We benchmarked the assumptions used against other similar schemes and published industry data to ensure they were within a reasonable range.
- We obtained and reviewed the actuarial valuation report to ensure the agreed assumptions were used in that valuation.
- We tested significant inputs into the actuarial valuation by obtaining confirmation of scheme asset valuations from the custodian.

Report of the Independent Auditor continued

to the members of Tandem Group plc

Our application of materiality

The materiality for the Group financial statements as a whole was set at £392,000. This has been determined with reference to the benchmark of the Group's revenue and represents 1.5% of Group revenue as presented in the Group income statement. In determining the level of testing to be performed during our audit work, we applied performance materiality of £352,800.

The materiality for the parent Company financial statements as a whole was set at £297,000. This has been determined with reference to the parent Company's net assets and represents 2% of net assets as presented on the face of the parent Company's Balance sheet. In determining the level of testing to be performed during our audit work, we applied performance materiality of £267,000.

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. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's cash flow forecasts for a period of 12 months from the date of approval of these financial statements;
- applying reasonable "worst case" sensitivities to management's forecasts and assessing remaining cash headroom within those scenarios; and
- reviewing results post year end to the date of approval of these financial statements and assessment against original budgets.

From our work we noted that forecasts support the directors' assessment that the Group will continue to be able to meet its liabilities as they fall due.

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 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our audit report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities set out on page 12, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Our assessment focused on key laws and regulations the Group and parent company have to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, UK adopted international accounting standards, United Kingdom Generally Accepted Accounting Practice (UK GAAP), and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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 parent 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 parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent Company and the parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Melanie Hopwell (Senior Statutory Auditor)

for and on behalf of Cooper Parry Group Limited

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

20 March 2026

Consolidated income statement

	Note	31 December 2025			31 December 2024		
		Before non-underlying items £'000	Non-underlying items £'000	After non-underlying items £'000	Before non-underlying items £'000	Non-underlying items £'000	After non-underlying items £'000
Revenue	3	26,153	-	26,153	24,619	-	24,619
Cost of sales		(18,023)	-	(18,023)	(17,253)	-	(17,253)
Gross profit		8,130	-	8,130	7,366	-	7,366
Operating expenses	3	(7,162)	-	(7,162)	(6,552)	-	(6,552)
Operating profit before exceptional costs		968	-	968	814	-	814
Exceptional costs	3	-	(87)	(87)	-	(409)	(409)
Operating profit		968	(87)	881	814	(409)	405
Finance costs	4	(276)	(37)	(313)	(304)	(71)	(375)
Profit before taxation		692	(124)	568	510	(480)	30
Tax expense	6	384	(102)	282	(7)	(83)	(90)
Net profit/(loss) for the year		1,076	(226)	850	503	(563)	(60)
Profit/(loss) per share	7			Pence			Pence
Basic				15.5			(1.1)
Diluted				15.4			(1.1)

Consolidated statement of comprehensive income

	31 December 2025 £'000	31 December 2024 £'000
Net profit/(loss) for the year	850	(60)
Other comprehensive income:		
<i>Items that will be reclassified subsequently to profit and loss:</i>		
Foreign exchange differences on translation of foreign operations	(56)	11
Cashflow hedging contracts	(50)	100
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Revaluation of property, plant and equipment	1,970	-
Deferred taxation on the revaluation of property, plant and equipment	(492)	-
Actuarial (loss)/gain on pension schemes	(71)	44
Movement in pension schemes' deferred tax provision	17	(11)
Other comprehensive profit for the year, net of tax	1,318	144
Total comprehensive profit for the year attributable to equity shareholders	2,168	84

All figures relate to continuing operations.

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

Consolidated balance sheet

	Note	31 December 2025 £'000	31 December 2024 £'000
Non current assets			
Intangible fixed assets	8	5,461	5,494
Property, plant and equipment	9	16,607	14,939
Deferred taxation	16	374	564
		22,442	20,997
Current assets			
Inventories	10	4,437	5,930
Trade and other receivables	11	6,494	6,376
Derivative financial asset held at fair value	15	76	201
Current tax assets	15	8	37
Cash and cash equivalents	12	1,543	1,385
		12,558	13,929
Total assets		35,000	34,926
Current liabilities			
Trade and other payables	13	(5,448)	(4,945)
Borrowings	14	(254)	(2,262)
Derivative financial liability held at fair value	15	(1)	-
Current tax liabilities	15	-	(1)
		(5,703)	(7,208)
Non current liabilities			
Borrowings	14	(3,190)	(3,445)
Pension schemes' deficit	17	(16)	(358)
		(3,206)	(3,803)
Total liabilities		(8,909)	(11,011)
Net assets		26,091	23,915
Equity			
Share capital	18	1,503	1,503
Shares held in treasury	18	(124)	(135)
Share premium		776	729
Other reserves		8,976	7,187
Profit and loss account		14,960	14,631
Total equity		26,091	23,915

The financial statements were approved by the Board on 20 March 2026 and signed on its behalf by:

S J Grant
Director

P Kimberley
Director

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

Company number 00616818

Consolidated statement of changes in equity

	Share capital £'000	Shares held in treasury £'000	Share premium £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Translation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2024	1,503	(135)	729	100	1,036	1,427	3,860	653	14,638	23,811
Net loss for the year	-	-	-	-	-	-	-	-	(60)	(60)
Re-translation of overseas subsidiaries	-	-	-	-	-	-	-	11	-	11
Forward contracts	-	-	-	100	-	-	-	-	-	100
Net actuarial gain on pension schemes	-	-	-	-	-	-	-	-	33	33
Total comprehensive income for the year attributable to equity shareholders	-	-	-	100	-	-	-	11	(27)	84
Share based payments	-	-	-	-	-	-	-	-	20	20
Total transactions with owners	-	-	-	-	-	-	-	-	20	20
At 1 January 2025	1,503	(135)	729	200	1,036	1,427	3,860	664	14,631	23,915
Net profit for the year	-	-	-	-	-	-	-	-	850	850
Re-translation of overseas subsidiaries	-	-	-	-	-	-	-	(56)	-	(56)
Revaluation of property	-	-	-	-	-	-	1,970	-	-	1,970
Deferred taxation on revaluation of property	-	-	-	-	-	-	-	-	(492)	(492)
Forward contracts	-	-	-	(50)	-	-	-	-	-	(50)
Net actuarial loss on pension schemes	-	-	-	-	-	-	-	-	(54)	(54)
Total comprehensive income for the year attributable to equity shareholders	-	-	-	(50)	-	-	1,970	(56)	304	2,168
Reclassified to cost of inventory	-	-	-	(75)	-	-	-	-	-	(75)
Exercise of share options	-	11	47	-	-	-	-	-	-	58
Share based payments	-	-	-	-	-	-	-	-	25	25
Total transactions with owners	-	11	47	(75)	-	-	-	-	25	8
At 31 December 2025	1,503	(124)	776	75	1,036	1,427	5,830	608	14,960	26,091

The share premium was created following the exercise of share options.

The cash flow hedge reserve comprises of gains and losses arising on the effective portion of hedging instruments and is carried at fair value in a qualifying cash flow hedge.

The merger reserve was created as a result of merger relief being claimed in respect of previous share issues.

The revaluation reserve was created following the revaluation of property, plant and equipment.

The profit and loss account includes all current and prior period results and share based payments as disclosed in the consolidated income statement.

Consolidated cash flow statement

	31 December 2025 £'000	31 December 2024 £'000
Cash flows from operating activities		
Net profit/(loss) for the year	850	(60)
Adjustments:		
Depreciation of property, plant and equipment	305	285
Amortisation of intangible fixed assets	33	33
(Profit)/loss on sale of property, plant and equipment	(7)	267
Contribution to defined benefit pension plans	(448)	(397)
Finance costs	313	375
Tax expense	(282)	90
Share based payments	25	19
Net cash flow from operating activities before movements in working capital	789	612
Change in inventories	1,493	(769)
Change in trade and other receivables	(118)	(1,200)
Change in trade and other payables	501	1,010
Cash used in from operations	2,665	(347)
Interest paid	(276)	(304)
Tax received/(paid)	30	(28)
Net cash flows from operating activities	2,419	(679)
Cash flows from investing activities		
Purchases of property, plant and equipment	(7)	(86)
Sale of property, plant and equipment	7	-
Net cash flows from investing activities	-	(86)
Cash flows from financing activities		
Loan repayments	(255)	(38)
Movement in invoice financing	(2,008)	1,730
Exercise of share options	58	-
Net cash flows from financing activities	(2,205)	1,692
Net change in cash and cash equivalents	214	927
Cash and cash equivalents at beginning of year	1,385	447
Effect of foreign exchange rate changes	(56)	11
Cash and cash equivalents at end of year	1,543	1,385

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

Notes to the Consolidated financial statements

1. General information

Tandem Group plc, a public limited company traded on the Alternative Investment Market, is incorporated and domiciled in the United Kingdom. The Company acts as a holding company of the Group. The registered office and principal place of business of the Group is disclosed on the Directors and advisers page to these financial statements. The Group's principal activity is disclosed on page 10.

The financial statements for the year ended 31 December 2025 (including the comparatives for the year ended 31 December 2024) were approved by the Board of Directors on 20 March 2026.

The Group does not have an ultimate controlling party.

2. Accounting policies

Non-underlying items

Non-underlying items are material items which arise from unusual non-recurring or non-trading events. They are disclosed in aggregate in the Consolidated income statement where in the opinion of the Directors such disclosure is necessary in order to fairly present the results for the period. Non-underlying items comprise exceptional costs, the finance cost related to the Group's pension schemes calculated in accordance with IAS19 and the impact of the movement of the ineffective proportion of the hedge.

Basis of preparation

The principal accounting policies of the Group are set out below and are consistent with those applied in the prior year financial statements.

Overall considerations

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent with the Group's latest approved budget where applicable. Judgements are based on the information available at each balance sheet date. Disclosure of the significant accounting estimates and judgements can be found on page 30 and 31.

Going concern

The Directors have concluded that, based on current and forecast trading, the annual cash flow forecasts and the available sources of finance, that it is appropriate to prepare these financial statements on a going concern basis.

The Directors have prepared detailed trading and cash flow forecasts through to 31 December 2026, extrapolated through to 31 March 2027. The trading forecasts take into account the expected turnover levels from the Group's businesses and the current and expected cost structure of the Group. The key sensitivity in the trading forecasts is turnover levels of each business unit, which have been factored into the forecasts.

The facilities available to the Group comprise an overdraft of £2 million, an invoice finance facility of up to £2.5 million and import loans of £2 million. The cash flow forecast shows that there is significant headroom available to the Group to trade within these finance facilities.

Basis of consolidation

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent Company as well as those entities controlled by the Group by full consolidation.

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency

The Group's consolidated financial statements are presented in sterling (£), which is also the functional currency of the parent Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary balance sheet items at year end exchange rates are recognised in the Consolidated income statement.

In the Group's financial statements, all items and transactions of Group entities with a functional currency other than sterling were translated into sterling upon consolidation. Assets and liabilities have been translated into sterling at the closing rate at the balance sheet date. Income and expenses have been translated into sterling at the average rates over the reporting period. Any differences arising from this procedure have been charged or credited through other comprehensive income to the currency translation reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into sterling at the closing rate.

The Group has taken advantage of the exemption in IFRS 1 and has deemed cumulative translation differences for all foreign operations to be £nil at the date of transition to IFRS. The gain or loss on disposal of these operations excludes translation differences that arose before the date of transition to IFRS but includes later translation differences.

Revenue recognition

Revenue is measured by reference to the fair value of consideration receivable by the Group for goods supplied, excluding VAT and trade discounts. Revenue is recognised upon the sale of goods or transfer of risk to the customer. Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods which is generally when they are received by the customer at the agreed place of delivery or for Free On Board revenue once the container is transferred to the container ship;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income is recognised in the consolidated income statement on a straight line basis over the term of the lease.

Business combinations and goodwill

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately. Goodwill is carried at cost less accumulated impairment losses and is tested annually for impairment as described below.

Intangible assets

Assets acquired as part of a business combination

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group based on its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. The intangible asset is then amortised over the economic life of the asset as detailed below.

Brands

The fair value of acquired brands is calculated using the royalty relief method. It is capitalised and then amortised over its useful economic life of 20 years. The amortisation is calculated so as to write off the fair value less the estimated residual value over their estimated lives. An impairment review is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

Other intangible assets

Intangible assets separately purchased, such as software and website development are capitalised at cost and amortised on a straight line basis over their useful economic life of 10 years.

Impairment

The Group's goodwill and property, plant and equipment is subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Cash-generating units that include goodwill are tested for impairment at least annually. All other individual assets or cash-generating units that do not include goodwill are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Property, plant and equipment

Freehold property is held under the revaluation model, whereby it is revalued periodically and held at its revalued amount. Plant and equipment is carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on these assets on a straight-line basis over the estimated useful economic life of each asset. Material residual value estimates and useful economic lives are updated as required and at least annually. The useful lives of property, plant and equipment can be summarised as follows:

Land	not depreciated
Freehold building	50 years
Short leasehold land and buildings	Length of lease
Vehicles	3 – 4 years
Plant and equipment	3 – 20 years

Inventories

All inventories are stated at the lower of cost and net realisable value. Cost is based on the first in first out method.

Notes to the Consolidated financial statements

continued

2. Accounting policies continued

Segment reporting

Due to the integration of a number of functions across the Group it is not possible to accurately report operating segments in full, however turnover has been analysed into four key segments being Toys, Sports and Leisure, Bikes, including electric, Golf and Home & Garden.

Leases

Under IFRS 16 leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Taxation

Current income tax assets or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised on the initial recognition of goodwill, nor on the initial recognition of assets or liabilities unless acquired in a business combination or in a transaction that affects tax or accounting profit. This applies also to temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement. Changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that are charged directly to other comprehensive income or equity are charged or credited directly to other comprehensive income or equity respectively.

Employee benefits

Defined contribution pension schemes

Pensions to employees are provided through contributions to individual personal pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if an underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

Defined benefit pension schemes

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Appropriate adjustments are made for unrecognised actuarial gains or losses and past service costs.

Actuarial gains and losses are recognised immediately in the Consolidated statement of comprehensive income. The net surplus or deficit is presented in non-current assets or liabilities on the Consolidated balance sheet. The related deferred tax is shown with other deferred tax balances. A surplus is recognised only to the extent that it is recoverable by the Group.

The service cost and costs from settlements and curtailments are charged to operating expenses. Net interest costs or income are included in finance costs or income in the Consolidated income statement. Post-employment benefits other than pensions are accounted for in the same way.

Financial assets

The Group's financial assets include cash and cash equivalents, trade and other receivables, forward exchange contracts and interest rate hedge contracts.

All financial assets are recognised when the entity becomes party to the contractual provisions of an instrument. All financial assets except interest rate hedge contracts and forward exchange contracts are initially recognised at fair value, plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Interest and other cash flows resulting from holding financial assets are recognised in the Consolidated income statement using the effective interest rate method, regardless of how the related carrying amount of financial assets is measured.

Trade receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Interest rate hedge contracts and forward exchange contracts may be financial assets held at fair value.

Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash at bank and in hand, bank overdrafts and short term highly liquid investments less advances from banks repayable within three months from the date of advance.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. When the Company purchases its own equity share capital, the consideration paid is deducted from equity attributable to the Company's equity shareholders until the shares are cancelled or reissued.

Share capital is determined using the nominal value of shares that have been issued.

The cash flow hedge reserve was created following the adoption of hedge accounting.

The merger reserve was created as a result of merger relief being claimed in respect of previous share issues.

The revaluation reserve was created following the revaluation of property, plant and equipment.

Other reserves include a capital redemption reserve and a translation reserve. These reserves are non-distributable.

The profit and loss account includes all current and prior period results and share based payments as disclosed in the Consolidated income statement.

Share based employee remuneration

The Group operates equity settled share-based remuneration plans for its senior employees.

All employee services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in the Consolidated income statement with a corresponding credit to reserves, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on

the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Financial liabilities

The Group's financial liabilities include trade and other payables and invoice finance.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised in the Consolidated income statement.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Finance charges are charged to the Consolidated income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Invoice finance liabilities are recognised at the time the Group becomes a party to the contractual provisions of the invoice finance agreement.

Interest rate hedge contracts and forward exchange contracts may also be financial liabilities held at fair value.

Derivatives

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations, principally the US Dollar. The Company's policy is to reduce substantially the risk associated with purchases denominated in foreign currencies by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows.

The Group also uses interest rate hedge contracts to hedge its risks associated with interest rate fluctuations, linked to the level of borrowings in the Group. The Company's policy is to reduce the impact on profitability and cashflow associated with base interest rate movements, by utilising interest rate hedge contracts.

Notes to the Consolidated financial statements

continued

2. Accounting policies continued

Such derivative financial instruments are initially measured at fair value and subsequently remeasured at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Similarly, interest rate hedge fair value is calculated by reference to current interest rate hedge contracts with similar depreciating profiles.

The effective portion of changes in the fair value which are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated income statement as a finance cost.

Amounts accumulated in equity are reclassified to the Consolidated income statement in the periods when the hedged item affects profit or loss, matching when the hedged transaction occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in finance costs within the Consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated income statement.

The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Significant accounting estimates and judgements

Certain estimates and judgements need to be made by the Directors of the Group which affect the results and position of the Group as reported in the financial statements. Estimates and judgements are required if, for example, as at the reporting date not all liabilities have been settled, and certain assets and liabilities are recorded at fair value which requires a number of estimates and assumptions to be made.

Key areas of estimation uncertainty

Impairment of goodwill

The annual impairment assessment in respect of goodwill requires estimates of the value in use of cash generating units to which goodwill has been allocated to be calculated. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows. The basis of review of the carrying value of goodwill is as detailed in note 8 to the consolidated financial statements.

Financial instruments valuation

Derivatives are used to minimise the impact of foreign exchange and interest rate fluctuations on the Group. An asset or liability is recognised representing the fair value of the instruments in place at the year end. The fair value is calculated using certain estimates and valuation models by reference to significant inputs including; implied volatilities in foreign currency and interest rates and historical movements in foreign currency exchange and interest rates.

Pension scheme valuation

The liabilities in respect of defined benefit pension schemes are calculated by qualified actuaries and reviewed by the Group but are necessarily based on subjective assumptions. The principal uncertainties relate to the estimation of the discount rate, life expectancies of scheme members, future investment yields and general market conditions for factors such as inflation and interest rates. The specific assumptions adopted are disclosed in detail in note 17 to the consolidated financial statements. Profits and losses in relation to changes in actuarial assumptions are taken directly to reserves and therefore do not impact on the profitability of the business, but the changes do impact on net assets.

Inventory provisioning

The Group reviews the net realisable value of and demand for its inventory on an ongoing basis to ensure recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices are the timing and success of future technological innovations, competitor actions, suppliers' prices and economic trends. If total inventory losses differ, the Group's consolidated net income in the year would have improved or declined, depending upon whether the actual results were better or worse than expected.

Bad debt provision

At each reporting period, the Directors review outstanding debts and determine appropriate provision levels. The recovery of certain debts is dependent on the individual circumstances of customers. As disclosed in note 11 there are a number of debts which remain outstanding past their due date, which the Directors believe to be recoverable.

Intangible asset valuation

In attributing value to intangible assets arising on acquisition, management has made certain assumptions in terms of cash flows attributable to intellectual property and customer relationships. The key assumptions relate to the trading performance of the acquired business, royalty rates applied in the royalty relief calculation and discount rates applied to calculate the present value of future cash flows. The Directors consider the resulting valuation to be a reasonable approximation as to the value of the intangibles acquired.

Freehold property revaluation

In ascertaining an accurate estimate of the value of freehold property, the Directors utilise the latest professional valuation conducted along with available information on local property value movements up to the valuation date.

Key judgements

Going Concern

The financial statements are prepared on the going concern basis.

The Group has cash reserves and finance facilities available and the Board continually monitor a rolling cashflow forecast for the business as a whole. Given the Group's low fixed cost base and the facilities available to it, the Board therefore considers the Group will continue to be able to meet its liabilities as they fall due.

On that basis, the Directors are confident that they will be able to manage the business in such a way that it will continue to operate and trade for at least 12 months from the date of the signing of the financial statements and have therefore prepared these financial statements on a going concern basis.

Deferred tax assets

In determining the deferred tax asset to be recognised the Directors carefully review the recoverability of these assets on a prudent basis and reach a judgement based on the best available information. Estimates and judgements used in the financial statements are based on historical experience and other assumptions that the Directors and management consider reasonable and are consistent with the Group's latest budgeted forecasts where applicable. Judgements are based on the information available at each balance sheet date. Although these estimates are based on the best information available to the Directors, actual results may ultimately differ from those estimates.

Cash flow hedging

In determining the proportion of forward foreign exchange contracts that are effective hedges against currency fluctuations, the Directors produce detailed forward forecasts to carefully determine the requirements of a particular foreign currency to match future planned supplier payments.

In determining the proportion of the interest rate hedge contracts that are effective against base interest rate fluctuations, the Directors measure the level of borrowing against the remaining value of the contracts.

New standards adopted for the year ended 31 December 2025

The following amendments to standards were applicable during the year but did not have a material impact on the Group.

- Lack of Exchangeability (Amendments to IAS 21)

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group.

Management anticipate that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Notes to the Consolidated financial statements

continued

3. Segmental analysis and operating expenses

Segmental analysis

Due to the integration of a number of functions across the Group it is not possible to accurately report operating segments in full, turnover has been analysed into four key segments being Toys, Sports and Leisure, Bicycles, including electric, Golf and Home & Garden.

	31 December 2025 £'000	31 December 2024 £'000
Toys, sports and leisure	10,203	12,362
Bicycles, including electric	10,154	7,380
Golf	2,766	2,548
Home & Garden	3,030	2,329
	26,153	24,619

The turnover by geographic destination is detailed below.

	31 December 2025 £'000	31 December 2024 £'000
UK	25,161	22,547
Europe	977	2,050
Rest of World	15	22
	26,153	24,619

	31 December 2025 £'000	31 December 2024 £'000
Operating expenses and Exceptional costs		
Distribution costs	5,561	4,877
Administrative expenses (before exceptional costs)	1,601	1,675
Total operating expenses (before exceptional costs) as shown in the Consolidated income statement	7,162	6,552

The operating expenses (before exceptional costs) disclosed above include the following charges/(credits):

Employee benefits expense (note 5)	3,629	3,423
Depreciation – owned assets	305	285
(Profit)/loss on sale of property, plant and equipment	(7)	267
Intangible amortisation	33	33
Operating lease costs	137	114
Other expenses	3,065	2,430
	7,162	6,552

Exceptional costs of £87,000 (year ended 31 December 2024 - £409,000) are in respect of employment costs relating to the planned retirement of the commercial director, for whom a replacement was on board in July 2024. In the prior year they were in respect of employment costs relating to the planned retirement of the commercial director, relocation costs of the Hong Kong office and the non-cash impairment of the new IT system costs, the development of which has ceased, in light of the developments of the business.

Auditor's remuneration in the capacity as auditor of the parent Company was £6,000 (year ended 31 December 2024 - £6,000) and in the capacity as auditor of the subsidiary companies was £59,000 (year ended 31 December 2024 - £55,000). There was no non audit remuneration for the auditors in the current or prior year.

Rental income received of £95,000 in the year ended 31 December 2025 has been offset against rent paid in administrative expenses (year ended 31 December 2024 - £45,000).

4. Finance costs

	31 December 2025 £'000	31 December 2024 £'000
Interest payable on bank loans, overdrafts and invoice finance facilities	326	374
Expected return on pension scheme assets less interest on liabilities	37	71
Interest receivable from derivatives	(50)	(70)
Total finance costs	313	375

5. Directors' and employees' remuneration

Employee benefits expense

	31 December 2025 £'000	31 December 2024 £'000
Wages and salaries	3,111	3,002
Social security costs	349	275
Share-based employee remuneration	25	20
Pension scheme contributions – defined contribution schemes	144	126
	3,629	3,423

The average number of people (including Directors) employed by the Group during the year was:

	Number	Number
Selling and distribution	45	43
Management and administration	28	30
	73	73

Directors' remuneration

	31 December 2025				31 December 2024	
	Salary/Fee £'000	Performance bonus £'000	Benefits in kind £'000	Pension contribution £'000	Total £'000	Total £'000
S J Grant	57	-	-	-	57	57
P Ratcliffe (Resigned 31 January 2025)	14	-	1	1	16	195
P Kimberley	198	39	6	24	267	223
M A Taylor	32	-	-	-	32	32
J Crookall	24	-	-	-	24	24
S W Bragg (Appointed 17 October 2024)	24	-	-	-	24	5
G Kaur (Appointed 17 July 2024)	130	12	7	15	164	77
D R Poulter (Appointed 31 January 2025)	105	12	6	11	134	-
	584	63	20	51	718	613

In addition to the above the total charge for Employer's National Insurance for the period was £89,000 (year ended 31 December 2024 – £72,000).

During the year the Group contributed to defined contribution pension schemes for D R Poulter, G Kaur, P Ratcliffe and P Kimberley (year ended 31 December 2024-G Kaur, P Ratcliffe and P Kimberley).

The share-based remuneration charge was £11,000 (year ended 31 December 2024 - £11,000) of which, £7,000 (year ended 31 December 2024 - £9,000) related to P Kimberley, £3,000 (year ended 31 December 2024-£2,000) related to G Kaur and £1,000 (year ended 31 December 2025-£nil) related to D R Poulter.

Notes to the Consolidated financial statements

continued

5. Directors' and employees' remuneration continued

Key management personnel

The Group considers the key management of the business to be the current Board of Tandem Group plc, together with the heads of the various business departments. Total remuneration for the key management personnel was £1,293,000 (31 December 2024 - £1,190,000).

Share based employee remuneration

The following options were held at 31 December 2025 under the Group's share option schemes:

Number of shares	1 January 2025	Granted during year	Exercised/ lapsed during year	31 December 2025	Option price per 25p ordinary share	Exercise period
<i>2019 Employee Share Option Schemes</i>						
Directors						
S J Grant	50,000	-	-	50,000	190.0p	31/12/21-24/05/29
P Ratcliffe	54,232	-	(54,232)	-	127.5p	31/12/18-20/04/26
	45,000	-	(45,000)	-	190.0p	31/12/21-24/05/29
	13,000	-	(13,000)	-	665.0p	31/12/23-28/04/31
	2,500	-	(2,500)	-	240.0p	31/12/25-28/03/33
P Kimberley	37,500	-	(37,500)	-	325.0p	31/12/24-28/04/32
	45,000	-	-	45,000	240.0p	31/12/25-28/03/33
	9,500	-	-	9,500	202.0p	31/12/26-27/03/34
		38,000	-	38,000	161.5p	31/12/27-07/04/35
G Kaur	10,000	-	-	10,000	665.0p	31/12/23-28/04/31
	10,000	-	-	10,000	240.0p	31/12/25-28/03/33
	12,000	-	-	12,000	202.0p	31/12/26-27/03/34
		20,000	-	20,000	161.5p	31/12/27-07/04/35
D R Poulter		20,000	-	20,000	161.5p	31/12/27-07/04/35
Other employees	32,400	-	-	32,400	190.0p	31/12/21-24/05/29
	10,000	-	-	10,000	665.0p	31/12/23-28/04/31
	37,500	-	(2,500)	35,000	240.0p	31/12/25-28/03/33
	10,000	-	-	10,000	162.5p	31/12/26-07/02/34
	52,000	-	(1,500)	50,500	202.0p	31/12/26-27/03/34
		91,000	-	91,000	161.5p	31/12/27-07/04/35
	430,632	169,000	(156,232)	443,400		

5. Directors' and employees' remuneration continued

The Group has the following outstanding share options and exercise prices:

	31 December 2025			31 December 2024		
	Number	Exercise price (pence)	Remaining contractual life (years)	Number	Exercise price (pence)	Remaining contractual life (years)
Date exercisable (option life):						
2018 (up to 2026)	-	-	-	54,232	127.5	1.3
2021 (up to 2029)	82,400	190.00	3.4	127,400	190.0	4.4
2023 (up to 2031)	20,000	665.00	5.3	33,000	665.0	6.3
2024 (up to 2032)	-	-	-	37,500	325.0	7.3
2025 (up to 2033)	90,000	240.00	7.2	95,000	240.0	8.2
2026 (up to 2034)	10,000	162.50	8.1	10,000	162.5	9.1
2026 (up to 2034)	72,000	202.00	8.2	73,500	202.0	9.2
2027 (up to 2035)	169,000	161.50	9.3			
	443,400			430,632		

The ordinary share mid-market price on 31 December 2025 was 173.5p (31 December 2024 – 162.5p). During the period, the highest mid-market price was 218.0p (31 December 2024 – 238.0p) and the lowest was 157.5p (31 December 2024 – 144.0p). The weighted average exercise price of the options in issue was 219.6p (31 December 2024 – 242.7p).

The fair value of options granted was determined using the Black-Scholes valuation model. Significant inputs into the calculations were:

- exercise prices of 161.5p (31 December 2024 – 127.5p) to 665.0p (31 December 2024 – 665.0p);
- 60.7% (31 December 2024 - 60.7%) to 62.5% (31 December 2024 – 62.5%) volatility based on expected and historical share price;
- a risk-free interest rate of 4.01% (31 December 2024 – 0.86%);
- all options are assumed to vest after three and a half years from the date of grant of the options; and
- dividend yield of 0%

In total, £25,000 (31 December 2024 – £20,000) of share-based employee remuneration has been included in the Consolidated income statement.

6. Tax expense

The relationship between the expected tax expense at 25% (year ended 31 December 2024 – 25%) and the actual tax expense recognised in the Consolidated income statement can be reconciled as follows:

	31 December 2025		31 December 2024	
	£'000	%	£'000	%
Profit before taxation	568		30	
Tax rate	25%		25%	
Expected tax expense	142	25%	8	26.7%
Expenses not deductible for tax purposes	(12)	(2.1)%	32	106.7%
Movement in unrecognised deferred tax asset	(364)	(64.1)%	54	180.0%
Foreign tax suffered	(3)	(0.5)%	(4)	(13.3)%
Adjustments in respect of prior periods	(45)	(7.9)%	-	0.0%
Actual tax (credit)/expense	(282)	(49.6)%	90	300%
Actual tax (credit)/expense comprises:				
Current tax charge	3		2	
Deferred (credit)/expense	(285)		88	
	(282)		90	

Notes to the Consolidated financial statements

continued

6. Tax expense continued

At 31 December 2025 there are trading losses and loan relationship deficits of approximately £6,688,000 (31 December 2024 – £6,904,000) available for carry forward against future profits of the same trade.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates of 25% at 31 December 2024 (25% at 31 December 2024) and reflected in these financial statements.

7. Profit/(loss) per share

The calculation of profit/(loss) per share is based on the net loss and ordinary shares in issue during the year as follows:

	31 December 2025 £'000	31 December 2024 £'000
Net profit/(loss) for the year	850	(60)
Weighted average shares in issue (excluding shares held in treasury) used for basic earnings per share	5,488,754	5,471,959
Weighted average dilutive shares under option	33,065	15,440
Average number of shares used for diluted earnings per share	5,521,819	5,487,399
	Pence	Pence
Profit/(loss) per share	15.5	(1.1)
Diluted profit/(loss) per share	15.4	(1.1)

The impact on the loss per share of the share options for the year ended 31 December 2023 is anti-dilutive.

8. Intangible fixed assets

	Goodwill £'000	Software £'000	Websites £'000	Brand names £'000	Total £'000
Gross carrying amount					
At 1 January 2024, at 1 January 2025 and at 31 December 2025	10,109	132	130	441	10,812
Amortisation					
At 1 January 2024	4,957	132	12	184	5,285
Provided in the year	–	–	12	21	33
At 1 January 2025	4,957	132	24	205	5,318
Provided in the year	–	–	12	21	33
At 31 December 2025	4,957	132	36	226	5,351
Net book value					
At 31 December 2025	5,152	–	94	215	5,461
At 31 December 2024	5,152	–	106	236	5,494

Amortisation has been included within operating expenses in the Consolidated income statement.

8. Intangible fixed assets continued

Goodwill above relates to the following cash generating units:

	Date of acquisition	Goodwill on acquisition £'000	Carrying value of goodwill £'000
Pot Black	28 September 2000	1,906	965
Dawes Cycles	26 June 2001	895	695
Ben Sayers	25 February 2002	715	576
Pro Rider	1 August 2014	1,695	1,695
ESC	1 September 2015	1,221	1,221
Others (fully impaired)		3,677	–
		10,109	5,152

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and is tested annually for impairment.

The key assumptions for each of the cash generating units include stable growth and profit margins, which have been determined based on past experience in this market. Internal and external market data has been used in setting the assumptions. It is considered that this is the best available input for forecasting this market.

The recoverable amounts were determined based on a value-in-use calculation, covering a detailed one year conservative forecast, followed by an extrapolation of expected cash flow over the next four years at growth rates of 5% for each cash generating unit, which represents a conservative long term average growth rate, followed by year five cash flows in perpetuity. The growth rates used do not exceed the long term average growth for the market in which the Group operates.

A forecast period of five years has been used representing the expected minimum period that the business model is sustainable assuming no significant changes in the business.

The discount rate used is 6.64%, being the Group's weighted average cost of capital, which is considered to be suitable for each cash generating unit as they operate in similar markets.

The Directors have considered sensitivities in respect of the goodwill impairment calculation. The Directors believe that there are no reasonably possible changes in assumptions which would cause recoverable amounts to equal carrying amounts. No further sensitivities have been applied to the calculation.

Goodwill and impairment policies are detailed in note 2 to these consolidated financial statements.

Notes to the Consolidated financial statements

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9. Property, plant and equipment

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Vehicles £'000	Plant and machinery £'000	Total £'000
Gross carrying amount					
At 1 January 2024	14,464	384	68	2,301	17,217
Additions	6	25	–	55	86
Disposals	–	–	–	(267)	(267)
Foreign exchange adjustments	–	2	–	1	3
At 1 January 2025	14,470	411	68	2,090	17,039
Additions	–	–	–	7	7
Disposals	–	–	(37)	(1)	(38)
Revaluation	1,460	–	–	–	1,460
Foreign exchange adjustments	–	(6)	–	(8)	(14)
At 31 December 2025	15,930	405	31	2,088	18,454
Depreciation					
At 1 January 2024	164	385	45	1,219	1,813
Provided in the year	173	–	8	104	285
Foreign exchange adjustments	–	–	–	2	2
At 1 January 2025	337	385	53	1,325	2,100
Provided in the year	173	8	8	116	305
Eliminated on disposals	–	–	(37)	–	(37)
Revaluation	(510)	–	–	–	(510)
Foreign exchange adjustments	–	(4)	–	(7)	(11)
At 31 December 2025	–	389	24	1,434	1,847
Net book value					
At 31 December 2025	15,930	16	7	654	16,607
At 31 December 2024	14,132	27	15	765	14,939

A valuation of the property was carried out by Jones Lang LaSalle Limited in January 2026 in accordance with the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as at the valuation date. The value placed on the property at that date was £15,930,000.

The net book value of right of use assets held under leasing arrangements was £nil (31 December 2024 - £nil).

The borrowings of the Group are secured by a fixed and floating charge over the assets of the Group.

10. Inventories

	31 December 2025 £'000	31 December 2024 £'000
Finished goods for resale	4,437	5,930

Cost of sales includes material costs of £15,582,000 (year ended 31 December 2024 - £14,511,000), carriage costs of £1,165,000 (year ended 31 December 2024 - £1,024,000) and other costs of £1,276,000 (year ended 31 December 2024 - £1,718,000).

11. Trade and other receivables

	31 December 2025 £'000	31 December 2024 £'000
Amounts falling due within one year:		
Trade receivables	4,791	5,444
Prepayments and accrued income	446	356
Other receivables	1,257	576
	6,494	6,376

Trade and other receivables are usually due within 90 days and do not bear any effective interest rate. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards to trade and other receivables as the amounts recognised resemble a large number of receivables from various customers.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for expected credit loss and a loss allowance of £122,000 (year ended 31 December 2024 - £72,000) has been made. The movement in the loss allowance can be reconciled as follows:

	31 December 2025 £'000	31 December 2024 £'000
Amounts brought forward	72	43
Amounts written off	-	-
Provided in year	50	29
At year end	122	72

Some of the unimpaired trade receivables were past due as at the reporting date. The age of trade receivables at the reporting date was:

	31 December 2025 £'000	31 December 2024 £'000
Not past due	2,793	3,995
Past due 0 – 90 days	2,023	1,373
Past due 91 – 180 days	(30)	32
Past due more than 180 days	5	44
	4,791	5,444

Notes to the Consolidated financial statements

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12. Cash and cash equivalents

	31 December 2025 £'000	31 December 2024 £'000
Cash and cash equivalents per Consolidated cash flow statement	1,543	1,385

Cash and cash equivalents consist of cash at bank and in hand. All cash at bank and in hand, held by subsidiary undertakings is available for use by the Group.

13. Trade and other payables

	31 December 2025 £'000	31 December 2024 £'000
Amounts falling due within one year:		
Trade payables	(2,998)	(2,511)
Taxation and social security	(1,134)	(916)
Other payables	(1,316)	(1,518)
	(5,448)	(4,945)

The Directors consider, due to their short duration, that the carrying amounts recognised in the Consolidated balance sheet are a reasonable approximation of the fair value of trade and other payables.

14. Borrowings

	31 December 2025 £'000	31 December 2024 £'000
Invoice finance liability	26	(1,982)
Current borrowings with contractual maturities in less than one year		
– other borrowings	(280)	(280)
Total current borrowings	(254)	(2,262)
Non current borrowings with contractual maturities between two to five years		
– other borrowings	(3,190)	(3,445)
Total non current borrowings	(3,190)	(3,445)
Total borrowings	(3,444)	(5,707)

The invoice finance liability is secured over the trade receivables of the Group and borrowings are secured by a fixed and floating charge over the assets of the Group.

There is a loan due to HSBC Bank plc amounting to £3,725,000. The loan was received from HSBC Bank plc on 31 January 2024 and is repayable over 5 years at £280,000 per annum with a final bullet payment in March 2029 of £2,500,000 with interest at 2.50% over Base Rate. This loan does not include any financial covenants.

15. Financial assets and liabilities

The financial assets of the Group, all of which fall due within one year, comprised:

	31 December 2025				31 December 2024			
	Loans and receivables £'000	Financial assets held at fair value through profit and loss £'000	Assets not within the scope of IFRS9 £'000	Total £'000	Loans and receivables £'000	Financial assets held at fair value through profit and loss £'000	Assets not within the scope of IFRS9 £'000	Total £'000
Cash and cash equivalents:								
Sterling	1,408	-	-	1,408	1,370	-	-	1,370
US Dollars	123	-	-	123	(33)	-	-	(33)
Euro	5	-	-	5	9	-	-	9
Others	7	-	-	7	39	-	-	39
	1,543			1,543	1,385			1,385
Cashflow derivatives	-	76	-	76	-	201	-	201
Trade and other receivables	5,823	-	671	6,494	5,973	-	403	6,376
Inventories	-	-	4,437	4,437	-	-	5,930	5,930
Current tax assets	-	-	8	8	-	-	37	37
Current assets	7,366	76	5,116	12,558	7,358	201	6,370	13,929

The financial liabilities of the Group comprised:

	31 December 2025				31 December 2024			
	Other financial liabilities at amortised cost £'000	Financial liabilities held at fair value through profit and loss £'000	Liabilities not within the scope of IFRS9 £'000	Total £'000	Other financial liabilities at amortised cost £'000	Financial liabilities held at fair value through profit and loss £'000	Liabilities not within the scope of IFRS9 £'000	Total £'000
Cashflow derivatives	-	(1)	-	(1)	-	-	-	-
Trade and other payables	(4,314)	-	(1,134)	(5,448)	(4,029)	-	(916)	(4,945)
Invoice finance liability	26	-	-	26	(1,982)	-	-	(1,982)
Current borrowings	(280)	-	-	(280)	(280)	-	-	(280)
Current tax liabilities	-	-	-	-	-	-	(1)	(1)
Current liabilities	(4,568)	(1)	(1,134)	(5,703)	(6,291)	-	(917)	(7,208)
Non current liabilities	(3,190)	-	-	(3,190)	(3,445)	-	-	(3,445)

The cashflow derivatives at 31 December 2025 and 31 December 2024 comprise the interest rate hedge and foreign exchange hedges.

The Group is exposed through its operations to one or more of the following financial risks:

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continued

15. Financial assets and liabilities continued

Interest rate risk

The Group's banking and invoice finance facilities are subject to variable interest rates. As a result, changes in interest rates could have an impact on the net result for the year and to equity. The Group has entered into a interest rate hedge contract over £3 million on a depreciating basis of its bank loans with a cap of 2%. The fair value for this contract has been estimated using relative market interest rates. Net interest rate sensitivities have not been presented here as the Directors do not consider the amounts to be material to the financial statements.

Liquidity risk

Liquidity risk is managed centrally on a Group basis. Bank and invoice finance facilities are agreed at appropriate levels having regard to the Group's forecast operating cash flows and capital expenditure. The Group has an overdraft facility and invoicing financing facility which are due for renewal in October 2026.

Credit risk

The Group faces credit risk due to the credit it extends to customers in the normal course of business. All customers are subject to strict credit checking and acceptance procedures in order to minimise the risk to the Group. Credit limits are agreed and closely monitored on a local level.

Foreign currency risk

The Group uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast purchases in US dollars and other currencies. All forward exchange contracts are considered by management to be part of economic hedge arrangements and are formally designated as such.

The fair values for these contracts have been estimated using relevant market exchange and interest rates.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into Sterling at the closing rate.

	31 December 2025				31 December 2024			
	USD £'000	GBP £'000	Other £'000	Total £'000	USD £'000	GBP £'000	Other £'000	Total £'000
Current assets	123	12,414	21	12,558	(33)	13,915	47	13,929
Current liabilities	(1,369)	(4,345)	11	(5,703)	(1,572)	(5,617)	(19)	(7,208)
Non-current liabilities	–	(3,190)	–	(3,190)	–	(3,445)	–	(3,445)
Total exposure	(1,246)	4,879	32	3,665	(1,605)	4,853	28	3,276

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level one: quoted prices in active markets for identical assets or liabilities
- Level two: inputs other than quoted prices included within Level one that are observable for the asset or liability, either directly or indirectly
- Level three: unobservable inputs for the asset or liability

An Interest rate hedge contract which has a value of £76,000 at 31 December 2025 (31 December 2024 – £152,000) is a financial instrument held at fair value and is disclosed as an asset at the year end. This contract is a Level two financial asset and will expire within 4 years from 31 December 2025 (31 December 2024 – expire within 5 years of 31 December 2024). Forward exchange contracts which have a liability value of £1,000 at 31 December 2025 (31 December 2024 – asset of £49,000) are financial instruments held at fair value. These contracts are Level two financial liabilities, and all expire within 12 months from 31 December 2025. All other financial assets and liabilities are Level one.

There were no transfers between Level one and Level two in 2025 or 2024.

15. Financial assets and liabilities continued

Measurement of financial instruments

The Group has relied upon valuations performed by a third-party valuations specialist for complex valuations of the forward exchange contracts and interest rate hedge contracts. Valuation techniques have utilised observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for forward exchange contracts.

The intangible brand assets held by the Group, as disclosed in note 8, are classified as Level 3 within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2025. The fair value of the intangibles as at 31 December 2025 are included in the Consolidated balance sheet as £215,000 (year ended 31 December 2024 - £236,000).

The fair value of the brands within intangibles are estimated using an income approach which capitalises the estimated royalty income which would be charged to a third party to use the brand using the Group's discount rate of 6.64%.

The most significant inputs, all of which are unobservable, are the estimated royalty rate and the discount rate. The estimated fair value increases if the estimated royalty rate increases or the discount rate declines. The overall valuations are sensitive to both assumptions.

16. Deferred taxation

	31 December 2023 £'000	Movement in the year £'000	31 December 2024 £'000	Movement in the year £'000	31 December 2025 £'000
Provided					
Pension obligations	(179)	94	(85)	81	(4)
Property, plant and equipment	102	44	146	(66)	80
Short term temporary differences	5	(22)	(17)	(7)	(24)
Unused tax losses	(591)	(17)	(608)	182	(426)
Total	(663)	99	(564)	190	(374)
Presented as:					
Deferred tax asset	(663)	99	(564)	190	(374)
Unprovided					
Property, plant and equipment	(7)	7	-	-	-
Short term temporary differences	(35)	35	-	-	-
Unused tax losses	(999)	(119)	(1,118)	(128)	(1,246)
Capital losses	(1,405)	-	(1,405)	-	(1,405)
ACT	(131)	118	(13)	-	(13)
Total	(2,577)	41	(2,536)	(128)	(2,664)

The provision of a deferred tax asset is based on the future trading forecasts for the Group. A deferred tax asset has not been recognised in respect of certain trading losses, capital losses, excess management expenses and advance corporation tax (ACT) as the Group does not anticipate sufficient taxable trading profits, capital gains, utilisation of management expenses or recovery of ACT respectively, to arise within the foreseeable future.

Unprovided capital losses is net of the notional gain realised on revaluation.

Of the deferred tax movement in the year, a decrease of £190,000 (31 December 2024 - decrease of £99,000), a charge of £285,000 (31 December 2024 - charge of £88,000) has been recognised in the Consolidated income statement and a charge of £475,000 (31 December 2024 - charge of £11,000) in other comprehensive income.

Notes to the Consolidated financial statements

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17. Pension scheme arrangements

The Group operates two funded pension schemes, The Tandem Group Pension Plan and The Casket Group Retirement and Death Benefit Scheme. In addition, subsidiary companies of the Group contribute to other defined contribution schemes and individual pension plans.

For both funded schemes, the trustees have responsibility for setting the overall investment strategy and delegate the day to day management of the schemes to the scheme advisors, including investment managers.

The Tandem Group Pension Plan

A contributory pension scheme, the Tandem Group Pension Plan, now only has one section, which provides benefits based on final pensionable salary. Another section provided benefits based on defined contributions but has now been closed with benefits transferred to the individual members. The scheme is closed to new members.

The assets of the scheme are held separately from those of the Group, being invested with managed funds.

Contributions to the final salary section are determined by an independent qualified actuary on the basis of the triennial valuation using the Defined Accrued Benefit Method. The date of the last completed triennial valuation was 1 October 2022.

The present value of the defined benefit obligations as at the balance sheet dates is as follows:

	31 December 2025 £'000	31 December 2024 £'000
Defined benefit obligation at the beginning of the year	6,864	7,740
Interest cost	343	352
Actuarial gain due to scheme experience	(392)	(1)
Actuarial loss/(gain) due to changes in financial assumptions	496	(399)
Benefits paid	(714)	(828)
Defined benefit obligation at the end of the year	6,597	6,864

For determination of the pension obligation, the following actuarial assumptions were used:

	31 December 2025	31 December 2024
Discount rate	5.15%	5.25%
Increase in pensionable salaries*	-%	-%
Increase in pensions in payment	Up to 5.00%	Up to 5.00%
Increase in deferred pensions	3.00 to 5.00%	3.00 to 5.00%
Inflation assumption	2.75%	3.35%
Mortality assumption table	S3PA+1 (YOB)	S3 PA+1 (YOB)

* There are no members whose benefits are linked to salaries

The mortality assumptions in the table above imply the following life expectancies:

	Life expectancy at age 65 (years)
Male now aged 65	20.5
Female now aged 65	22.8
Male now aged 45	21.2
Female now aged 45	23.6

17. Pension scheme arrangements continued

The assets held for the defined benefit obligations can be reconciled from the opening balance to the balance sheet date as follows:

	31 December 2025 £'000	31 December 2024 £'000
Fair value of scheme assets at the beginning of the year	5,560	6,110
Interest income	285	274
Return on plan assets	46	(393)
Contributions	448	397
Benefits paid	(714)	(828)
Fair value of scheme assets at the end of the year	5,625	5,560

The value of assets in the scheme were:

	31 December 2025 £'000	31 December 2024 £'000
Equities	408	341
Gilts	1,537	1,650
Corporate Bonds	3,664	3,552
Cash and other	16	17
Total fair value of assets	5,625	5,560

None of the fair value of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All assets have quoted prices in active markets (Level one).

Sensitivities to the principal assumptions of the present value of the defined benefit obligation may be analysed as follows:

	Change in assumptions	Change in liabilities
Discount rate	Decrease of 0.1% per annum	Increase by 0.8%
Inflation	Increase of 0.1% per annum	Increase by 0.03%
Rate of mortality	Increase in life expectancy by 1 year	Increase by 4.8%

The Directors believe that changes in the other assumptions noted above do not have a material impact on the defined benefit obligation.

The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average duration of the defined benefit obligation at 31 December 2025 is 8 years.

Notes to the Consolidated financial statements

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17. Pension scheme arrangements continued

The reconciliation of movements in the year were as follows:

	31 December 2025 £'000	31 December 2024 £'000
Deficit at the beginning of the year	(1,304)	(1,630)
Movement in year:		
Contributions	448	397
Finance cost	(58)	(78)
Actuarial (loss)/gain	(58)	7
Deficit at the end of the year	(972)	(1,304)
Related deferred tax asset	243	326
Net deficit at the end of the year	(729)	(978)

The expected contributions in the year ending 31 December 2026 are £532,000 in accordance with the agreed schedule of contributions. The trustees and employer have agreed a schedule of contributions covering the period to September 2028.

Defined benefit costs recognised in profit or loss are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Net interest cost	58	78
Defined benefit costs recognised in profit or loss	58	78

Defined benefit costs recognised in other comprehensive income are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Return on plan assets (excluding amounts included in net interest cost)	46	(393)
Experience gain arising on the defined benefit obligation	392	1
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss)/gain	(496)	399
Total actuarial gains and losses and total amount recognised in other comprehensive income –(loss)/gain	(58)	7

17. Pension scheme arrangements *continued*

The Casket Group Retirement and Death Benefit Scheme

Prior to 1995, Casket Limited operated a defined benefits pension scheme. On 31 May 1995 proceedings commenced to wind up this scheme. On 1 June 1995 a new defined contribution scheme commenced. Current employees at that time had an amount transferred to individual accounts in the new scheme. Former employees had their deferred benefits transferred to be payable out of a contingency fund.

Contributions to the final salary section are determined by an independent qualified actuary on the basis of the triennial valuation using the Defined Accrued Benefit Method. The date of the last triennial valuation was 5 April 2022.

The present value of the defined benefit obligations as at the balance sheet dates are as follows:

	31 December 2025	31 December 2024
	£'000	£'000
Defined benefit obligation at the beginning of the year	1,950	2,145
Interest cost	100	99
Actuarial loss/(gain) due to scheme experience	17	(5)
Actuarial gain due to changes in financial assumptions	(37)	(125)
Benefits paid	(152)	(164)
Defined benefit obligation at the end of the year	1,878	1,950

For determination of the pension obligation, the following actuarial assumptions were used:

	31 December 2025	31 December 2024
Discount rate	5.35%	5.35%
Increase in pensionable salaries*	-%	-%
Increase in pensions in payment	-%	-%
Increase in deferred pensions	2.80%	3.25%
Inflation assumption	2.80%	3.25%
Mortality assumption table	S3 P+3A (YOB)	S3 PA+3 (YOB)

* There are no members whose benefits are linked to salaries

The mortality assumptions in the table above imply the following life expectancies:

	Life expectancy at age 65 (years)
Male now aged 65	18.8
Female now aged 65	20.9
Male now aged 45	19.4
Female now aged 45	21.7

Notes to the Consolidated financial statements

continued

17. Pension scheme arrangements continued

The assets held for the defined benefit obligations can be reconciled from the opening balance to the balance sheet date as follows:

	31 December 2025 £'000	31 December 2024 £'000
Fair value of scheme assets at the beginning of the year	2,896	3,049
Interest income	121	106
Return on plan assets	(33)	(95)
Benefits paid	(152)	(164)
Fair value of scheme assets at the end of the year	2,832	2,896

The value of assets in the scheme were:

	31 December 2025 £'000	31 December 2024 £'000
Equities	8	4
Gilts	2,404	2,026
Corporate Bonds	298	535
Cash and other	122	331
Total fair value of assets	2,832	2,896

None of the fair value of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All debt and equity instruments have quoted prices in active markets (Level one).

Sensitivities to the principal assumptions of the present value of the defined benefit obligation may be analysed as follows:

	Change in assumptions	Change in liabilities
Discount rate	Decrease of 0.5% per annum	Increase by 5.0%
Rate of inflation	Increase of 0.5% per annum	Increase by 2.8%
Rate of mortality	Increase in life expectancy by 1 year	Increase by 3.9%

The Directors believe that changes in the other assumptions noted above do not have a material impact on the defined benefit obligation.

The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average duration of the defined benefit obligation at 31 December 2025 is 8 years.

17. Pension scheme arrangements continued

The reconciliation of movements in the year were as follows:

	31 December 2025 £'000	31 December 2024 £'000
Surplus at the beginning of the year	948	904
Movement in year:		
Finance income	21	7
Actuarial (loss)/gain	(13)	37
Surplus at the end of the year	956	948
Related deferred tax asset	(239)	(237)
Net surplus at the end of the year	717	711

The expected contributions in the year ending 31 December 2026 are £nil in accordance with the agreed schedule of contributions, as the scheme is in surplus. The surplus can under the Trust Deed rules be recovered by the Group.

Defined benefit costs recognised in profit or loss are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Net interest income	21	7
Defined benefit income recognised in profit or loss	21	7

Defined benefit costs recognised in other comprehensive income are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Return on plan assets (excluding amounts included in net interest cost)	(33)	(95)
Experience (loss)/gain arising on the defined benefit obligation	(17)	5
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	37	125
Total actuarial gains and losses and total amount recognised in other comprehensive income – (loss)/gain	(13)	35

Group pension scheme deficit

	31 December 2025 £'000	31 December 2024 £'000
Deficit		
The Tandem Group Pension Plan	(972)	(1,304)
The Casket Group Retirement and Death Benefit Scheme	956	946
	(16)	(358)
Related deferred tax asset		
The Tandem Group Pension Plan	243	322
The Casket Group Retirement and Death Benefit Scheme	(239)	(237)
Net deficit at the end of the year	(12)	(273)

Notes to the Consolidated financial statements

continued

17. Pension scheme arrangements continued

The amounts recognised in the Consolidated statement of comprehensive income in the year ended 31 December 2025 are a loss of £58,000 in respect of the Tandem Group Pension Plan and a loss of £13,000 in respect of the Casket Group Retirement and Death Benefit Scheme. The net cumulative actuarial loss taken directly to the Consolidated statement of comprehensive income since the date of transition to IFRS on 1 February 2006 is £3,392,000 net of deferred tax in total in respect of both schemes.

Deferred tax liabilities and assets have been recognised in respect of the surpluses and deficits on the Tandem and Casket schemes to the extent that it is believed probable that a benefit will arise.

18. Equity

	Number of shares	£'000
Allotted, called up and fully paid		
At 31 December 2024 – ordinary shares 25p each	5,471,959	1,368
Exercise of share options	45,748	11
At 31 December 2025 – ordinary shares 25p each	5,517,707	1,379

19. Related parties

There were no related party transactions during the current or prior year.

20. Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group has adequate resources to support the plans of the business;
- To ensure the Group's ability to continue as a going concern; and
- To provide an adequate return to shareholders.

In order to maintain or adjust the capital structure, the Group may adopt a number of approaches to meet these objectives. The principal instruments which are used to meet the Group's working capital requirements are equity, bank overdrafts and loans and invoice finance arrangements. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Strategic report details the working capital and net debt measures used by the Group.

21. Capital Commitments

At 31 December 2025 and 31 December 2024 the Group had no capital commitments

Five year history

	31 December 2025 £'000	31 December 2024 £'000	31 December 2023 £'000	31 December 2022 £'000	31 December 2021 £'000
Revenue	26,153	24,619	22,242	26,683	40,917
Cost of sales	(18,023)	(17,253)	(16,242)	(18,887)	(28,866)
Gross profit	8,130	7,366	6,000	7,796	12,051
Operating expenses	(7,162)	(6,552)	(6,768)	(6,484)	(7,112)
Operating profit/(loss) before exceptional costs	968	814	(768)	1,312	4,939
Exceptional costs	(87)	(409)	(103)	(223)	–
Operating profit/(loss) after exceptional costs	881	405	(871)	1,089	4,939
Finance costs	(313)	(375)	(327)	(237)	(207)
Profit/(loss) before taxation	568	30	(1,198)	852	4,732
Tax expense	282	(90)	(39)	(178)	(906)
Net profit/(loss) for the year	850	(60)	(1,237)	674	3,826

The five year history does not form part of the audited financial statements.

Company balance sheet

	Note	31 December 2025 £'000	31 December 2024 £'000
Non current assets			
Intangible fixed assets	4	307	319
Investments	5	8,590	8,590
Property, plant and equipment	6	16,504	14,777
Deferred taxation	10	311	401
		25,712	24,087
Current assets			
Trade and other receivables	7	3,801	3,572
Derivative financial asset held at fair value	8	76	201
Cash and Cash equivalents		152	52
		4,029	3,825
Total assets		29,741	27,912
Current liabilities			
Trade and other payables	8	(10,461)	(9,348)
Borrowings	9	(280)	(280)
Derivative financial liability held at fair value		(1)	-
		(10,742)	(9,628)
Non current liabilities			
Borrowings	9	(3,190)	(3,445)
Pension scheme deficit	13	(972)	(1,304)
		(4,162)	(4,749)
Total liabilities		(14,904)	(14,377)
Net assets		14,837	13,535
Equity			
Share capital	11	1,503	1,503
Shares held in treasury	11	(124)	(135)
Share premium		776	729
Other reserves		8,368	6,523
Profit and loss account		4,314	4,915
Total equity		14,837	13,535

The loss of the company for the year was £91,000 (31 December 2024 - £502,000).

The financial statements were approved by the Board on 20 March 2026 and signed on its behalf by

S J Grant
Director

P Kimberley
Director

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

Company statement of changes in equity

	Share capital £'000	Shares held in treasury £'000	Share premium £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2024	1,503	(135)	729	100	1,036	1,427	3,860	5,394	13,914
Net loss for the year	-	-	-	-	-	-	-	(502)	(502)
Forward contracts	-	-	-	100	-	-	-	-	100
Net actuarial gain on pension scheme	-	-	-	-	-	-	-	3	3
Total comprehensive income for the year attributable to equity shareholders	-	-	-	100	-	-	-	(499)	(399)
Share based payments	-	-	-	-	-	-	-	20	20
Total transactions with owners	-	-	-	-	-	-	-	20	20
Balance at 1 January 2025	1,503	(135)	729	200	1,036	1,427	3,860	4,915	13,535
Net loss for the year	-	-	-	-	-	-	-	(91)	(91)
Revaluation of property	-	-	-	-	-	-	1,970	-	1,970
Deferred taxation on revaluation of property	-	-	-	-	-	-	-	(492)	(492)
Forward contracts	-	-	-	(50)	-	-	-	-	(50)
Net actuarial loss on pension scheme	-	-	-	-	-	-	-	(43)	(43)
Total comprehensive income for the year attributable to equity shareholders	-	-	-	(50)	-	-	1,970	(626)	1,294
Exercise of share options	-	11	47	-	-	-	-	-	58
Reclassified through intercompany	-	-	-	(75)	-	-	-	-	(75)
Share based payments	-	-	-	-	-	-	-	25	25
Total transactions with owners	-	11	47	(75)	-	-	-	25	8
At 31 December 2025	1,503	(124)	776	75	1,036	1,427	5,830	4,314	14,837

The share premium was created following the exercise of share options.

The cash flow hedge reserve comprises of gains and losses arising on the effective portion of hedging instruments and is carried at fair value in a qualifying cash flow hedge.

The merger reserve was created as a result of merger relief being claimed in respect of previous share issues.

The revaluation reserve was created following the revaluation of property.

The profit and loss account includes all current and prior period results and share based payments.

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

Notes to the Company financial statements

1. Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – ‘The Reduced Disclosure Framework’ (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for the revaluation of certain properties and financial instruments.

Parent company

The Company is a parent company which prepares publicly available consolidated financial statements in accordance with UK adopted international accounting standards. This Company is included in the consolidated financial statements of Tandem Group plc for the year ended 31 December 2025. No individual profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006.

Going concern

The Directors have concluded, based on current and forecast trading, the annual cash flow forecasts and the available sources of finance, that it is appropriate to prepare these financial statements on a going concern basis.

The Directors have prepared detailed trading and cash flow forecasts through to 31 December 2026, extrapolated through to 31 March 2027. The trading forecasts take into account the expected turnover levels from the Group’s businesses and the current and expected cost structure of the Group. The key sensitivity in the trading forecasts is turnover levels of each business unit, which have been factored into the forecasts.

The facilities available to the Group comprise an overdraft of £2 million, an invoice finance facility of up to £2.5 million and import loans of £2 million. The cash flow forecast shows that there is significant headroom available to the Group to trade within these finance facilities.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- A statement of cash flows and related notes
- The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the Group as they are wholly owned within the Group
- Presentation of comparative reconciliations for property, plant and equipment, intangible assets and investment properties
- Disclosure of key management personnel compensation
- Capital management disclosures

- Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- The effect of future accounting standards not adopted
- Certain share-based payment disclosures
- Business combination disclosures
- Disclosures in relation to impairment of assets
- Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)

Investments

Investments in the Company are included at cost less amounts written off. Where the consideration for the acquisition of a subsidiary undertaking includes shares in the Company to which the provisions of sections 612 and 613 of the Companies Act 2006 apply, cost represents the nominal value of shares issued together with the fair value of any additional consideration given and costs.

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss.

The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure from the requirements of the Companies Act 2006, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the Directors, would be misleading.

Brands

The fair value of acquired brands is calculated using the royalty relief method. It is capitalised and then amortised over its useful economic life of 20 years. The amortisation is calculated so as to write off the fair value less the estimated residual value over their estimated lives. An impairment review is undertaken when events or circumstances indicate the carrying amount may not be recoverable.

Other intangible assets

Intangible assets separately purchased, such as website development are capitalised at cost and amortised on a straight line basis over their useful economic life of 10 years.

1. Accounting policies continued

Property, plant and equipment

Freehold property is held under the revaluation model, whereby it is revalued periodically and held at its revalued amount. Plant and equipment is carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on these assets on a straight-line basis over the estimated useful economic life of each asset. Material residual value estimates and useful economic lives are updated as required and at least annually. The useful lives of property, plant and equipment can be summarised as follows:

Land	not depreciated
Freehold building	50 years
Plant and equipment	3 – 20 years

Impairment of assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating units) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

Foreign exchange

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

The Company's functional and presentational currency is pounds sterling (£).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

Financial assets

The Company's financial assets include cash and cash equivalents and trade and other receivables and can include interest rate hedge and forward exchange contracts.

All financial assets are recognised when the entity becomes party to the contractual provisions of an instrument. All financial assets except forward exchange contracts and the interest rate hedge are initially recognised at fair value, plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Interest and other cash flows resulting from holding financial assets are recognised using the effective interest rate method, regardless of how the related carrying amount of financial assets is measured.

Receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Interest rate hedge contracts and forward exchange rate contracts may be financial assets held at fair value.

Financial liabilities

The Company's financial liabilities include trade and other payables and can include interest rate hedge and forward exchange contracts.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognised in the income statement.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Company financial statements

continued

1. Accounting policies continued

Finance charges are charged to the Income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Interest rate hedge contracts and forward exchange rate contracts may also be financial liabilities held at fair value.

Foreign exchange and interest rate forward and option contracts

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations, principally the US Dollar. The Company's policy is to reduce substantially the risk associated with purchases denominated in foreign currencies by using forward fixed rate currency purchase contracts, taking into account any foreign currency cash flows.

The Company also uses interest rate hedge contracts to hedge its risks associated with interest rate fluctuations, linked to the level of borrowings in the Company. The Company's policy is to reduce the impact on profitability and cashflow associated with base interest rate movements, by utilising interest rate hedge contracts.

Such derivative financial instruments are initially measured at fair value and subsequently remeasured at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Similarly, interest rate hedge fair value is calculated by reference to current interest rate hedge contracts with similar depreciating profiles.

The effective portion of changes in the fair value which are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated income statement as a finance cost.

Amounts accumulated in equity are reclassified to the Consolidated income statement in the periods when the hedged item affects profit or loss, matching when the hedged transaction occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in finance costs within the Consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated income statement.

The Company documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Deferred taxation

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted.

Deferred tax liabilities are generally recognised in full with the exception on the initial recognition of goodwill on investments in subsidiaries and joint ventures where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future on the initial recognition of a transaction that is not a business combination and at the time of the transaction affects neither accounting or taxable profit.

Pension costs

Retirement benefits to employees are funded by contributions from the Company and employees. Payments to defined contribution schemes are recognised when they fall due. Payments to the Company's defined benefit pension plan, which is financially separate and independent from the Company, are made in accordance with periodic calculations by independent consulting actuaries. The costs of funding the plans are accounted for over the period covering the employees' service.

The difference between the fair values of the assets held in the Company's defined benefit pension plan and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Company's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the Company is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

For further pension information see note 13.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. When the Company purchases its own equity share capital, the consideration paid is deducted from equity attributable to the Company's equity shareholders until the shares are cancelled or reissued.

Share capital is determined using the nominal value of shares that have been issued.

The merger reserve was created as a result of merger relief being claimed in respect of previous share issues.

The revaluation reserve was created following the revaluation of property.

1. Accounting policies continued

The cash flow hedge reserve was created following the adoption of hedge accounting.

Other reserves include a capital redemption reserve and a revaluation reserve. These reserves are non-distributable.

The profit and loss account includes all current and prior period results and share based payments included in the income statement.

Share based employee remuneration

The Company operates equity settled share based remuneration plans for its senior employees.

All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

All share based remuneration is ultimately recognised as an expense in the Income statement with a corresponding credit to reserves, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Significant accounting estimates and judgements

Certain estimates and judgements need to be made by the Directors of the Company which affect the results and position of the Company as reported in the financial statements. Estimates and judgements are required if, for example, as at the reporting date not all liabilities have been settled and certain assets and liabilities are recorded at fair value which requires a number of estimates and assumptions to be made.

Key areas of estimation uncertainty

Impairment of goodwill

The annual impairment assessment in respect of goodwill requires estimates of the value in use of cash generating units to which goodwill has been allocated to be calculated. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows. The basis of review of the carrying value of goodwill is as detailed in note 8 to the consolidated financial statements.

Financial instruments valuation

Derivatives are used to minimise the impact of foreign exchange and interest rate fluctuations on the Company. An asset or liability is recognised representing the fair value of the instruments in

place at the year end. The fair value is calculated using certain estimates and valuation models by reference to significant inputs including implied volatilities in foreign currency and interest rates and historical movements in foreign currency exchange and interest rates.

Pension scheme valuation

The liabilities in respect of the defined benefit pension plan are calculated by qualified actuaries and reviewed by the Company but are necessarily based on subjective assumptions. The principal uncertainties relate to the estimation of the discount rate, life expectancies of plan members, future investment yields and general market conditions for factors such as inflation and interest rates. The specific assumptions adopted are disclosed in detail in note 13. Profits and losses in relation to changes in actuarial assumptions are taken directly to reserves and therefore do not impact on the profitability of the business, but the changes do impact on net assets.

Freehold property revaluation

In ascertaining an accurate estimate of the value of freehold property, the Directors utilise the latest professional valuation conducted along with available information on local property value movements since the valuation date.

Key judgements

Going Concern

The financial statements are prepared on the going concern basis.

The Group has cash reserves and finance facilities available and the Board continually monitor a rolling cashflow forecast for the business as a whole. Given the Group's low fixed cost base and the facilities available to it, the Board therefore considers the Group will continue to be able to meet its liabilities as they fall due.

On that basis, the Directors are confident that they will be able to manage the business in such a way that it will continue to operate and trade for at least 12 months from the date of the signing of the financial statements and have therefore prepared these financial statements on a going concern basis.

Deferred tax assets

In determining the deferred tax asset to be recognised the Directors carefully review the recoverability of these assets on a prudent basis and reach a judgement based on the best available information. Estimates and judgements used in the financial statements are based on historical experience and other assumptions that the Directors and management consider reasonable and are consistent with the Company's latest budgeted forecasts where applicable. Judgements are based on the information available at each balance sheet date. Although these estimates are based on the best information available to the Directors, actual results may ultimately differ from those estimates.

Cash flow hedging

In determining the proportion of forward foreign exchange contracts that are effective hedges against currency fluctuations, the Directors produce detailed forward forecasts to carefully determine the requirements of a particular foreign currency to match future planned supplier payments.

Notes to the Company financial statements

continued

2. Auditor's remuneration

Auditor's remuneration incurred by the Company during the period for audit services totalled £6,000 (year ended 31 December 2024 - £6,000). There was no non audit remuneration for the auditors in the current or prior year.

3. Directors' and employees' remuneration

Expenses recognised for employee benefits is analysed as follows:

	31 December 2025 £'000	31 December 2024 £'000
Salaries	688	684
Benefits in kind	17	15
Social Security costs	88	86
Share based employee remuneration	25	20
Pension scheme contributions - defined contribution schemes	51	44
	869	849

	Number	Number
The average number of persons employed by the Company during the year	8	9

During the year the Company contributed to a defined contribution pension scheme for P Kimberley, P Ratcliffe, G Kaur and D R Poulter (year ended 31 December 2024-P Kimberley, P Ratcliffe and G Kaur). An analysis of Directors' remuneration is shown in note 5 to the consolidated financial statements.

Share based employees' remuneration

The following options were held at 31 December 2025 under the Company's share option schemes:

Number of shares	1 January 2025	Granted during year	Exercised/ lapsed during year	31 December 2025	Option price per 25p ordinary share	Exercise period
<i>2019 Employee Share Option Schemes</i>						
Directors						
S J Grant	50,000	–	–	50,000	190.0p	31/12/21–24/05/29
P Ratcliffe	54,232	–	(54,232)	–	127.5p	31/12/18–20/04/26
	45,000	–	(45,000)	–	190.0p	31/12/21–24/05/29
	13,000	–	(13,000)	–	665.0p	31/12/23–28/04/31
	2,500	–	(2,500)	–	240.0p	31/12/25–28/03/33
P Kimberley	37,500	–	(37,500)	–	325.0p	31/12/24–28/04/32
	45,000	–	–	45,000	240.0p	31/12/25–28/03/33
	9,500	–	–	9,500	202.0p	31/12/26–27/03/34
		38,000	–	38,000	161.5p	31/12/27–07/04/35
G Kaur	10,000	–	–	10,000	665.0p	31/12/23–28/04/31
	10,000	–	–	10,000	240.0p	31/12/25–28/03/33
	12,000	–	–	12,000	202.0p	31/12/26–27/03/34
		20,000	–	20,000	161.5p	31/12/27–07/04/35
D R Poulter		20,000	–	20,000	161.5p	31/12/27–07/04/35
Other employees	32,400	–	–	32,400	190.0p	31/12/21–24/05/29
	10,000	–	–	10,000	665.0p	31/12/23–28/04/31
	37,500	–	(2,500)	35,000	240.0p	31/12/25–28/03/33
	10,000	–	–	10,000	162.5p	31/12/26–07/02/34
	52,000	–	(1,500)	50,500	202.0p	31/12/26–27/03/34
		91,000	–	91,000	161.5p	31/12/27–07/04/35
	430,632	169,000	(156,232)	443,400		

3. Directors' and employees' remuneration

The Group has the following outstanding share options and exercise prices:

	31 December 2025			31 December 2024		
	Number	Exercise price (pence)	Remaining contractual life (years)	Number	Exercise price (pence)	Remaining contractual life (years)
Date exercisable (option life):						
2018 (up to 2026)	–	–	–	54,232	127.5	1.3
2021 (up to 2029)	82,400	190.00	3.4	127,400	190.0	4.4
2023 (up to 2031)	20,000	665.00	5.3	33,000	665.0	6.3
2024 (up to 2032)	–	–	–	37,500	325.0	7.3
2025 (up to 2033)	90,000	240.00	7.2	95,000	240.0	8.2
2026 (up to 2034)	10,000	162.50	8.1	10,000	162.5	9.1
2026 (up to 2034)	72,000	202.00	8.2	73,500	202.0	9.2
2027 (up to 2035)	169,000	161.50	9.3			
	443,400			430,632		

The ordinary share mid-market price on 31 December 2025 was 173.5p (31 December 2024 – 162.5p). During the period, the highest mid-market price was 218.0p (31 December 2024 – 238.0p) and the lowest was 157.5p (31 December 2024 – 144.0p). The weighted average exercise price of the options in issue was 219.6p (31 December 2024 – 242.7p)

The fair value of options granted was determined using the Black-Scholes valuation model. Significant inputs into the calculations were:

- exercise prices of 161.5p (31 December 2024 – 127.5p) to 665.0p (31 December 2024 – 665.0p);
- 60.7% (31 December 2024 – 60.7%) to 62.5% (31 December 2024 – 62.5%) volatility based on expected and historical share price;
- a risk-free interest rate of 4.01% (31 December 2024 – 0.86%);
- all options are assumed to vest after three and a half years from the date of grant of the options; and
- dividend yield of 0%.

In total, £25,000 (31 December 2024 – £20,000) of share-based employee remuneration has been included in the income statement.

4. Intangible fixed assets

	Goodwill £'000	Websites £'000	Total £'000
Gross carrying amount			
At 1 January 2025 and at 31 December 2025	2,506	130	2,636
Amortisation			
At 1 January 2025	2,293	24	2,317
Provided in the year	–	12	12
At 31 December 2025	2,293	36	2,329
Net book value			
At 31 December 2025	213	94	307
At 31 December 2024	213	106	319

Notes to the Company financial statements

continued

5. Investments

Unlisted
investments
in subsidiary
undertakings
£'000

Gross carrying amount	
At 1 January 2025 and 31 December 2025	17,824
Impairment	
At 1 January 2025 and 31 December 2025	9,234
Net book value	
At 31 December 2025	8,590
At 31 December 2024	8,590

The principal wholly owned subsidiary undertakings of the Company at the year end are listed below. M.V. Sports (Hong Kong) Limited was incorporated in and operates in Hong Kong. The Registered Office address is Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. The other companies were incorporated in and operate in the United Kingdom. The Registered Office address of the other companies is the same as Tandem Group plc.

Tandem Group Trading Limited*	Sports, leisure and toy products, bicycles and accessories, and garden, home, leisure and e-mobility products
M.V. Sports (Hong Kong) Limited#	Sports, leisure and toy products
Expressco Direct Limited#	Dormant
Tandem Group Cycles Limited#	Dormant

* denotes 100% of issued ordinary shares

denotes 100% indirect ownership of issued ordinary shares

6. Property, plant and equipment

	Property £'000	Plant and equipment £'000	Total £'000
Gross carrying amount			
At 1 January 2025	14,470	910	15,380
Revaluation of property	1,460	–	1,460
At 31 December 2025	15,930	910	16,840
Depreciation			
At 1 January 2025	337	266	603
Provided in the year	173	70	243
Revaluation of property	(510)	–	(510)
At 31 December 2025	–	336	336
Net book value			
At 31 December 2025	15,930	574	16,504
At 31 December 2024	14,132	645	14,777

6. Property, plant and equipment

A valuation of the property was carried out by Jones Lang LaSalle Limited in January 2026 in accordance with the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as at the valuation date. The value placed on the property at that date was £15,930,000.

The net book value of right of use assets held under leasing arrangements was £nil (31 December 2024 - £nil).

The borrowings of the Group are secured by a fixed and floating charge over the assets of the Group.

7. Trade and other receivables

	31 December 2025 £'000	31 December 2024 £'000
Amounts falling due within one year:		
Prepayments and accrued income	169	161
Amounts due from group undertakings	3,293	3,293
Other receivables	339	118
	3,801	3,572

8. Trade and other payables

	31 December 2025 £'000	31 December 2024 £'000
Amounts falling due within one year:		
Trade payables	(100)	(253)
Amounts due to group undertakings	(10,065)	(8,899)
Other payables	(296)	(196)
	(10,461)	(9,348)

The Directors consider, due to their short duration, that the carrying amounts recognised in the Company balance sheet to be a reasonable approximation of the fair value of trade and other payables.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level one: quoted prices in active markets for identical assets or liabilities

Level two: inputs other than quoted prices included within Level one that are observable for the asset or liability, either directly or indirectly

Level three: unobservable inputs for the asset or liability

An Interest rate hedge contract which has a value of £76,000 at 31 December 2024 (31 December 2023 – £152,000) is a financial instrument held at fair value and is disclosed as an asset at the year end. This contract is a Level two financial asset and will expire within 4 years from 31 December 2025 (31 December 2024 - expire within 5 years of 31 December 2024). Forward exchange contracts which have a liability value of £1,000 at 31 December 2025 (31 December 2024 – asset of £49,000) are financial instruments held at fair value. These contracts are Level two financial liabilities and all expire within 12 months from 31 December 2025. All other financial assets and liabilities are Level one.

There were no transfers between Level one and Level two in 2025 or 2024.

Notes to the Company financial statements

continued

9. Borrowings

	31 December 2025 £'000	31 December 2024 £'000
Current borrowings with contractual maturities in less than one year		
– other borrowings	(280)	(280)
Total current borrowings	(280)	(280)
Non-current borrowings with contractual maturities two to five years		
– other borrowings	(3,190)	(3,445)
Total non-current borrowings	(3,190)	(3,445)
Total borrowings	(3,470)	(3,725)

There is a loan due to HSBC Bank plc amounting to £3,725,000. The loan was received from HSBC Bank plc on 31 January 2024 and is repayable over 5 years at £280,000 per annum with a final bullet payment in March 2029 of £2,500,000 with interest at 2.50% over Base Rate. This loan does not include any financial covenants.

Leasing arrangements are secured on the assets to which the liabilities relate.

10. Deferred taxation

Deferred taxation arising from temporary differences and unused tax losses can be summarised as follows:

	31 December 2023 £'000	Movement in the year £'000	31 December 2024 £'000	Movement in the year £'000	31 December 2025 £'000
Provided					
Pension obligations	405	(79)	326	(83)	243
Property, plant and equipment	(307)	16	(291)	84	(207)
Short term temporary differences	(5)	4	(1)	2	1
Tax losses	240	127	367	(93)	274
Total	333	68	401	(90)	311
Presented as:					
Deferred tax asset	333	68	401	(90)	311
Unprovided					
Unused tax losses	595	105	700	211	911
Capital losses	691	–	691	–	691
ACT	76	(63)	13	–	13
Total	1,362	42	1,404	211	1,615

11. Equity

	Number of shares	£'000
Allotted, called up and fully paid		
At 31 December 2024 – ordinary shares 25p each	5,471,959	1,368
Exercise of share options	45,748	11
At 31 December 2025 – ordinary shares 25p each	5,517,707	1,379

12. Contingent liabilities

A cross guarantee exists between all companies in the Group for all amounts payable to HSBC Bank Plc. The maximum potential liability to the Company at the year end in respect of bank overdrafts was £nil (31 December 2024 - £166,000).

Notes to the Company financial statements

continued

13. Pension scheme arrangements

The Tandem Group Pension Plan

A contributory pension scheme, the Tandem Group Pension Plan, now only has one section, which provides benefits based on final pensionable salary. Another section provided benefits based on defined contributions but has now been closed with benefits transferred to the individual members. The scheme is closed to new members.

The assets of the scheme are held separately from those of the Company, being invested with managed funds.

Contributions to the final salary section are determined by an independent qualified actuary on the basis of the triennial valuation using the Defined Accrued Benefit Method. The date of the last completed triennial valuation was 1 October 2022.

The present value of the defined benefit obligations as at the balance sheet dates is as follows:

	31 December 2025 £'000	31 December 2024 £'000
Defined benefit obligation at the beginning of the year	6,864	7,740
Interest cost	343	352
Actuarial gain due to scheme experience	(392)	(1)
Actuarial loss/(gain) due to changes in financial assumptions	496	(399)
Benefits paid	(714)	(828)
Defined benefit obligation at the end of the year	6,597	6,864

For determination of the pension obligation, the following actuarial assumptions were used:

	31 December 2025	31 December 2024
Discount rate	5.15%	5.25%
Increase in pensionable salaries*	–%	–%
Increase in pensions in payment	Up to 5.00%	Up to 5.00%
Increase in deferred pensions	3.00 to 5.00%	3.00 to 5.00%
Inflation assumption	2.75%	3.35%
Mortality assumption table	S3PA+1 (YOB)	S3 PA+1 (YOB)

* There are no members whose benefits are linked to salaries

The mortality assumptions in the table above imply the following life expectancies:

	Life expectancy at age 65 (years)
Male now aged 65	20.5
Female now aged 65	22.8
Male now aged 45	21.2
Female now aged 45	23.6

13. Pension scheme arrangements continued

The assets held for the defined benefit obligations can be reconciled from the opening balance to the balance sheet date as follows:

	31 December 2025 £'000	31 December 2024 £'000
Fair value of scheme assets at the beginning of the year	5,560	6,110
Interest income	285	274
Return on plan assets	46	(393)
Contributions	448	397
Benefits paid	(714)	(828)
Fair value of scheme assets at the end of the year	5,625	5,560

The value of assets in the scheme were:

	31 December 2025 £'000	31 December 2024 £'000
Equities	408	341
Gilts	1,537	1,650
Corporate Bonds	3,664	3,552
Cash and other	16	17
Total fair value of assets	5,625	5,560

None of the fair value of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by, the Company. All assets other have quoted prices in active markets (Level one).

Sensitivities to the principal assumptions of the present value of the defined benefit obligation may be analysed as follows:

	Change in assumptions	Change in liabilities
Discount rate	Decrease of 0.1% per annum	Increase by 0.8%
Inflation	Increase of 0.1% per annum	Increase by 0.03%
Rate of mortality	Increase in life expectancy by 1 year	Increase by 4.8%

The Directors believe that changes in the other assumptions noted above do not have a material impact on the defined benefit obligation.

The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average duration of the defined benefit obligation at 31 December 2025 is 8 years.

Notes to the Company financial statements

continued

13. Pension scheme arrangements continued

The reconciliation of movements in the year were as follows:

	31 December 2025 £'000	31 December 2024 £'000
Deficit at the beginning of the year	(1,304)	(1,630)
Movement in year:		
Contributions	448	397
Finance cost	(58)	(78)
Actuarial (loss)/gain	(58)	7
Deficit at the end of the year	(972)	(1,304)
Related deferred tax asset	243	326
Net deficit at the end of the year	(729)	(978)

The expected contributions in the year ending 31 December 2026 are £532,000 in accordance with the agreed schedule of contributions. The trustees and employer have agreed a schedule of contributions covering the period to September 2028.

Defined benefit costs recognised in profit or loss are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Net interest cost	58	78
Defined benefit costs recognised in profit or loss	58	78

Defined benefit costs recognised in other comprehensive income are as follows:

	31 December 2025 £'000	31 December 2024 £'000
Return on plan assets (excluding amounts included in net interest cost)	46	(393)
Experience gain arising on the defined benefit obligation	392	1
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation –(loss)/ gain	(496)	399
Total actuarial gains and losses and total amount recognised in other comprehensive income – (loss)/gain	(58)	7

14. Related party transactions

As permitted by FRS101 related party transactions with wholly owned members of Tandem Group plc have not been disclosed.

15. Ultimate controlling party

The Company has no ultimate controlling party by virtue of being a public company trading on the Alternative Investment Market.

Shareholder Information

MUFG Corporate Markets is our registrar and they offer many services to make managing your shareholding easier and more efficient.

Investor Centre

Investor Centre is a secure online site where you can manage your shareholding quickly and easily. You can:

- View your holding and get an indicative valuation
- Change your address
- Arrange to have dividends paid into your bank account
- Request to receive shareholder communications by email rather than post
- View your dividend payment history
- Make dividend payment choices
- Buy and sell shares and access a wealth of stock market news and information
- Register your proxy voting instruction
- Download a stock transfer form

To register for Investor Centre just visit uk.investorcentre.mpms.mufg.com. All you need is your investor code, which can be found on your share certificate or your dividend confirmation.

Customer Support Centre

Alternatively, you can contact MUFG Corporate Markets' Customer Support Centre which is available to answer any queries you have in relation to your shareholding:

By phone – 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

By email – shareholderenquiries@cm.mpms.mufg.com

By post – MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Sign up to electronic communications

Help us to save paper and get your shareholder information quickly and securely by signing up to receive your shareholder communications by email.

Registering for electronic communications is very straightforward. Just visit uk.investorcentre.mpms.mufg.com. All you need is your investor code, which can be found on your share certificate or your dividend confirmation.

Dividend payment options

Re-invest your dividends

MUFG Corporate Markets' Dividend Re-investment Plan offers a convenient way for shareholders to build up their shareholding by using dividend money to purchase additional shares. The plan is provided by MUFG Corporate Markets, a trading name of MUFG Corporate Markets Trustees (UK) Limited which is authorised and regulated by the Financial Conduct Authority.

For more information and an application pack please call 0371 664 0381 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Alternatively you can email Shares.uk@cm.mpms.mufg.com or log on to uk.investorcentre.mpms.mufg.com.

It is important to remember that the value of shares and income from them can fall as well as rise and you may not recover the amount of money you invest. Past performance should not be seen as indicative of future performance. This arrangement should be considered as part of a diversified portfolio.

Arrange to have your dividends paid direct into your bank account

This means that:

- Your dividend reaches your bank account on the payment date
- It is more secure – cheques can sometimes get lost in the post
- You don't have the inconvenience of depositing a cheque
- Helps reduce cheque fraud

If you have a UK bank account you can sign up for this service on Investor Centre (by clicking on 'your dividend options' and following the on screen instructions) or by contacting the Customer Support Centre.

Choose to receive your next dividend in your local currency

If you live outside the UK, MUFG Corporate Markets has partnered with Deutsche Bank to provide you with a service that will convert your sterling dividends into your local currency at a competitive rate.

You can choose to receive payment directly into your local bank account, or alternatively, you can be sent a currency draft.

You can sign up for this service on Investor Centre (by clicking on 'your dividend options' and following the on screen instructions) or by contacting the Customer Support Centre.

For further information contact MUFG Corporate Markets:

By phone – 0371 664 0385

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday (excluding public holidays in England and Wales).

By email – ips@cm.mpms.mufg.com

Online – <https://www.mpms.mufg.com/en/for-individuals/uk/shareholders/international-payment-service/>

Shareholder Information continued

Buy and sell shares

A simple and competitively priced service to buy and sell shares is provided by MUFG Corporate Markets. There is no need to pre-register and there are no complicated application forms to fill in.

For further information on this service, or to buy and sell shares visit <https://sharedeal.cm.mpms.mufg.com/> or call 0371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 08:00 - 16:30, Monday to Friday (excluding public holidays in England and Wales).

This is not a recommendation to buy and sell shares and this service may not be suitable for all shareholders. The price of shares can go down as well as up and you are not guaranteed to get back the amount you originally invested. Terms, conditions and risks apply. This service is only available to private shareholders resident in the United Kingdom, the Channel Islands or the Isle of Man.

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The registered office of each of these companies is Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Donate your shares to charity

If you have only a small number of shares which are uneconomical to sell you may wish to donate them to charity free of charge through ShareGift (Registered Charity 10528686).

Find out more at www.sharegift.org.uk or by telephoning 020 7930 3737.

Share fraud warning

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority (FCA) has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200m lost in the UK each year.

Protect Yourself

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

- Get the name of the person and organisation contacting you
- Check the Financial Services Register at www.fca.org.uk to ensure they are authorised
- Use the details on the FCA Register to contact the firm
- Call the FCA Consumer Helpline on **0800 111 6768** if there are no contact details on the Register or you are told they are out of date
- Search our list of unauthorised firms and individuals to avoid doing business with

REMEMBER: if it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

Report a Scam

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at <http://www.fca.org.uk/scams>, where you can find out about the latest investment scams. You can also call the Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.



The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.



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