

# Financial Statements

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## Consolidated statement of income

Year ended 31 March 2026

	Note	2026			2025 as restated <sup>1</sup>		
		Adjusted £m	Adjusting items (Note 2) £m	Total £m	Adjusted £m	Adjusting items (Note 2) £m	Total £m
<b>Revenue</b>	1	<b>423.2</b>	–	<b>423.2</b>	443.4	–	443.4
Cost of sales		<b>(187.2)</b>	–	<b>(187.2)</b>	(199.1)	–	(199.1)
<b>Gross profit</b>		<b>236.0</b>	–	<b>236.0</b>	244.3	–	244.3
Research and development	4	<b>(37.1)</b>	–	<b>(37.1)</b>	(38.7)	–	(38.7)
Selling and marketing		<b>(78.3)</b>	–	<b>(78.3)</b>	(73.3)	–	(73.3)
Administration and shared services		<b>(49.6)</b>	<b>(14.7)</b>	<b>(64.3)</b>	(53.6)	(15.6)	(69.2)
Impairment of goodwill		–	–	–	–	(26.0)	(26.0)
Foreign exchange gain/(loss)		<b>2.7</b>	<b>(1.0)</b>	<b>1.7</b>	0.8	(0.3)	0.5
<b>Operating profit</b>		<b>73.7</b>	<b>(15.7)</b>	<b>58.0</b>	79.5	(41.9)	37.6
Financial income		<b>3.1</b>	–	<b>3.1</b>	2.6	–	2.6
Financial expenditure		<b>(1.8)</b>	<b>(0.8)</b>	<b>(2.6)</b>	(1.4)	(0.6)	(2.0)
<b>Profit/(loss) before income tax</b>	2/3	<b>75.0</b>	<b>(16.5)</b>	<b>58.5</b>	80.7	(42.5)	38.2
Income tax (expense)/credit	9	<b>(17.6)</b>	<b>3.6</b>	<b>(14.0)</b>	(17.4)	4.4	(13.0)
<b>Profit/(loss) for the period from continuing operations</b>		<b>57.4</b>	<b>(12.9)</b>	<b>44.5</b>	63.3	(38.1)	25.2
(Loss)/profit from discontinued operations after tax	13	<b>(3.1)</b>	<b>6.8</b>	<b>3.7</b>	1.9	(1.1)	0.8
<b>Profit/(loss) for the year attributable to equity shareholders of the parent</b>		<b>54.3</b>	<b>(6.1)</b>	<b>48.2</b>	65.2	(39.2)	26.0

	Note	2026			2025		
		Adjusted p	Adjusting items (Note 2) p	Total p	Adjusted p	Adjusting items (Note 2) p	Total p
<b>Earnings per share (in pence)</b>	11						
<b>Basic earnings per share</b>							
From continuing operations		<b>100.7</b>		<b>78.1</b>	109.1		43.4
From discontinued operations		<b>(5.4)</b>		<b>6.5</b>	3.3		1.4
<b>Basic</b>		<b>95.3</b>		<b>84.6</b>	112.4		44.8
<b>Diluted earnings per share</b>	11						
From continuing operations		<b>99.7</b>		<b>77.3</b>	107.8		42.9
From discontinued operations		<b>(5.4)</b>		<b>6.4</b>	3.2		1.4
<b>Diluted</b>		<b>94.3</b>		<b>83.7</b>	111.1		44.3

1 Comparative information has been restated to present the results of the disposed business as discontinued operations in accordance with IFRS 5, with no impact on profit for the year or equity. Detailed information can be found in Note 13.

The attached notes form part of these Financial Statements.

## Consolidated statement of comprehensive income

Year ended 31 March 2026

	Note	2026 £m	2025 £m
<b>Profit for the year</b>		<b>48.2</b>	26.0
<b>Other comprehensive income/(expense):</b>			
<b>Items that may be reclassified subsequently to Consolidated Statement of Income</b>			
Foreign exchange translation differences		2.7	(2.0)
<b>Items that will not be reclassified to Consolidated Statement of Income</b>			
Remeasurement loss in respect of post-retirement benefits	26	(20.8)	(1.1)
Tax credit on items that will not be reclassified to Consolidated Statement of Income		5.2	0.2
<b>Total other comprehensive expense</b>		<b>(12.9)</b>	(2.9)
<b>Total comprehensive income for the year attributable to equity shareholders of the parent</b>		<b>35.3</b>	23.1

## Consolidated statement of financial position

As at 31 March 2026

	Note	As at 31 March 2026 £m	As at 31 March 2025 as restated <sup>1</sup> £m
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	76.4	85.6
Intangible assets	15	112.7	121.8
Right-of-use assets	16	29.9	29.9
Long-term receivables		1.0	1.0
Derivative financial instruments	24	1.6	0.3
Retirement benefit asset	26	9.2	24.4
Deferred tax assets		10.0	11.1
		240.8	274.1
<b>Current assets</b>			
Inventories	17	72.5	99.1
Trade and other receivables	18	125.0	126.2
Tax receivable		6.4	9.4
Derivative financial instruments	24	0.5	1.9
Cash and cash equivalents	20	106.9	94.1
Total current assets		311.3	330.7
<b>Total assets</b>		<b>552.1</b>	604.8
<b>Equity</b>			
<b>Capital and reserves attributable to the company's equity shareholders</b>			
Share capital	27	2.7	2.9
Share premium		62.7	62.6
Other reserves		0.4	0.2
Translation reserve		8.1	5.4
Retained earnings		266.3	305.0
		340.2	376.1

	Note	As at 31 March 2026 £m	As at 31 March 2025 as restated <sup>1</sup> £m
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank loans	21	0.2	0.5
Lease liabilities	16	27.8	26.7
Retirement benefit obligations	26	1.2	0.9
Derivative financial instruments	24	0.2	-
Provisions	23	1.2	1.3
Deferred tax liabilities		11.1	16.7
		41.7	46.1
<b>Current liabilities</b>			
Bank loans and overdrafts	21	12.7	9.2
Trade and other payables	22	137.6	153.7
Contingent consideration		4.7	4.0
Lease liabilities	16	3.8	4.5
Tax payable		7.5	6.0
Derivative financial instruments	24	0.8	0.6
Provisions	23	3.1	4.6
Total current liabilities		170.2	182.6
<b>Total liabilities</b>		<b>211.9</b>	228.7
<b>Total liabilities and equity</b>		<b>552.1</b>	604.8

1 Comparative balances have been restated to present correctly contingent consideration separately from trade and other payables, with no impact on net assets or equity. There was no contingent consideration at 1 April 2024 and therefore no balance sheet at that date is required to be presented.

The Financial Statements were approved by the Board of Directors on 8 June 2026 and signed on its behalf by:

**RICHARD TYSON**  
Director

**PAUL FRY**  
Director

Company number: 775598

## Consolidated statement of changes in equity

Year ended 31 March 2026

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Translation reserve £m	Retained earnings £m	Total £m
As at 1 April 2025		2.9	62.6	0.2	5.4	305.0	376.1
Profit for the year		-	-	-	-	48.2	48.2
Foreign exchange translation differences		-	-	-	2.7	-	2.7
Remeasurement loss in respect of post-retirement benefits	26	-	-	-	-	(20.8)	(20.8)
Tax credit on items that will not be reclassified to Consolidated Statement of Income	9	-	-	-	-	5.2	5.2
<b>Total comprehensive income</b>		-	-	-	2.7	32.6	35.3
Share-based payment transactions		-	-	-	-	3.7	3.7
Income tax on share-based payment transactions	9	-	-	-	-	0.2	0.2
Proceeds from shares issued		-	0.1	-	-	-	0.1
Share buyback <sup>1</sup>		(0.2)	-	0.2	-	(62.2)	(62.2)
Dividends	10	-	-	-	-	(13.0)	(13.0)
<b>Total transactions with owners:</b>		<b>(0.2)</b>	<b>0.1</b>	<b>0.2</b>	<b>-</b>	<b>(71.3)</b>	<b>(71.2)</b>
<b>As at 31 March 2026</b>		<b>2.7</b>	<b>62.7</b>	<b>0.4</b>	<b>8.1</b>	<b>266.3</b>	<b>340.2</b>
As at 1 April 2024		2.9	62.6	0.2	7.4	292.6	365.7
Profit for the year		-	-	-	-	26.0	26.0
Foreign exchange translation differences		-	-	-	(2.0)	-	(2.0)
Remeasurement loss in respect of post-retirement benefits	26	-	-	-	-	(1.1)	(1.1)
Tax credit on items that will not be reclassified to Consolidated Statement of Income	9	-	-	-	-	0.2	0.2
<b>Total comprehensive (expense)/income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.0)</b>	<b>25.1</b>	<b>23.1</b>
Share-based payment transactions		-	-	-	-	(0.1)	(0.1)
Income tax on share-based payment transactions	9	-	-	-	-	(0.5)	(0.5)
Proceeds from shares issued		-	-	-	-	-	-
Share buyback		-	-	-	-	-	-
Dividends	10	-	-	-	-	(12.1)	(12.1)
<b>Total transactions with owners:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12.7)</b>	<b>(12.7)</b>
<b>As at 31 March 2025</b>		<b>2.9</b>	<b>62.6</b>	<b>0.2</b>	<b>5.4</b>	<b>305.0</b>	<b>376.1</b>

1 During the year ended 31 March 2026, 3,000,620 ordinary shares were repurchased and cancelled by the Group as part of the first and second tranches of the up to £100m share buyback programme, resulting in a cash outflow of £62.2m. The remaining amount of share buyback is expected to complete in the first half of the year ended 31 March 2027.

## Consolidated statement of cash flows

Year ended 31 March 2026

	Note	2026 £m	2025 as restated <sup>1</sup> £m
<b>Cash flows from operating activities</b>			
Profit for the year		48.2	26.0
Profit for the year from discontinued operations		(3.7)	(0.8)
<b>Profit for the year from continuing operations</b>		<b>44.5</b>	<b>25.2</b>
Adjustments for:			
Income tax expense	9	14.0	13.0
Net financial income		(0.5)	(0.6)
Fair value movement on financial derivatives		1.0	0.3
Amortisation of right-of-use assets	16	5.3	5.4
Depreciation of property, plant and equipment		6.7	5.1
Amortisation and impairment of intangible assets		7.7	10.6
(Profit)/loss on disposal of plant, property and equipment		(3.7)	1.3
Charge/(credit) in respect of equity-settled employee share schemes		3.7	(0.1)
Contributions paid to the pension scheme more than the charge to operating profit		(3.8)	(7.9)
(Increase)/decrease in inventories		(1.6)	6.4
Increase in receivables		(20.9)	(8.8)
Increase in payables and provisions		3.4	2.1
Increase in customer deposits		7.0	2.3
<b>Cash generated from operations</b>		<b>62.8</b>	<b>80.3</b>
Income taxes paid		(11.1)	(19.8)
<b>Net cash from operating activities – continuing operations</b>		<b>51.7</b>	<b>60.5</b>
<b>Net cash from operating activities – discontinued operations</b>		<b>2.7</b>	<b>(10.8)</b>
<b>Net cash from operating activities</b>		<b>54.4</b>	<b>49.7</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		5.3	2.3
Purchase of property, plant and equipment		(7.4)	(13.6)
Acquisition of intangible assets		(0.5)	–

	Note	2026 £m	2025 as restated <sup>1</sup> £m
Acquisition of subsidiaries, net of cash acquired		–	(15.4)
Net cash flow on disposal of business		42.4	–
Capitalised development expenditure		(2.4)	(1.0)
Interest received		1.6	1.6
<b>Net cash generated from/(used in) investing activities – continuing operations</b>		<b>39.0</b>	<b>(26.1)</b>
<b>Net cash generated used in investing activities – discontinued operations</b>		<b>(2.0)</b>	<b>(1.3)</b>
<b>Net cash generated from/(used in) investing activities</b>		<b>37.0</b>	<b>(27.4)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		0.1	–
Interest paid on overdrafts and borrowings		(1.2)	(0.6)
Interest paid on lease liabilities	16	(0.6)	(0.6)
Payment of lease liabilities	16	(4.6)	(4.8)
Repayment of borrowings	21	(0.4)	(0.8)
Share buyback	21	(62.2)	–
Dividends paid		(13.0)	(12.1)
<b>Net cash used in financing activities – continuing operations</b>		<b>(81.9)</b>	<b>(18.9)</b>
<b>Net cash used in financing activities – discontinued operations</b>		<b>–</b>	<b>(0.1)</b>
<b>Net cash used in financing activities</b>		<b>(81.9)</b>	<b>(19.0)</b>
Change in cash and cash equivalents		9.5	3.3
Cash and cash equivalents at beginning of the year		85.3	85.5
Effect of exchange rate fluctuations on cash held		(0.3)	(3.5)
<b>Cash and cash equivalents at end of the year</b>	20	<b>94.5</b>	<b>85.3</b>
Comprised of:			
Cash and cash equivalents as per the Consolidated Statement of Financial Position		106.9	94.1
Bank overdrafts	21	(12.4)	(8.8)
		<b>94.5</b>	<b>85.3</b>

1 Whilst the prior year impact is not material, comparative cash flows have been restated to reclassify interest paid on cash overdrafts and borrowings from operating to financing activities to be consistent with the presentation of interest paid on lease liabilities, with no impact on the total change in cash and cash equivalents.

## Material accounting policies

Year ended 31 March 2026

Oxford Instruments plc (the 'company') is a public company limited by shares incorporated under the Companies Act 2006 and domiciled in the United Kingdom.

The Group Financial Statements have been prepared in accordance with UK adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under UK-adopted IFRS.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group Financial Statements.

### Going concern

In determining the basis of preparation for the Consolidated Financial Statements, the Directors have considered the Group's available resources, current business activities and factors likely to impact on its future development and performance, including the impact of current macroeconomic factors, tariffs, and climate change on the Group, which are described in the Chief Executive Officer's Review and Finance review.

The Group's business activities, together with factors likely to affect its future development, performance and financial position, are set out in the Strategic Report on pages 09 to 41. The financial position of the Group, its cash flows, and borrowing facilities are described in the Finance Review on pages 42 to 50. In addition, Note 25 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group finances its operations from retained earnings, and where needed, from third-party borrowings. On 19 March 2024, the Group entered into a new multi-currency revolving facility agreement, which is committed until March 2028 with 15-month and 12-month extension options at the end of the first and second years respectively. The facility has been entered into with four banks and comprises a euro-denominated multi-currency facility of €95m and a US-dollar-denominated multi-currency facility of \$150m.

The Group regularly monitors its financial position to ensure that it remains within the terms of its financial covenants. Debt covenants are on a pre-IFRS 16 basis and are net debt to EBITDA less than 3.0 times and EBITDA to interest greater than 4.0 times. At the date of approving these Financial Statements, the facility remains undrawn.

In addition to the above, at year end, the Group had a cash and cash equivalents balance of £106.9m. The Group also had bank overdrafts of £12.4m and other small loan balances that totalled £0.5m. This resulted in a net cash position of £94.0m, an increase of £9.6m from the £84.4m net cash position at 31 March 2025.

The Group has prepared and reviewed cash flow forecasts for the period to 30 June 2027 for the Going Concern assessment, which reflect forecasted changes in operating profit, and operating cash across its business. The Group's net cash position and undrawn credit facilities provide substantial liquidity headroom that even under extreme stress scenarios, it would be able to meet its obligations for well beyond the 12-month assessment period.

In its going concern assessment, the Directors considered not only its base case but also 'severe but plausible' downside scenarios. These scenarios reflected a 25% reduction in Adjusted Operating Profit, a 25% increase in working capital and a third scenario of incorporating both. In each scenario the Group's cash balances remained positive, and the facility remains undrawn throughout the going concern period to 30 June 2027.

Following this assessment, the Board of Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in relation to this conclusion and preparing the Consolidated Financial Statements. Further information on the going concern of the Group can be found on pages 95 and 96 in the Viability Statement.

### (a) Changes in accounting standards

Standards, interpretations and amendments that became effective in the current financial year have not had a material impact on the consolidated Group financial statements. The Group has not applied any standards, interpretations or amendments that have been issued but are not yet effective.

The International Accounting Standards Board (IASB) issued a new Standard, IFRS 18 Presentation and Disclosure in Financial Statements, on 9 April 2024 that will replace IAS 1 Presentation of Financial Statements. The purpose of the new standard is to provide more consistent presentation of financial information across preparers as it is acknowledged that existing standards have given flexibility to present information in different ways. IFRS 18 will not impact the recognition or measurement of items in the Financial Statements. Many of the existing presentation principles in IAS 1 are retained, but there are some more specific requirements that will require the Group to make some changes in its future Annual Report and Interim Financial Statements.

## Material accounting policies continued

### (a) Changes in accounting standards continued

The new Standard is not yet endorsed by the UK Endorsement Board (UKEB) but is expected to be applicable for reporting periods beginning on or after 1 January 2027. Comparative information for 2026 will need to be restated when the 2027 Interim Financial Statements and Annual Report and Accounts are published and early adoption is expected to be permitted.

The Group has started an initial review of the Standard and expects changes to the presentation of the income statement. The process of assessing the financial impact on the Consolidated Financial Statements will continue during 2026.

Other standards, interpretations and amendments issued but not yet effective are not expected to have a material impact on the consolidated Group financial statements.

### (b) Significant estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### Significant judgements

In the opinion of the Group there is one key judgement made in the preparation of the Financial Statements in respect of which taking a different view would have a material impact on the Financial Statements.

#### Adjusting items

The Group introduced a new adjusting items policy during the year to add clarity on income or expense items that should be excluded from statutory profit measures because they are not reflective of normal, ongoing operations. In determining whether an event or transaction is an adjusting item, the Directors consider quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

### Significant estimates

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. One key area where estimates have been used and assumptions applied have been identified as follows:

#### Provision for inventory

Provision is made for obsolete, slow-moving and defective stock where there is evidence of impairment, to reduce the carrying value to its net realisable value. This requires consideration of several factors including, but not limited to, recent usage, expected future demand, new product introduction plans and likely realisable values to estimate the excess quantities and net realisable value. The level of provisioning requires certain estimates regarding future demand and possible design changes to identify excess quantities. Amounts provided represent in aggregate the Group's best estimate of the levels of provisioning required.

The carrying amount of inventories subject to estimation uncertainty is £66.4m (2025: £65.7m). A 5% increase in the provision as a percentage of gross inventory (before provisions) which, based on management's judgement, represents a reasonably possible change, would result in a £4.2m (2025: £4.3m) decrease in the carrying amount of inventories.

### (c) Basis of preparation and consolidation

The Financial Statements are presented in sterling, rounded to the nearest £0.1m and are prepared on the historical cost basis except as described below in accounting policy (e).

The Group Financial Statements include the accounts of Oxford Instruments plc and its subsidiary companies adjusted to eliminate intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions.

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The results of subsidiary companies are included in the consolidated Financial Statements from the date that control commences until the date that control ceases. The acquisition method is used to account for the acquisition of subsidiaries.

## Material accounting policies continued

### (d) Consideration of climate change

In preparing the Financial Statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the Task-force on Climate-Related Financial Disclosures (TCFD) disclosure on pages 60 to 68 this year. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

- Going concern and viability of the Group.
- Cash flow forecasts used in the impairment assessments of non-current assets including goodwill.
- Carrying value and useful economic lives of property, plant and equipment.

Whilst there is currently no medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's Financial Statements.

### (e) Financial instruments at fair value

Financial assets and liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Forward foreign exchange contracts (derivative financial instruments) of the Group are used to hedge its exposure to foreign currency risks arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes. The Group has chosen not to apply hedge accounting in respect of these exposures. All derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss as incurred. Foreign exchange contracts are classified as 'fair value through profit and loss' under IFRS 9. Subsequent to initial recognition, derivatives are measured at fair value and gains or losses on the settlement of such derivatives are recognised in operating expenses. Where such derivatives relate to the following year's exposure, any gains or losses resulting from the change in fair value are recognised as an adjusting item in operating expenses.

The fair value of forward exchange contracts is their market price at the Consolidated Statement of Financial Position date, being the present value of the forward price. The gain or loss on remeasurement to fair value of forward exchange contracts is recognised immediately in the Consolidated Statement of Income.

Contingent purchase consideration is measured at fair value at the date of acquisition and subsequently carried at fair value, with movements recognised in the Consolidated Statement of Income.

### (f) Property, plant and equipment

Property, plant and equipment is stated at historical cost less provisions for impairment (see accounting policy (k)) and depreciation which, with the exception of freehold land which is not depreciated and rental assets (see below), is provided on a straight-line basis over each asset's estimated economic life. Depreciation is provided based on historical cost less estimated residual value. The principal estimated economic lives used for this purpose are:

Freehold buildings, long leasehold land and buildings	50 years
Furniture and fittings	10 years
Machinery and other equipment	5 to 10 years
Computer equipment	4 years
Vehicles	4 years

Machinery and other equipment, computer equipment and vehicles are included within the 'Plant and equipment' subheading in Note 14.

For leasehold improvements, where the length of the lease is less than the principal estimated economic lives noted above, the length of the lease is used.

### (g) Intangible assets

#### (i) Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and is the difference between the cost of the acquisition and the fair value of the assets, liabilities and contingent liabilities acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

The Group expenses transaction costs associated with its acquisitions and movements in liabilities relating to contingent consideration within the Consolidated Statement of Income.

Goodwill arising on acquisitions is stated at cost less any accumulated impairment losses and allocated to cash-generating units (CGUs) that are anticipated to benefit from the combination. It is not amortised but is tested annually for impairment (see accounting policy (k)), or more frequently when there is an indicator that the unit may be impaired.

## Material accounting policies continued

### (g) Intangible assets continued

#### (ii) Development costs

Research and development costs are charged to the Consolidated Statement of Income in the year in which they are incurred unless development expenditure is applied to a plan or design for the production of new or substantially improved products, in which case they are capitalised. The criteria for capitalisation include demonstration of the technical feasibility of completing a new intangible asset that will be available for sale and that the asset will generate probable future economic benefits. Where expenditure meets the criteria, development costs are capitalised and amortised through the Consolidated Statement of Income over their useful economic lives.

#### (iii) Acquired intangible assets

An intangible asset acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be reliably measured. The asset is amortised through the Consolidated Statement of Income over its useful economic life.

#### (iv) Amortisation

Amortisation of intangible assets is charged to the Consolidated Statement of Income on a straight-line basis over the short of the estimated useful economic life (determined on an asset-by-asset) basis or underlying contractual life. The estimated useful economic lives are as follows:

Capitalised development costs	3 to 5 years
Technology-related acquired intangibles	5 to 14 years
Customer-related acquired intangibles	6 months to 15 years
Development costs acquired intangibles	10 years
Software	10 years

Customer-related acquired intangible assets include a number of different types of asset. For example, the shorter end of the useful economic life relates to the order book of acquired businesses, whilst the longer useful economic life relates to assets such as trademarks.

### (h) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less appropriate provision for impairment. The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, which is then updated for any reasonable and supportable forward-looking information and expectations. The charges or reversals in the provision are recognised as part of administrative and shared services within the Consolidated Statement of Income.

#### (i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour, an attributable proportion of production overheads based on normal operating capacity and all other expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Provision is made for obsolete, slow-moving and defective stock where appropriate in light of recent usage, expected future requirements, new product introduction plans and likely realisable values.

As outlined in Note (p) below, the revenue associated with both the sale and installation of certain complex products is recognised at the time that the installation is completed. The net realisable value associated with complex products is included in finished goods inventories where the installation has not yet been completed.

#### (j) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost.

Cash and cash equivalents include cash at bank and in hand, investments in money-market funds and short-term deposits with a maturity of three months or less on inception. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

## Material accounting policies continued

### (k) Impairment of non-current assets

All non-current assets are tested for impairment whenever events or circumstances indicate that their carrying value may be impaired. Additionally, goodwill is subject to an annual impairment review.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows from other groups of assets.

An impairment loss is recognised in the Consolidated Statement of Income under the administration and shared services heading, to the extent that an asset's carrying value, or a CGU's carrying value, exceeds its recoverable amount, which represents the higher of its net realisable value and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or from the CGU to which it relates. The present value is calculated using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset concerned.

Impairment losses recognised in previous periods for an asset other than goodwill are reversed if there has been a change in estimates used to determine the asset's recoverable amount, but only to the extent that the carrying amount of the asset does not exceed its carrying amount had the impairment loss not been recognised in previous periods. Impairment losses in respect of goodwill are not reversed.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit.

### (l) Employee benefits

The Group operates a number of defined benefit and defined contribution plans which require contributions to be made to independent trustee-administered funds.

#### (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Income as incurred.

#### (ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that current and past employees have earned in return for their service in prior periods. That benefit is discounted to determine its present value and is deducted from the fair value of any plan assets. Surpluses in schemes are recognised as assets only if they represent economic benefits available to the Group in the future. The calculation is performed by a qualified actuary using the projected unit credit method.

All actuarial gains and losses in calculating the Group's net obligation are recognised in the Consolidated Statement of Comprehensive Income in the year.

The charge to the Consolidated Statement of Income reflects the current service cost. The interest expense or income is calculated on the net defined benefit asset by applying the discount rate to the net defined benefit asset, and is included within financial expenditure or financial income in the Consolidated Statement of Income respectively.

#### (iii) Share-based payment transactions

The fair value of equity-settled share option programmes is measured at grant date and charged to the Consolidated Statement of Income, with a corresponding increase in equity, on a straight-line basis over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to market performance conditions not being met.

## Material accounting policies continued

### (m) Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision for warranty and product-related liability is recognised when the underlying products are sold. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. A provision for a claim or dispute is made when it is considered probable that an adverse outcome will occur and the amount of the loss can be reasonably estimated.

Contractual and other provisions represent the Directors' best estimate of the cost of settling future obligations where the Directors, taking into account professional advice received, assess that it is more likely than not that such proceedings may be successful.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

### (n) Customer deposits

Customer deposits are classified as contract liabilities and included within trade and other payables in the Statement of Financial Position.

Customer deposits represent the cash payments received or consideration due from customers prior to the recognition of revenue in respect of product sales; for example, deposits received on order (and shipment in the case of complex products where revenue is not recognised until installation).

### (o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Statement of Income over the period of the borrowings on an effective interest basis.

### (p) Revenue

Revenue is recognised in the Consolidated Statement of Income when the performance conditions in the contract with the customer are met.

In most cases where the contract includes the sale of both a product and installation then the sale of the product and the related installation are treated as two separate performance conditions. This is because the Group considers that the customer is able to benefit from the product even if the Group does not supply installation, ie it would be possible for them to arrange installation by a third party. In such situations, revenue in respect of the product is recognised when control passes to the customer which is normally upon shipment of the product. Revenue in respect of the installation is recognised when the customer confirms acceptance of the installation. Revenue in respect of both product and installation is recognised at a point when it is considered the performance conditions are met.

Revenue is allocated between the product and installation based on the relative standalone selling prices of those products and installation activities. Where it is difficult to establish a standalone selling price by a market comparator, the standalone selling price is estimated, where required, by applying the cost plus margin approach.

A receivable is recognised for products when control passes over to the customer, and for installation when the customer confirms acceptance of the installation, since this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the performance obligations met by the Group exceed the payment, a contract asset is recognised. If the payments exceed the performance obligation, a contract liability is recognised.

Within service revenue, revenue for fixed-term maintenance and support contracts is recognised over time using the output method by determining the proportion of the elapsed time relative to the contract period.

Revenue excludes value added tax and similar sales-based taxes and is stated before commission payable to agents which is recognised in cost of sales.

## Material accounting policies continued

### (q) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Consolidated Statement of Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax positions are reviewed to assess whether a provision should be made based on prevailing circumstances. Tax provisions are included within current taxation liabilities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets are measured on an undiscounted basis.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Where there is uncertainty surrounding an income tax position, consideration is given to whether the tax authority (with full knowledge of the facts) would probably be more or less likely to accept the uncertain tax position. If the conclusion reached is that it is probable that the tax authority would not accept a tax position, a provision is calculated either as the most likely outcome (where the possible outcomes are binary or concentrated on one value) or as the expected value (where there is a range of possible outcomes) depending on which method would provide the better prediction for the resolution of the uncertainty.

### (r) Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments.

## Material accounting policies continued

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### (r) Leases continued

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. If such remeasurement is required, it is performed using the original incremental borrowing rate, unless there is a change in estimated lease term; in which case it is performed using a new incremental borrowing rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### (s) Segment reporting

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, including any revenues and expenses that relate to transactions with any of the Group's other components. Operating components are combined into aggregated operating segments to the extent that they have similar economic characteristics. Aggregated operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, for which discrete financial information is available. Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

A reportable segment is an aggregated operating segment in respect of which revenue or profit exceeds 10% of the Group total. Discrete financial information is disclosed for each reportable segment.

## Notes to the consolidated financial statements

### 1 Segment information

As required by IFRS 8 Operating Segments, the segmental structure reflects the current internal reporting provided to the Chief Operating Decision Maker (deemed to be the Executive Directors).

The Group is organised into two segments:

- The Imaging & Analysis segment comprises a group of businesses focusing on microscopy, cameras, analytical instruments and software.
- The Advanced Technologies segment comprises a group of businesses focusing on compound semiconductor fabrication equipment and X-ray tubes.

Discrete financial information is available for each segment and used by the Executive Directors for decisions on resource allocation and to assess performance. The Group's internal management structure and financial reporting systems differentiate the two operating segments.

The NanoScience business is classified as a discontinued operation and is not included in the segment results, further information can be found in Note 13. It was previously reported within the Advanced Technologies segment. The reported segment results are from continuing operations.

Revenue by segment is further disaggregated between product revenue recognised at a point in time and service revenue recognised over time.

### Results

	Imaging & Analysis £m	Advanced Technologies £m	Total £m
<b>Year ended 31 March 2026</b>			
External product revenue	253.0	90.9	343.9
External service revenue	61.7	17.6	79.3
<b>Total segment revenue</b>	<b>314.7</b>	<b>108.5</b>	<b>423.2</b>
<b>Segment adjusted operating profit</b>			
	<b>70.9</b>	<b>2.8</b>	<b>73.7</b>
<b>Year ended 31 March 2025 as restated<sup>1</sup></b>			
External product revenue	270.1	94.4	364.5
External service revenue	60.4	18.5	78.9
<b>Total segment revenue</b>	<b>330.5</b>	<b>112.9</b>	<b>443.4</b>
<b>Segment adjusted operating profit</b>			
	<b>73.2</b>	<b>6.3</b>	<b>79.5</b>

1 Comparative information has been restated to present the results of the disposed business as discontinued operations. Detailed information can be found in Note 13.

No individual customer accounts for more than 10% of revenue.

As at 31 March 2026, the Group had unfulfilled performance obligations under IFRS 15 of £225.4m (2025: £262.6m). It is anticipated that £225.4m (2025: £261.9m) of this balance will be satisfied within one year.

## Notes to the consolidated financial statements continued

### 1 Segment information continued

#### Reconciliation of reportable segment profit

Year ended 31 March 2026	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Segment adjusted operating profit	70.9	2.8	–	73.7
Defined benefit pension scheme buy-in costs	–	–	(0.9)	(0.9)
Transaction-related costs	(0.3)	–	–	(0.3)
Restructuring costs and charges associated with management changes	(4.3)	(4.5)	(1.1)	(9.9)
Profit on disposal of assets	–	3.7	–	3.7
Amortisation of acquired intangibles	(7.3)	–	–	(7.3)
Fair value movement on financial derivatives	–	–	(1.0)	(1.0)
Financial income	–	–	3.1	3.1
Financial expenditure	–	–	(2.6)	(2.6)
Profit/(loss) before income tax	59.0	2.0	(2.5)	58.5

Year ended 31 March 2025 as restated <sup>1</sup>	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Segment adjusted operating profit	73.2	6.3	–	79.5
Transaction-related costs	(0.7)	–	–	(0.7)
Restructuring costs and charges associated with management changes	(1.8)	(5.4)	(0.6)	(7.8)
Impairment of goodwill	(26.0)	–	–	(26.0)
Amortisation of acquired intangibles	(9.0)	(0.2)	–	(9.2)
Fair value movement on financial derivatives	–	–	(0.3)	(0.3)
Financial income	–	–	2.6	2.6
Financial expenditure	–	–	(2.0)	(2.0)
Release of contingent consideration	2.1	–	–	2.1
Profit/(loss) before income tax	37.8	0.7	(0.3)	38.2

1 Comparative information has been restated to present the results of the disposed business as discontinued operations. Detailed information can be found in Note 13.

	Carrying amount of segment assets		Carrying amount of segment liabilities	
	2026 £m	2025 £m	2026 £m	2025 £m
Imaging & Analysis	267.4	249.5	(77.2)	(78.9)
Advanced Technologies	136.9	136.0	(65.7)	(52.9)
Unallocated Group items	13.2	13.2	(35.3)	(35.5)
NanoScience assets and liabilities classed as discontinued operations	–	64.9	–	(27.5)
<b>Total segment assets and liabilities</b>	<b>417.5</b>	<b>463.6</b>	<b>(178.2)</b>	<b>(194.8)</b>
Cash and borrowings	106.9	94.1	(12.9)	(9.7)
Derivative financial instruments	2.1	2.2	(1.0)	(0.6)
Retirement benefits	9.2	24.4	(1.2)	(0.9)
Taxation	16.4	20.5	(18.6)	(22.7)
<b>Consolidated total assets and liabilities</b>	<b>552.1</b>	<b>604.8</b>	<b>(211.9)</b>	<b>(228.7)</b>

Year ended 31 March 2026	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Capital expenditure	(2.2)	(4.7)	(0.5)	(7.4)
Depreciation of property, plant and equipment	(2.6)	(3.5)	(0.5)	(6.6)
Amortisation of right-of-use assets	(2.1)	(1.2)	(2.0)	(5.3)
Amortisation and impairment of intangibles	(7.3)	(0.1)	(0.3)	(7.7)
Capitalised development expenditure	(1.4)	(1.0)	–	(2.4)

## Notes to the consolidated financial statements continued

### 1 Segment information continued

#### Reconciliation of reportable segment profit continued

Year ended 31 March 2025 as restated <sup>1</sup>	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Capital expenditure	(3.9)	(9.4)	(0.3)	(13.6)
Depreciation of property, plant and equipment	(2.9)	(1.7)	(0.6)	(5.2)
Amortisation of right-of-use assets	(2.2)	(1.2)	(2.0)	(5.4)
Amortisation and impairment of intangibles	(35.6)	(0.5)	(0.5)	(36.6)
Capitalised development expenditure	(0.8)	(0.1)	–	(0.9)

The Group's revenue by destination of the end user is as follows:

Revenue	2026 £m	2025 as restated <sup>1</sup> £m
UK	15.2	15.9
China	95.0	103.1
Japan	44.7	44.7
USA	103.9	111.4
Germany	34.9	38.3
Rest of Europe	62.7	46.4
Rest of Asia	49.1	62.4
Rest of World	17.7	21.4
	<b>423.2</b>	443.6

<sup>1</sup> Comparative information has been restated to present the results of the disposed business as discontinued operations. Detailed information can be found in Note 13.

Non-current assets (excluding deferred tax)	2026 £m	2025 £m
UK	141.2	172.3
China	2.2	2.0
Japan	4.3	5.4
USA	12.6	11.2
Germany	27.0	30.0
Rest of Europe	42.7	41.4
Rest of Asia	0.6	0.5
Rest of World	0.2	0.2
	<b>230.8</b>	263.0

## Notes to the consolidated financial statements continued

### 2 Alternative Performance Measures (APMs)

The Group uses Alternative Performance Measures (APMs) which are not defined or specified under IFRS. These measures are used by management and the Board to monitor the performance of the business, in addition to statutory financial measures.

APMs should not be considered as a substitute for, or superior to, measures prepared in accordance with IFRS. Definitions and reconciliations to the nearest IFRS statutory measures are provided below.

#### a) Adjusting Items

Adjusting items are those which management consider should be disclosed separately due to their size, nature or incidence and that excluding them from certain statutory financial measures provides stakeholders with additional useful information when comparing across reporting periods or between industry peers.

These adjusting items are excluded in the calculation of adjusted operating profit, adjusted profit before tax, adjusted profit for the period, adjusted EPS, adjusted cash conversion and adjusted effective tax rate. Details of adjusting items are given below.

	2026 £m	2025 £m
Defined benefit pension scheme buy-in costs	0.9	-
Transaction-related costs	0.3	0.7
Impairment of goodwill	-	26.0
Restructuring costs and charges associated with management changes	9.9	7.8
Profit on disposal of assets	(3.7)	-
Amortisation of acquired intangibles	7.3	9.2
Fair value movement on financial derivatives	1.0	0.3
Release of contingent consideration	-	(2.1)
<b>Total adjusting items to operating profit</b>	<b>15.7</b>	<b>41.9</b>
Unwind of discount in respect of contingent consideration	0.8	0.6

	2026 £m	2025 £m
<b>Total adjusting items to profit before tax</b>	<b>16.5</b>	42.5
Tax effect of adjusting items	(3.6)	(4.4)
<b>Total adjusting items to profit from continuing operations</b>	<b>12.9</b>	38.1
Gain on disposal of NanoScience net of transaction costs and tax	(6.8)	1.1
<b>Total adjusting items to profit for the year</b>	<b>6.1</b>	39.2

#### Defined benefit pension scheme buy-in costs

In the current year, these represent the costs of one-off charges incurred in the buy-in of the defined benefit pension scheme.

#### Transaction-related costs

In the current and prior year, these represent the costs of one-off charges incurred at the Statement of Financial Position date relating to the acquisitions of FemtoTools.

#### Impairment of goodwill

In the prior year, the Group's microscopy and scientific cameras business, Andor Technology, faced a challenging trading period as a result of continued healthcare and life science market weakness, loss of revenues in China, and operational challenges with certain product lines. Actions have been put in place which have improved performance and the outlook for the business, and no further impairment has been deemed necessary in the current year. Further information can be found in Note 15.

#### Restructuring costs and charges associated with management changes

Costs incurred of £9.9m (2025: £7.8m) relating to restructuring and management changes, as well as to the relocation of semiconductor equipment production to a new facility in Severn Beach.

#### Profit on disposal of assets

In the current year, this represents the profit on disposal of the Yatton site following the relocation of our semiconductor equipment production to a new facility in Severn Beach.

#### Amortisation and impairment of acquired intangibles

Adjusted profit excludes the non-cash amortisation and impairment of acquired intangible assets, consistent with prior periods and peers.

## Notes to the consolidated financial statements continued

### 2 Alternative Performance Measures (APMs) continued

#### a) Adjusting Items continued

##### Fair value movement on financial derivatives

Under IFRS 9, all derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are also measured at fair value. In respect of instruments used to hedge foreign exchange risk and interest rate risk, the Group does not take advantage of the hedge accounting rules provided for in IFRS 9 since that standard requires certain stringent criteria to be met in order to hedge account, which, in the particular circumstances of the Group, are considered by the Board not to bring any significant economic benefit. Accordingly, the Group accounts for these derivative financial instruments at fair value through profit or loss. To the extent that instruments are hedges of future transactions, adjusted profit for the period is stated before changes in the valuation of these instruments so that the core trading performance of the Group can be more clearly seen.

##### Release of contingent consideration

In the prior year, this represents the release of the earn-out provision in respect of the acquisition of First Light Imaging.

##### Unwind of discount in respect of contingent consideration

There is an adjustment for the unwind of the discount in respect of the contingent consideration on the acquisition of FemtoTools (Note 12).

##### Adjusted income tax expense

Statutory income tax is adjusted for the income tax impact on the adjusting items described above.

##### Gain on disposal of NanoScience net of transaction costs and tax

Consideration receivable on disposal of the NanoScience business, less the carrying value of net assets disposed, transaction costs and associated tax.

#### b) Adjusted operating profit

Adjusted operating profit is the Group's statutory operating profit excluding amortisation of acquired intangibles and other adjusting items to operating profit listed in a) above.

	2026 £m	2025 £m
<b>Statutory operating profit</b>	<b>58.0</b>	37.6
Adjusting items to operating profit per a) above	<b>15.7</b>	41.9
<b>Adjusted operating profit</b>	<b>73.7</b>	79.5

#### c) Adjusted profit before tax and adjusted profit

The adjustments in calculating adjusted profit before tax are consistent with those in calculating adjusted operating profit as above. There is a further adjustment for the unwind of the discount in respect of the contingent consideration on the acquisition of FemtoTools (Note 8).

Statutory income tax is adjusted for the income tax impact of these items to arrive at adjusted profit.

	2026 £m	2025 £m
<b>Statutory profit before tax</b>	<b>58.5</b>	38.2
Adjusting items to operating profit per a) above	<b>15.7</b>	41.9
Unwind of discount in respect of contingent consideration	<b>0.8</b>	0.6
<b>Total adjusting items to profit before tax</b>	<b>16.5</b>	42.5
<b>Adjusted profit before tax</b>	<b>75.0</b>	80.7
Adjusted income tax expense	<b>(17.6)</b>	(17.4)
<b>Adjusted profit from continuing operations</b>	<b>57.4</b>	63.3
Adjusted effective tax rates	<b>23.5%</b>	21.6%

## Notes to the consolidated financial statements continued

### 2 Alternative Performance Measures (APMs) continued

#### d) Adjusted Basic and Diluted Earnings Per Share (EPS)

Adjusted basic EPS from continuing operations is calculated using adjusted profit from continuing operations and dividing by the weighted average number of shares in issue.

Adjusted profit from continuing operations is calculated as follows:

	2026 £m	2025 £m
<b>Profit for the period from continuing operations</b>	<b>44.5</b>	25.2
Adjusting items (from a) above)	<b>16.5</b>	42.5
Tax effect on adjusting items	<b>(3.6)</b>	(4.4)
<b>Adjusted profit for the period from continuing operations</b>	<b>57.4</b>	63.3
Weighted average shares in issue	<b>57.0</b>	58.0
Effect of shares under option	<b>0.6</b>	0.7
<b>Number of ordinary shares per diluted earnings per share calculation</b>	<b>57.6</b>	58.7
Basic adjusted EPS	<b>100.7p</b>	109.1p
Diluted adjusted EPS	<b>99.7p</b>	107.8p

Adjusted diluted EPS from continuing operations is calculated using the adjusted profit from continuing operations and dividing by the weighted average number of shares in issue, augmented by an assumed conversion value of all potentially dilutive ordinary shares.

Adjusted basic EPS from discontinued operations is calculated in the same way but using adjusted profit/(loss) from discontinued operations.

Adjusted profit/(loss) from discontinued operations is calculated as follows:

	2026 £m	2025 £m
<b>Profit/(loss) for the period from discontinued operations</b>	<b>3.7</b>	0.8
Adjusting items:		
Gain on disposal before transaction costs	<b>(15.8)</b>	-
Transaction related costs related to the sale of NanoScience business	<b>5.7</b>	1.1
Tax effect on adjusting items	<b>3.3</b>	-
<b>Adjusted profit for the period from discontinued operations</b>	<b>(3.1)</b>	1.9
Adjusted basic EPS	<b>(5.4p)</b>	3.3p
Adjusted diluted EPS	<b>(5.4p)</b>	3.2p

Adjusted EPS for the Group is the sum of the adjusted EPS for continuing operations and discontinued operations.

## Notes to the consolidated financial statements continued

### 2 Alternative Performance Measures (APMs) continued

#### e) Organic constant currency (OCC)

OCC is used to assess performance between reporting periods excluding the impact of new acquisitions, disposals and movements in exchange rates. The prior year results are translated at the current reporting year's average exchange rates. Results from acquisitions are not included until the prior year includes a full year of performance. Disposals are always excluded from the current and prior year.

Revenue and adjusted operating profit are reconciled to OCC results as follows:

#### Group performance

£'m	FY25	FX	Acquisitions	OCC	FY26	OCC change	Change
Orders	423.4	(8.7)	2.0	33.7	<b>450.4</b>	+8.0%	+6.4%
Revenue	443.4	(8.1)	1.4	(13.5)	<b>423.2</b>	(3.1%)	(4.6%)
Adjusted operating profit	79.5	(4.6)	0.1	(1.3)	<b>73.7</b>	(1.6%)	(7.3%)
Adjusted operating margin	17.9%			18.2%	<b>17.4%</b>	+30 bps	(50) bps

#### Imaging and Analysis division performance

£'m	FY25	FX	Acquisitions	OCC	FY26	OCC change	Change
Orders	318.6	(7.6)	2.0	4.3	<b>317.3</b>	+1.3%	(0.4%)
Revenue	330.5	(7.3)	1.4	(9.9)	<b>314.7</b>	(3.0%)	(4.8%)
Adjusted operating profit	73.2	(4.1)	0.1	1.7	<b>70.9</b>	2.3%	(3.1%)
Adjusted operating margin	22.1%			23.3%	<b>22.5%</b>	+120bps	+40bps

#### Advanced Technologies division performance

£'m	FY25	FX	Acquisitions	OCC	FY26	OCC change	Change
Orders	104.8	(1.1)	–	29.4	<b>133.1</b>	+28.1%	+27.0%
Revenue	112.9	(0.8)	–	(3.6)	<b>108.5</b>	(3.2%)	(3.9%)
Adjusted operating profit	6.3	(0.5)	–	(3.0)	<b>2.8</b>	(47.6%)	(55.6%)
Adjusted operating margin	5.6%			3.0%	<b>2.6%</b>	(260) bps	(300) bps

#### f) Cash conversion

Cash conversion is calculated as adjusted cash generated from operations as a percentage of adjusted operating profit.

Reconciliation of cash generated from operations to adjusted operating cash flow	2026 £m	2025 £m
<b>Cash from operations</b>	<b>62.8</b>	80.3
Add back:		
Pension scheme payment above charge to operating profit	<b>3.8</b>	7.9
Non-recurring items	<b>11.1</b>	5.1
Capitalised development expenditure	<b>(2.4)</b>	(1.0)
Net proceeds/(expenditure) on tangible and intangible assets	<b>(2.6)</b>	(11.3)
Payments made in respect of lease liabilities	<b>(5.2)</b>	(5.4)
<b>Adjusted cash from operations</b>	<b>67.5</b>	75.6
<b>Adjusted operating profit</b>	<b>73.7</b>	79.5
Cash conversion %	<b>92%</b>	95%

Normalised cash conversion excludes certain large investments, typically related to property, plant and equipment, where these investments are not deemed to be operational in nature.

## Notes to the consolidated financial statements continued

### 2 Alternative Performance Measures (APMs) continued

#### f) Cash conversion continued

The items excluded from adjusted cash from operations to determine normalised cash conversion are as follows:

	2026 £m	2025 £m
<b>Adjusted cash from operations</b>	<b>67.5</b>	75.6
Add back:		
Capital expenditure related to completion of the Severn Beach facility	<b>1.5</b>	5.3
Capital expenditure relating to the purchase of a new building in High Wycombe	<b>1.3</b>	-
Net proceeds on the sale of the Yatton facility	<b>(4.8)</b>	-
<b>Normalised adjusted cash from operations</b>	<b>65.5</b>	80.9
<b>Adjusted operating profit</b>	<b>73.7</b>	79.5
<i>Normalised cash conversion %</i>	<b>89%</b>	102%

#### g) Free cash flow

Free cash flow (FCF) is calculated as net operating cash flow cash flow after deducting cash outflows (or adding cash inflows) for interest income, taxation, capitalised development expenditure, expenditure on intangible and tangible fixed assets and payments made with respect to finance leases. FCF represents cash available to the Group to service debt, return capital to shareholders, through dividends or share buybacks, or invest in other corporate development activity such as acquisitions. The priorities for deploying free cash flow are guided by the Group's capital allocation priorities.

	2026 £m	2025 as restated <sup>(1)</sup> £m
<b>Adjusted operating profit</b>	<b>73.7</b>	79.5
Depreciation and amortisation	<b>12.4</b>	11.9
<b>Adjusted EBITDA</b>	<b>86.1</b>	91.4
Working capital movement	<b>(12.1)</b>	2.0
(Profit)/loss on disposal of plant, property and equipment	<b>(3.7)</b>	1.3
Non-recurring items	<b>(7.4)</b>	(6.4)
Equity settled share schemes	<b>3.7</b>	(0.1)
Pension scheme payment above charge to operating profit	<b>(3.8)</b>	(7.9)
<b>Cash generated by operations</b>	<b>62.8</b>	80.3
Add/(deduct):		
Interest income	<b>0.4</b>	1.0
Tax paid	<b>(11.1)</b>	(19.8)
Capitalised development expenditure	<b>(2.4)</b>	(1.0)
Expenditure on tangible and intangible assets	<b>(2.6)</b>	(11.3)
Payments made in respect of finance leases	<b>(5.2)</b>	(5.4)
<b>Free Cash Flow (FCF)</b>	<b>41.9</b>	43.8
The reconciliation to net increase in cash and cash equivalents is as follows:		
<b>Free Cash Flow (FCF)</b>	<b>41.9</b>	43.8
Acquisition of subsidiaries, net of cash acquired	<b>-</b>	(15.4)
Net cash flow on disposal of business	<b>42.4</b>	-
Share buyback	<b>(62.2)</b>	-
Dividends paid	<b>(13.0)</b>	(12.1)
Proceeds from issue of share capital and exercise of share options	<b>0.1</b>	-
Decrease in borrowings	<b>(0.4)</b>	(0.8)
<b>Net increase in cash and cash equivalents from continuing operations</b>	<b>8.8</b>	15.5
Net decrease in cash and cash equivalents from discontinued operations	<b>0.7</b>	(12.2)
<b>Net increase in cash and cash equivalents</b>	<b>9.5</b>	3.3
Effect of exchange rate fluctuations on cash held	<b>(0.3)</b>	(3.5)
<b>Closing cash</b>	<b>94.5</b>	85.3
Borrowings	<b>(0.5)</b>	(0.9)
<b>Net cash</b>	<b>94.0</b>	84.4

## Notes to the consolidated financial statements continued

### 2 Alternative Performance Measures (APMs) continued

#### h) Return on Capital Employed (ROCE)

The return on capital employed ratio is used by management to help ensure that capital is used efficiently. It is calculated by dividing adjusted operating profit after amortisation of acquired intangibles, divided by the average of capital employed in the current and the prior annual reporting periods.

ROCE in FY26 excludes discontinued operations from both adjusted operating profit and from average capital employed.

	2026 £m	2025 £m
Adjusted operating profit	73.7	82.2
Amortisation of acquired intangible assets	(7.3)	(9.2)
<b>Adjusted operating profit after amortisation of acquired intangible assets</b>	<b>66.4</b>	73.0
Property, plant and equipment	76.4	85.6
Right-of-use assets	29.9	29.9
Intangible assets	112.7	121.8
Long-term receivables	1.0	1.0
Inventories	72.5	99.1
Trade and other receivables	125.0	126.2
Lease liabilities	(27.8)	(26.7)
Provisions	(1.2)	(1.3)
Trade and other payables	(137.6)	(153.7)
Contingent consideration	(4.7)	(4.0)
Lease liabilities	(3.8)	(4.5)
Provisions	(3.1)	(4.6)
<b>Capital employed</b>	<b>239.3</b>	268.8
<b>Capital employed for continuing operations 2025</b>	<b>231.4</b>	
<b>Average capital employed</b>	<b>235.4</b>	269.0
<b>Return on capital employed (ROCE)</b>	<b>28.2%</b>	27.1%

#### i) Return on Invested Capital (ROIC)

ROIC is an alternative metric used for assessing how efficiently capital is deployed in the company. It is calculated by dividing adjusted operating profit after tax by average invested capital across the current and prior years. Invested capital is defined as total equity, less net cash and lease liabilities.

ROIC in FY26 excludes discontinued operations from both adjusted operating profit and from average capital employed.

	2026 £m	2025 £m
Adjusted operating profit	73.7	82.2
Taxation	(17.6)	(17.4)
<b>Adjusted operating profit after taxation</b>	<b>56.1</b>	64.8
Total equity	340.2	376.1
Less: net cash and lease liabilities	(62.4)	(53.2)
<b>Invested capital</b>	<b>277.8</b>	322.9
<b>Invested capital for continuing operations 2025</b>	<b>285.5</b>	
<b>Average invested capital</b>	<b>281.7</b>	319.1
<b>Return on invested capital (ROIC)</b>	<b>19.9%</b>	20.3%

APMs have limitations as analytical tools and should be considered alongside statutory results. They may not be comparable to similarly titled measures used by other companies.

## Notes to the consolidated financial statements continued

### 3 Profit for the year

Statutory profit for the year has been determined after charging/(crediting):

	2026 £m	2025 £m
Foreign exchange gain	(1.7)	(0.5)
Research and development	37.1	38.7
Depreciation of property, plant and equipment	6.7	5.1
(Profit)/loss on disposal of plant, property and equipment	(3.7)	1.3
Amortisation of right-of-use assets	5.3	5.4
Amortisation of acquired intangibles	7.7	7.7
Impairment of goodwill	–	26.0
Cost of inventories recognised as an expense	146.1	190.9
Write downs of inventories recognised as an expense	0.2	0.6
Contributions to defined contribution plans	5.5	6.8
Defined benefit income (Note 25)	–	(0.1)
Charge/(credit) in respect of employee share options	3.7	(0.1)
Loss allowance on trade receivables	0.6	1.1

### 4 Research and development (R&D)

The total R&D spend by the Group as part of continuing operations is as follows:

	Imaging & Analysis £m	Advanced Technologies £m	Total £m
<b>Year ended 31 March 2026</b>			
R&D expense charged to the Consolidated Statement of Income	23.7	13.4	37.1
Less: depreciation of R&D-related fixed assets	(0.2)	–	(0.2)
Less: amortisation and impairment of R&D costs previously capitalised as intangibles	–	(0.1)	(0.1)
Add: amounts capitalised as intangible assets	1.4	1.0	2.4
<b>Total cash spent on R&amp;D during the year</b>	<b>24.9</b>	<b>14.3</b>	<b>39.2</b>
<b>Year ended 31 March 2025</b>			
R&D expense charged to the Consolidated Statement of Income	24.8	13.9	38.7
Less: depreciation of R&D-related fixed assets	(0.2)	–	(0.2)
Less: amortisation of R&D costs previously capitalised as intangibles	(0.6)	(0.3)	(0.9)
Add: amounts capitalised as intangible assets	0.8	0.1	0.9
<b>Total cash spent on R&amp;D during the year</b>	<b>24.8</b>	<b>13.7</b>	<b>38.5</b>

## Notes to the consolidated financial statements continued

### 5 Employee information

Personnel costs incurred during the year were as follows:

	2026 £m	2025 £m
Wages and salaries	133.4	143.0
Social security costs	18.1	17.0
Contributions to defined contribution plans (Note 25)	5.5	6.8
Defined benefit income (Note 25)	–	(0.1)
Charge/(credit) in respect of employee share options	3.7	(0.1)
	160.7	166.6

Included in the total above is £13.1m (2025: £16.1m) relating to discontinued operations.

Directors' remuneration during the year was as follows:

	2026 £m	2025 £m
Short-term benefits	2.1	2.4
Post-employment benefits	0.1	0.1
Charge in respect of share options	0.6	0.2
	2.8	2.7

Further details of Directors' remuneration are disclosed in the Remuneration Report on pages 156 to 171 of this Report and Financial Statements.

The average monthly number of people employed by the Group (including Directors and temporary employees) during the year was as follows:

	2026 number	2025 number
Production	837	912
Sales and Marketing	636	620
Research and Development	418	474
Administration and Shared Services	295	328
	2,186	2,334

### 6 Auditor's remuneration

	2026 £'000	2025 £'000
Audit of these Financial Statements	1,044	381
Amounts received by the auditor and its associates in respect of:		
– Audit of Financial Statements of subsidiaries pursuant to legislation	345	809
– Audit-related assurance services	–	53
– Other non-audit services	24	8
<b>Total fees payable to the auditor and its associates</b>	<b>1,413</b>	<b>1,251</b>

The other non-audit services comprise of regulatory tax return preparation and VAT advice in a limited number of jurisdictions, completed prior to the audit tender. For further details please refer to the Audit and Risk Committee Report on pages 127 to 136, and the Independent Auditor's Report on pages 241 to 249.

### 7 Financial income

	2026 £m	2025 £m
Interest receivable	1.6	1.6
Interest credit on pension scheme net assets	1.5	1.0
	3.1	2.6

### 8 Financial expenditure

	2026 £m	2025 £m
Bank interest payable	1.2	0.8
Interest on lease liabilities	0.6	0.6
Unwind of discount on contingent consideration	0.8	0.6
	2.6	2.0

## Notes to the consolidated financial statements continued

### 9 Taxation

#### Income tax expense

	2026 £m	2025 £m
<b>Recognised in the Consolidated Statement of Income</b>		
<b>Current tax expense</b>		
Current year	14.6	12.6
Adjustment in respect of prior years	0.3	(2.5)
	14.9	10.1
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(0.8)	3.7
Adjustment in respect of prior years	(0.1)	-
	(0.9)	3.7
Total tax expense	14.0	13.8
<b>Reconciliation of effective tax rate</b>		
<b>Profit before income tax</b>	58.5	38.2
Income tax using the weighted average statutory tax rate of 26% (2025: 25%)	14.9	9.5
Tax rates other than the weighted average statutory rate	0.5	1.1
Change in rate at which deferred tax recognised	(0.9)	(0.9)
Transaction costs, deferred consideration and impairments not deductible for tax	0.7	7.0
Non-taxable income	(0.7)	(0.2)
Non-deductible expenses	1.0	0.3
Tax incentives – technology-related	(2.1)	(1.1)
Movement in unrecognised deferred tax	0.4	0.2
Adjustment in respect of prior years	0.2	(2.5)
<b>Total tax expense</b>	14.0	13.4

	2026 £m	2025 £m
<b>Taxation credit recognised directly in other comprehensive income</b>		
Current tax – relating to employee benefits	(1.3)	(0.1)
Deferred tax – relating to employee benefits	(3.9)	(0.1)
<b>Taxation (credit)/charge recognised directly in equity</b>		
Current tax – relating to share options	(0.1)	(0.3)
Deferred tax – relating to share options	(0.1)	0.5

The UK deferred tax assets and liabilities have been calculated based on the enacted rate of 25%. The Group carries tax provisions in relation to uncertain tax positions arising from the possible outcome of negotiations with tax authorities. The provision is calculated using the expected value method from a range of possibilities and assumes that the tax authorities have full knowledge of the facts. Such provisions reflect the geographical spread of the Group's operations and the variety of jurisdictions in which it carries out its activities.

## Notes to the consolidated financial statements continued

### 9 Taxation continued

#### Deferred tax

	Property, plant and equipment £m	Inventory £m	Employee benefits £m	Intangible assets £m	Tax losses £m	Other £m	Total £m
Balance at 1 April 2024	(7.5)	4.3	2.4	(6.1)	3.4	4.3	0.8
Recognised in income	(1.6)	0.4	(2.6)	2.3	(2.0)	(0.2)	(3.7)
Recognised in other comprehensive income	-	-	0.1	-	-	-	0.1
Recognised directly in equity	-	-	(0.8)	-	-	-	(0.8)
Acquired on business combination	-	-	0.1	(2.1)	-	-	(2.0)
Effect of movements in foreign exchange rates	-	0.1	-	0.1	(0.1)	(0.1)	-
<b>Balance at 31 March 2025</b>	<b>(9.1)</b>	<b>4.8</b>	<b>(0.8)</b>	<b>(5.8)</b>	<b>1.3</b>	<b>4.0</b>	<b>(5.6)</b>
Recognised in income	<b>0.2</b>	<b>0.7</b>	<b>(0.2)</b>	<b>0.7</b>	<b>0.5</b>	<b>(1.8)</b>	<b>0.1</b>
Recognised in other comprehensive income	-	-	<b>3.9</b>	-	-	-	<b>3.9</b>
Recognised directly in equity	-	-	<b>0.1</b>	-	-	-	<b>0.1</b>
Disposals of business	<b>1.3</b>	<b>(0.3)</b>	-	-	<b>(0.2)</b>	<b>(0.1)</b>	<b>0.7</b>
Effect of movements in foreign exchange rates	-	-	-	<b>(0.3)</b>	-	-	<b>(0.3)</b>
<b>Balance at 31 March 2026</b>	<b>(7.6)</b>	<b>5.2</b>	<b>3.0</b>	<b>(5.4)</b>	<b>1.6</b>	<b>2.1</b>	<b>(1.1)</b>

The deferred tax category of 'Other' includes deferred tax recognised on accounting general liability accruals/provisions, deferred revenue and bad debts. Deferred tax is recognised on provisions made against inventory on which tax relief has not yet been granted.

Certain deferred tax assets and liabilities have been offset as follows:

	Assets		Liabilities		Net	
	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m
Gross assets/(liabilities)	<b>12.8</b>	16.5	<b>(13.9)</b>	(22.1)	<b>(1.1)</b>	(5.6)
Offset	<b>(2.8)</b>	(5.4)	<b>2.8</b>	5.4	-	-
Net assets/(liabilities)	<b>10.0</b>	11.1	<b>(11.1)</b>	(16.7)	<b>(1.1)</b>	(5.6)

Deferred tax assets have not been recognised in respect of the following items:

	2026 £m	2025 £m
Tax losses	<b>0.8</b>	0.5

The tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised on tax losses related to gross unrecognised losses of £3.2m (2025: £1.7m), as it is not probable that future taxable profits will be available in the subsidiaries concerned against which the Group can utilise the brought forward tax losses.

No deferred tax liability has been recognised in respect of £49.4m (2025: £52.3m) of undistributed earnings of overseas subsidiaries since the majority of such distributions would not be taxable. In other cases the Group considers that it is able to control the timing of remittances so that any tax is not expected to arise in the foreseeable future.

## Notes to the consolidated financial statements continued

### 10 Dividends

The following dividends per share were paid by the Group:

	2026 pence	2025 pence
Previous period final dividend	17.1	15.9
Current period interim dividend	5.4	5.1
	22.5	21.0

The following dividends per share were proposed by the Group in respect of each accounting period presented:

	2026 pence	2025 pence
Interim dividend	5.4	5.1
Final dividend	18.2	17.1
	23.6	22.2

The final dividend for the year to 31 March 2025 of 17.1p per share was approved by shareholders at the Annual General Meeting on 28 July 2025 and paid on 19 August 2025. The interim dividend for the year to 31 March 2026 of 5.4p per share was approved by a sub-committee of the Board on 10 November 2025 and was paid on 9 January 2026.

The proposed final dividend for the year ended 31 March 2026 of 18.2p per share was not provided at the year end and is subject to shareholder approval at the Annual General Meeting on 23 July 2026. It is expected to be paid on 18 August 2026, to shareholders on the register on the record date of 10 July 2026, with an ex-dividend date of 9 July 2026 and with the last date of election for the Dividend Reinvestment Plan (DRIP) being 28 July 2026.

### 11 Earnings per share

Basic earnings per ordinary share (EPS) is calculated by dividing the profit attributable to equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares held by the Employee Benefit Trust, which have been treated as if they had been cancelled.

For the purposes of calculating diluted and diluted adjusted EPS, the weighted average number of ordinary shares is adjusted to include the weighted average number of ordinary shares that would be issued on the conversion of all potentially dilutive ordinary shares expected to vest, relating to the company's share-based payment plans. Potential ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS.

The following table shows the weighted average number of shares used in the calculation and the effect of share options on the calculation of diluted earnings per share:

	2026 shares million	2025 as restated (Note 13) shares million
Weighted average number of shares outstanding	57.0	58.0
Effect of shares under option	0.6	0.7
<b>Number of ordinary shares per diluted earnings per share calculations</b>	<b>57.6</b>	<b>58.7</b>

## Notes to the consolidated financial statements continued

### 11 Earnings per share continued

Basic and diluted EPS are based on the profit for the period attributable to equity shareholders of the parent, as reported in the Consolidated Statement of Income. Adjusted and diluted adjusted EPS are based on adjusted profit for the period, as reported in Note 3:

	2026		2025 as restated (Note 13)	
	£m	Pence	£m	Pence
Profit for the period from continuing operations	44.5	78.1	25.2	43.4
Profit from discontinued operations after tax	3.7	6.5	0.8	1.4
<b>Profit attributable to equity shareholders of the parent/Basic EPS</b>	<b>48.2</b>	<b>84.6</b>	26.0	44.8
Total underlying adjustments to profit before tax (Note 2)	16.5	28.9	42.5	73.3
Total underlying adjustments to profit before tax on discontinued operations (Note 13)	(6.8)	(11.9)	1.1	1.9
Related tax effects	(3.6)	(6.3)	(4.4)	(7.6)
<b>Adjusted profit/(loss) attributable to equity shareholders of the parent/adjusted EPS</b>	<b>54.3</b>	<b>95.3</b>	65.2	112.4
<b>Adjusted profit/(loss) attributable to equity shareholders of the parent/adjusted EPS:</b>				
Continuing operations	57.4	100.7	63.3	109.1
Discontinued operations	(3.1)	(5.4)	1.9	3.3
<b>Total adjusted profit</b>	<b>54.3</b>	<b>95.3</b>	65.2	112.4
Diluted basic EPS		83.7		44.3
Diluted adjusted EPS		94.3		111.1

### 12 Acquisitions

#### Prior year acquisition of FemtoTools

On 28 June 2024, the Group acquired 100% of the issued share capital of FemtoTools AG ('FemtoTools') on a cash-free, debt-free basis for consideration of CHF 17.9m (£15.8m), with a further CHF 5.5m (£4.8m) which was conditional on trading performance over a period of 33 months from the acquisition. The conditions for the contingent consideration were meeting certain revenue, order and margin thresholds. In the calculations below, it has been assumed that these thresholds will be met.

The book and fair value of the assets and liabilities acquired is given in the table below. Fair value adjustments have been made to better align the accounting policies of the acquired business with the Group accounting policies and to reflect the fair value of assets and liabilities acquired.

	Book value £m	Adjustments £m	Fair value £m
Intangible assets	–	10.5	10.5
Property, plant and equipment	0.3	–	0.3
Inventories	0.6	–	0.6
Trade and other receivables	0.9	–	0.9
Deferred tax	0.1	(2.1)	(2.0)
Trade and other payables	(0.9)	–	(0.9)
Retirement benefit obligations	(0.3)	–	(0.3)
Provisions	(0.1)	–	(0.1)
Cash	1.1	–	1.1
<b>Net assets acquired</b>	<b>1.7</b>	<b>8.4</b>	<b>10.1</b>
Goodwill			9.5
<b>Total consideration</b>			<b>19.6</b>
Net cash acquired			(1.1)
Contingent consideration after discounting to transaction date			(3.6)
<b>Net cash outflow relating to the acquisition</b>			<b>14.9</b>

## Notes to the consolidated financial statements continued

### 12 Acquisitions continued

#### Prior year acquisition of FemtoTools continued

The goodwill arising is considered to represent the value of the acquired workforce and the value of technology that has not been individually fair valued.

Acquisition-related costs in the prior year of £0.7m were expensed to the Consolidated Statement of Income as an adjusting item in the administration and shared services cost line. There were no acquisition-related costs in the current period in relation to this acquisition.

The acquisition contributed revenue of £5.9m, adjusted operating profit of £1.5m and a statutory profit before tax of £1.5m in the prior year.

If the acquisition had occurred on the first day of the prior year the acquisition would have contributed revenue of £7.2m, adjusted operating profit of £1.3m and a statutory profit before tax of £1.3m in the prior year.

### 13 Disposal of subsidiary and discontinued operations

On 2 January 2026, the Group disposed of its NanoScience business for a final consideration of £55.4m.

#### Effect of disposal on the financial position of the Group

	NanoScience 2026 £m
Acquired intangible assets	–
Other intangible assets	(7.6)
Property, plant and equipment	(9.4)
Inventory	(26.6)
Trade and other receivables	(14.9)
Cash and cash equivalents	(7.3)
Trade and other payables	25.0
Provisions	1.1
Tax balances	0.8
<b>Net assets divested</b>	<b>(38.9)</b>

#### Net cash inflow on disposal of business

	NanoScience 2026 £m
Consideration received, satisfied in cash	55.4
Cash disposed of	(7.3)
Transaction costs	(5.7)
<b>Net cash inflow</b>	<b>42.4</b>

#### Gain on disposal of business

Consideration receivable	54.7
Carrying value of net assets disposed of	(38.9)
Transaction costs	(5.7)
<b>Gain on disposal</b>	<b>10.1</b>
Income tax on transaction costs	0.1
Tax charge on gain on disposal	(3.4)
<b>Gain on disposal net of tax</b>	<b>6.8</b>

Cash received included estimated amounts for cash, debt, and working capital of the business at the disposal date. The final cash and debt balances, determined at the Statement of Financial Position date, were £0.7m lower than initially estimated. Accordingly, consideration receivable has been reduced by £0.7m, with a corresponding liability recognised within trade and other payables.

The final working capital position at the disposal date had not been agreed by the Statement of Financial Position date. As a result, no adjustment has been recognised in respect of working capital in the current year.

## Notes to the consolidated financial statements continued

### 13 Disposal of subsidiary and discontinued operations continued

#### Discontinued operations

In the year to 31 March 2026 the Group's NanoScience business was classified as a discontinued operation.

The 2025 Financial Statements have been re-presented to reflect the classification of the NanoScience business as a discontinued operation.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Results of discontinued operations</b>		
Revenue	32.7	57.2
Expenses	(36.7)	(54.5)
Income tax credit	0.9	(0.8)
<b>Adjusted (loss)/profit after tax</b>	<b>(3.1)</b>	1.9
Adjusting items:		
Transaction related costs related to sale of NanoScience business	(5.7)	(1.1)
Income tax on adjusting items	0.1	-
<b>(Loss)/profit after tax</b>	<b>(8.7)</b>	0.8
Gain on disposal before transaction related costs	15.8	-
Tax on gain on disposal	(3.4)	-
<b>Profit from discontinued operations after tax</b>	<b>3.7</b>	0.8

	Year ended 31 March 2026 pence	Year ended 31 March 2025 pence
<b>Earnings per share from discontinued operations</b>		
Adjusted basic earnings per share	(5.4)p	3.3p
Adjusted diluted earnings per share	(5.4)p	3.2p
Total basic earnings per share	6.5p	1.4p
Total diluted earnings per share	6.4p	1.4p
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
<b>Cash flows from discontinued operations</b>		
Net cash generated/(used in) from operating activities	2.7	(10.8)
Net cash generated/(used in) investing activities	(2.0)	(1.3)
Net cash used in financing activities	-	(0.1)
<b>Net cash flows</b>	<b>0.7</b>	(12.2)

## Notes to the consolidated financial statements continued

### 14 Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
<b>Cost</b>				
Balance at 1 April 2024	61.5	53.0	11.5	126.0
Additions – business combinations	–	0.3	–	0.3
Additions	7.7	4.9	1.8	14.4
Disposals	(1.1)	(4.9)	(0.6)	(6.6)
Exchange differences	–	(0.3)	–	(0.3)
Balance at 31 March 2025 and 1 April 2025	68.1	53.0	12.7	133.8
Additions	<b>3.1</b>	<b>3.5</b>	<b>0.8</b>	<b>7.4</b>
Disposals – sale of business	<b>(6.0)</b>	<b>(8.1)</b>	<b>(1.0)</b>	<b>(15.1)</b>
Disposals	<b>(1.4)</b>	<b>(8.5)</b>	<b>(0.7)</b>	<b>(10.6)</b>
Exchange differences	–	–	<b>(0.1)</b>	<b>(0.1)</b>
<b>Balance at 31 March 2026</b>	<b>63.8</b>	<b>39.9</b>	<b>11.7</b>	<b>115.4</b>
<b>Depreciation and impairment losses</b>				
Balance at 1 April 2024	5.9	33.1	6.5	45.5
Depreciation charge for the year	0.6	4.7	0.6	5.9
Disposals	–	(2.7)	(0.3)	(3.0)
Exchange differences	–	(0.2)	–	(0.2)
Balance at 31 March 2025 and 1 April 2025	6.5	34.9	6.8	48.2
Depreciation charge for the year	<b>1.8</b>	<b>4.3</b>	<b>0.6</b>	<b>6.7</b>
Disposals – sale of business	<b>(2.3)</b>	<b>(4.1)</b>	<b>(0.7)</b>	<b>(7.1)</b>
Disposals	<b>(0.6)</b>	<b>(7.5)</b>	<b>(0.5)</b>	<b>(8.6)</b>
Exchange differences	–	<b>(0.2)</b>	–	<b>(0.2)</b>
<b>Balance at 31 March 2026</b>	<b>5.4</b>	<b>27.4</b>	<b>6.2</b>	<b>39.0</b>

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
<b>Carrying amounts</b>				
Balance at 1 April 2024	55.6	19.9	5.0	80.5
Balance at 31 March 2025 and 1 April 2025	61.6	18.1	5.9	85.6
<b>Balance at 31 March 2026</b>	<b>58.4</b>	<b>12.5</b>	<b>5.5</b>	<b>76.4</b>

Included within plant and equipment are assets under construction with additions in the year of £1.4m (2025: £5.8m) and a carrying amount of £1.4m (2025: £39.0m).

## Notes to the consolidated financial statements continued

### 15 Intangible assets

	Goodwill £m	Customer- related acquired intangibles £m	Technology- related acquired intangibles £m	Development costs acquired intangibles £m	Development costs internally generated £m	Software £m	Total £m
<b>Cost</b>							
Balance at 1 April 2024	129.5	33.9	109.8	1.8	35.2	4.6	314.8
Additions – business combinations	9.5	0.9	9.6	–	–	–	20.0
Additions – internally generated	–	–	–	–	1.5	–	1.5
Disposals	–	–	–	–	–	(1.2)	(1.2)
Effect of movements in foreign exchange rates	(1.0)	(0.5)	(1.7)	–	0.2	0.1	(2.9)
Balance at 31 March 2025 and 1 April 2025	138.0	34.3	117.7	1.8	36.9	3.5	332.2
Additions – external	–	–	0.5	–	–	–	0.5
Additions – internally generated	–	–	–	–	2.4	–	2.4
Disposals – sale of businesses	(6.6)	(1.0)	(6.9)	–	(5.1)	(0.1)	(19.7)
Effect of movements in foreign exchange rates	1.7	0.4	1.5	–	–	–	3.6
<b>Balance at 31 March 2026</b>	<b>133.1</b>	<b>33.7</b>	<b>112.8</b>	<b>1.8</b>	<b>34.2</b>	<b>3.4</b>	<b>319.0</b>
<b>Amortisation and impairment losses</b>							
Balance at 1 April 2024	22.6	27.8	88.9	1.3	32.8	3.2	176.6
Amortisation and impairment charged	26.0	1.3	7.7	0.2	0.9	0.5	36.6
Disposals	–	–	–	–	–	(1.2)	(1.2)
Effect of movements in foreign exchange rates	(0.2)	(0.5)	(1.2)	(0.1)	0.2	0.2	(1.6)
Balance at 31 March 2025 and 1 April 2025	48.4	28.6	95.4	1.4	33.9	2.7	210.4
Amortisation and impairment charged	–	1.3	5.8	0.2	0.2	0.2	7.7
Disposals – sale of businesses	–	(1.0)	(6.9)	–	(4.1)	(0.1)	(12.1)
Effect of movements in foreign exchange rates	(0.3)	0.2	0.4	–	–	–	0.3
<b>Balance at 31 March 2026</b>	<b>48.1</b>	<b>29.1</b>	<b>94.7</b>	<b>1.6</b>	<b>30.0</b>	<b>2.8</b>	<b>206.3</b>
<b>Carrying amounts</b>							
Balance at 1 April 2024	106.9	6.1	20.9	0.5	2.4	1.4	138.2
Balance at 31 March 2025 and 1 April 2025	89.6	5.7	22.3	0.4	3.0	0.8	121.8
<b>Balance at 31 March 2026</b>	<b>85.0</b>	<b>4.6</b>	<b>18.1</b>	<b>0.2</b>	<b>4.2</b>	<b>0.6</b>	<b>112.7</b>

## Notes to the consolidated financial statements continued

### 15 Intangible assets continued

During the year the Group made impairments of £nil (2025: £0.2m) in respect of capitalised development costs.

The following intangible assets are considered material by the Directors as they represent 89% (2025: 77%) of total acquired intangible assets:

Acquisition	Type	2026			2025
		Net book value £m	Amortisation period years	Remaining amortisation period years	Net book value £m
Andor	Trademarks	1.9	15.0	2.8	2.6
WITec	Trademarks	1.5	10.0	5.6	1.7
First Light Imaging	Technology, know-how and patents, C-RED	8.4	14.0	11.8	8.6
FemtoTools	Technology, know-how and patents	8.6	11.0	9.3	8.8

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to individual CGUs as follows:

	2026 £m	2025 £m
<b>Imaging &amp; Analysis</b>		
NanoAnalysis	10.0	9.8
Magnetic Resonance	2.3	2.3
Andor	41.1	40.9
WITec	21.4	20.6
FemtoTools	10.2	9.4
<b>Advanced Technologies</b>		
NanoScience	–	6.6
	<b>85.0</b>	<b>89.6</b>

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Impairment tests on the carrying values of goodwill, which are the Group's only indefinite life intangible assets, are performed by analysing the carrying value allocated to each significant CGU against its value in use. Value in use is calculated for each CGU as the net present value of that unit's discounted future cash flows. These cash flows are based on board approved budget cash flow information for a period of one year and board approved strategic plans for the following four years, both of which are prepared taking into account a range of factors including past experience, the forecast future trading environment and macroeconomic conditions in the Group's key markets. The cash flows beyond the strategic plan period use growth rates of 2.0% (2025: 2.0–2.5%). This rate was considered to be at or below long-term market trends for the Group's businesses. These forecasts are also adjusted for more recent information where this is considered to have a material impact.

## Notes to the consolidated financial statements continued

### 15 Intangible assets continued

#### Key assumptions

The key assumptions are those regarding discount rates and growth rates.

The growth rates are at or below the Group's view on long-term trends within its markets. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The pre-tax discount rate used for Imaging & Analysis and Advanced Technologies in impairment testing is between 8.8% and 15.7% (2025: 13.7% to 14.3%), in line with the risk associated with each of the business segments. Management has estimated these discount rates by reference to past experience and an industry average weighted cost of capital as adjusted for appropriate risk factors reflecting current economic circumstances and the risk profiles of each CGU.

The pre-tax weighted average cost of capital used for each CGU are as follows:

	2026 £m	2025 £m
<b>Imaging &amp; Analysis</b>		
NanoAnalysis	15.1%	14.2%
Magnetic Resonance	14.7%	13.7%
Andor	15.7%	14.3%
WITec	13.5%	14.2%
FemtoTools	8.8%	14.2%
<b>Advanced Technologies</b>		
Plasma Technology	13.4%	14.2%
NanoScience	–	14.2%

#### Result of impairment assessment

In the prior year, the impairment review for Andor Technology concluded the carrying values of the business exceeded their recoverable amounts of £105.9m and accordingly an impairment charge of £26.0m was recognised. Restructuring actions and efficiency initiatives were implemented in the current year to improve business performance, and consequently there is no further impairment charge to be recognised and no impairment when considering a reasonable possible change in key assumption

#### Sensitivity analysis

The Group has applied sensitivities to assess whether any reasonable possible changes in assumptions could cause an impairment of the goodwill in any CGU that would be material to these Consolidated Financial Statements. The sensitivity analyses did not identify any potential impairment for any CGU.

### 16 Leases

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions' property leases, the periodic rent is fixed over the lease term.

The Group also leases certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the Group.

The Group leases assets including land and buildings, vehicles and machinery. Information about leases for which the Group is a lessee is presented below.

## Notes to the consolidated financial statements continued

### 16 Leases continued

#### Right-of-use assets

	Property leases £m	Other leases £m	Total £m
<b>Cost</b>			
Balance at 1 April 2024	46.4	2.9	49.3
Additions	2.4	0.5	2.9
Disposals	(0.7)	(0.7)	(1.4)
Exchange differences	(0.6)	–	(0.6)
Balance at 31 March 2025	47.5	2.7	50.2
Additions	<b>4.7</b>	<b>0.6</b>	<b>5.3</b>
Disposals – sale of businesses	–	<b>(0.1)</b>	<b>(0.1)</b>
Disposals	<b>(2.9)</b>	<b>(0.7)</b>	<b>(3.6)</b>
Exchange differences	<b>(0.2)</b>	–	<b>(0.2)</b>
<b>Balance at 31 March 2026</b>	<b>49.1</b>	<b>2.5</b>	<b>51.6</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 April 2024	15.2	1.7	16.9
Amortisation charge for the year	4.8	0.6	5.4
Disposals	(1.0)	(0.7)	(1.7)
Exchange differences	(0.3)	–	(0.3)
Balance at 31 March 2025	18.7	1.6	20.3
Amortisation charge for the year	<b>4.7</b>	<b>0.6</b>	<b>5.3</b>
Disposals – sale of businesses	–	<b>(0.1)</b>	<b>(0.1)</b>
Disposals	<b>(3.0)</b>	<b>(0.7)</b>	<b>(3.7)</b>
Exchange differences	<b>(0.2)</b>	–	<b>(0.2)</b>
<b>Balance at 31 March 2026</b>	<b>20.3</b>	<b>1.4</b>	<b>21.7</b>
<b>Carrying amounts</b>			
Balance at 1 April 2024	31.2	1.2	32.4
Balance at 31 March 2025 and 1 April 2025	28.8	1.1	29.9
<b>Balance at 31 March 2026</b>	<b>28.8</b>	<b>1.1</b>	<b>29.9</b>

#### Lease liabilities

	2026 £m	2025 £m
Balance at beginning of year	<b>31.2</b>	33.4
Additions – business combinations	–	–
Additions	<b>5.3</b>	2.9
Disposals	<b>(0.1)</b>	(0.3)
Payments made (cash flows from financing activities)	<b>(5.2)</b>	(5.5)
Interest charge	<b>0.6</b>	0.6
Effect of movements in foreign exchange rates	<b>(0.2)</b>	0.1
	<b>31.6</b>	31.2
Amounts falling due after more than one year	<b>27.8</b>	26.7
Amounts falling due in less than one year	<b>3.8</b>	4.5

#### Amounts recognised in Consolidated Statement of Income

	2026 £m	2025 £m
Interest on lease liabilities	<b>(0.6)</b>	(0.6)
Amortisation of right-of-use assets	<b>(5.3)</b>	(5.4)

Repayments of lease liabilities of £5.2m (2025: £5.5m) have been recognised in the Consolidated Statement of Cash Flows.

## Notes to the consolidated financial statements continued

### 17 Inventories

	2026 £m	2025 £m
Raw materials and consumables	32.9	52.5
Work in progress	19.1	28.0
Finished goods	20.5	18.6
	<b>72.5</b>	99.1

The amount of inventory recognised as an expense was £146.1m (2025: £190.9m). In the ordinary course of business, the Group makes impairment provisions for slow-moving, excess and obsolete inventory as appropriate. Inventory is stated after charging impairments of £0.2m in the current period (2025: £0.6m). In the current year, £nil (2025: £nil) was reversed relating to previous impairments. Impairments are included within gross profit.

Inventory carried at net realisable value is £0.2m (2025: £3.2m).

### 18 Trade and other receivables

	2026 £m	2025 £m
Trade receivables	104.8	102.2
Less provision for impairment of receivables	(5.1)	(4.7)
Net trade receivables	99.7	97.5
Accrued income	6.2	12.2
Prepayments	9.5	9.9
Other receivables	4.0	2.3
Other taxation receivable	5.6	4.3
	<b>125.0</b>	126.2

Trade receivables are non-interest-bearing. Standard credit terms provided to customers differ according to business and country, and are typically between 30 and 60 days.

The maximum exposure to credit risk for trade and other receivables plus accrued income, by geographic region, was:

	2026 £m	2025 £m
UK	7.0	7.9
China	15.5	9.4
Japan	11.0	15.6
USA	32.1	42.5
Germany	10.2	6.7
Rest of Europe	21.2	13.5
Rest of Asia	8.2	8.9
Rest of World	4.7	7.5
	<b>109.9</b>	112.0

The ageing of financial assets comprising net trade receivables and other receivables plus accrued income at the reporting date was:

	2026 £m	2025 £m
Current (not overdue)	61.4	81.5
Less than 31 days overdue	28.0	11.7
More than 30 but less than 91 days overdue	8.4	8.2
More than 90 days overdue	12.1	10.6
	<b>109.9</b>	112.0

In the current year £0.7m (2025: £0.2m) of the provision against trade receivables and other receivables plus accrued income relates to balances less than 90 days overdue. The remaining balance relates to balances more than 90 days overdue.

## Notes to the consolidated financial statements continued

### 18 Trade and other receivables continued

The movement of the Group's expected credit losses provision in respect of trade receivables and other receivables plus accrued income are as follows:

	2026 £m	2025 £m
Balance at start of year	4.7	3.6
Transferred out on disposal of business	(0.2)	-
Increase in loss allowance recognised in the Consolidated Statement of Income during the year	0.6	1.1
Balance at end of year	5.1	4.7

The loss allowance is recognised in the administration and shared services line in the Consolidated Statement of Income.

### 19 Contract assets and liabilities

	2026			2025		
	Contract asset	Contract liability		Contract asset	Contract liability	
	Accrued income £m	Customer deposits £m	Deferred income £m	Accrued income £m	Customer deposits £m	Deferred income £m
Balance at 1 April	12.2	(46.4)	(24.6)	11.7	(58.4)	(22.9)
Transferred out on disposal of business	(3.6)	18.8	1.1	-	-	-
Transfers in the period from contract assets to trade receivables	(12.2)	-	-	(11.7)	-	-
Amounts included in contract liabilities that were recognised as revenue during the period	-	46.4	24.6	-	57.3	22.9
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	9.8	-	-	12.2	-	-
Cash received or consideration due in advance of performance and not recognised as revenue during the period	-	(54.9)	(26.0)	-	(45.3)	(24.6)
<b>Balance at 31 March</b>	<b>6.2</b>	<b>(36.1)</b>	<b>(24.9)</b>	12.2	(46.4)	(24.6)

Contract assets and contract liabilities are included within trade and other receivables, and trade and other payables respectively on the face of the Consolidated Statement of Financial Position.

Payment terms for the sale of large goods typically require payment of a deposit on order, with the remaining payments due on shipment, and in some cases installation. For lower value goods, payment is typically required at shipment. Maintenance and service contracts are generally paid in full at inception. There is no financing component in the arrangements, and contracts are for specified, pre-agreed amounts with no variable element.

## Notes to the consolidated financial statements continued

### 20 Cash and cash equivalents

	2026 £m	2025 £m
Cash balances	78.9	90.9
Cash equivalents	28.0	3.2
Bank overdrafts (Note 19)	(12.4)	(8.8)
Cash and cash equivalents in the Consolidated Statement of Financial Position	94.5	85.3
Bank loans at First Light Imaging	(0.4)	(0.4)
Covid-19 loan at WITec	(0.1)	(0.5)
<b>Net cash after borrowings at the end of the year</b>	<b>94.0</b>	<b>84.4</b>

Cash and cash equivalents at 31 March 2026 includes £0.4m (2025: £0.9m) that is not available for general use by the Group. This balance relates to customer deposits received on orders by Oxford Instruments India that are then placed into a variable term deposit account. The cash is released back to Oxford Instruments India once the order is completed.

### Reconciliation of changes in cash and cash equivalents to movement in net cash after borrowings

	2026 £m	2025 £m
Net increase in cash and cash equivalents	9.5	3.3
Effect of exchange rate fluctuations on cash held	(0.3)	(3.5)
Movement in net cash in the year	9.2	(0.2)
Repayment of borrowings	0.4	0.8
Net cash after borrowings at the start of the year	84.4	83.8
<b>Net cash after borrowings at the end of the year</b>	<b>94.0</b>	<b>84.4</b>

### 21 Borrowings

	2026 £m	2025 £m
<b>Current</b>		
Bank loans at First Light Imaging	0.2	-
Covid-19 loan at WITec	0.1	0.4
Bank overdrafts	12.4	8.8
At the end of the year	12.7	9.2
	2026 £m	2025 £m
<b>Non-current</b>		
Bank loans at First Light Imaging	0.2	0.4
Covid-19 loan at WITec	-	0.1
At the end of the year	0.2	0.5

On 19 March 2024, the Group entered into a new multi-currency revolving facility agreement, which is committed until March 2028 with 15-month and 12-month extension options at the end of the first and second years respectively. The facility has been entered into with four banks and comprises a euro-denominated multi-currency facility of €95m and a US-dollar-denominated multi-currency facility of \$150m. Debt covenants are net debt to EBITDA less than 3.0 times and EBITDA to interest greater than 4.0 times.

The Group's undrawn committed facilities available at 31 March 2026 were £195.4m, comprising the undrawn portion of the Group's £195.4m revolving credit facilities.

Bank overdrafts reflect the aggregated overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts are held with the Group's relationship banks.

The Group's uncommitted overdraft facilities at 31 March 2026 were £18.0m (2025: £18.0m), comprising of an £11m facility, a \$5m facility, a €1.5m facility and a 400m Japanese yen facility.

## Notes to the consolidated financial statements continued

### 21 Borrowings continued

A reconciliation of the Group's borrowings balances is shown below.

	2026 £m	2025 £m
Balance at the beginning of the year	9.7	14.0
Repayment of borrowings (cash flow from financing activities)	(0.4)	(0.8)
Increase/(decrease) in bank overdrafts	3.6	(3.5)
Interest charged	1.2	1.4
Interest paid	(1.2)	(1.4)
At the end of the year	12.9	9.7

### Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flow from financing activities.

£m	As at 31 March 2025	Financing cash flows	New leases	Other non-cash movement	Effect of changes in foreign exchange rates	As at 31 March 2026
Bank loans	0.9	(0.4)	–	–	–	0.5
<b>Total borrowings</b>	0.9	(0.4)	–	–	–	0.5
Lease liabilities	31.2	(4.6)	5.3	(0.1)	(0.2)	31.6
<b>Total liabilities from financing activities</b>	32.1	(5.0)	5.3	(0.1)	(0.2)	32.1

£m	As at 31 March 2024	Financing cash flows	New leases	Other non-cash movement	Effect of changes in foreign exchange rates	As at 31 March 2025
Bank loans	1.7	(0.8)	–	–	–	0.9
<b>Total borrowings</b>	1.7	(0.8)	–	–	–	0.9
Lease liabilities	33.4	(4.8)	2.9	(0.4)	0.1	31.2
<b>Total liabilities from financing activities</b>	35.1	(5.6)	2.9	(0.4)	0.1	32.1

### 22 Trade and other payables

	2026 £m	2025 as restated <sup>1</sup> £m
Trade payables	27.8	31.4
Customer deposits	36.1	46.4
Social security and other taxes	8.3	5.9
Accrued expenses	35.8	40.9
Deferred income	24.9	24.6
Other payables	4.6	4.5
	137.5	153.7

1 Previously, contingent consideration has been included within trade and other payables. This balance is now disclosed separately on the Consolidated Statement of Financial Position and so is no longer included within this note.

## Notes to the consolidated financial statements continued

### 23 Provisions for other liabilities and charges

	Warranties £m	Other £m	Total £m
Balance as at 1 April 2025	3.6	2.3	5.9
Effect of disposal of business	(0.8)	–	(0.8)
Provisions made during the year	1.5	0.8	2.3
Provisions used during the year	(1.5)	(0.6)	(2.1)
Provisions released during the year	(0.5)	(0.4)	(0.9)
Exchange differences	–	(0.1)	(0.1)
<b>Balance as at 31 March 2026</b>	<b>2.3</b>	<b>2.0</b>	<b>4.3</b>
Amounts falling due before one year	2.3	0.9	3.2
Amounts falling due after more than one year	–	1.1	1.1

#### Warranty provisions

Product warranty provisions reflect commitments made to customers on the sale of goods in the ordinary course of business and included within the Group companies' standard terms and conditions. Warranty commitments typically apply for a 12-month period. The provision represents the Directors' best estimate of the Group's liability based on past experience.

#### Other provisions

Other provisions relate to various obligations, including obligations in respect of onerous contracts, product-related liabilities, dilapidation provisions, provisions for retirement allowances and provisions for other claims. The economic outflows for the dilapidation provisions and provisions for retirement allowances are not expected to occur within the next financial year and so have been classed as non-current liabilities falling due after more than one year.

### 24 Financial instruments

#### Fair values and categories of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair value hierarchy £m	As at 31 March 2026		As at 31 March 2025	
		Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
<b>Financial assets measured at fair value</b>					
Derivative financial assets:					
– Foreign currency contracts	2	2.1	2.1	2.2	2.2
<b>Financial assets measured at amortised cost</b>					
Long-term receivables		1.0		1.0	
Trade receivables		99.7		97.5	
Other receivables and accrued income		10.2		14.5	
Cash and cash equivalents	2	106.9		94.1	
<b>Financial liabilities measured at fair value</b>					
Derivative financial liabilities:					
– Foreign currency contracts	2	(1.0)	(1.0)	(0.6)	(0.6)
– Contingent consideration	3	(4.7)	(4.7)	(4.0)	(4.0)
<b>Financial liabilities measured at amortised cost</b>					
Trade and other payables		(68.2)		(76.8)	
Bank overdrafts	2	(12.4)		(8.8)	
Borrowings	2	(0.5)		(0.9)	

## Notes to the consolidated financial statements continued

### 24 Financial instruments continued

#### Fair values of financial assets and liabilities continued

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

#### Derivative financial instruments

Derivative financial instruments are marked-to-market using market prices.

#### Fixed and floating rate borrowings

The fair value of fixed and floating rate borrowings is estimated by discounting the future contracted principal and interest cash flows using the market rate of interest at the reporting date.

#### Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine their fair value. Advances received are excluded from other payables above as these are not considered to be financial liabilities. Tax-related receivables and payables are excluded from the above table as these are not considered to be financial assets and liabilities.

#### Fair value hierarchy

The table above gives details of the valuation method used in arriving at the fair value of financial instruments. The different levels have been identified as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

There have been no transfers between levels during the period.

The level 3 fair value of contingent consideration is determined by considering the performance expectations of the acquired entity whilst applying the entity-specific discount rates. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of contingent consideration relating to updated projected forecast performance measures are recognised in the Consolidated Statement of Income within administrative expenses in the Consolidated Statement of Income in the period that the change occurs. Contingent consideration relates entirely to financial (2026: £4.7m, 2025: £4.0m) conditions on prior year acquisitions. The financial conditions for the contingent consideration are meeting certain revenue, order and margin thresholds.

### 25 Financial risk management

The Group's multinational operations and debt financing expose it to a variety of financial risks. In the course of its business, the Group is exposed to foreign currency risk, interest rate risk, liquidity risk, commodity risk and credit risk. Financial risk management policies are set by the Board of Directors. These policies are implemented by a central treasury function that has formal procedures to manage foreign exchange risk, interest rate risk and liquidity risk, including, where appropriate, the use of derivative financial instruments. Commodity risk is managed locally by the operating businesses. The Group has clearly defined authority and approval limits.

In accordance with its Treasury Policy, the Group does not hold or use derivative financial instruments for trading or speculative purposes. Such instruments are only used to manage the risks arising from operating or financial assets or liabilities or highly probable future transactions.

The Group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. In common with a number of other companies, the Group has decided that the additional costs of meeting the extensive documentation requirements of IFRS 9 to apply hedge accounting to derivative financial instruments used for hedging exposure to foreign currency and interest rate volatility cannot be justified. Accordingly, the Group does not use hedge accounting for such derivatives.

#### Foreign currency risk

Foreign currency risk arises both where sale or purchase transactions are undertaken in currencies other than the respective functional currencies of Group companies (transactional exposures) and where the results of overseas companies are consolidated into the Group's reporting currency of sterling (translational exposures). The Group has operations around the world which record their results in a variety of different local functional currencies. In countries where the Group does not have operations, it invariably has some customers or suppliers that transact in a foreign currency. The Group is therefore exposed to the changes in foreign currency exchange rates between a number of different currencies but the Group's primary exposures relate to the US dollar, the euro and the Japanese yen. To reduce uncertainty, the Group maintains a rolling hedge of forward contracts up to 80% (2025: 80%) of the exposure expected to arise over the following 12 months. The remaining 20% is sold on the spot market. The fair value of outstanding currency contracts recognised as a liability as at 31 March 2026 amount to £1.0m (2025: £0.6m) and those recognised as an asset amount to £2.1m (2025: £2.2m).

## Notes to the consolidated financial statements continued

### 25 Financial risk management continued

#### Foreign currency risk continued

Movements in the fair value of derivative financial instruments are recognised in the Consolidated Statement of Income immediately. However, in order to facilitate a more meaningful comparison of the Group's performance year-on-year, the elements of these movements that relate to hedges in respect of future sales are treated as an adjusting item in the calculation of adjusted earnings (Note 2).

The Group's translational exposures to foreign currency risks can relate both to the Consolidated Statement of Income and net assets of overseas subsidiaries. The Group's policy is not to hedge the translational exposure that arises on consolidation of the Consolidated Statements of Income of overseas subsidiaries.

#### Interest rate risk

Interest rate risk comprises both the interest rate price risk that results from borrowing at fixed rates of interest and also the interest cash flow risk that results from borrowing at variable rates. The Group's policy is to use a mixture of revolving short- and medium-term floating rate debt underpinned by longer-term fixed rate debt. The short- and medium-term floating rate debt provides flexibility to reduce debt levels as appropriate. The longer-term fixed rate debt provides stability and cost certainty to the Group's financing structure.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount 2026 £m	Carrying amount 2025 £m
<b>Variable rate instruments</b>		
Cash and cash equivalents	106.9	94.1
Bank overdrafts	(12.4)	(8.8)
<b>Fixed rate instruments</b>		
Bank loans	(0.5)	(0.9)

#### Liquidity risk

Liquidity risk represents the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk by maintaining adequate committed lines of funding from high-quality lenders. The facilities committed to the Group as at 31 March 2026 are set out in Note 21.

#### Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Group is exposed to credit risk on financial assets such as cash balances, derivative financial instruments, accrued income, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables and cash balances. The amounts recognised in the Consolidated Statement of Financial Position are net of expected credit losses, which are estimated by the Group's management based on the Group's historical experience of losses, along with consideration of any reasonably and supportable forward-looking information and expectations. Due to its wide geographic base and large number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivables. The Group's experience of credit loss is minimal, which has and continues to be mitigated through receiving payment in advance of delivery or using trade guarantees provided by the Group's relationship banks. In the unusual event of a particular issue with a particular customer, a specific provision will be made if appropriate. Trade receivables are subject to credit limits and control and approval procedures in the operating companies. There has been no material change in the Group's experience of credit losses over the reporting period.

Credit risk associated with cash balances and derivative financial instruments is managed by transacting with policy-compliant partners. In particular, a Board-approved policy sets out guidelines for which categories of institutions may be used and the maximum amount which may be invested with each institution within a particular category. Accordingly, the Group's associated credit risk is limited. The Group has no significant concentration of credit risk. The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Group Consolidated Statement of Financial Position.

## Notes to the consolidated financial statements continued

### 25 Financial risk management continued

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk by type of asset at 31 March 2026 is as shown below:

	2026 £m	2025 £m
Long-term receivables	1.0	1.0
Trade receivables	99.7	97.5
Other receivables and accrued income	10.2	14.5
Cash and cash equivalents	106.9	94.1
Derivative financial instruments	2.1	2.2
	219.9	209.3

The maximum exposure to credit risk for trade receivables is discussed in Note 17.

#### Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board's long-term objective is to have an efficient capital structure by maintaining a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. This is monitored by reference to the ratio of net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) and the Board has set itself internal limits, which are well inside any covenants the Group has with lenders. The Group maintains the right to purchase its own shares in the market; the timing of these purchases would depend on market prices. Buy and sell decisions are made on a specific transaction basis by the Board.

Each year the Board carefully considers the appropriate level of dividend payments. In doing this, the Board looks to increase dividends in line with underlying earnings, although the Board will also take into account other considerations in their decision-making process. The Board does not have a policy to pay a fixed dividend yield or to maintain a fixed rate of dividend cover but assesses both of these metrics in line with sustained earnings growth.

The Board encourages employees to hold shares in the company. As well as various share option plans (full details of which are given in Note 28), from April 2008 all UK employees have been offered the opportunity to take part in a Share Incentive Plan (SIP). Under this plan, employees are able to invest up to £1,800 each tax year in shares in the company. The company awards one additional free share (a matching share) for every five shares bought by each employee.

There were no changes to the Group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

#### Maturity of financial liabilities

	Carrying amount £m	Contractual cash flows £m	Due within one year £m	Due one to five years £m	Due more than five years £m
<b>2026</b>					
Foreign exchange contracts	(1.0)	1.0	0.8	0.2	-
Contingent consideration	(4.7)	5.2	5.2	-	-
Trade and other payables	(68.2)	68.2	68.2	-	-
Bank overdrafts	(12.4)	12.4	12.4	-	-
Borrowings	(0.5)	0.5	0.2	0.3	-
Lease liabilities	(31.6)	35.5	5.1	16.7	13.7
	(118.4)	122.9	92.0	17.2	13.7
<b>2025</b>					
Foreign exchange contracts	(0.6)	0.6	0.6	-	-
Contingent consideration	(4.0)	4.8	-	4.8	-
Trade and other payables	(76.8)	76.8	76.8	-	-
Bank overdrafts	(8.8)	8.8	8.8	-	-
Borrowings	(0.9)	0.9	0.4	0.5	-
Lease liabilities	(31.2)	36.2	5.3	14.8	16.1
	(122.3)	128.1	91.9	20.1	16.1

## Notes to the consolidated financial statements continued

### 25 Financial risk management continued

#### Sensitivity analysis

The Group has estimated the impact on the Consolidated Statement of Income and on equity of the following changes in market conditions at the balance sheet date:

- One percentage point increase in interest rates.
- Ten percentage point weakening in the value of sterling against all currencies.
- Ten percentage point strengthening in the value of sterling against all currencies.

The sensitivities above represent the Directors' view of reasonably possible changes in each risk variable, not worst-case scenarios or stress tests. The outputs from the sensitivity analysis are estimates of the impact of market risk assuming that the specified changes occur at the year end and are applied to the risk exposures at that date. Accordingly, they show the impact on the balance sheet of an instantaneous shock. The calculations include all hedges in place at the year end.

Actual results in the future may differ materially from these estimates due to commercial actions taken to mitigate any potential losses from such rate movements, to the interaction of more than one sensitivity occurring and to further developments in global financial markets. As such, this table should not be considered as a projection of likely future gains and losses.

	1% increase in interest rates £m	10% weakening in sterling £m	10% strengthening in sterling £m
<b>2026</b>			
<b>Impact on adjusted profit (Note 2)</b>	<b>0.9</b>	<b>1.2</b>	<b>(1.2)</b>
<b>Impact on reported profit</b>	<b>0.9</b>	<b>(19.0)</b>	<b>19.0</b>
<b>Impact on equity</b>	<b>0.6</b>	<b>(14.3)</b>	<b>14.3</b>
	1% increase in interest rates £m	10% weakening in sterling £m	10% strengthening in sterling £m
<b>2025</b>			
Impact on adjusted profit (Note 2)	0.9	1.7	(1.7)
Impact on reported profit	0.9	(15.6)	15.6
Impact on equity	0.6	(11.7)	11.7

### 26 Retirement benefit assets and obligations

The Group operates a defined benefit plan in the UK. The plan offers pensions in retirement and death in service benefit to members. Pension benefits are related to members' final salary at retirement and their length of service. The scheme has been closed to new members since 2001 and closed to future accrual since 2010.

In December 2025 the Trustee of the Scheme completed the purchase of a bulk annuity policy (buy-in) with Royal London covering the whole of the Scheme's membership. The bulk annuity policy is in the name of the Trustee and is an asset of the Scheme. The purchase price of the bulk annuity policy was set by Royal London. Following the purchase of the bulk annuity policy, and in accordance with IAS 19 accounting standards, the value of the policy as an asset of the Scheme is set to the same value as the Scheme liabilities covered by the policy, calculated using the current IAS 19 actuarial assumptions for the DBO. As the purchase price of the bulk annuity policy was higher than the value of the corresponding Scheme liabilities calculated using the IAS assumptions, there was an immediate reduction in the value of the Scheme's assets following the purchase of the bulk annuity policy. The company views the bulk annuity policy as an asset of the Scheme and a change in investment strategy and so the reduction in the value of the assets resulting from the bulk annuity purchase is attributed as an experience loss in the Statement of Other Comprehensive Income (SOCl).

On acquisition of FemtoTools AG on 28 June 2024, the Group now also operates a defined benefit pension scheme in Switzerland.

#### Defined contribution schemes

In the UK, employees are offered participation in the defined contribution Oxford Instruments Stakeholder Plan. The company contribution rate and employee contribution rate varies between grades and whether the individual had previously been in the defined benefit scheme. The company contribution ranges between 4% and 14% of base salary. The Group also operates a 401k defined distribution plan in the US. Details of pension schemes contributions made in respect of Directors can be found in the Remuneration Report.

The expense recognised in the Consolidated Statement of Income is:

	2026 £m	2025 £m
Total defined benefit income	–	(0.1)
Contributions to defined contribution schemes	5.8	6.8
	5.8	6.7

## Notes to the consolidated financial statements continued

### 26 Retirement benefit assets and obligations continued

#### Defined contribution schemes continued

Pension costs are recorded in the following lines in the Consolidated Statement of Income:

	2026 £m	2025 £m
Cost of sales	1.7	2.0
Research and development	0.9	1.2
Selling and marketing costs	0.6	1.4
Administration and shared services	4.1	3.1
Financial income	(1.5)	(1.0)
	5.8	6.7

Remeasurement gains and losses shown in the Consolidated Statement of Comprehensive Income:

	2026 £m	2025 £m
Actual return on assets excluding interest income	(20.0)	(28.7)
Experience (loss)/gain on scheme obligations	(3.5)	1.6
Changes in assumptions underlying the present value of scheme obligations:		
– Financial	2.3	25.3
– Demographic	0.4	0.7
Actuarial losses recorded in the Statement of Comprehensive Income	(20.8)	(1.1)

The amounts recognised in the Consolidated Statement of Financial Position are:

	2026			2025		
	UK £m	Switzerland £m	Total £m	UK £m	Switzerland £m	Total £m
Present value of funded obligations	194.9	4.1	199.0	194.8	2.9	197.7
Fair value of plan assets	(204.1)	(2.9)	(207.0)	(219.2)	(2.0)	(221.2)
Recognised (asset)/liability for defined benefit obligations	(9.2)	1.2	(8.0)	(24.4)	0.9	(23.5)

The reconciliation of the opening and closing balances of the present value of the defined benefit obligation is as follows:

	2026			2025		
	UK £m	Switzerland £m	Total £m	UK £m	Switzerland £m	Total £m
Benefit obligation at the beginning of the year	194.8	2.9	197.7	223.6	–	223.6
Pension obligations acquired on acquisition of FemtoTools	–	–	–	–	1.9	1.9
Administrative expenses	–	0.2	0.2	–	0.1	0.1
Contributions by employees	–	0.2	0.2	–	–	–
Interest on defined benefit obligation	11.0	–	11.0	10.5	–	10.5
Benefits paid	(11.3)	0.3	(11.0)	(11.1)	0.3	(10.8)
Remeasurement gain on obligation	0.4	0.3	0.7	(28.2)	0.6	(27.6)
Exchange rate adjustment	–	0.2	0.2	–	–	–
Benefit obligation at the end of the year	194.9	4.1	199.0	194.8	2.9	197.7

## Notes to the consolidated financial statements continued

### 26 Retirement benefit assets and obligations continued

#### Defined contribution schemes continued

The reconciliation of the opening and closing balances of the present value of the fair value of plan assets is as follows:

	2026			2025		
	UK £m	Switzerland £m	Total £m	UK £m	Switzerland £m	Total £m
Fair value of plan assets at the beginning of the year	219.2	2.0	221.2	239.7	-	239.7
Pension assets acquired on acquisition of FemtoTools	-	-	-	-	1.6	1.6
Interest on plan assets	12.5	-	12.5	11.5	-	11.5
Contributions by employees	-	0.2	0.2	-	-	-
Contributions by employer	5.3	0.2	5.5	8.7	0.1	8.8
Benefits paid	(11.3)	0.3	(11.0)	(11.1)	0.3	(10.8)
Administrative expenses	(1.5)	-	(1.5)	(0.9)	-	(0.9)
Actual return on assets excluding interest income	(20.1)	0.1	(20.0)	(28.7)	-	(28.7)
Exchange rate adjustment	-	0.1	-	-	-	-
Fair value of plan assets at the end of the year	204.1	2.9	207.0	219.2	2.0	221.2

#### Defined benefit scheme – UK

A full actuarial valuation of the UK plan was carried out as at 31 March 2024 which, for reporting purposes, has been updated to 31 March 2026 by a qualified independent actuary.

The major assumptions used by the actuary for the purposes of IAS 19 were (in nominal terms):

	2026 %	2025 %
Discount rate	6.1	5.8
Rate of increase in pensions in payment ('3LPI')	2.3	2.2
Rate of increase in pensions in payment ('5LPI')	3.0	2.8
Rate of inflation ('CPI')	2.6	2.3
Rate of inflation ('RPI')	3.1	2.9
Mortality – pre- and post-retirement	<b>107% of S4PA 'Light' tables (101% for females) future improvement in line with CMI 2024 with 1.25% long-term trend</b>	107% of S4PA 'Light' tables (101% for females) future improvement in line with CMI 2023 with 1.25% long-term trend

As at 31 March 2026 the weighted average duration of the defined benefit obligations was 11 years (2025: 11 years).

The mortality assumptions imply the following expected future lifetime from age 65:

	2026 years	2025 years
Pre-retirement – males	23.6	23.3
Pre-retirement – females	25.6	25.5
Post-retirement – males	22.4	22.1
Post-retirement – females	24.2	24.1

The assumptions have been chosen by the Directors from a range of possible actuarial assumptions, which, due to the timescales covered, may not be borne out in practice.

## Notes to the consolidated financial statements continued

### 26 Retirement benefit assets and obligations continued

#### Defined benefit scheme – UK continued

The assets in the plan were:

	2026 £m	2025 £m
Equities	–	1.6
Corporate and emerging market bonds	–	22.9
Gilts	–	163.0
Insurance-linked funds	1.4	2.7
Credit and global loan funds	–	12.3
Cash	8.0	16.7
Insurance policy	194.7	–
	<b>204.1</b>	219.2

Where assets have no observable market price, a valuation will be provided by the fund manager. The scheme's investment manager will accept that valuation if it is within the expected range of performance. Otherwise, the investment manager will query the valuation with the fund manager. Complex financial instruments are valued by the scheme's investment manager who uses financial models which take as their input the characteristics of the instrument and observable market data such as swap rates.

The investment strategy for the UK scheme is controlled by the trustee in consultation with the Group. A de-risked investment strategy is in place to mitigate funding volatility.

The Group made deficit recovery payments to the UK pension scheme up until November 2025. The annual deficit recovery payment was £5.3m (2025: £8.7m) for the financial year. No annual deficit recovery payments will be made after the year ended 31 March 2026.

In 2018 the trustees of the UK defined benefit scheme, in consultation with the company, reduced its exposure to on-risk assets (a portfolio of market-focused asset classes, the majority being equities) with a corresponding increase in its liability-driven investments, with the objective of steering a more stable journey to being fully funded. The pension fund's gross exposure to on-risk assets fell from 85% to 45%; the majority of transactions required to make this change were completed in February 2018.

As a result, the level of risk inherent in the investment strategy is now significantly lower than previously, in addition to a substantial reduction in funding level volatility. Following investment outperformance and contributions made by the Group in the year to 31 March 2022, the allocation to on-risk assets has been further reduced to 35%, with a view to further reduction in funding level volatility.

The Group has considered the requirements of IFRIC 14. The terms of the scheme give the Group the right to recover any surplus assets on the scheme upon wind-up and therefore management has concluded that there is no impact on the amounts recognised in respect of retirement benefit obligations, ie there is no need to apply the 'asset ceiling'.

The table below shows the sensitivity of the Consolidated Statement of Financial Position to changes in the significant pension assumptions:

	2026 £m	Discount rate (-0.1% pa) £m	Inflation rate (+0.1% pa) £m	Life expectancy (+one year) £m
Present value of funded obligations	194.9	197.0	196.7	201.1
Fair value of plan assets	(204.1)	(206.2)	(205.9)	(210.3)
<b>Surplus</b>	<b>(9.2)</b>	<b>(9.2)</b>	<b>(9.2)</b>	<b>(9.2)</b>

The valuation of defined benefit liabilities is most sensitive to changes in the discount rate, inflation rate and mortality rate. The sensitivities have been calculated by running the liability calculations in full using the alternative assumptions. In each case, only the indicated assumption has changed by the amount stated. For the inflation sensitivity, the impact on the assumptions that are based on RPI inflation, such as CPI inflation and the inflation-linked pension increases, has been included.

#### Defined benefit scheme – Switzerland

A full actuarial valuation of the Swiss plan was carried out as at 31 March 2026.

The major assumptions used by the actuary for the purposes of IAS 19 were (in nominal terms):

	2026 %	2025 %
Discount rate	1.2	1.2
Rate of increase in pensions in payment	3.0	2.5
Rate of inflation	1.0	1.0
Mortality – pre- and post-retirement	<b>BVG 2020</b>	BVG 2020

## Notes to the consolidated financial statements continued

### 26 Retirement benefit assets and obligations continued

#### Defined benefit scheme – Switzerland continued

The assets in the plan were:

	2026 £m	2025 £m
Equities	1.0	0.6
Corporate and emerging market bonds	0.8	0.6
Property	0.4	0.3
Infrastructure	0.3	0.2
Alternative investments	0.4	0.3
	2.9	2.0

#### Virgin Media

The Group is aware of a UK High Court legal ruling that took place in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial certifications. The DWP has announced that it will introduce legislation to allow retrospective confirmation of historic benefit changes. This announcement should significantly reduce the impact on pension schemes. Whilst this ruling was in respect of another scheme, this judgement will need to be reviewed for its relevance to the Oxford Instruments Pension Scheme. A high-level review has been undertaken of the scheme which concluded that there is a very low risk of any historic plan amendments being found to be invalid. The company's pension advisers have not completed detailed numerical analysis and no adjustments have been made to the Consolidated Financial Statements at 31 March 2026.

### 27 Capital and reserves

Issued and fully paid ordinary shares:

	2026 number of shares	2025 number of shares
At the beginning of the year	58,134,773	57,913,792
Issued for cash	267,353	220,981
Cancelled on buyback <sup>1</sup>	(3,000,620)	–
At the end of the year	55,401,506	58,134,773

	2026		2025	
	Number of shares	£m	Number of shares	£m
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 5p each	55,401,506	2.7	58,134,773	2.9

<sup>1</sup> During the year ended 31 March 2026, 3,000,620 ordinary shares were repurchased and cancelled by the Group as part of the first and second tranches of the up to £100m share buyback programme, resulting in a cash outflow of £62.2m. No liability was recognised on the 31 March 2026 Statement of Financial Position for the remaining amounts to be repurchased under Tranche 2 as the agreement can be terminated with immediate effect. The remaining amount of share buyback is expected to complete in the first half of the year ended 31 March 2027.

The holders of the ordinary shares are entitled to receive dividends as declared, a proportionate amount of capital on a winding up of the company and one vote per share at meetings of the company.

Other reserves comprise the capital redemption reserve, which represents the nominal value of shares repurchased and then cancelled during the year ended 31 March 1999.

The foreign exchange translation reserve comprises all foreign exchange differences arising since 1 April 2004 from the translation of the Group's net investments in foreign subsidiaries into sterling.

## Notes to the consolidated financial statements continued

### 28 Share option schemes

#### Share Incentive Plan (SIP)

UK employees may be eligible to participate in the Group's HM Revenue and Customs-approved SIP. Participating employees may make a cash contribution to the SIP of up to £1,800 each year. The Group contributes a further amount equal to 20% of the employee's contribution. Independent trustees then purchase partnership and matching shares in the market on behalf of the employees. Subject to the rules of the SIP, matching shares may be withdrawn without forfeiture after they have been held for three years, provided the participant has remained an employee. On a similar basis, shares can be withdrawn tax-free after five years' service.

#### Long-Term Incentive Plan Scheme (LTIP)

Under the LTIP awards of nominally priced options of £0.05, conditional share awards or cash conditional awards may be made annually to certain senior managers. Subject to vesting based on the achievement of performance targets and the rules of the LTIP, options granted under the plan may have a life of ten years, including a vesting period of three years. Subject to vesting based on performance and the rules of the LTIP, conditional share awards and cash conditional awards will vest appropriately three years after the award date. Awards were valued using the Black-Scholes option pricing models with the exception of options relating to the total shareholder return tranche which were valued using Stochastic option-pricing models.

Share option schemes that have been discontinued but for which options were outstanding at the year end include the following:

#### Performance Share Plan Scheme (PSP)

Under the PSP, awards of nominally priced options of £0.05 were made annually to certain senior managers. The last grants were made under this scheme in 2022. Awards to persons other than the Executive Directors may also be referred to as Medium Term Incentive Plan awards (MTIP). Subject to vesting based on the achievement of performance targets and the rules of the PSP, awards may have a life of ten years, including a vesting period of a minimum of three years. Options were valued using the Black-Scholes option-pricing models.

#### Executive Share Option Scheme (ESO)

Under the ESO awards of approved options, unapproved options and share appreciation rights were made annually to certain senior managers. The last grants were made under this scheme in 2016. The exercise prices were determined according to the mid-market closing share price on the day before the date of grant. Subject to vesting based on the achievement of performance targets and the rules of the ESO, awards may have a life of ten years, including a vesting period of a minimum of three years. Options were valued using the Black-Scholes option-pricing models.

#### Performance conditions

Awards under the ESO, PSP and LTIP schemes may be or may have been subject to the achievement of certain performance conditions. The performance conditions applicable for the Executive Directors of Oxford Instruments plc can be found in the Directors' Remuneration Report on pages 156 to 171.

Administrative expenses include a charge of £3.7m (2025: credit of £0.1m) in respect of the cost of providing share-based remuneration. The cost of share awards is calculated by estimating the fair value of the award at grant date and spreading that amount over the vesting period after adjusting for an expectation of non-vesting.

For options granted in the year ended 31 March 2026, the fair value and the assumptions used in the calculation are as follows:

	LTIP CEO June 2025	LTIP CFO June 2025	LTIP: Options June 2025	LTIP: Conditional Shares June 2025
Weighted average fair value of options granted	£12.93	£12.93	£14.65	£16.88
Share price at grant date	£17.56	£17.56	£17.56	£17.56
Exercise price	£0.05	£0.05	£0.05	£0.05
Expected volatility	29.3%	29.3%	29.5%	N/A
Expected option life	3 years	3 years	3 years	3 years
Expected dividend yield	–	–	1.2%	1.2%
Risk-free interest rate	4.0%	4.0%	3.7%	N/A

## Notes to the consolidated financial statements continued

### 28 Share option schemes continued

#### Performance conditions continued

For options granted in the year ended 31 March 2025, the fair value and the assumptions used in the calculation are as follows:

	LTIP CEO July 2024	LTIP CFO July 2024	LTIP: Options July 2024	LTIP: Conditional Shares July 2024	LTIP: Options March 2025
Weighted average fair value of options granted	£20.42	£20.42	£21.73	£23.79	£17.64
Share price at grant date	£24.35	£24.35	£24.35	£24.35	£18.06
Exercise price	£0.05	£0.05	£0.05	£0.05	£0.05
Expected volatility	29.1%	29.1%	29.1%	N/A	N/A
Expected option life	3 years	3 years	3 years	3 years	2.3 years
Expected dividend yield	-	-	0.9%	0.9%	0.9%
Risk-free interest rate	3.9%	3.9%	3.9%	N/A	N/A

Movements in the share option schemes during the year were as follows:

	Executive Share Option Scheme		Performance Share Plan		Long-Term Incentive Plan	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1 April 2024	98,729	£8.68	622,507	£0.05	200,572	£0.05
Granted	-	-	-	-	154,874	£0.05
Forfeited	-	-	(9,125)	£0.05	(20,001)	-
Exercised	(18,986)	£9.79	(201,744)	£0.05	-	-
Lapsed	(9,878)	£9.94	(7,854)	£0.05	(5,850)	£0.05
Outstanding at 31 March 2025	69,865	£8.20	403,784	£0.05	329,595	£0.05
Granted	-	-	293	£0.05	224,007	£0.05
Forfeited	-	-	-	-	-	-
Exercised	(36,789)	£8.00	(202,895)	£0.05	(25,529)	-
Lapsed	(21,842)	£9.51	(92,614)	£0.05	(59,880)	£0.05
<b>Outstanding at 31 March 2026</b>	<b>11,234</b>	<b>£6.27</b>	<b>108,568</b>	<b>£0.05</b>	<b>468,193</b>	<b>£0.05</b>
<b>Exercisable at 31 March 2026</b>	<b>69,865</b>	<b>£6.27</b>	<b>108,568</b>	<b>£0.05</b>	<b>-</b>	<b>£0.05</b>
Exercisable at 31 March 2025	69,865	£8.20	265,829	£0.05	43,213	£0.05

The number and weighted average exercise prices of those options are as follows:

The weighted average share price at the time of exercise of the options was £20.72 (2025: £21.86).

The weighted average remaining contractual life for the share options as at 31 March 2026 was one year (2025: one year).

The total consideration received from exercise of options in the year was £0.1m (2025: £0.0m).

## Notes to the consolidated financial statements continued

### 29 Working capital movements

Reconciliation of movements in working capital

	Inventories £m	Receivables <sup>1</sup> £m	Payables and provisions <sup>1</sup> £m	Customer deposits £m	Total £m
<b>As at 1 April 2024</b>	108.1	118.5	(114.3)	(58.4)	53.9
Working capital movement	(8.8)	10.0	(1.1)	11.1	11.2
First Light Imaging related flows	–	–	2.8	–	2.8
FemtoTools related flows	0.6	0.9	(4.7)	–	(3.2)
Exchange differences	(0.8)	–	(0.2)	0.9	(0.1)
Net movement on financial derivatives	–	–	(0.3)	–	(0.3)
<b>As at 31 March 2025 and 1 April 2025</b>	99.1	129.4	(117.8)	(46.4)	64.3
Working capital movement	<b>1.6</b>	<b>20.9</b>	<b>(3.4)</b>	<b>(7.0)</b>	<b>12.1</b>
NanoScience related flows	<b>(28.3)</b>	<b>(20.8)</b>	<b>9.9</b>	<b>17.6</b>	<b>(21.6)</b>
Exchange differences	<b>0.1</b>	<b>(1.3)</b>	<b>0.2</b>	<b>(0.3)</b>	<b>(1.3)</b>
Net movement on financial derivatives	–	<b>(0.1)</b>	<b>(0.4)</b>	–	<b>(0.5)</b>
<b>As at 31 March 2026</b>	<b>72.5</b>	<b>128.1</b>	<b>(111.5)</b>	<b>(36.1)</b>	<b>53.0</b>

1 Receivables and payables include derivative financial instruments.

### 30 Commitments and contingencies

The Group has entered into agreements in respect of the new Severn Beach site for its Plasma Technology business. At 31 March 2026 commitments for future expenditure are £0.4m (2025: £0.4m) and include capital expenditure, fit-out costs, plant and machinery, furniture and computer equipment.

### 31 Related parties

All transactions with related parties are conducted on an arm's length basis and in accordance with normal business terms. Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group has related party relationships with its Executive Directors and members of the Senior Leadership Team.

The remuneration of key management personnel is as follows:

	2026 £m	2025 £m
Short-term employee benefits	<b>5.1</b>	4.1
Post-employment benefits	<b>0.2</b>	0.1
Share-based payment charges	<b>1.5</b>	0.9
<b>Total</b>	<b>6.8</b>	5.1

In accordance with IAS 24 'Related Party Disclosures', key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel comprise the Directors and the other members of the Senior Leadership Team.

Short-term employee benefits comprise salary and benefits earned during the year and bonuses awarded for the year.

## Parent Company statement of financial position

As at 31 March 2026

	Notes	2026 £m	2025 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	d	0.5	0.7
Tangible assets	c	0.2	0.4
Right-of-use assets		–	–
Investments in subsidiary undertakings	e	359.5	357.9
Trade and other receivables	f	3.7	2.8
Derivative financial instruments		1.6	0.3
Retirement benefit asset		2.1	5.6
Deferred tax assets	i	–	0.4
		<b>367.6</b>	368.1
<b>Current assets</b>			
Trade and other receivables	f	40.3	39.0
Derivative financial instruments		0.8	2.1
Cash and cash equivalents		41.0	11.2
		<b>82.1</b>	52.3
<b>Total assets</b>		<b>449.7</b>	420.4
<b>Equity</b>			
<b>Capital and reserves attributable to the company's equity shareholders</b>			
Share capital		2.8	2.9
Share premium		62.7	62.6
Capital redemption reserve		0.3	0.1
Other reserves		7.6	7.6
Retained earnings		244.0	292.7
		<b>317.4</b>	365.9

	Notes	2026 £m	2025 £m
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts	h	0.5	3.8
Derivative financial instruments		1.5	1.3
Trade and other payables	g	130.3	49.4
		<b>132.3</b>	54.5
<b>Total liabilities</b>		<b>132.3</b>	54.5
<b>Total liabilities and equity</b>		<b>449.7</b>	420.4

The company's profit for the financial year was £26.2m (2025: £29.4m). Other comprehensive expense in the year was £3.7m (2025: expense of £0.1m). The expense will not subsequently be reclassified to statement of income.

The Financial Statements were approved by the Board of Directors on 8 June 2026 and signed on its behalf by:

**RICHARD TYSON**  
Director

**PAUL FRY**  
Director

Company number: 775598

## Parent Company statement of changes in equity

Year ended 31 March 2026

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total shareholders' equity £m
As at 1 April 2025	2.9	62.6	0.1	7.6	292.7	365.9
Profit for the year					26.2	26.2
<b>Other comprehensive expense:</b>	-	-	-	-		
- Remeasurement of defined benefit liability, net of tax					(3.6)	(3.6)
<b>Total comprehensive income for the year</b>	-	-	-	-	22.6	22.6
- Proceeds from shares issued	-	0.1	-	-	-	0.1
- Share options awarded to employees	-	-	-	-	2.1	2.1
- Share options awarded to employees of subsidiaries	-	-	-	-	1.6	1.6
- Tax charge in respect of share options	-	-	-	-	0.2	0.2
- Share buyback	(0.1)	-	0.2	-	(62.2)	(62.1)
- Dividends paid	-	-	-	-	(13.0)	(13.0)
<b>As at 31 March 2026</b>	<b>2.8</b>	<b>62.7</b>	<b>0.3</b>	<b>7.6</b>	<b>244.0</b>	<b>317.4</b>
As at 1 April 2024	2.9	62.6	0.1	7.6	276.1	349.3
Profit for the year					29.4	29.4
<b>Other comprehensive expense:</b>	-	-	-	-		
- Remeasurement of defined benefit liability, net of tax					(0.1)	(0.1)
<b>Total comprehensive income for the year</b>	-	-	-	-	29.3	29.3
- Share options awarded to employees	-	-	-	-	(1.1)	(1.1)
- Share options awarded to employees of subsidiaries	-	-	-	-	1.0	1.0
- Tax charge in respect of share options	-	-	-	-	(0.5)	(0.5)
- Dividends paid	-	-	-	-	(12.1)	(12.1)
<b>As at 31 March 2025</b>	<b>2.9</b>	<b>62.6</b>	<b>0.1</b>	<b>7.6</b>	<b>292.7</b>	<b>365.9</b>

Details of issued, authorised and allotted share capital are included in Note 27 to the Group Financial Statements.

Details of the Group's share option schemes are included in Note 28 to the Group Financial Statements.

Details of the Group's defined benefit pension scheme are included in Note 26 to the Group Financial Statements.

Details of dividends paid are included in Note 10 to the Group Financial Statements.

Other reserves relates to premium on shares issued as part of acquisitions made in the year to 31 March 1987.

## Notes to the Parent Company financial statements

Year ended 31 March 2026

### (a) Accounting policies

#### Basis of preparation

Oxford Instruments plc is a company incorporated and domiciled in the UK. These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) on the historical cost basis, except that derivative financial instruments are stated at their fair value.

In preparing these Financial Statements, the company applied the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006.

In these Financial Statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes.
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new, but not yet effective, accounting standards.
- Disclosures in respect of the compensation of key management personnel.

As the consolidated Financial Statements of Oxford Instruments plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based Payments in respect of Group settled share-based payments.
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

As permitted by Section 408 of the Companies Act 2006, a separate statement of income for the company has not been included in these Financial Statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

#### Going concern

The Financial Statements have been prepared on a going concern basis, based on the Directors' opinion, after making reasonable enquiries, that the company has adequate resources to continue in operational existence for the foreseeable future. The going concern of the parent company is intrinsically linked with the Group. Further details on the Group's going concern can be found on pages 95 and 96.

#### Material accounting policies

##### Significant estimates and judgements

In the application of the company's accounting policies, the directors are not required to make any significant judgements, estimates, or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

##### Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

##### Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, investments in money-market funds and short-term deposits with a maturity of three months or less on inception.

##### Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Details of the Group's interest-bearing borrowings are included in Note 21 to the Group Financial Statements.

##### Intra-Group lending

The company has lent funds to and from its UK subsidiaries on interest-free terms. These amounts are repayable on demand. They are stated at cost less any impairment losses.

## Notes to the Parent Company financial statements continued

### (a) Accounting policies continued

#### Material accounting policies continued

##### Derivative financial instruments

The company's accounting policies for financial instruments are the same as the Group's accounting policies under IFRS, namely IAS 32 Financial Instruments: Presentation, IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. These policies are set out in accounting policy '(e) Financial Instruments at fair value' in the Group accounting policies, on page 186.

##### Tangible fixed assets

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

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment – 4 years
- Furniture and fittings – 4 years

Depreciation methods, useful lives and residual values are reviewed at each statement of financial position date.

##### Intangible assets

Intangible assets represents internally developed software. Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software – 10 years

##### Impairment excluding deferred tax assets

###### Financial assets (including trade and other receivables)

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less appropriate provision for impairment. The provision for impairment of debtors is based on lifetime expected credit losses, which is then updated for any reasonable and supportable forward-looking information and expectations. Lifetime expected credit losses are calculated by assessing historic credit loss experience. The movement in the provision is recognised in the company's statement of income.

##### Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit' or CGU).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in statement of income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### Employee benefits

###### Defined contribution plans

A defined contribution plan is a post employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income in the periods during which services are rendered by employees.

## Notes to the Parent Company financial statements continued

### (a) Accounting policies continued

#### Employee benefits continued

##### Defined benefit plans

The company is the sponsoring employer of a Group-wide defined benefit pension plan. The net defined benefit cost of the plan is charged to participating entities on the basis of the proportion of scheme membership attributable to each legal entity at the reporting date. The contributions payable by the participating entities are determined using an agreed ratio which has been in place for approximately ten years.

The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that current and past employees have earned in return for their service in prior periods. That benefit is discounted to determine its present value and is deducted from the fair value of any plan assets. Surpluses in schemes are recognised as assets only if they represent economic benefits available to the company in the future. The calculation is performed by a qualified actuary using the projected unit credit method.

All actuarial gains and losses in calculating the company's net obligation are recognised in the statement of comprehensive income in the year.

The charge to the statement of income reflects the current service cost. The interest expense or income is calculated on the net defined benefit asset by applying the discount rate to the net defined benefit asset, and is included within financial expenditure or financial income in the Statement of Income respectively.

##### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

##### Share-based payment transactions

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the company grants options over its own shares to the employees of its subsidiaries, it recognises, in its individual Financial Statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share based payment charge recognised in its consolidated Financial Statements with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiary are recognised as a reduction in the cost of investment in subsidiary. If the amount recharged exceeds the increase in the cost of investment, the excess is recognised as a dividend.

##### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### Foreign currencies

The company enters into forward exchange contracts and options to mitigate the currency exposures that arise on sales and purchases denominated in foreign currencies. Transactions in foreign currencies are converted into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the statement of financial position date. Exchange profits and losses arising from the above are dealt with in the statement of income.

## Notes to the Parent Company financial statements continued

### (a) Accounting policies continued

#### Employee benefits continued

##### Investments

Investments in subsidiaries are stated at cost, less any provision for impairment, where appropriate.

##### Dividends on shares presented within shareholders' funds

Dividends unpaid at the statement of financial position date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the Financial Statements.

### (b) Profit for the year

The company's profit for the financial year was £26.2m (2025: £29.4m). Other comprehensive expense in the year was £3.7m (2025: expense of £0.1m). The expense will not subsequently be reclassified to statement of income.

The auditor's remuneration comprised £1,044,000 (2025: £381,000) for the statutory audit.

The average number of people employed by the company (including Directors) during the year was 93 (2025: 94). All these individuals were involved in administration.

The aggregate payroll costs (including Directors) of these people were as follows:

	2026 £m	2025 £m
Wages and salaries	11.7	10.8
Social security costs	1.5	1.5
Other pension costs	0.5	0.5
	13.7	12.8

The share-based payment charge was £2.1m (2025: credit of £1.1m). Details of the Group's share option schemes are included in Note 28 to the Group Financial Statements.

Full details of the emoluments paid to Directors can be found in the Remuneration Report on pages 156 to 171.

### (c) Tangible fixed assets

	Furniture and fittings £m	Computer equipment £m	Total £m
<b>Cost</b>			
Balance at 1 April 2025	0.3	0.7	1.0
Additions	0.0	0.1	0.1
Disposals	(0.3)	0.0	(0.3)
<b>Balance at 31 March 2026</b>	<b>0.0</b>	<b>0.8</b>	<b>0.8</b>
<b>Depreciation</b>			
Balance at 1 April 2025	0.1	0.5	0.6
Charge for year	0.1	0.1	0.2
Disposals	(0.2)	0.0	(0.2)
<b>Balance at 31 March 2026</b>	<b>0.0</b>	<b>0.6</b>	<b>0.6</b>
<b>Net book value</b>			
Balance at 31 March 2025	0.2	0.2	0.4
<b>Balance at 31 March 2026</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>

## Notes to the Parent Company financial statements continued

### (d) Intangible assets

	Software £m
<b>Cost</b>	
Balance at 1 April 2025	1.8
Disposals	0.0
<b>Balance at 31 March 2026</b>	<b>1.8</b>
<b>Amortisation and impairment losses</b>	
Balance at 1 April 2025	1.1
Amortisation charge for year	0.2
<b>Balance at 31 March 2026</b>	<b>1.3</b>
<b>Net book value</b>	
Balance at 31 March 2025	0.7
<b>Balance at 31 March 2026</b>	<b>0.5</b>

### (e) Investments

	Investments in subsidiary undertakings £m
<b>Cost or valuation</b>	
Balance at 1 April 2025	376.6
Expense in respect of share options transferred to subsidiary undertakings	1.6
<b>Balance at 31 March 2026</b>	<b>378.2</b>
<b>Impairment</b>	
<b>Balance at 1 April 2025 and 31 March 2026</b>	<b>18.7</b>
<b>Net book value</b>	
Balance at 31 March 2025	357.9
<b>Balance at 31 March 2026</b>	<b>359.5</b>

### Related undertakings of the Group

The following disclosure is provided in accordance with Section 409 of the Companies Act 2006.

As of 31 March 2026, the companies listed below and on the following pages are indirectly held by Oxford Instruments plc, except for Oxford Instruments Industrial Products Holdings Limited, Oxford Instruments Nanotechnology Tools Holdings Limited and Oxford Instruments Overseas Holdings Limited, which are all 100% directly owned by Oxford Instruments plc.

The financial year end of each company is 31 March unless otherwise indicated.

All subsidiary undertakings are controlled by the Group and their results are fully consolidated in the Group's Financial Statements.

## Notes to the Parent Company financial statements continued

### (e) Investments

#### Subsidiaries

Company name	Address	Ownership interest	% of class held
Andor Technology Limited	7 Millennium Way, Springvale Business Park, Belfast, Northern Ireland, BT12 7AL	Ordinary shares	100
Andor Technology, Inc.	300 Baker Avenue, Suite 150, Concord MA 01742, United States	Common stock	100
Bitplane AG	Zurcherstrasse 6, 8952 Schlieren, Switzerland	Ordinary shares Preference shares	100
FemtoTools AG	Furtbachstrasse 4, 8107 Buchs ZH, Switzerland	Ordinary shares	100
First Light Imaging SAS	Europarc Sainte Victoire Bâtiment 5, Route de Valbrillant Le Canet, 13590 Meyreuil France	Ordinary shares Preference shares	100
Oxford Instruments AFM Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments America Inc.	300 Baker Avenue, Suite 150, Concord MA 01742, United States	Common stock	100
Oxford Instruments Asylum Research Inc.	7416 Hollister Avenue, Santa Barbara, CA 93117, United States	Common stock	100
Oxford Instruments Australia Pty Limited	C/O ECOVIS, Suite 7, 13 Hickson Road, Dawes Point, New South Wales, Australia	Ordinary shares	100
Oxford Instruments GmbH	Borsigstrasse 15a, 65205, Wiesbaden, Germany	Ordinary shares	100
Oxford Instruments Holdings 2013 Inc	300 Baker Avenue, Suite 150, Concord MA 01742, United States	Common stock	100

Company name	Address	Ownership interest	% of class held
Oxford Instruments Holdings Europe Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Holdings GmbH	Borsigstrasse 15a, 65205, Wiesbaden, Germany	Ordinary shares	100
Oxford Instruments India Private Limited	Coral Plaza, 2nd Floor, Plot No. A-114 & A-115, Road No. 21, Nehru NagarWagle Industrial Estate, Thane (W), Maharashtra, 400604, India	Equity shares	100
Oxford Instruments Industrial Products Holdings Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Industrial Products Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Italia s.r.l.	Via Della Chiusa 15, 20123, Milan, Italy	Capital stock	100
Oxford Instruments KK	Sumitomo Fudosan Osaki Twin Building East, 5-1-18 Kita-Shinagawa, Shinagawa-ku, Tokyo, 141-0001, Japan	Ordinary shares	100
Oxford Instruments Molecular Biotools Limited <sup>1</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Nanotechnology Tools Holdings Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Nanotechnology Tools Limited	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100

## Notes to the Parent Company financial statements continued

### (e) Investments continued

#### Subsidiaries continued

Company name	Address	Ownership interest	% of class held
Oxford Instruments Nordiska AB	C/o TMF Sweden AB, Vasagatan 38, 111 20 Stockholm, Sweden	Shares	100
Oxford Instruments Overseas España SL	Calle Ferraz No. 78 2 A, 28008 Madrid, Spain	Ordinary shares	100
Oxford Instruments Overseas Holdings 2008 Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Overseas Holdings Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Overseas Marketing GmbH	Borsigstrasse 15a, 65205, Wiesbaden, Germany	Ordinary shares	100
Oxford Instruments Overseas Marketing Limited	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Private Limited	80 Raffles Place, #47-01 UOB Plaza, 048624, Singapore	Ordinary shares	100
Oxford Instruments SAS	9 Avenue du Canada, Immeuble "Le Méridien", 91940 Les Ulis, France	Ordinary shares	100
Oxford Instruments (Taiwan) Co., Ltd	6F.-1, No. 32, Gaotie 2nd Rd., Zhubei City, Hsinchu County	Ordinary shares	100
Oxford Instruments Technologies Oy	Technopolis Innopoli 1, Tekniikantie 12, Espoo, 02150, Finland	Ordinary shares	100
Oxford Instruments Technology (Shanghai) Co. Ltd	Floor 1, Building 60, 461 Hongcao Road, Xuhui District, Shanghai, China	Registered capital	100
Oxford Instruments UK 2013 Limited <sup>3</sup>	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100

Company name	Address	Ownership interest	% of class held
Oxford Instruments X-Ray Technology Inc.	360 El Pueblo Road, Scotts Valley CA 95066, United States	Common stock	100
Spectral Applied Research Inc	199 Bay Street, Suite 5300, Commerce Court West, Toronto ON M5L 1B9, Canada	Common shares	100
WITec Pte. Ltd <sup>2</sup>	25 International Business Park, #03-59A German Centre, 609916, Singapore	Ordinary shares	100
WITec Wissenschaftliche Instrumente und Technologie GmbH	Lise-Meitner-Str. 6, D-89081 Ulm, Germany	Ordinary shares	100

1 Dormant entity.

2 Financial year end is 31 August.

3 Entity has taken advantage of S479A Companies Act 2006 (S479A) audit exemption for the year ended 31 March 2026. Oxford Instruments plc will issue a guarantee pursuant to S479A in relation to the liabilities of the entity.

## Notes to the Parent Company financial statements continued

### (f) Trade and other receivables

	2026 £m	2025 £m
<b>Amounts falling due after one year:</b>		
Amounts owed by subsidiary undertaking	3.7	2.8
<b>Amounts falling due within one year:</b>		
Amounts owed by subsidiary undertaking	33.9	35.3
Other receivables	3.2	0.7
Prepayments and accrued income	3.2	3.0
	<b>40.3</b>	39.0

Amounts owed by subsidiary undertakings are interest-free, unsecured and repayable on demand.

The company has no immediate intention to recall £3.7m (2025: £2.8m) of these balances in the short term and so these amounts are classified as amounts falling due after more than one year.

### (g) Trade and other payables

	2026 £m	2025 £m
<b>Amounts falling due within one year:</b>		
Trade payables	2.0	2.5
Amounts owed to subsidiary undertaking	119.7	39.1
Tax, social security and sales-related taxes	2.9	2.3
Other payables	0.9	-
Accruals	4.8	5.5
	<b>130.3</b>	49.4

Amounts owed to subsidiary undertakings are interest-free and repayable on demand.

### (h) Bank overdraft

	2026 £m	2025 £m
<b>Current</b>		
Bank overdraft	0.5	3.8
<b>At the end of the year</b>	<b>0.5</b>	3.8

### (i) Deferred tax asset

	2026 £m	2025 £m
Balance at 1 April	0.4	2.1
Statement of income (debit)/credit	(1.7)	(1.2)
Other comprehensive income credit	1.2	-
Statement of changes in equity debit	0.1	(0.5)
<b>Balance at 31 March</b>	<b>-</b>	0.4

The amounts of deferred tax assets not recognised are as follows:

	Not recognised	
	2026 £m	2025 £m
Excess of depreciation over corresponding capital allowance	0.2	0.2
Employee benefits – pension and share scheme	0.9	0.2
	<b>1.1</b>	0.4

The company recognises deferred tax assets only to the extent that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The UK deferred tax assets and liabilities have been calculated based on the enacted rate of 25%.

## Notes to the Parent Company financial statements continued

### (j) Pension commitments

The company and its employees contribute to the Oxford Instruments Pension Scheme ('the Scheme'), a defined benefit pension scheme, which offers pensions in retirement and death in service benefit to members. Pension benefits are related to members' final salary at retirement and their length of service.

The Scheme was closed to new members from 1 April 2001. Since this date, new employees have been invited to join the Oxford Instruments Stakeholder Plan, a defined contribution scheme. The Scheme is also closed to future accrual.

The Oxford Instruments Group policy for charging net defined benefit costs to participating entities states that member costs are charged directly to a participating company if that member is also an employee of said participating company. The costs of scheme members that are no longer employees of any participating company or directly affiliated with a Group company are allocated on the basis of the participating company's scheme members as a percentage of the total scheme members that are also employees of participating companies.

The policy for determining contributions to be paid by participating companies is the same as that for charging net defined benefit costs.

Details of the Scheme, its most recent actuarial valuation and its funding can be found in Note 26 to the Group Financial Statements. The contributions paid by the company to the the Scheme were £2.0m (2025: £2.0m). The company's share of the retirement benefit asset was £2.1m (2025: £5.6m).

### (k) Guarantees

The company has given a guarantee to the pension scheme in respect of the liability of its UK subsidiaries to the pension scheme. The guarantee is for the excess of 105% of the liabilities of the scheme, calculated on the basis of Section 179 of the Pensions Act 2004, over the assets of the Scheme.

The company and its UK subsidiaries have entered into a cross-guarantee for £10.0m (2025: £10.0m) in respect of bank overdraft facilities, of which £nil (2025: £nil) was drawn at the year end.

### (l) Commitments

At 31 March 2026, capital commitments contracted were £nil (2025: £nil) and authorised were £nil (2025: £nil).

### (m) Related party transactions

The company has a related party relationship with its Directors and Executive Officers and with its wholly owned subsidiary companies.

Transactions with key management personnel are disclosed in the Remuneration Report on pages 156 to 171. There were no other significant transactions with key management personnel in either the current or preceding year.

## Independent auditor's report to the members of Oxford Instruments plc

### Report on the audit of the financial statements

#### 1. Opinion

In our opinion:

- the Financial Statements of Oxford Instruments plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2026 and of the group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated statement of income;
- the Consolidated statement of comprehensive income;
- the Consolidated statement of financial position;
- the Consolidated statement of changes in equity;
- the Consolidated statement of cash flows;
- the Material accounting policies;
- the related Notes 1 to 31 to the Consolidated Financial Statements;
- the Parent Company statement of financial position;
- the Parent Company statement of changes in equity; and
- the related notes a to m for the Parent Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### 2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent company for the year are disclosed in note 6 to the financial statements.

Prior to our appointment as auditor, and during the year ended 31 March 2026, we provided certain non-audit services to the Group, comprising regulatory tax return preparation and VAT advice in a limited number of jurisdictions. These services related to the year ended 31 March 2025 and were completed before we were invited to participate in the audit tender.

Ahead of participating in the tender, we assessed the impact of these services on our independence, taking into account their nature, the fact that they had ceased, and that the associated fees were not significant in the context of the prior year audit fee. Based on this assessment, and consistent with the perspective of an objective, reasonable and informed third party, we concluded that these services did not impair our independence. This conclusion was discussed and confirmed with the FRC and the FRC granted a waiver to permit our participation in the tender in accordance with the Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independent auditor's report to the members of Oxford Instruments plc continued

### 3. Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>● Timing of revenue recognition (revenue 'cut-off')</li> <li>● Inventory provisioning</li> </ul>
<b>Materiality</b>	<p>The materiality that we used for the Group Financial Statements was £3.85m which was determined on the basis of 5% of forecasted adjusted profit before tax.</p>
<b>Scoping</b>	<p>We completed audits of specified classes of transactions, account balances and disclosures for 20 reporting entities. These components represent 91% of revenue and 91% of profit before tax.</p>
<b>Our approach to the transition, and changes in our approach compared with the predecessor auditor</b>	<p>The year ended 31 March 2026 is our first year as auditor of the Group. We commenced our transition activities from October 2025. Our work included:</p> <ul style="list-style-type: none"> <li>● Preparing a detailed audit transition plan;</li> <li>● Reviewing the predecessor auditor's audit files;</li> <li>● Holding planning workshops with key management teams including component management teams, internal audit, tax, legal and Group finance teams throughout our audit planning; and</li> <li>● Holding a series of planning meetings with our component audit teams and undertaking Group audit team visits to key components.</li> </ul> <p>These procedures developed our understanding of the Group and informed our risk assessment, including materiality, scoping and identification of key audit matters.</p> <p>The only significant change in our approach compared to the approach adopted by the predecessor audit in the prior year was as follows:</p> <ul style="list-style-type: none"> <li>● Having assessed the changes in the model since prior year and the increased level of headroom demonstrated in the directors' assessment, we do not consider the Valuation of Group goodwill (Andor CGU) to be a key audit matter in the current year.</li> </ul>

### 4. 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 group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Group's financing facilities including the nature of facilities, repayment terms, covenants and expected renewal of financing arrangements;
- evaluating the assumptions used in the Board-approved forecasts by reference to historical performance, the impact of macroeconomic uncertainty, and other supporting evidence such as market data;
- recalculating the amount of headroom in the forecasts (in liquidity terms and against the relevant covenant limits);
- assessing the appropriateness of the sensitivity analysis and reverse stress tests performed by management; and
- assessing the appropriateness of the disclosures made in the financial statements.

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 and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

## Independent auditor's report to the members of Oxford Instruments plc continued

### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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.

#### 5.1. Timing of revenue recognition (revenue 'cut-off')

##### Key audit matter description

The Group recognised revenue of £423.2m predominantly through the provision of goods accounted for under IFRS 15: Revenue from Contracts with Customers. Given the number of businesses within the Group, the variety of revenue streams and nature of businesses spanning across numerous countries and industries understanding the revenue cycles in each business and their respective control environments was the key focus of our risk assessment and the basis for our planned audit procedures.

As disclosed in the material accounting policies section, revenue should be recognised once control of goods has passed to the customer in line with the relevant requirements of IFRS 15. We identified a key audit matter and potential fraud risk relating to a risk of material misstatement in cut-off of revenue recognition. The potential fraud risk relates to revenue recognised in advance of the appropriate revenue recognition point, given that revenue in March 2026 is notably higher than the monthly revenues through the remainder of the year. Revenue recognition is considered a significant matter by the Audit and Risk Committee, as outlined on page 129.

##### How the scope of our audit responded to the key audit matter

We performed the following procedures to address this key audit matter:

- obtained an understanding of the revenue cycle and relevant controls in place to address the risk of inappropriate cut-off;
- for a sample of transactions within the relevant period, we assessed the consistency of the recorded period of the transaction with evidence including purchase orders, amendment letters, despatch documentation and sales invoices, as necessary in order to determine whether revenue is recognised in the correct period.
- for a sample of manual journals posted in March 2026 which increased revenue, we inspected the underlying documentation supporting the journal and assessed the consistency of the recorded period of the transaction;
- assessed a sample of credit notes issued post year end by inspecting supporting documentation and evaluating the reason for the credit note to assess appropriateness of the recorded period of the transaction.

##### Key observations

Based on the procedures performed, we found that the year-end cut-off of revenue is appropriate for the year ended 31 March 2026.

#### 5.2. Inventory provisioning

##### Key audit matter description

The Group's inventory balance as at 31 March 2026 was £72.5m. Inventory valuation is considered a significant matter by the Audit and Risk Committee, as outlined on page 129.

The level of estimation and judgement in the valuation of inventory is primarily focussed on the provision made for slow moving and obsolete stock where there is evidence of impairment, to reduce the carrying value to its net realisable value. This requires consideration of several factors including but not limited to inventory usage, expected future demand, new product introduction plans and likely realisable values to estimate the excess quantities and net realisable value.

The calculation of the inventory provision is determined with respect to the usage of the particular item of inventory over a period of time. However, the calculation often includes manual adjustments which are incorporated into the estimate. This therefore requires significant management judgement.

As a result, we identified a key audit matter relating to inventory provisioning.

## Independent auditor's report to the members of Oxford Instruments plc continued

### 5.2. Inventory provisioning continued

<b>How the scope of our audit responded to the key audit matter</b>	<p>We performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>obtained an understanding of the relevant controls relating to the provision for slow moving and obsolete stock;</li> <li>attended inventory counts at key locations to inspect a sample of physical inventory for existence and to assess the condition of a sample of stock in order to identify any slow-moving, obsolete or damaged items;</li> <li>assessed whether the assumptions underpinning the judgements applied in the provision are aligned to the Group policies and assessed whether the policies are being applied consistently across the Group;</li> <li>evaluated the mathematical accuracy of the provision by reperforming a calculation of the expected provision based on the key inputs. We then assessed the appropriateness of a sample of manual adjustments to the calculation by assessing whether they were consistent with external evidence and by making inquiries of those outside of finance. This included considering future demand and inspecting evidence of future orders where relevant;</li> <li>assessed the completeness of the inventory provision, by inspecting the supporting documentation related to the subsequent sale of finished items held within year-end inventory, and comparing this to the cost of inventory recorded.</li> </ul>
<b>Key observations</b>	<p>Based on the procedures performed, we found that the carrying value of inventory of the Group is appropriate as at 31 March 2026. We made a number of recommendations to management and those charged with governance with respect to control improvements in this area.</p>

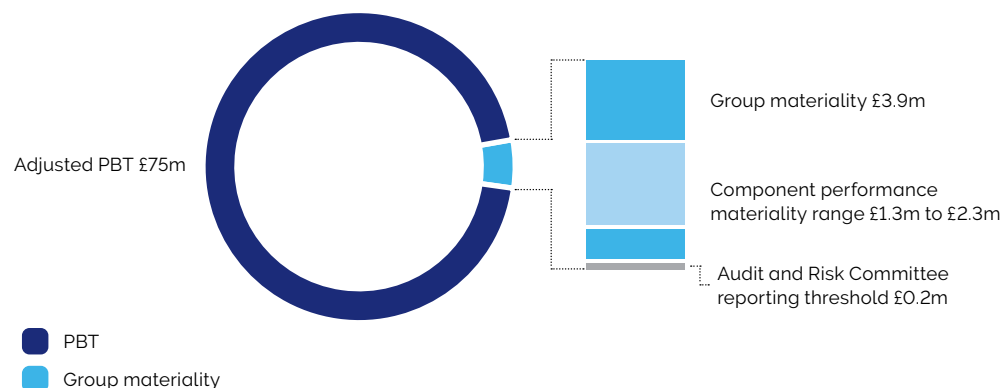
### 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
<b>Materiality</b>	£3.9m	£3.5m
<b>Basis for determining materiality</b>	We determined materiality on the basis of 5% of forecasted adjusted profit before tax, which represents 5.2% of final adjusted profit before tax.	Parent Company materiality is capped at 90% of the Group materiality.
<b>Rationale for the benchmark applied</b>	We have used adjusted profit before tax for determining materiality. This is considered to be a key benchmark and best portrays the performance of the business. It is metric that is most commonly used and seen as important by the primary users of the Financial Statements.	We have capped Parent Company materiality based on the entity's contribution to the overall net assets of the Group given the entity is primarily a holding company for the Group.



## Independent auditor's report to the members of Oxford Instruments plc continued

### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
<b>Performance materiality</b>	65% of Group materiality	65% of parent company materiality
<b>Basis and rationale for determining performance materiality</b>	<p>In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> <li>• Our risk assessment, including our assessment of the Group's overall control environment;</li> <li>• The disaggregated nature of the Group; and</li> <li>• The number of corrected and uncorrected misstatements identified in the previous audit by the predecessor audit.</li> </ul>	

### 6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £192,500, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identify when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Our definition of component is aligned to the reporting unit structure within the Group.

Our determination of which components to include in our audit scope considered:

- qualitative and quantitative risk factors;
- the structure of internal reporting within the Group;
- changes to the Group arising from acquisitions, disposals, or restructuring events; and
- the outcome of recent internal audit reports, or other indications of increased risk identified by management or the directors.

For the purposes of our Group audit we have performed audit procedures on one or more classes of transactions, account balances, or disclosures for components which represent 91% of revenue and 91% of profit before tax. Our work has been completed to component performance materiality levels which were lower than Group materiality, ranging from £1.3 million to £2.3 million.

As each of the components maintains separate financial records, we have engaged component auditors from Deloitte member firms in Germany, Northern Ireland and Japan to perform procedures under our direction and supervision as further described in section 7.4 below. At a Group level, we performed work on UK & US components in scope as well as testing the consolidation processes. We also performed a review at group level on components and balances that were not subject to audit procedures.

### 7.2. Our consideration of the control environment

The Group operates a range of IT systems relevant to its financial reporting processes. These can vary by geography and/or reporting entity. For certain components, we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems for each relevant component that govern the general ledger and transaction accounting balances and also included the Group's consolidation system. Our approach was principally designed to inform our risk assessment and, as such, with the involvement of our IT specialists we obtained an understanding of relevant general IT controls.

In the current year we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our understanding of the Group, including: the disaggregated nature of the control environment, which brings inherent segregation of duty challenges in certain smaller businesses; limited formality of the control environment specifically around retention of evidence of a control's operation sufficient for testing purposes; and our understanding of the Group's programme to improve its control environment. This understanding was reconfirmed in our testing results which identified a number of control deficiencies which were communicated to the Audit and Risk Committee and therefore appropriately already factored into our planned audit approach and risk assessment. We also gained an understanding of the relevant controls related to key audit matters as well as other key financial reporting process cycles to inform our risk assessment. The Group continues to invest time in responding to and addressing our observations on controls. Management determines their response to these observations and continues to monitor their resolution with reporting to and oversight from the Audit and Risk Committee as explained in their Report on pages 127 to 136, which includes consideration of developments in control in the context of the FRC guidance and changes to the Corporate Governance Code.

## Independent auditor's report to the members of Oxford Instruments plc continued

### 7.2. Our consideration of the control environment continued

As management develops and completes its controls improvement programme, we expect our audit approach to be developed to place increased reliance on controls in future years alongside these developments in the internal control environment.

### 7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group has assessed the risk and opportunities relevant to climate change and this remains a principal risk for the Group. The risk has also been considered and embedded into the businesses as explained in the Strategic Report on page 94.

As part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements.

While management has acknowledged the risks posed by climate change, they have assessed that climate change does not create any key sources of estimation uncertainty in the financial statements as at 31 March 2026 as explained in Note 1. With the involvement of our ESG specialists, we performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any additional risks of material misstatement. Our procedures include reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

### 7.4. Working with other auditors

The work of component auditors was performed under the direction and supervision of the Group audit team. The Group audit team was directly involved in the component auditors' planning and risk assessment processes, as well as during the execution of their audit work. We sent our component teams detailed instructions, reviewed the component audit working papers and findings from their work, and reviewed their reporting.

We also visited component audit teams in Germany and Northern Ireland and held in-person discussions. Prior to the commencement of our detailed audit work we held planning meetings with our component teams, led by the Group audit team. The purpose of these planning meetings was to develop our understanding of the Group's businesses, its core strategy and a discussion of the significant risks and our planned audit approach at a component level.

We provided additional guidance to the component audit teams, to identify areas of judgement and improve the quality and consistency of the audit procedures performed.

We attended component audit closing conference calls and held regular remote meetings to interact on any related audit and accounting matters. Senior members of the Group audit team were assigned to each component to facilitate an effective and consistent approach to component oversight.

### 8. Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent auditor's report to the members of Oxford Instruments plc continued

### 9. Responsibilities of directors

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

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

### 10. Auditor's responsibilities for the audit of the financial statements

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

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

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Timing of revenue recognition (revenue 'cut-off'). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

## Independent auditor's report to the members of Oxford Instruments plc continued

### 11.2. Audit response to risks identified

As a result of performing the above, we identified timing of revenue recognition (revenue 'cut-off') as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the licensing authority;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

### Report on other legal and regulatory requirements

#### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### 13. Corporate Governance Statement

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 96;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 95 and 96;
- the directors' statement on fair, balanced and understandable set out on page 131;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 79;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 132 to 133; and
- the section describing the work of the Audit and Risk Committee set out on pages 127 to 136.

## Independent auditor's report to the members of Oxford Instruments plc continued

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

#### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 15. Other matters which we are required to address

#### 15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors in October 2025 to audit the financial statements for the year ending 31 March 2026 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is one year covering the year ended 31 March 2026.

#### 15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.



**JAMES HUNTER**  
(Senior statutory auditor)

For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, United Kingdom  
8 June 2026

## Historical financial summary

	2022 £m	2023 £m	2024 £m	2025 as restated (Note 13) £m	2026 £m
<b>Consolidated Statement of Income</b>					
Revenue from continuing operations	367.3	444.7	470.4	443.4	<b>423.2</b>
Adjusted operating profit from continuing operations <sup>1</sup>	66.3	80.5	80.3	79.5	<b>73.7</b>
Intellectual property litigation settlement	(0.4)	-	3.3	-	<b>-</b>
Transaction-related costs	(0.4)	-	(1.0)	(0.7)	<b>(0.3)</b>
Release of provision on disposal	-	0.4	-	-	<b>-</b>
Defined benefit pension scheme buy-in costs	-	-	(0.4)	-	<b>(0.9)</b>
Impairment of goodwill	(1.7)	(0.5)	-	(26.0)	<b>-</b>
Restructuring costs and charges associated with management changes	-	(0.4)	(3.7)	(7.8)	<b>(9.9)</b>
Profit on disposal of assets	-	-	-	-	<b>3.7</b>
Intellectual property litigation costs	-	(0.5)	(0.4)	-	<b>-</b>
Impairment of capitalised development costs	-	(0.8)	-	-	<b>-</b>
Amortisation of acquired intangibles	(9.5)	(9.3)	(9.1)	(9.2)	<b>(7.3)</b>
Fair value movement on financial derivatives	(6.4)	3.0	(0.7)	(0.3)	<b>(1.0)</b>
Release of contingent consideration	-	-	-	2.1	<b>-</b>
Operating profit from continuing operations	48.3	72.4	68.3	37.6	<b>58.0</b>
Net financing (costs)/income	(0.7)	1.1	3.0	0.6	<b>0.5</b>
Profit before taxation from continuing operations	47.6	73.5	71.3	38.2	<b>58.5</b>
Income tax expense	(9.0)	(14.9)	(20.6)	(13.0)	<b>(14.0)</b>
Profit for the year from continuing operations	38.6	58.6	50.7	25.2	<b>44.5</b>
Adjusted profit before tax from continuing operations	65.9	82.0	83.3	80.7	<b>75.0</b>

	2022 £m	2023 £m	2024 £m	2025 as restated (Note 13) £m	2026 £m
<b>Consolidated Statement of Financial Position</b>					
Property, plant and equipment	31.7	59.3	80.5	85.6	<b>76.4</b>
Right-of-use assets	17.9	31.4	32.4	29.9	<b>29.9</b>
Intangible assets	140.7	132.1	138.2	121.8	<b>112.7</b>
Long-term receivables	-	0.5	1.3	1.0	<b>1.0</b>
Deferred and current tax	(5.4)	(2.9)	(5.8)	(2.2)	<b>(2.2)</b>
Inventories	65.3	81.4	108.1	99.1	<b>72.5</b>
Trade and other receivables	95.8	115.2	117.2	128.4	<b>127.1</b>
Trade and other payables	(141.0)	(160.6)	(166.3)	(158.3)	<b>(143.3)</b>
Lease payables	(3.5)	(5.2)	(4.8)	(4.5)	<b>(3.8)</b>
Net assets excluding net cash	201.5	251.2	300.8	300.8	<b>270.3</b>
Cash and cash equivalents	96.4	112.7	97.8	94.1	<b>106.9</b>
Bank overdrafts	(8.7)	(11.2)	(12.3)	(8.8)	<b>(12.4)</b>
Bank borrowings	(1.8)	(1.3)	(1.7)	(0.9)	<b>(0.5)</b>
Net cash	85.9	100.2	83.8	84.4	<b>94.0</b>
Lease payables	(14.9)	(26.2)	(28.6)	(26.7)	<b>(27.8)</b>
Provisions	(7.8)	(7.6)	(6.4)	(5.9)	<b>(4.3)</b>
Retirement benefit obligations	51.7	26.4	16.1	23.5	<b>8.0</b>
Net assets employed/capital and reserves attributable to the company's equity holders	316.4	344.0	365.7	376.1	<b>340.2</b>

## Historical financial summary continued

	2022 £m	2023 £m	2024 £m	2025 as restated (Note 13) £m	2026 £m
<b>Cash flows from continuing operations</b>					
Net cash from operating activities	49.1	66.5	42.4	60.5	<b>51.7</b>
Net cash (used in)/generated from investing activities	(45.6)	(36.4)	(37.5)	(26.1)	<b>39.0</b>
Net cash used in financing activities	(15.7)	(16.6)	(18.0)	(19.0)	<b>(81.9)</b>
Net (decrease)/increase in cash equivalents from continuing operations	(12.2)	13.5	(13.1)	15.4	<b>8.8</b>
	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Per ordinary share					
Earnings – continuing	67.1	101.6	87.7	44.8	<b>84.6</b>
Adjusted earnings <sup>1</sup>	94.3	112.7	109.0	112.4	<b>95.3</b>
Dividends	18.1	19.5	20.8	22.2	<b>23.6</b>
<b>Employees</b>					
Average number of employees	1,878	2,027	2,244	2,334	<b>2,186</b>

1 Adjusted numbers are stated to give a better understanding of the underlying business performance. Details of adjusting items can be found in Note 2 to the Group Financial Statements.