VICTORIA PLC

Annual Report and Accounts for the 52 weeks ended 29 March 2025

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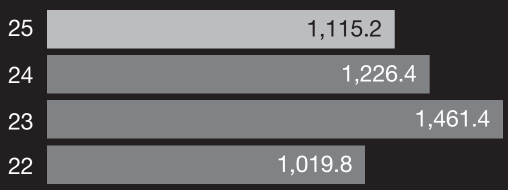
VICTORIA PLC

WELCOME TO VICTORIA PLC

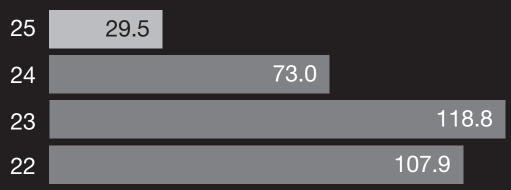
Victoria is a designer, manufacturer and distributor of innovative flooring products.

GROUP FINANCIAL AND OPERATIONAL HIGHLIGHTS

UNDERLYING REVENUE (£m)[1,2]

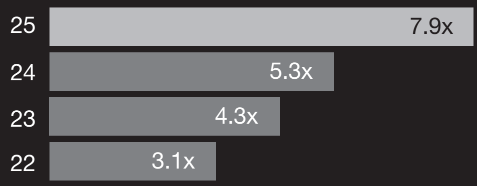


UNDERLYING OPERATING PROFIT (£m)[1,2]



IFRS REPORTED OPERATING PROFIT / (LOSS) £m[1]

NET LEVERAGE RATIO NET DEBT / EBITDA[1]



- Performance in FY2025 was impacted by lower volumes as a result of macroeconomic headwinds across our end-markets, with demand c. 15-25% below 2019 levels across different geographies, and margins impacted by operational leverage
- Management have been proactive in implementing significant “self-help” throughout the year and these are expected to benefit margins in FY2026 irrespective of market conditions
- These improvements are already taking effect and the Group’s EBITDA margin performance in H2 was significantly stronger than H1 (H1: 8.8%, H2: 11.6%), and Q4 FY2025 was the strongest margin performance since Q1 2024
- The cost savings opportunities identified and announced at H1, totalling £32m, are already delivered or on track, with a further £50m being targeted with full run-rate to be achieved by the end of FY2027 which, upon completion, will return the business back to a mid-teen EBITDA margin before the impact of cycle recovery. The cost saving projects span procurement, integration, and manufacturing efficiencies and reorganisation
- The Refinancing, which has binding support from more than 90% of the 2026 noteholders, is expected to address the 2026 maturities in full, providing the Company with significant maturity runway to execute its cost synergies program and benefit from the expected recovery in demand ahead of its future maturities. Once completed, which is expected in late August, the Company will have material liquidity, no financial covenants, no short-term maturities and a materially extended maturity profile, and the transaction will not dilute equity holders
- The Board has begun the process to appoint a new independent non-executive director who will be appointed as part of the Board’s ongoing strengthening of governance and controls, which will be a focus throughout FY2026 alongside operational efficiency improvements
- The Board remains confident in medium term recovery in volume and pricing

1. *Continuing operations from FY2024*
2. *Underlying and before exceptional and non-underlying items*

Read the **Victoria snapshot** on pages 02 and 03

OUR MISSION STATEMENT

TO CREATE WEALTH FOR OUR SHAREHOLDERS

CONTENTS

Read the **Financial review** on pages 16 to 25

Visit our corporate website www.victoriaplc.com

A Snapshot of Victoria PLC

OVERVIEW

The Group designs, manufactures and distributes a wide range of carpets, rugs, ceramic tiles, underlay, LVT (luxury vinyl tile), artificial grass and flooring accessories.

UNDERLYING REVENUE

UK & Europe Soft Flooring	52.1%
UK & Europe Ceramic Tiles	25.1%
Australia	9.3%
North America	13.5%

OPERATING PROFIT

UK & Europe Soft Flooring	50.7%
UK & Europe Ceramic Tiles	20.7%
Australia	23.0%
North America	5.6%

EMPLOYEES

UK & Europe Soft Flooring	60.8%
UK & Europe Ceramic Tiles	26.9%
Australia	6.9%
North America	5.4%

UK & EUROPE SOFT FLOORING

Underlying Revenue	Employees	m² flooring sold	m² underlay sold
£581.2m	3,255	81.5m	42.3m

UK & EUROPE CERAMIC TILES

Underlying Revenue	Employees	m² flooring sold
£280.2m	1,441	32.6m

AUSTRALIA

Underlying Revenue	Employees	m² flooring sold	m² underlay sold
£103.7m	370	7.8m	14.9m

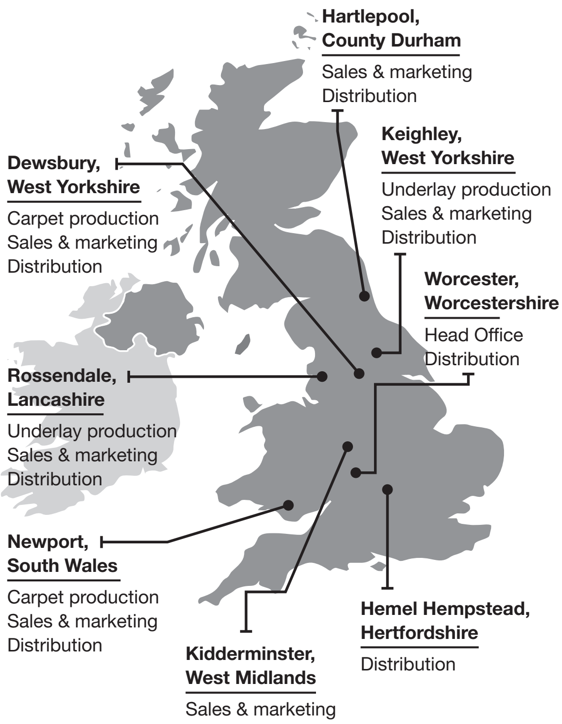
NORTH AMERICA

Underlying Revenue	Employees	m² flooring sold
£150m	289	6.7m

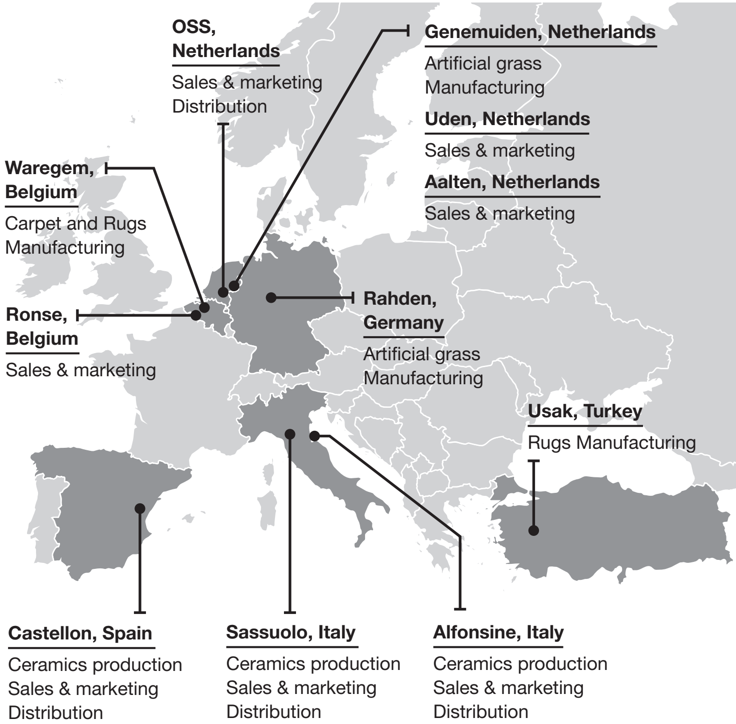
LOCATION OF OPERATIONS

The Group has operations in the UK, Europe, Turkey, the USA and Australia, employing approximately 5,350 people at more than 30 sites.

UNITED KINGDOM

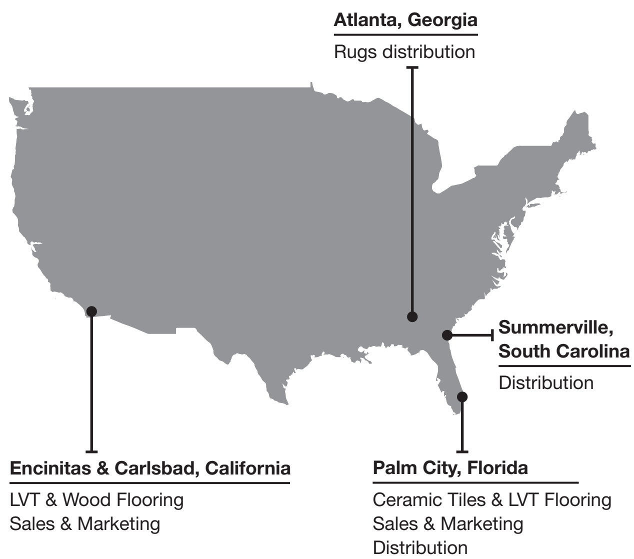


EUROPE



AUSTRALIA

NORTH AMERICA



Chairman and CEO's Review

The trading environment for the flooring industry has remained unusually difficult over the past three years. Like most industries, cyclicality is inherent in our sector although the scale and persistence of the recent downturn are unprecedented in recent memory. We nevertheless remain confident, that the factors behind this decline are not structural in nature, and that Victoria is well placed to benefit as conditions improve.

This confidence is based upon the temporary nature of the reasons for the downturn:

1. Demand has been dampened by a confluence of factors: the unwinding of COVID-era pull-forward of spending (which had delivered more than 30% organic growth in some of our divisions during that period), whilst inflation, lower consumer confidence, and high interest rates reduced housing transactions specifically and discretionary spending more broadly.

2. Additionally, the surge in energy costs following the invasion of Ukraine in 2022, coupled with the highest inflation levels in a generation, placed significant upward pressure on input costs across the sector— particularly in labour and raw materials. Muted consumer demand also constrained manufacturers' ability to pass these costs through to the market, compressing operating margins.

With the benefit of hindsight, we did not fully anticipate the duration or severity of these headwinds. While operational changes were made last year in response to softening demand and rising costs, they were not sufficient to protect earnings. As a result, FY2025 marks the second consecutive year of declining revenue and profitability, following over a decade of consistent growth.

This is not a trajectory we will allow to continue, and the fact Victoria has outperformed competitors in many of its key markets is of small comfort.

The Group is focussed on controlling what is in its control, in order to become a more efficient business that will be stronger as underlying markets improve. The following sections of this report outline a comprehensive set of "self-help" actions that are planned and underway in each division to restore momentum, rebuild margins, improve

(£ million - Continuing)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	**FY25**
Revenue	255.2	330.4	417.5	566.8	621.5	662.3	1,009.2	1,397.0	1,226.4	**1,115.2**
Underlying EBITDA - Pre IFRS16[1,2]	32.3	45.7	64.7	96.3	107.2	112.0	140.4	161.7	128.7	**81.0**
% margin	12.7	13.8	15.5	17.0	17.2	16.9	13.9	11.6	10.5	**7.3**
Underlying EBITDA - Post IFRS16					118.0	127.4	159.5	185.8	159.0	**113.7**
% margin					19.0	19.2	15.8	13.3	13.0	**10.2**

1. *The KPIs in the table above are alternative performance measures used by management along with other figures to measure performance. Full financial commentary is provided in the Financial Review below and the 'alternative performance measures' are reconciled to IFRS-compliant measures in the Financial Review.*

2. *EBITDA figures shown are underlying, before the impact of exceptional and non-underlying items.*

return on capital employed, and return the business to sustainable growth – irrespective of market conditions.

The objectives of this report are to help our shareholders better understand the business and be able to reach an informed view of the value of the Company, its future prospects, and its financial resilience.

To communicate this information, we include both IFRS and non-IFRS performance measures. The review focuses on the underlying operating results of the business, which delivered underlying EBITDA of £113.7 million (FY2024: £159.0m) and underlying EBIT of £29.5 million (FY2024: £73.0m). The Financial Review covers non-underlying items in detail, following which the IFRS reported operating loss was £225.4 million (FY2024: loss £64.8m), and additionally covers financial items and tax.

FY2025 OPERATIONAL REVIEW

Overview

While we fully expect demand to normalise over time — reversion to the mean is a powerful market force within cyclical consumer industries — we are not waiting passively for recovery. Across each division, we are executing a targeted programme of operational and strategic initiatives, evaluated rigorously against five key criteria:

1. **Return on Capital.** Each initiative is assessed through a disciplined capital allocation lens. While some projects — such as centralised procurement — require minimal or no investment, others necessitate targeted capital expenditure. Only those with the strongest, near-term returns across the group are being pursued, ensuring we optimise shareholder value at every stage.
2. **Driving Cost Efficiency.** Despite cost actions taken to date, we continue to identify meaningful opportunities to drive further efficiencies across procurement, logistics, and administrative functions using our scale to our advantage. These improvements will enhance our through-cycle profitability, regardless of market conditions.
3. **Improving Productivity.** We are accelerating operational integration and selectively consolidating production across sites, and relocating manufacturing capacity to lower cost geographies. These steps will enhance our margins and, importantly, they will also position us to benefit disproportionately from any upswing in demand through the amplifying effect of operational leverage.
4. **Generating Cash.** A key priority for the Group is the generation of meaningful and sustained cash flow. Every initiative underway is designed with this imperative in mind — to support investment where justified, strengthen the balance sheet, and provide flexibility in a more volatile macroeconomic environment.
5. **Preserving Capacity.** Although current volumes are subdued, we are taking care to preserve our ability to respond to future demand growth. By maintaining critical production and distribution capacity, we are safeguarding our ability to scale efficiently and take market share when the cycle turns.

As we review each of the divisions in this report below, we will also outline some of the projects planned and underway to deliver improved earnings and cash flow.

DIVISIONAL REVIEW

This section focuses on the underlying operating performance of each individual division, excluding exceptional and non-underlying items, which are discussed in detail in the Financial Review.

UK & Europe Soft Flooring – Reinforcing UK strength and optimising cost structure

	FY25	FY24	Growth
Volumes (sqm)	**123.8 million**	124.0 million	–0.2%
Underlying Revenue	**£581.2 million**	£636.2million	–8.6%
Underlying EBITDA	**£64.3 million**	£82.8 million	–22.3%
Underlying EBITDA margin	**11.1%**	13.0%	–195bps
Underlying EBIT	**£18.9 million**	£34.6 million	–45.4%
Underlying EBIT margin	**3.3%**	5.4%	–219bps

Victoria continues to be Europe's largest soft flooring manufacturer and distributor incorporating carpet, underlay, rugs, LVT, and artificial grass.

Chairman and CEO's Review

In previous years we have explained to shareholders the sustainable strategic advantage Victoria's integrated logistics platform, Alliance Distribution, provides our UK business. This operation has now been expanded further into the Republic of Ireland, Northern Ireland, and Scotland, where it continues to provide best-in-class service – opening additional markets for Victoria's product range. Last year Alliance also began providing services to third party soft flooring manufacturers, generating income for the Group, and reinforcing the strength of our network. In addition, in April 2025 we began using Alliance's distribution capabilities to expand the product offering to our customers, outlined below, which will provide additional growth potential within our existing distribution network.

The UK is by some considerable margin the largest carpet market in Europe, consuming c.125 million sqm per year (by comparison, the second-largest market is Germany, which buys c.30 million sqm of soft flooring per year), of which Victoria has about an 18% market share. However, there are about 60 million sqm of other flooring product groups being sold in the UK market and which are actionable for Victoria through its different brands:

- Cushioned vinyl 22 million m^2
- Laminate (excl DIY) 12.5 million m^2
- LVT 15 million m^2
- Engineered Wood 10 million m^2

Victoria's current market share in these products is c. 2%. A plan to triple volumes across these categories, acting as a pure distributor and leveraging Alliance's logistics capability is being executed, which would generate at least £20 million per annum of additional revenue at margins ahead of the divisional average.

In FY2025 the volume rugs segment (Balta) experienced a difficult environment generally, but particularly in two of its largest markets, the US and Germany. This created a material drag on this division's margins. Excluding the impact of Balta, the soft flooring division's margins for FY2025 increased by c.200bps to 15.4%. Significant cost saving initiatives at Balta have already been completed but management are now looking closely at the opportunity to further orientate the manufacturing footprint towards Turkey, where the Company already has two modern, certified and low-cost factories. A lot of upside opportunity remains, with lower production costs and improved margins expected to increase the international competitiveness of Balta's rugs.

UK & Europe Ceramic Tiles – structural transformation underway to unlock long-term value

	FY25	FY24	Growth
Volumes (sqm)	**32.6 million**	35.9 million	–9.1%
Underlying Revenue	**£280.2 million**	£320.8 million	–12.6%
Underlying EBITDA	**£34.9 million**	£58.7 million	–40.5%
Underlying EBITDA margin	**12.5%**	18.3%	–582bps
Underlying EBIT	**£7.7 million**	£31.3 million	–75.5%
Underlying EBIT margin	**2.7%**	9.8%	–702bps

The ceramics division experienced a challenging year, with revenues and margins under pressure across the entire sector due to a combination of market dynamics and short-term disruptions. Furthermore, the high operational leverage inherent in ceramics production (kilns must operate continuously regardless of volume) meant lower volumes had a disproportionate impact on earnings. Therefore, we have implemented significant restructuring and strategic initiatives during H2 FY2025, to deliver improved near-term earnings whilst positioning the business for stronger performance and profitability as demand conditions improve.

A management decision to hold prices in the face of very weak demand to safeguard brand equity impacted near-term volumes but was judged to be important for the medium-long term. Price, once discounted by a premium brand, is extremely difficult to recover and can lead to a permanent loss of margin. Consequently, despite the very weak market, the average sales price per square metre (EUR) fell only modestly by 2.3%, reflecting this disciplined pricing approach. To compensate, management were able to reduce average production cost per square metre by 6.8% during the year due to labour savings of €1.9 million, a 25% reduction in customer claims from quality improvements, improved energy costs, and value engineering of certain products.

A step-change in earnings will become apparent with the completion later this year of the V4 production line in Spain. Shareholders may recall work began on this large and ultra-efficient line in FY2024 and completion has been bought forward into Q3 FY2026. Production costs will reduce by £16-19 million per annum when this line comes on-stream at full capacity.

SKU rationalisation reduced SKUs c.30%, enhancing inventory efficiency and improving On-Time In-Full (OTIF) delivery performance to 92%. Further gains are possible, with a consequential improvement in working capital.

The sale of our Turkish ceramics business, Graniser, in November 2024 removed a revenue contributor that generated approximately €15 million in H2 FY2024. While this sale reduced FY2025 revenue on a like-for-like basis, it released capital to reduce debt, and included a long-term sourcing agreement that preserves access to low-cost, high-quality tile manufacturing—thereby retaining the original strategic rationale of the acquisition.

All results are shown on a continuing operations basis, unless stated otherwise (Graniser, Turkish ceramics has been classified as discontinued).

It is important to note that notwithstanding all the steps taken to restructure the ceramics business, reduce costs, and improve operational efficiency, the structural capacity remains intact to support an eventual recovery in demand, but with improved cost control, optimised product portfolios, and better use of manufacturing assets which is expected to enhance profitability over the medium term. Savings executed throughout H2 FY2025 has meant that the ceramics division now possesses an excellent industrial gross margin, reflecting solid underlying efficiency and significant potential for earnings recovery as volume returns.

Australia – Resilient performance and positive outlook

	FY25	FY24	Growth
Volumes (sqm)	**22.7 million**	22.3 million	1.8%
Underlying Revenue	**£103.7 million**	£106.1 million	–2.3%
Underlying EBITDA	**£14.0 million**	£13.4 million	3.9%
Underlying EBITDA margin	**13.5%**	12.7%	+80bps
Underlying EBIT	**£8.6 million**	£8.7million	–1.7%
Underlying EBIT margin	**8.3%**	8.2%	+6bps

The Australian business continued to perform well, delivering a solid result despite continued softer demand, largely reflecting the same aforementioned macroeconomic headwinds experienced across Victoria's other markets. Nonetheless, the business maintained healthy margins, supported by disciplined cost control and price adjustments in response to moderating input costs.

All core product segments, synthetic carpet, wool carpet, and underlay, performed in line with budget expectations. The LVT segment encountered a more competitive landscape, but continued product development already in process and innovation are expected to support further growth. Opportunity remains to deliver cost savings through efficiencies across our Australian businesses, which management are actively exploring.

Victoria's strong market share and operational expertise in Australia have been key factors in the business's resilience. With no structural changes in market dynamics and ongoing drivers such as population growth through inward migration and new household formation, the Company anticipates a recovery in demand as macroeconomic pressures ease.

North America – Resilient positioning in a challenging market

	FY25	FY24	Growth
Volumes (sqm)	**6.7 million**	6.8 million	–2.0%
Underlying Revenue	**£150.0 million**	£163.3 million	–8.1%
Underlying EBITDA	**£7.5 million**	£11.8 million	–36.5%
Underlying EBITDA margin	**5.0%**	7.3%	–224bps
Underlying EBIT	**£2.1 million**	£6.8 million	–68.9%
Underlying EBIT margin	**1.4%**	4.1%	–274bps

Victoria's North American operations are exclusively focused on distribution, supplying a mix of own-manufactured products, such as rugs, artificial turf, and ceramic tiles, produced in our European facilities, alongside third-party sourced flooring. As has been widely reported by peers in the sector, North American trading conditions remain highly challenging. Elevated mortgage rates have driven U.S. housing transactions to their lowest levels in 27 years, significantly dampening demand across the industry.

Chairman and CEO’s Review

In this context, operational efficiency has been a significant focus for management, and cost savings are being rapidly executed. These have included pricing initiatives, minimum order quantities and reduction of heads. The benefits of these began to be realised in Q4 FY2025 and will benefit FY2026.

Whilst of little impact in FY2025, the recently announced US tariff regime has obviously been a focus post year end. Firstly, it is important to note that as currently structured the tariffs impact Victoria’s US business less than many of our competitors. For example, lumber-based flooring, which is 20% of our US revenue is exempt from tariffs. More importantly, as a pure distribution business, the division has the flexibility to source from lower tariff jurisdictions (including US domestic manufacturers) unlike competitors with fixed production sites in higher tariff countries.

However, management also took swift action to mitigate the residual tariff exposure. Ahead of the tariff announcement we built inventory – either within the U.S. or in transit, which is exempt from tariffs – to provide management an opportunity to negotiate vendor concessions and evaluate customer price adjustments before shipping products subject to the new tariffs. We expect imports to remain a significant proportion of the US market into the medium term as there is not currently production capacity domestically to supply the current demand.

The Board remains vigilant for any second order impacts of the tariff related disruption, but currently believes the self-help initiatives being implemented will be more material to improving the division’s performance in FY2026.

CASH FLOW & LIQUIDITY

Net operating cash flow was in line with management expectations with Free Cash Flow of £(56.8) million after movements in working capital, tax, interest payments, capex, and all exceptional costs.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
IFRS Reported EBITDA	5.3	8.7	30.4	43.1	53.5	72.5	60.3	120.3	134.1	85.0	69.0	**(98.4)**
Adj EBITDA	5.1	15.8	32.3	45.7	64.7	96.3	118.0	127.4	159.5	185.8	159.0	**113.7**
Adj EBITDA (pre IFRS-16)	5.1	15.8	32.3	45.7	64.7	96.3	107.2	112.0	140.4	161.7	128.7	**81.0**
FCF[1]	18.3	8.4	15.3	22.5	12.5	8.9	32.2	30.2	20.1	5.9	32.1	**(21.3)**
FCF post pref[2]	18.3	8.4	15.3	22.5	12.5	8.9	32.2	27.6	10.6	(12.9)	(12.3)	**(56.8)**

1. *FCF: Net cash flow from operating activities after movements in working capital, tax, interest payments, all capex, and all exceptional costs.*
2. *FCF post-pref: Net free cash flow defined as above but assuming 100% of the preferred share dividend was paid in cash instead of PIK.*

As previously guided, capital expenditure normalised during the year, with total spend of £77.2 million, including the one-off investment in the new V4 ceramics line in Spain. Normalised capex investment is expected to be broadly £60 million per year, reflecting the Group’s ongoing focus on disciplined capital allocation and operational efficiency.

Tightening credit insurance policies across the building products sector impacted trading terms during the period, including for Victoria. In response, the Group continued to implement targeted inventory rationalisation initiatives aimed at improving working capital. This remains a key area of focus, with structured internal incentives in place to support delivery of defined improvement targets.

Victoria maintained a strong liquidity position at year-end, with total cash and undrawn credit facilities exceeding £150 million. This provides the Group with flexibility to manage market conditions while continuing to invest in strategic initiatives.

Refinancing has been a significant focus for the Group in FY2025. The proposed refinancing will provide a strong and flexible financing structure for the business to implement it self-help led recovery plan and to continue consolidating its position as a leader in the flooring industry as the cycle-recovers. Further detail on refinancing considerations is provided within the Financial Review section of this report.

CAPITAL ALLOCATION

The Board evaluates all investment decisions through the lens of maximising medium-term free cash flow per share. This disciplined approach underpins the Group's financial strategy, and allows investment where there is a clear opportunity to enhance the long-term cash-generating capacity of the business.

Consistent with this philosophy, the Board has made two notable strategic investments over the past decade. Firstly, in FY2019 to integrate the UK manufacturing operations and develop the Alliance centralised logistics platform, which required an exceptional investment of £20.9 million; and more recently, exceptional expenditure of £28.9 million, to support the integration and optimisation of Balta, acquired in April 2022. In the case of the Balta restructuring capex, it was offset by the sale of surplus real estate arising from the reorganisation for £58 million. Both initiatives were significant investments in both time and resources but have strengthened the Group as we look towards the next cycle.

To provide shareholders with greater transparency, Table A presents a seven-year breakdown of capital expenditure, distinguishing between growth and maintenance spending. This historical context helps clarify the Group's underlying maintenance capex requirements:

Table A

Capex	FY19 £m	FY20 £m	FY21 £m	FY22 £m	FY23 £m**	FY24 £m**	**FY25 £m**
Maintenance	23.5	25.4	20.9	40.9	45.5	42.3	**46.9**
Expansionary / Reorganisational*	20.9	8.4	7.6	12.4	54.1	19.2	**30.3**
Total	44.4	33.8	28.5	53.3	99.6	61.5	**77.2**
Maintenance Capex as a percentage of revenue	4.1%	4.1%	3.2%	4.0%	3.1%	3.4%	**4.2%**

* *Includes capital expenditure incurred as part of reorganisational and synergy projects to drive higher productivity and lower operating costs.*

** *The step-up in FY23 is due to the Balta acquisition, which has both a short-term impact from integration, plus an ongoing increase in quantum (albeit not percentage) due to the increased size of the Group.*

Table B summarises the exceptional expenditure items in FY2025.

Table B

Exceptional reorg costs (by area)	Redundancy cash costs £m	Legal & Professional cash costs £m	Asset removal / relocation cash costs £m	Provisions movement / other non-cash £m	**FY2025 Total £m**	FY2024 Total £m
Balta re-organisation	4.0	3.8	–	(3.0)	**4.8**	14.9
Ceramics re-organisation	0.8	0.4	1.5	2.7	**5.4**	0.1
UK Carpets re-organisation	0.8	0.5	2.4	0.2	**3.9**	–
Interfloor re-organisation	1.0	0.4	0.6	0.4	**2.4**	–
Cali integration	0.2	–	0.1	–	**0.3**	0.8
Total	6.8	5.1	4.6	0.3	**16.8**	15.8

The Board will prioritise allocation of the Group's free cash flow to prudently optimise the Group's balance sheet together with maximising the medium-term free cash flow per share. The Board acknowledges the significant investment in time and resources required to deliver operational differentiation and the right strategic structure of the Group. However, as a listed company with a permanent equity base, we are better placed to make these tough decisions than owners who may have a shorter-term horizon.

Chairman and CEO's Review

LEVERAGE

The Board recognises that the Group's current level of leverage is above what we would consider optimal for the business over the long term. While the Group retains strong liquidity — with more than £150 million of cash and available facilities — reducing leverage is a clear priority for the Board.

This will be achieved by increasing the Group's earnings through the execution of the internal initiatives outlined throughout this Report, which are designed to materially lower the Group's cost base and improve manufacturing productivity. The Group's federated structure provides flexibility to monetise operating assets if desired and if better returns can be achieved by deploying capital elsewhere in the group or by reducing leverage.

This commitment is demonstrated clearly by the recent disposal of Graniser, and we are confident that this disciplined approach will deliver meaningful progress on leverage while supporting the Group's long-term growth ambitions.

DIVIDENDS

It is the Board's view that there are significant opportunities to invest in the business significantly ahead of its cost of capital and that the Group will benefit from ongoing reduction in its leverage levels. Therefore, the Company does not expect to pay dividends in the medium term.

OUTLOOK

After nearly three years of intense macroeconomic headwinds — marked by elevated input costs and significantly suppressed demand — there are tentative signs that the trading environment has stabilised, and in some geographies is beginning to improve. However, the Board and management remain firmly focused on factors within our control. Significant initiatives (outlined to shareholders in the FY2025 Interim Report) were delivered by the end of FY2025 and underpin the expected significant uplift in earnings in FY2026.

Our near-term priority is to continue executing internal "self-help" initiatives that drive margins, earnings and enhance cash generation, ensuring the Group emerges stronger regardless of the pace or shape of macro recovery. The board reconfirms its commitment to the £80m cumulative cost savings targeted by the end of FY2027 set in the Q3 update. This implies a further £50m of cost savings to be executed through FY2026 and FY2027, equivalent to an incremental 4% of margin based on FY2025 revenue.

Acquisitions:

Acquisitions remain a central pillar of Victoria's growth strategy. We now have a number of leading platforms within our portfolio, which are increasingly integrated and makes us the natural consolidator within those markets. The Board is rightly

prioritising the substantial value that can be unlocked from within existing operations, but continues to maintain dialogue with potential acquisition targets. When market conditions align we will seek to acquire businesses available at attractive valuations that offer clear actionable synergies with our existing operations.

This disciplined approach – and buying near the bottom of the cycle – has the potential to materially improve earnings per share and accelerate de-leveraging.

Operations:

Notwithstanding the work that has been completed over the last 24 months, there remains considerable scope to drive additional productivity gains across the business, as outlined in this Report. Consequently, our immediate focus remains on driving internal performance through a disciplined programme of "self-help" initiatives. These actions — centred on cost efficiency, margin enhancement, and working capital improvement — are grounded in execution, not macro timing and therefore fully within our control and designed to deliver tangible gains in earnings and cash flow regardless of the macroeconomic backdrop.

Whilst we are very focused on improving financial performance, it is important to also appreciate Victoria's key strengths: leading market positions, a portfolio of upper mid-market and premium brands, a diversified and loyal customer base, strong distribution capabilities in high value markets, a differentiated service proposition, a cash generative and high returns business model through the cycle.

CONCLUSION

Henry Ford famously said, "You can't build a reputation on what you're going to do." The Board and management fully acknowledge this truth — and the imperative it places on us to deliver. While this Report outlines a number of initiatives underway to rebuild profitability, we are equally focused on restoring Victoria's decade-long reputation as a creator of shareholder value, following two challenging years. The conclusion of our refinancing will provide a strong and flexible base to build from as we enter the next cycle.

Whilst recent cyclicality has impacted our performance, it is important, to view recent performance in the context of the industry in which we operate. The flooring market in Victoria's core regions — Europe and the US — is substantial, with an estimated value of around USD 60 billion (GBP 51 billion) and over the last 25 years, this market has delivered consistent volume growth of approximately 2.6% per annum. This long-term trend has been severely interrupted in recent years, yet both the underlying need for flooring remains, along with a bias towards growth underpinned by structural factors that remain firmly in place: an ageing housing stock requiring renovation, growing household formation, persistent housing shortages, and consumers' increasing focus on design and lifestyle. Therefore, as macroeconomic conditions improve, volumes are expected to rebound toward their long-term trajectory.

That is the nature of cyclical industries: recovery follows contraction. (And to remind shareholders of the potential: a 5% increase in volume demand is expected to contribute approximately £25 million to Victoria's earnings — and volumes are estimated to be down 20-25% on 2019 levels.)

In the meantime, our focus remains on what we can control: executing cost-efficiency programmes, driving productivity, and gaining share in our markets. The timing of the demand rebound may be uncertain, but with each passing month we move closer to that inflection point — and we are positioning the business to be ready to capitalise.

Geoffrey Wilding
Executive Chairman

Philippe Hamers
Chief Executive Officer

24 July 2025

Strategic Report

BUSINESS OVERVIEW

Victoria PLC is a designer, manufacturer and distributor of innovative flooring products. The Group is headquartered in the UK, with operations across the UK, Spain, Italy, Belgium, the Netherlands, Germany, Turkey, the USA, and Australia, employing approximately 5,350 people at more than 30 sites.

The Group designs and manufactures a wide range of wool and synthetic broadloom carpets, rugs, flooring underlay, ceramic tiles, LVT (luxury vinyl tile) and hardwood flooring products, artificial grass, carpet tiles and flooring accessories.

A review of the performance of the business is provided within the Financial Review.

BUSINESS MODEL

VICTORIA'S BUSINESS MODEL IS UNDERPINNED BY FIVE INTEGRATED PILLARS:

1. **Superior customer offering**
Offering a range of leading quality and complementary flooring products across a number of different brands, styles and price points, focused on the mid-to-upper end of the market or specialist products, as well as providing market-leading customer service.

2. **Sales driven**
Highly motivated, independent and appropriately incentivised sales teams across each brand and product range, ensuring delivery of a premium service and driving profitable growth.

3. **Flexible cost base**
Multiple production sites with the flexibility, capacity and cost structure to vary production levels as appropriate, in order to maintain a low level of operational gearing and maximise overall efficiency.

4. **Focused investment**
Appropriate investment to ensure long-term quality and sustainability, whilst maintaining a focus on cost of capital and return on investment.

5. **Entrepreneurial leadership**
A flat and transparent management structure, with income statement 'ownership' and linked incentivisation, operating within a framework that promotes close links with each other and with the PLC Board to plan and implement the short and medium-term strategy.

STRATEGY

The Group's strategy is to create wealth for its shareholders by delivering profitable and sustainable growth, through both acquisitions and organic drivers.

In terms of acquisitions, the Group continues to seek and monitor good opportunities in key target markets that will complement the overall commercial offering and help to drive improvement in our KPIs. Funding of acquisitions is primarily sought from debt finance to maintain an efficient capital structure, insofar as a comfortable level of facility and covenant headroom is maintained.

Although acquisitions remain a core part of Victoria's growth strategy, current focus involves completing integration projects to strengthen cost management and improve productivity to support the Group's overall strategy.

KEY PERFORMANCE INDICATORS

The KPIs monitored by the Board and the Group's performance against these are set out in the table below and further commented upon in the Financial Review.

	2025 £'m	2024 £'m
Underlying revenue	**1,115.2**	1,226.4
% change at constant currency	**(6.2)%**	(10.6)%
Underlying EBITDA	**113.7**	159.0
% margin	**10.2%**	13.0%
Underlying operating profit	**29.5**	73.0
% margin	**2.6%**	6.0%
Operating cash flow[1]	**45.1**	109.3
% conversion against underlying EBITDA (pre-IFRS 16)	**56%**	85%
Free cash flow[2]	**(36.2)**	35.0
% conversion against underlying operating profit	**(122.7)%**	48%
Underlying pre-IFRS 16 EBITDA per share (diluted)	**34.67p**	77.34p
Loss / (earnings) per share (diluted, adjusted)	**(5.18p)**	19.35p
Operating cash flow per share[3]	**39.67p**	94.92p
Net leverage ratio (net debt / EBITDA)	**7.90x**	5.28x

* *Alternative performance measures are reconciled to IFRS measures in the appendix to this report.*

1. *Operating cash flow shown before interest, tax and exceptional items.*

2. *Before investment in growth capex, acquisitions and exceptional items.*

3. *Operating cash flow per share based on weighted average number of ordinary shares (non-diluted).*

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith would be most likely to promote the success of the Company for the benefit of the members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to:

- The likely consequences of any decisions in the long-term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business and conduct; and
- The need to act fairly between shareholders of the Company.

Strategic Report

During the year ended 29 March 2025 the Directors consider they have, individually and collectively, acted in a way that is most likely to promote the success of the Company for the benefit of its shareholders as a whole and have given due consideration to each of the above matters in discharging their duties under section 172. The stakeholders we consider in this regard are our employees, our shareholders, financing parties, bondholders and other investors, and our customers and suppliers. The Board recognises the importance of the relationships with our stakeholders in supporting the delivery of our strategy and operating the business in a sustainable manner.

When considering key corporate decisions, such as material acquisitions or financing arrangements the Board considers the interests and objectives of the Company's stakeholders, in particular its shareholders. In doing so, the potential risk and rewards of these transactions are carefully balanced. A careful and consistent financial policy is employed, focusing on maintaining a level of financial leverage that the Board consider to be sustainable through economic cycles, and long-dated and flexible financing terms in relation to covenants and restrictions. Where there are potential material financial costs or redemption requirements within financing arrangements, for example the make-whole provisions in the Company's senior notes and preferred equity, or the change in control provisions in the preferred equity, the Board considers the likelihood of these scenarios and any potential mitigating actions.

Directors are briefed on their duties as part of their induction and they can access professional advice on these from an independent advisor throughout the period a director holds office. The Directors fulfil their duties partly through a governance framework; the Board has adopted the Quoted Companies Alliance ("QCA") Code and the Group's application of this code is detailed on the Group's website.

The Board recognises the importance of building and maintaining relationships with all key stakeholders to achieve long-term success.

Further details on the Company's strategy and long-term decisions are set out in the Outlook and Conclusion sections of Chairman and CEO's Review.

Further details of our stakeholder engagement are set out in the Directors Report on pages 52 to 55.

Further details of the impact of the Company's operations on the community and the environment are set out in the Environmental, Social and Governance Report on pages 26 to 50.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board and senior management team of Victoria identifies and monitors principal risks and uncertainties on an ongoing basis. These include:

Inflation – The issues surrounding inflation have the capacity to impact companies' earnings by interrupting supply chains, workforce sustainability, demand and rising interest costs.

The Group is well positioned to manage this risk and uncertainty; the key reasons being:

1. Victoria has the ability to increase prices and implemented price increases during the year ended 29 March 2025 to protect our cash margin, whilst maintaining a strong competitive position during a period in which some market participants found the operating environment very challenging;
2. Management are focussed on completing a number of integration projects (set out in the Chairman and CEO's Review on page 06), that will increase operating margins, mitigating some inflationary pressures;
3. We actively hedge or otherwise manage key input costs to provide management with time to adapt our business and prices to higher input costs so that margins are protected;
4. The main component of the Group's debt is held in Senior Secured Notes ("bonds") and carry a fixed coupon. Therefore the key finance cost base of the Group is protected from any short-term increases in interest rates. A refinancing exercise is underway, in respect of these bonds and described in detail within the Financial Review.

On the demand side specifically, Victoria operates in the mid to high-end of the flooring market, where customers are less sensitive to economic uncertainty and inflation. Nonetheless, in the event of lower demand for a period, Victoria is well placed to manage this for the following reasons:

1. Victoria has averaged 85% pre-tax operating cash conversion in the last five years, and this high cash conversion[1] ensure the Group continues to generate cash, even during periods of lower demand;
2. Much of our production output is supplied to order, not supplied for inventory. This reduces exposure to de-stocking risks;
3. A resilient balance sheet with cash and undrawn credit lines in excess of £150 million.

[1] *Cash flow before financing and investing items (including capex), exceptional items and tax; Conversion from pre-IFRS 16 EBITDA.*

Competition – the Group operates in mature and highly competitive markets, resulting in pressure on pricing and margins. Management regularly review competitor activity to devise strategies to protect the Group's position as far as possible.

Economic conditions – the operating and financial performance of the Group is influenced by specific economic conditions in the geographic areas within which it operates, in particular the Eurozone, the UK, North America and Australia. Economic risks in any one region are mitigated by the independence of the Group's four divisions. The Group remains focused on driving efficiency improvements, cost reductions and ongoing product development to adapt to the current market conditions.

Key input prices – material adverse changes in energy prices and certain raw material prices – in particular wool and synthetic yarn, polyurethane foam, and clay – could affect the Group's profitability. Key input prices are closely monitored and the Group has a sufficiently broad base of suppliers to remove arbitrage risk, as well as being of such a scale that it is able to benefit from certain economies arising from this. Whilst there is some foreign exchange risk beyond the short-term hedging arrangements that are put in place, the Group experiences a natural hedge from multi-currency income as the vast majority of the Group's cost base remains in domestic currency (Euros, Sterling, US Dollars and Australian Dollars).

Acquisitions – acquisition-led growth is a key part of the Group's ongoing strategy, and risks exist around the future performance of any potential acquisitions, unforeseen liabilities, or difficulty in integrating into the wider Group. The Board carefully reviews all potential acquisitions and, before completing, carries out appropriate due diligence to mitigate the financial, tax, operational, legal and regulatory risks. Risks are further mitigated through the retention and appropriate incentivisation of acquisition targets' senior management. Where appropriate the consideration is structured to include deferred and contingent elements which are dependent on financial performance for a number of years following completion of the acquisition.

Other operational risks – in common with many businesses, sustainability of the Group's performance is subject to a number of operational risks, including Health & Safety, major incidents that may interrupt planned production, cyber security breaches and the recruitment and retention of key employees. These risks are monitored by the Board and senior management team and appropriate mitigating actions taken.

On behalf of the Board

Geoffrey Wilding
Executive Chairman

24 July 2025

Financial Review

HIGHLIGHTS

FY2025 saw the continuation of a challenging trading environment as end markets continued to adapt to higher interest rates across our key geographies. Victoria has used this period of cyclically lower demand to focus on managing the things that it can control through targeted cost saving initiatives across its businesses.

Volumes and revenue declined across the Group with UK & Europe Soft Flooring being the most impacted. Underlying Revenue for the Group was 9% down at £1,115.2m and Underlying EBITDA declined to £113.7m as lower volumes adversely impacted operational leverage. The decline in volumes has been partially offset by the ongoing cost saving initiatives implemented by each division and the Group as a whole, and it is expected that FY2026 will benefit from the full year impact of these improvements.

This Financial Review is structured into several sections, focused on the detail within the financial statements which warrants further explanation or granular analysis. Commentary on the underlying performance of the Group, analysing the trends in underlying revenue and operating margins, and other commercial activities in the year is provided in the Divisional Review section of the Chairman & CEO Report. The Exceptional & Non-Underlying Items section below provides an important, detailed report on all of the items that bridge from the underlying results (for example, underlying operating profit of £29.5 million) to the IFRS statutory performance of £225.4 million operating loss and, ultimately, £239.6 million continuing loss after tax. The final sections set out the cash flows of the Group on a basis consistent with past years, and the year-end net debt position.

Underlying measures of performance are classified as 'Alternative Performance Measures' and should be reviewed in conjunction with comparable IFRS figures. It is important to note that these APMs may not be comparable to those reported by other companies. Underlying results exclude significant costs (such as significant legal, major restructuring and transaction items), they should not be regarded as a complete picture of the Group's financial performance, which is presented in its Total results. The exclusion of other Adjusting Items may result in Adjusted Earnings being materially higher or lower than Total Earnings. In particular, when significant impairments, restructuring changes and legal costs are excluded, Adjusted Earnings will be higher than Total Earnings.

A summary of the underlying and reported performance of the Group is set out below.

	2025			2024		
	Underlying performance £m	**Non-underlying items £m**	**Reported numbers £m**	Underlying performance £m	Non-underlying items £m	Reported numbers £m
Revenue	**1,115.2**	**2.9**	**1,118.1**	1,226.4	7.7	1,234.1
Gross profit / (loss)	**361.0**	**(24.9)**	**336.1**	414.2	(18.4)	395.8
Margin %	**32.4%**			33.8%		
Amortisation of acquired intangibles	**–**	**(31.5)**	**(31.5)**	–	(38.6)	(38.6)
Other operating expenses	**(331.5)**	**(198.5)**	**(530.0)**	(341.2)	(80.8)	(422.0)
Operating profit / (loss)	**29.5**	**(254.9)**	**(225.4)**	73.0	(137.8)	(64.8)
Margin %	***2.6%***			*6.0%*		
Add back depreciation & amortisation	**84.3**			85.9		
Underlying EBITDA	**113.7**			158.9		
Margin %	***10.2%***			*13.0%*		
Preferred equity items	**–**	**1.0**	**1.0**	–	(5.4)	(5.4)
Other finance costs	**(41.0)**	**(1.4)**	**(42.4)**	(41.9)	(4.8)	(46.7)
(Loss) / profit before tax	**(11.5)**	**(255.3)**	**(266.8)**	31.1	(148.0)	(116.9)
(Loss) / profit after tax	**(12.1)**	**(227.5)**	**(239.6)**	32.2	(127.9)	(95.7)
EPS basic	**(10.62p)**		**(210.26p)**	27.99p		(83.15p)
EPS diluted	**(5.18p)**		**(210.26p)**	19.35p		(83.15p)

Alternative performance measures are reconciled to IFRS measures in the appendix to this report.

The Group incurred £208.1 million of exceptional operating costs during the year, primarily a non-cash cost resulting from the impairment of intangible and tangible assets. In addition, the Group incurred £31.5 million of amortisation of acquired intangibles (primarily customer relationships and brand names) and other non-underlying items of £15.3 million (primarily the accounting impact of non-cash share incentive plan charges and hyperinflation accounting). The significant majority of these costs, £238.2m, are non-cash, with only £16.7m being cash costs incurred by the business. Further details are provided later in this Financial Review.

ACQUISITIONS AND DISPOSALS

On 18 November 2024, the Group completed the sale to dispose of B3 Ceramics Danismanlik ("Graniser") following the significant negative impact of geopolitical instability in several of its key markets. Graniser was a specific business segment within the UK & Europe - Ceramic Tiles (Spain / Turkey CGU). As a result, the operations of Graniser have been classified as discontinued operations in accordance with IFRS 5. Total consideration received was €36.8 million (£30.9m[1]) paid as €10.0 million (£8.4 m[1]) cash on completion, plus the assumption of €26.8 million (c. £22.5m[1]) of net debt resulting in a net gain on sale after tax of £7.2m. All obligations and liabilities associated with the discontinued operation have been transferred to the buyer as part of the transaction. The business was loss-making at the time of sale, resulting in a positive impact on Group earnings, as well as providing a release of capital, and demonstrates the board's ongoing focus on ROCE and disciplined capital allocation.

1. *Converted to GBP at a rate of 1.19 GBP/EUR.*

Financial Review

FINANCING

Debt financing and facilities

Currently the Group's senior debt comprises €489 million (c. £430m) of notes with a fixed coupon of 3.625% and maturity of August 2026, and €250 million (c. £220m) of notes with a fixed coupon of 3.75% and maturity of March 2028 along with a £150m Revolving Credit Facility which matures in February 2026.

Other debt facilities in the Group represent small, local working capital facilities at the subsidiary level, which are renewed or amended as appropriate from time to time. The total outstanding amount drawn from these facilities at the year-end was £96.5 million, as shown below in the Net Debt section of this Financial Review.

Preferred equity

There have been no changes to the preferred equity arrangements in the year, with a total in issue of £225 million (plus those issued for the 'Payment In Kind' of the fixed coupon, whereby new preferred shares are issued as opposed to cash payment, at the Group's option).

Further details of the preferred equity and their accounting treatment are provided in Note 17 to the Accounts.

EXCEPTIONAL AND NON-UNDERLYING ITEMS

This section of the Financial Review runs through all of items classified as exceptional or non-underlying in the financial statements. The nature of these items is, in many cases, the same as the prior year as the financial policy around these items has remained unchanged, for consistency.

The Group incurred £208.1 million of exceptional costs during the year (FY2024: £93.0m). Exceptional items are one-offs that will not continue or repeat in the future, for example the legal and due diligence costs for a business acquisition, as whilst further such costs might arise if new acquisitions are undertaken, they will not arise again on the same business and would disappear if the Group adopted a purely organic strategy.

Exceptional items	**2025 £'m**	2024 £'m
Acquisition and disposal related costs	**(0.9)**	(1.0)
Reorganisation, re-financing and other costs	**(15.8)**	(19.4)
Gain on disposal of assets and investments	**1.9**	–
Loss on disposal of subsidiaries	**(6.9)**	–
Exceptional impairment charge	**(186.4)**	(72.6)
Total exceptional items	**(208.1)**	(93.0)

This total exceptional cost figure is made up of numerous components, both income and costs. Description of the specific items is provided below:

- ***Acquisition and disposal related costs*** – these costs relate primarily to advisory fees and legal services in relation to previous acquisitions.
- ***Reorganisation, refinancing and other costs*** – this consists of cost in relation to small reorganisation projects across the business and in FY2025 includes £2.4m of costs incurred in relation to the refinancing of the group. IFRS requires those costs to be expensed as incurred until the point when the project is completed in which case they are capitalised and amortised over the life of the financial instruments to which they relate.
- ***Exceptional impairment charge*** – Exceptional impairment charge in the 'UK & Europe – Soft flooring (Rugs)' CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets by £87 million due to the weak demand environment. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£40.4m) and tangible fixed assets (£46.6m). Further weaker demand in the European ceramics industry has resulted in an impairment in the 'UK & Europe - Ceramic Tiles (Spain)' CGU where the carrying value of assets exceeded the recoverable amount of the CGU by £80 million. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£50.3m) and tangible fixed assets (£29.7m). Exceptional impairment charge in the 'UK & Europe - Ceramic Tiles (Italy)' CGU, where the estimated recoverable amount of the CGU was below the carrying

value of assets by £14.6 million due to the weak demand environment and the goodwill has been fully impaired. In FY2024 goodwill of £24.7m in the UK & Europe – Ceramics (Spain & Turkey) CGU was impaired as a result of reduced production in Spain and the division continued its programme to integrate and optimise production. Separately, weaker demand in the US impacting Cali Bamboo resulted in an impairment of £42.5 million.

- ***Sale and lease back*** – the Group entered a sale and lease back transaction in September 2024 at one of the Belgium facilities. The contribution received was £30.4m (from sale of 90% of the shares received) and the remaining 10% of shares held at year end within Other investments valued at £3.2m. This resulted in a gain of £17.4m. Of which £15.1m has been recognised against the Right-of-use asset and £2.3m gain recognised as non-underlying with the income statement.
- The other prior year items are described in more detail in Note 2 to the Accounts.

Non-underlying items are items that do continue or repeat, but which are deemed not to fairly represent the underlying business. Typically, they are non-cash in nature and / or will only continue for a finite period of time.

Non-underlying operating items	**2025 £'m**	2024 £'m
Acquisition-related performance plans	**(0.4)**	(6.7)
Non-cash share incentive plan charge	**(3.5)**	(2.7)
Amortisation of acquired intangibles (excluding hyperinflation)	**(31.5)**	(38.6)
Unwind of fair value uplift to acquisition opening inventory	**–**	(0.6)
Depreciation of fair value uplift to acquisition property, plant and machinery	**(5.7)**	(5.0)
Hyperinflation depreciation adjustment	**(5.8)**	(4.3)
Hyperinflation monetary gain / (loss)	**12.8**	23.2
Other hyperinflation adjustments (excluding depreciation and monetary gain)	**(12.7)**	(10.1)
	(46.8)	(44.8)

Non-underlying items in the year:

- ***Acquisition-related performance plan charge*** – this represents the accrual of contingent earn-out liabilities on historical acquisitions where those earn-outs are linked to the ongoing employment of the seller(s). This amount has significantly decreased versus the prior year as earn-outs on historical acquisitions have expired.
- ***Non-cash share incentive plan charge*** – the charge under IFRS 2 relating to the pre-determined fair value of existing senior management share incentive schemes. This charge is non-cash as these schemes cannot be settled in cash.
- ***Amortisation of acquired intangibles*** – the amortisation over a finite period of time of the fair value attributed to, primarily, brands and customer relationships on all historical acquisitions under IFRS. It is important to note that these charges are non-cash items and that the associated intangible assets do not need to be replaced on the balance sheet once fully written-down. Therefore, this cost will ultimately disappear from the Group income statement.
- ***Depreciation of fair value uplift to acquisition property*** – under IFRS the opening balance sheet of each acquisition is fair valued and this has resulted in an increase in the value of certain property assets when they were acquired. The higher valuation results in higher depreciation which is not representative of the underlying performance of the acquired business and the increase in depreciation is classed as exceptional.

As described below there were a number of adjustments made to the income statement in relation to hyperinflation. The hyperinflation adjustments represent the impact of restating the non-monetary items on the Turkish entities balance sheet based on the change in the general price index between the acquisition date and the reporting date, as well as the indexation of the income statement, with the gain/loss on the monetary position being included within the income statement.

Financial Review

Adjustment in respect of hyperinflation

During FY2023 inflation in Turkey, where Victoria has a plant used to produce rugs for Balta Rugs (UK & Europe - Soft Flooring), passed the threshold of inflation exceeding 100% over a three-year cumulative period in March 2022. Under IAS29 this is one of the key indicators for hyperinflation accounting needing to be adopted. This resulted in the revaluation of the 2 April 2022 opening balance sheet for these businesses as well as indexing of the numbers of all subsequent financial years. We have treated these adjustments as non-underlying to ensure comparability of results year on year.

The impact of hyperinflation on the income statement is as follows:

Hyperinflation adjustment summary	2025 £'m	2024 £'m
Revenue	2.9	7.7
Cost of sales	(19.4)	(20.5)
Operating costs	10.8	21.6
EBIT	(5.6)	8.8
EBITDA	0.1	13.0
Finance costs	0.4	(0.6)
Profit/(loss) before tax	(5.2)	8.3
Deferred tax	(1.3)	(3.2)
Profit/(loss) for the period from continuing operations	(6.5)	5.0
Other comprehensive income - CTA	29.1	8.5

In FY25 the Turkish Lira depreciated lower than the CPI in Turkey which has led to a comparatively bigger Gross Domestic Product variance than the Turkish Lira variance. This has impacted the comparative restatement of OCI figures to current purchasing power. There has also been an increase in intercompany revenue from FY24.

Further details of exceptional and non-underlying operating items are provided in the Accounting Policies and in Note 2 to the accounts.

In addition to the above operating items, there were a number of non-underlying financial items in the year.

Non-underlying financial costs	2025 £'m	2024 £'m
Finance items related to preferred equity	1.0	(5.4)
Acquisition related items	1.5	1.5
Gain on bond repurchase	–	2.0
Fair value adjustment to notes redemption option / amortisation inception derivative	1.2	1.2
Mark to market adjustments and gains on foreign exchange forward contracts	0.5	(0.2)
Translation difference on foreign currency loans	(5.0)	(8.6)
Other financial expenses (hyperinflation)	0.4	(0.6)
Defined benefit pension	–	(0.1)
Other non-underlying	(2.9)	(6.3)
	(0.4)	(10.2)

These items are described below:

- ***Finance items related to preferred equity*** – the preferred equity issued in November 2020 and further in January 2022 is treated under IFRS 9 as a financial liability with a number of associated embedded derivatives. There are a number of resulting financial items taken to the income statement in each period, including the cost of the underlying host contract and the income or expense related to the fair-valuation of the warrants and embedded derivatives. However, the preferred equity is legally structured as equity and is also equity-like in nature – it is contractually subordinated, never has to be serviced in cash, and contains no default or acceleration rights – hence the resultant finance costs or income are treated as non-underlying.

Finance items related to preferred equity	2025 £'m	2024 £'m
Amortised cost of host instrument	(8.4)	(19.0)
Fair value movement on associated equity warrants	9.4	13.6
Fair value movement on embedded redemption option	–	–
Total	1.0	(5.4)

- ***Fair value adjustment to notes redemption option*** – attached to the senior notes is an early repayment option which, on inception, was recognised as an embedded derivative asset at a fair value of £4.3m. This asset is revalued at each reporting date, with the movement taken through the P&L. The value of the senior debt liabilities recognised were increased by a corresponding amount at initial recognition, which then reduces to par at maturity using an effective interest rate method. A credit of £1.2m was recognised in the period (2024: £1.2m), with a £nil fair value of the derivative asset at both period ends.
- ***Mark to market adjustments on foreign exchange forward contracts*** – across the group we analyse our upcoming currency requirements (for raw material purchases) and offset the exchange rate risk via a fixed, diminishing profile of forward contracts out to 12 months. This non-cash cost represents the mark-to-market movement in the value of these contracts as exchange rates fluctuate.
- ***Translation difference on foreign currency loans*** – this represents the impact of exchange rate movements in the translation of non-Sterling denominated debt into the Group accounts. The key items in this regard are the Euro-denominated €489 million 2026 corporate bonds, and €250 million 2028 corporate bonds.
- ***Other financial expense (hyperinflation)*** – restated finance costs within Turkish entities based on the change in the general price index between the date when the finance costs were initially recorded and the reporting date.
- ***Defined benefit pension*** – defined benefit pension change due to restructuring in the prior period.

Further details of non-underlying finance items are provided in the Accounting Policies and in Note 3 to the accounts.

OPERATING PROFIT AND PBT

The table below summarises the underlying and reported profit of the Group, further to the commentary above on underlying performance and non-underlying items.

Operating profit and PBT	2025 £'m	2024 £'m
Underlying operating profit	29.5	73.0
Reported operating loss	(225.4)	(64.8)
Underlying (loss) / profit before tax	(11.5)	31.1
Reported loss before tax	(266.8)	(116.9)

Reported operating loss (earnings before interest and taxation) of £225.4 million (FY2024: £64.8 million). After removing the exceptional and non-underlying items described above, underlying operating profit was £29.5 million (FY2024: £73.0m).

Reported loss before tax increased to £266.8 million (FY2024: £116.9m). After removing the exceptional and non-underlying items described above, underlying loss before tax was £11.5million (FY2024: Profit of £31.1m).

TAXATION

The reported tax credit on continuing operations in the year of £27.2 million (FY2024: £21.2m) was distorted by the impact of the exceptional and non-underlying costs, which contributed to a tax credit of £25.1 million. On an underlying basis and removing the effect of prior year items, the tax credit for the year was £3.0 million (FY2024 charge: £6.9m) against an adjusted loss before tax of £11.5 million (FY2024: Profit of £31.1m). This results in an underlying effective current year tax rate of 26.2% (FY2024: 22.2%).

Financial Review

EARNINGS PER SHARE

The Group delivered a basic loss per share of 210.26p (FY2024: 83.15p) due to exceptional costs in relation to restructuring, amortisation of acquired intangibles, and impairment recognised on intangible and tangible assets. Adjusted earnings per share (before non-underlying and exceptional items) on a fully-diluted basis was (5.18)p (FY2024: 19.35p). The decrease in EPS is driven by the greater dilutive impact of the preference shares and reduced earnings.

Basic and diluted earnings / (loss) per share	2025	2024
Reported basic loss per share	(210.26p)	(83.15p)
Diluted adjusted (loss) / earnings per share	(5.18p)	19.35p

OPERATING CASH FLOW

Cash flow from operating activities before interest, tax and exceptional items was £45.1 million which represents a conversion of 56% of underlying EBITDA (pre-IFRS 16).

Operating and free cash flow	2025 £'m	2024 £'m
Underlying operating profit	29.5	73.0
Add back: underlying depreciation & amortisation	84.2	86.0
Underlying EBITDA	113.7	159.0
Payments under right-of-use lease obligations (including interest)	(39.6)	(34.8)
Non-cash items	(3.7)	(3.5)
Movement in working capital	(25.3)	(11.4)
Operating cash flow before interest, tax and capex	45.1	109.3
% conversion against underlying operating profit	153%	150%
% conversion against underlying EBITDA (pre-IFRS 16)	56%	85%
Interest paid	(32.7)	(29.7)
Corporation tax paid	(1.7)	(2.3)
Capital expenditure - replacement / maintenance	(46.9)	(42.3)
Free cash flow before exceptional items	(36.2)	35.0
% conversion against underlying operating profit	(123)%	48%
% conversion against underlying EBITDA (pre-IFRS 16)	(45)%	27%

Pre-exceptional free cash flow of the Group – after interest, tax and net replacement capex – was an outflow of £36.2 million having been impacted by lower earnings and an investment in working capital.

The underlying movement in working capital was an outflow of £25.3 million. This was driven by a reduction in creditors in the second half of the year as production was managed to the lower volume levels that the market was experiencing and was partly offset by a cash inflow from debtors as a more disciplined approach was taken to credit terms and collections.

A full reported statement of cash flows, including exceptional and non-underlying items, is provided in the Consolidated Statement of Cash Flows.

NET DEBT

As at 29 March 2025, the Group's net debt position (excluding preferred equity) was £897.9 million (30 March 2024: £840.0m). The Group invested £56.4 million in organic growth / synergy initiatives which was more than offset by disposals of non-core property and assets. Acquisition-related expenditure (primarily representing payment of deferred and contingent consideration) was £12.0 million.

The Group's year end net leverage ratio (excluding preferred equity) was 7.9x (FY2024: 5.3x). The leverage increase is primarily driven by the reduced earnings in the year.

Free cash flow to movement in net debt	2025 £'m	2024 £'m
Free cash flow before exceptional items (see above)	**(36.2)**	35.0
Exceptional reorganisation cash cost	**(26.1)**	(31.1)
Capital expenditure - expansionary / reorganisation	**(30.3)**	(19.2)
Proceeds from fixed asset and subsidiary disposals	**58.9**	19.3
M&A expenditure including deferred / contingent consideration and related fees	**(13.3)**	(15.9)
Buy back of ordinary shares	**(1.1)**	(3.2)
Non-cash right-of-use liability movements	**(26.1)**	(0.1)
Translation differences on foreign currency cash and loans and other non-cash movements within debt	**16.3**	17.8
Total movement in net debt	**(57.9)**	2.6
Opening net debt	**(840.0)**	(842.6)
Net debt before preferred equity	**(897.9)**	(840.0)

Net debt	2025 £'m	2024 £'m
Net cash and cash equivalents	**56.6**	72.8
Super senior RCF[1]	**(44.2)**	(10.3)
Senior secured notes[1]	**(624.0)**	(633.9)
Bank loans and other facilities	**(50.7)**	(62.4)
Obligations under right-of-use leases	**(189.8)**	(167.8)
Factoring and receivables financing facilities	**(45.8)**	(38.4)
Net debt before preferred equity	**(897.9)**	(840.0)
Net leverage ratio (net debt / EBITDA)	**7.9x**	5.3x
Preferred equity, associated warrants and embedded derivatives	**(285.6)**	(286.6)
Statutory net debt (net of prepaid finance costs)	**(1,183.5)**	(1,126.6)

[1] Inclusive of accrued interest, issue premium (where applicable) and net of prepaid finance costs

Financial Review

ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with UK-adopted international accounting standards. There have been no changes to international accounting standards this year that have a material impact on the Group's results. No forthcoming new international accounting standards are expected to have a material impact on the financial statements of the Group.

GOING CONCERN

The consolidated financial statements for the Group and Parent Company have been prepared on a going concern basis.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman and CEO Review on pages 04 to 11. In addition, Note 25 to the Accounts includes details of the Group's financial instruments and its exposure to and management of credit risk, liquidity risk, currency risk and interest rate risk.

As of 29 March 2025, the Group had circa £45m outstanding under its existing Super Senior RCF (the "SSRCF") which matures in February 2026, circa €490m of 3.625% Senior Secured Notes due in August 2026 (the "2026 Notes") and €250m of 3.75% Senior Secured Notes due in March 2028 (the "2028 Notes").

The Company will launch a series of public consent solicitations and a public exchange offer to holders of its 2026 notes to exchange their existing 2026 Notes into a new tranche of notes (the "New Notes"), to mature four years following the date of the proposed transaction (the "2026 Notes transaction"). The New Notes will be junior to the new Super Senior Credit Facility, but senior to all other parts of the capital structure including the existing 2026 Notes and 2028 Notes. Prior to the launch of the public consent solicitations and exchange offer, the Company has agreed private exchanges and transaction support agreements with holders of more than 90% of the 2026 Notes, who represent greater than 50% of all Senior Secured Notes outstanding, to support the proposed transaction.

The New Notes will include an interest coupon of 9.875%, settled in cash on a half-yearly basis. At the election of the Company, for the first twelve months following issuance the coupon can be reduced to 1.000% of cash pay and 8.875% via Payment In Kind (PIK), with the PIK'd coupon being added to the principal at the end of each six-month period, paid through the issuance of additional New Notes.

The New Notes will have a significantly higher coupon than the 2026 Notes. In addition, the Company has offered to exchange the 2026 Notes at par, with additional fees available for noteholders who participate in the consent solicitation, subject to certain terms and conditions.

The Board believes the exchange offer is therefore attractive to existing noteholders. As a result, the Company expects to receive a high level of support from noteholders for the offer, and expects closing to occur in August 2025.

Simultaneous with the closing of the exchange offer, the Company has entered into an agreement to refinance the existing SSRCF with a new Super Senior Credit Facility (the "SSCF"), due January 2030, with a springing maturity six months prior to the maturity date of the New Notes.

The existing SSRCF is on an entirely revolving basis and contains a springing leverage covenant, whereas the new facility agreement will comprise a combination of term loan and committed RCF, and does not contain any maintenance or springing covenants. The absence of such covenants, along with the debt incurrence covenants within the indenture for the New Notes, allow for greater flexibility for the Company and therefore an improvement in liquidity available under the new SSCF.

The new facility is fully committed and will be available to be drawn, subject to satisfaction of customary conditions precedent and the refinancing of the 2026 Notes.

As a result of the 2026 Notes transaction and the refinancing of the SSRCF not having completed at the time of the approval of the annual report and accounts, there is a material uncertainty relating to events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. However, the Directors believe that the proposed transaction represents an appropriate and achievable plan to address the Group's funding requirements, although the successful completion of the proposed transaction cannot be guaranteed.

Going concern assessment

The Group's cash position, net of overdrafts, as at 29 March 2025 was £56.6m (2024: £72.8m), and it maintains significant additional liquidity through local financing lines and its existing and proposed new SSCF. The Group expects to generate positive operating cash flows in the forecast period to 31 July 2026.

In assessing the Group as a going concern, a cashflow forecast through to 31 July 2026 was modelled, representing a twelve-month period of assessment in-line with market practice, with the base case aligned with our budget and medium-term strategic plan, consistent with the model used in the testing of impairment. In all scenarios modelled, no future hypothetical, acquisitions were included in the assumed cashflows, due to there being no certainty over any acquisitions outside of those already completed to date. The capital structure factored into the going concern assessment is based on the successful completion of both the 2026 Notes transaction and the replacement of the SSRCF as the Directors are confident that the transactions will complete successfully.

To take into account the current uncertainty in consumer demand, a downside scenario was modelled, assuming a significant drop in EBITDA as a result of lower volumes versus the base forecast to ensure that even in a downside scenario, sufficient liquidity was maintained through the forecast period. This downside scenario did not result in a change in our view that the business remains a going concern.

A reverse stress-test scenario was modelled, purely for the purposes of sensitising earnings such that liquidity is fully absorbed within the twelve-month period of assessment. The required adjustment is a circa 85% reduction to the projected EBITDA, and circa 100% reduction in operating cashflows during the forecast period. This scenario assumes that all facilities which mature during the period are repaid in full and not replaced, while certain facilities which have no fixed maturity are assumed not to be revoked. Substantial mitigating actions, which would be taken in such a scenario, have not been modelled in this extreme scenario. The Group does not consider the reverse stress-test a plausible scenario.

Having considered the work undertaken as described above, and in light of the expectation of a successful exchange offer completing, the Directors are of the view that the Group is well placed to manage its business risks. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Alec Pratt
Chief Financial Officer

24 July 2025

Environmental, Social and Governance Report

At Victoria, we understand that sustainable practices contribute to the efficiency, resilience, and overall performance of our operations. We are continually looking for ways to reduce waste, use resources more effectively, and maintain high standards across our sites and supply chains.

Our approach is shaped by the practical realities of our industry and the expectations of the markets we serve. Regulatory requirements and customer preferences are evolving, and we aim to respond in ways that are proportionate, commercially sensible, and aligned with our broader business goals.

Across the Group, we are working to embed responsible practices into everyday decision-making—whether through process improvements, material choices, or how we manage energy and logistics. These efforts support not only compliance and customer confidence, but also operational stability and long-term value creation.

Throughout FY2025, we continued to develop our approach to Environmental, Social, and Governance (ESG) matters, building on the foundation established with the introduction of our Climate-Related Financial Disclosures in the previous year. A key area of focus during this period was preparing the Group for future compliance with the Corporate Sustainability Reporting Directive (CSRD).

Although changes to the CSRD timeline deferred our formal reporting obligations, the preparatory work undertaken has contributed to a clearer understanding of the ESG topics most relevant to our business. This has supported a more informed view of our material impacts, risks, and opportunities.

Looking ahead, we expect our efforts in the next period to focus on improving data collection processes and identifying opportunities to integrate ESG progress reporting more effectively across the Group.

OUR SIGNIFICANT ESG TOPICS

Understanding which ESG topics matter most to our business is essential to ensuring our efforts are focused, proportionate, and aligned with both operational priorities and stakeholder expectations. To support this, we undertook a structured materiality assessment to identify the environmental, social, and governance issues most relevant to Victoria and the wider flooring industry.

This assessment was informed by a combination of internal analysis, external research, and stakeholder engagement with colleagues across numerous internal functions. Working with a specialist ESG consultancy, we conducted interviews and reviewed developments across our sector and the regions in which we operate. This process helped us to refine the list of ESG topics first disclosed in 2022, resulting in a revised set of priorities that better reflect our current operating context.

The outcome is a focused view of the ESG factors most likely to influence our business performance, regulatory exposure, and stakeholder relationships. These topics form the basis of our ESG reporting and guide our ongoing efforts across the Group.

We recognise that materiality is not static. As our business evolves and external expectations shift, we will continue to revisit and update our assessment to ensure it remains relevant and useful.

The table below outlines the ESG topics currently considered most material to Victoria. In this reporting period we have clarified the terminology of topics previously identified and these now align more closely with the European Sustainability Reporting Standards (ESRS).

Category	Main Topic	Sub-Topic
Environmental	Climate Change	Climate change mitigation
		Energy
	Pollution	Air
		Water
		Soil
	Resource Use and Circular Economy	Waste
		Resource inflows
		Resource outflows
Social	Own Workforce	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
	Workers in the Value Chain	Other work-related rights
Governance	Business Conduct	Corporate Culture
		Management of relationships with suppliers, including payment practices

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ENVIRONMENTAL REVIEW

Managing our energy usage & our carbon emissions

We review our Greenhouse Gas (GHG) footprint through the Streamlined Energy and Carbon Reporting (SECR) process. This data enables us to identify the areas of our business which produce the most emissions and to take significant, direct action to reduce our energy usage and carbon emissions.

Streamlined Energy and Carbon Reporting

The section below presents the energy usage and associated carbon dioxide emissions for Victoria's global operations. This section has been prepared in compliance with the SECR Framework as implemented in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

GHG Emission (1st April 2024 to 31st March 2025)	Units	UK & Europe Soft Flooring	UK & Europe Ceramics Tiles	Australia	North America	Total
Emissions from combustion of gas (Scope 1)	tCO_2e	18,161	137,739	2,532	196	158,628
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO_2e	10,918	1,961	321	1,401	14,601
Emissions from purchased electricity (Scope 2)	tCO_2e	35,001	17,199	4,894	208	57,301
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	tCO_2e	31	1	91	156	279
Total Gross emissions	tCO_2e	64,111	156,900	7,838	1,961	230,809
Energy consumption used to calculate above emissions	kWh	275,430,715	831,725,871	22,569,016	8,109,021	1,137,834,623
Total Gas Usage	kWh	99,296,107	753,079,826	13,764,431	917,585	867,057,950
Total Electricity Usage	kWh	130,746,905	70,780,965	6,997,352	620,163	209,145,385
Total Transport Usage	kWh	45,387,703	7,865,080	1,807,232	6,571,273	61,631,288

Within the UK, the total Gross emissions for the year were 21,428 tCO_2e (previous year 23,411 tCO_2e) and total associated energy consumption was 102,237,951 kWh (previous year 111,717,254 kWh).

The total Global Gross emissions for the year were 230,809 tCO_2e (previous year 280,016 tCO_2e) and total associated energy consumption was 1,137,834,623 kWh (previous year 1,345,285,384 kWh), representing a decrease in the current year. In the current year any emissions associated with discontinued operations have not been included. Excluding operations that were discontinued in the current year from the prior year would have meant total gross emissions for the prior year of 266,311 tCO2e and total associated energy consumption of 1,298,425,763 kWh, meaning like for like total gross emissions and total associated energy consumption have also decreased in the current year.

The intensity ratios have been calculated for the four reporting divisions. These have been calculated from sales volumes for each division and include all energy usage and emissions stated within the above emissions figures and the methodology.

Emissions (1st April 2024 to 31st March 2025)	Units	UK & Europe Soft Flooring	UK & Europe Ceramics Tiles	Australia	North America	Total
Intensity Ratios	$tCO_2e/ 1000m^2$	0.518	4.810	0.345	0.295	1.242
Previous year intensity ratio	$tCO_2e/ 1000m^2$	0.461	4.352	0.364	0.505	1.304

Methodology

Victoria Plc have followed the 2019 HM Government Environmental Reporting Guidelines and report in alignment with relevant aspects of the GHG Protocol. Emissions factors used are tonnes of CO2 equivalent and data has been calculated using the 2024 UK Government's Conversion Factors for Company Reporting for all UK electricity and global fuels data. The Australian Government National Greenhouse Accounts Factors, International Energy Agency, Association of Issuing Bodies and the Environmental Protection Agency have been used for all remaining geographical electricity conversion factors for location-based reporting.

Scope 1 emissions relate to on-site gas usage and emissions from Company owned and long-term lease vehicles.

Scope 2 emissions relate to on-site imported electricity usage and CO_2e emissions calculated are associated to the generation only and do not include Scope 3 Transmission and Distribution losses.

Scope 3 emissions relate to grey fleet. A grey fleet vehicle is one owned and driven by an employee for business purposes. This also includes fuel use for any vehicles which have been rented short term, for an employee to travel for business purposes.

If a Combined Heat and Power (Cogeneration) plant is used on site, the reported emissions are based on the amount of natural gas the plant consumes.

The primary source for energy consumption data is supplier consumption data, metering data with some limited estimated data. Most of the transport usage has been calculated from records of litres used. The remainder of the transport data has been taken from mileage records, some of which have been estimated where records did not exist.

Where energy or transport data was fully unavailable for this financial year, a kWh has been estimated by interpolating/ extrapolating the data associated with FY24. In total, the emissions from estimated data compile to roughly 416 tCO_2e.

The usage and emissions presented align with monthly supplier invoices and are calculated and presented for 31st March 2024 - 29th March 2025. Where data for these specific dates was unavailable, consumption was provided in the period 1st April 2024 - 31st March 2025 and adjusted to match the reporting period.

The emissions reporting includes all of Victoria Plc sites globally, this reflects the activities and financial information presented within the financial reporting. There has been no de-minimis applied and all Victoria Plc Companies with a physical presence have been included.

Climate Change

Climate change presents a range of operational and regulatory considerations for Victoria. Our contribution to climate change primarily stems from the energy consumed across our manufacturing and distribution activities. Managing this impact—while also addressing energy cost volatility—has remained a practical focus for the Group.

Climate change mitigation and energy

Energy is a significant input cost across our operations, and recent periods have seen continued volatility in energy markets. In response, Victoria has taken several steps to improve energy efficiency, reduce reliance on external sources, and mitigate associated emissions.

Several Group companies have invested over time in on-site renewable energy generation, which continues to deliver operational and environmental benefits. Self-generated electricity not only reduces our dependence on external supplies but also allows us to export surplus renewable energy to the grid during periods of low demand. In parallel, several subsidiaries have secured their energy supplies from renewable providers, further reducing the Group's overall emissions profile.

We continue to identify opportunities to reduce energy consumption through targeted efficiency measures. These include sub-metering to pinpoint high-usage areas, site audits to uncover energy-saving opportunities, and equipment upgrades where these are in line with our strategic objectives.

There are examples of this activity across all our divisions. In recent years, the UK & Europe Soft Flooring team has implemented many changes that have improved production efficiency and reduced energy inputs. The integration of Balta's broadloom carpet business into the Group's UK operation led to the closure of our Avelgem factory in Belgium and the consolidation of production and logistics into a single site in Sint-Baafs-Vijve. This reorganisation enabled more efficient use of existing plant and machinery—for example, replacing turbo compressors with variable speed models and relocating equipment to better-suited sites, such as the yarn extrusion facility in Usak, Turkey. These changes were in addition to ongoing energy-saving initiatives, including targeted metering, pressure-optimised compressors, LED lighting upgrades, and improved insulation to reduce heating and cooling demand.

Our carpet manufacturing facility in Newport, Wales, has benefited for several years from a wind turbine installation that provides up to 40% of the site's electricity needs. The remaining electricity requirement is sourced from a renewable energy provider, ensuring that all the site's electricity consumption is renewable. At our Yorkshire carpet manufacturing plant, energy-saving studies have led to practical improvements such as motion-sensitive lighting, enhanced thermal panels on the backing line, and shift pattern adjustments to optimise energy use. The division's primary distribution centre in Worcester also benefits from a rooftop solar panel installation.

One of our underlay manufacturers, Interfloor, has similarly invested in renewable energy, generating

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approximately 360 megawatt-hours (MWh) of electricity from on-site solar panels during FY2025. Additional initiatives include optimising waste gas treatment - estimated to have reduced gas use by around 100 MWh annually - and relocating rubber crumb underlay production to a more energy-efficient facility in Blackburn. A new Regenerative Thermal Oxidizer (RTO), currently on order, is expected to deliver further emissions reductions in future years.

An example of product-level innovation comes from Victoria Grass Group, which in prior years implemented changes to the polyurethane coating used on its products. This adjustment has led to a 70% reduction in gas usage for this range of products, demonstrating how targeted raw material changes can also contribute meaningfully to emissions reduction.

Beyond Europe, other parts of the Group have also implemented energy and emissions reduction measures tailored to their operational context. In Australia, Dunlop Flooring benefits from an on-site solar panel installation, contributing to its energy needs through self-generation.

In our ceramics operations, the production process lends itself to the use of co-generation (combined heat and power) systems. These systems capture heat produced by spray dryers and convert it into electricity, improving overall energy efficiency and supporting cost management. While natural gas remains the primary energy source, co-generation enables more effective utilisation of that input. Not all energy used in ceramics production can be self-generated, but we continue to pursue renewable sourcing where feasible. For example, since early 2024, 35% of electricity purchased by Victoria Ceramics Italy has been certified as renewable.

Reducing emissions from transport and logistics is another area of focus. Across the Group, we are progressively transitioning vehicle fleets to hybrid and electric alternatives. In the UK & Europe Soft Flooring division, employees are encouraged to select low-emission vehicles, supported by infrastructure investments such as the installation of 30 charging stations across Balta's Belgian sites. This has enabled the transition of approximately 20 additional vehicles to electric models this year. At the Usak site in Turkey and the Sint-Baafs-Vijve facility in Belgium, LPG-powered forklifts have been replaced with electric models. Similarly, at our carpet manufacturing facility in Newport, Wales, over 50% of the forklift fleet is now electric.

Our UK carpets logistics subsidiary, Alliance, plays a key role in distributing carpet products across the UK and is a significant contributor to the division's transport-related emissions. In response, Alliance has adopted a range of measures, including a fully Euro 6-compliant fleet and the early adoption of fully-electric trucks. The fully electric vehicles handle around 25% of deliveries between our carpet manufacturing facility in Newport, Wales and Alliance's Worcester distribution centre with zero tailpipe emissions. This year, we expanded our fully electric delivery fleet with the addition of a fifth vehicle, enabling carbon-free deliveries within central London. The Alliance Worcester site was designed with this transition in mind, featuring 32 charging points and 125kW charging infrastructure. All warehouse forklifts are battery-powered, and fleet drivers receive regular training in fuel-efficient driving techniques. In the current year Alliance were proud to be awarded ISO14001 accreditation.

Interfloor has also modernised its fleet, replacing diesel company cars with hybrids and introducing a new fleet of Euro 6 vehicles. Operational consolidation at its Haslingden site has eliminated an estimated 60,000 miles of HGV travel. Combined with other energy-saving measures, Interfloor estimates these actions have prevented over 600 tonnes of CO_2 emissions.

At Victoria Ceramics Italy, electric vehicle charging infrastructure has been expanded, with fully electric vehicles now comprising 6% of the fleet (up from 2% the previous year) and hybrids making up 30% (up from 20%).

In Australia, Dunlop Flooring has reduced its carbon footprint by optimising supply chain logistics—favouring efficient sea routes over road and rail where feasible, and using return journeys to collect recyclable materials from customers. Victoria Carpets Australia has also made progress, increasing the proportion of hybrid vehicles in its fleet from 24% in 2024 to 43% in March 2025.

In North America, our Cali subsidiary continues to refine its logistics strategy, focusing on increasing the proportion of full truckload (FTL) shipments over less-than-truckload (LTL) to improve efficiency and reduce emissions.

Pollution

Pollution control remains a core compliance and operational consideration across Victoria's manufacturing footprint. While our processes are not typically associated with high levels of hazardous emissions, we recognise the importance of managing localised environmental impacts in line with regulatory expectations and community standards. Our approach focuses on minimising emissions to air, discharges to water, and risks to soil through targeted controls, monitoring, and process improvements.

We implement various measures to minimise our impact on the air, water, and land in the areas where we operate. These measures are tailored to the specific risks and regulatory requirements of each site and are reviewed periodically to ensure continued effectiveness.

Air

Air emissions from our operations primarily arise from combustion processes, material handling, and the use of certain adhesives and coatings. To reduce these emissions, we have adopted a range of mitigation strategies, including the installation of filtration systems to capture airborne particles and reduce the release of pollutants into the atmosphere.

In addition to on-site controls, and as detailed earlier within this report, we are also addressing emissions from logistics. The transition to hybrid and fully electric vehicles across parts of our transportation fleet has contributed to a reduction in tailpipe emissions, particularly in urban areas. We remain alert to evolving regulatory standards in this area.

Water

Water use in our operations is relatively modest, but we maintain strict controls over wastewater discharge to ensure compliance with local effluent standards. Wastewater treatment plants are in place across various subsidiaries, and we conduct regular monitoring and maintenance to ensure their continued effectiveness. A notable example is the recoating of the buffer tank and removal of legacy sediment at Balta Rugs’ Sint-Baafs-Vijve facility.

We also pursue opportunities to reduce water consumption and increase reuse. At Interfloor, 100% of process water is recycled. Rainwater harvesting is another area of focus: at our main logistics centre in Worcester (UK & Europe Soft Flooring), harvested rainwater is used for truck washing. A new rainwater harvesting system is also planned for implementation at a Victoria Ceramics Italy plant in the coming year.

At Victoria Carpets Australia, process changes in the dyehouse and the installation of a new boiler system have reduced the volume of water required (we estimate this as up to 5%) per kilogram of yarn produced.

Soil

The risk of soil or groundwater contamination from our operations is considered low but is actively managed. We take steps to prevent contamination through proper handling and disposal of hazardous materials and the implementation of spill prevention and response plans.

In addition to these controls, we engage in practices that minimise soil disturbance and promote soil health, including the use of environmentally responsible materials.

Resource Use and Circular Economy

Victoria’s approach to resource use is grounded in operational efficiency, cost management, and environmental responsibility. We recognise that how we source, use, and manage materials has a direct impact on both our financial performance and our environmental footprint. As such, we are focused on reducing waste, improving input efficiency, and supporting circular economy principles where feasible.

While our structure remains largely decentralised - allowing subsidiaries to tailor their resource strategies to local conditions and product requirements - we have more recently adopted a centralised and globally coordinated approach to procurement that enables greater consistency, improved cost efficiency, and enhanced oversight across our supply base. Across the business, we continue to invest in technologies, partnerships, and process improvements that support more sustainable use of materials throughout the product lifecycle.

The following sections outline our approach to managing waste, optimising resource inflows, and addressing resource outflows through product design and end-of-life considerations.

Waste

Waste reduction is a key operational priority across the Group. Our carpet manufacturing facility in Newport, Wales, estimates that 95% of its waste—including cardboard, paper, yarn, and other raw materials—is recycled. At our Yorkshire carpet manufacturing plant, the range of recyclable waste streams has been expanded, and customer sample production has been integrated into the main production run to reduce offcuts and surplus.

At Interfloor, approximately 90% of waste is either recycled or used as Refuse Derived Fuel (RDF), supporting both landfill diversion and energy recovery. Our underlay operation has recycling at its core, using polyurethane foam waste from other industries—such as car seats, furnishings, and mattresses—in the manufacture of new products. The Renu product, made of 98% recycled material and 100% recyclable, has been joined

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by additional sustainability-focused offerings. The proportion of recycled foam in our underlay has increased from 33% to 55%, with further actions planned to enable it to exceed 60% and all the products at this subsidiary are covered by Environmental Product Declarations (EPDs).

In Australia, Victoria Carpets Australia recovers and separates waste yarn for recycling, repurposes soft wool waste into packaging and acoustic materials, and partners with a local company to recycle polypropylene waste into products for the agricultural and landscaping sectors. Quest Carpets has reduced post-industrial landfill waste by more than 40% year-on-year by diverting production waste to recycling facilities.

Dunlop Flooring, another Australian subsidiary, recycles approximately 100 tonnes of used underlay annually, leveraging the return delivery trips previously noted whereby end-of-life materials are retrieved from customers. Its underlay products are manufactured using up to 90% recycled materials and are 100% recyclable. The company also offers a bio-based underlay made from renewable sugar cane, complemented by biodegradable bags and plastic-free, recyclable point-of-sale displays. For every ten rolls sold, Dunlop Flooring commits to planting one tree.

At Balta, the 'Pureloop' installation recycles mono polypropylene waste and intermediate products from processes such as weaving, tufting, and tape extrusion. This recycled material is reused in staple fibre and tape extrusion processes. The system has been expanded to include waste from our Turkish extrusion plant as well as from the Victoria Grass Group, and further investments have enabled the extrusion of recycled polyester in Turkey. Balta has also trialled plastic-free packaging for rugs using a strong paper alternative from renewable sources, and is exploring increasing recycled content in plastic packaging from 30% to various levels up to and including 100%.

Resource inflows

Across our divisions, we continue to invest in process improvements that reduce raw material consumption without compromising product quality. In several product categories, such as underlay and ceramic tiles, recycled materials already form a significant proportion of the input mix.

Our ceramic tile operations contribute to this effort by producing a product that is inherently durable and recyclable. In collaboration with local suppliers and recyclers, our manufacturers incorporate recycled bricks, tiles, and glass into the production of certain product types. At Victoria Ceramics Italy, a long-standing technique is used to produce glaze from fine glass recovered from end-of-life television screens. The glass is cleaned, ground into powder, and blended with other materials to form both the substratum and glaze for selected tile products.

We also support and encourage our suppliers and partners to address their own environmental, social, and governance performance. For example, wherever possible, our wood materials are sourced from sustainable origins, including suppliers certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). At Balta Rugs we hold Global Recycled Standard (GRS) certification for the traceability of recycled products.

Resource outflows

We are actively working to design products that support recyclability at end-of-life. This includes the development of single-material products or those with components that can be easily separated during recycling. These design principles are increasingly embedded into our product development processes to ensure alignment with future regulatory requirements and customer expectations.

Our product range includes carpets made from natural fibres. However, most of the demand remains for synthetic products, which are designed to be durable and long-lasting but often consist of multiple materials, making recycling more complex. Progress continues in this area, though opportunities for consumers to recycle synthetic carpets in the UK remain limited. Our contribution includes active membership in Carpet Recycling UK (soon to rebrand as the UK Sustainable Flooring Alliance), a collaborative initiative aimed at diverting carpet waste from landfill. Innovations being explored include recycling carpet into fibre-reinforced concrete and converting latex bonding agents into fertiliser.

Victoria Carpets Australia offers a range of solution dyed nylon products that incorporate recycled waste and participate in take-back schemes to recover used underlay, which is then recycled into new products.

The scale of the Group enables collaboration between subsidiaries to pursue circular economy opportunities that might otherwise be out of reach. One example is the closed-loop system between Balta and the Victoria Grass Group. At Balta Industries' Sint-Baafs-Vijve facility, a colouring and additive mix (known as 'masterbatch') - used to colour and modify the properties of polymer fibres in our carpets - is also supplied for use in the extrusion of artificial grass by the Victoria Grass Group. In addition, surplus tufting material from the Grass Group is returned to Balta, where it is recycled into polypropylene (PP) and polyethylene (PE) granulates and reused in the production of new artificial grass.

The Victoria Grass Group continues to invest in R&D to reduce reliance on virgin raw materials. This includes increasing the use of post-industrial and post-consumer recycled inputs in yarns and backing powders. The Athmos product range, for example, is made with 50% recycled raw materials and has achieved ISCC+ certification for its recycled content. Continuous improvement in secondary backing materials has led to the development of the new Xero backing, with the first five pilot fields (i.e. complete turf systems designed specifically for athletic performance, durability, and safety and which include a synthetic grass surface, infill materials, and backing layers) - installed in FY25. These innovations have contributed to a Life Cycle Assessment (a standardised method for evaluating the environmental impacts of a product across its entire life cycle—from raw material extraction to end-of-life disposal) impact reduction of over 40%.

The division also participates in take-back schemes in Belgium and the Netherlands, collecting end-of-life products and cutting waste. A recent collaboration led to the development of a yarn and secondary backing containing recycled materials, resulting in a final product composed of more than 40% end-of-life polymer. Further product development is underway to expand these innovations across both sports and landscape applications.

Looking ahead, regulatory changes in Europe will prohibit the use of intentionally added microplastics within the next decade. In anticipation, the Victoria Grass Group has begun exploring alternative production methods. In the current year its first mineral field system - an artificial turf solution that unlike traditional infills minimises the use of synthetic materials - was approved by the governing body of football in the Netherlands following a one-year monitoring period. This approach eliminates the need for microplastic infill while maintaining the performance and safety standards required for professional sports use.

Innovation has also extended to meet the sustainable ambitions of elite-level hockey. The Victoria Grass Group has developed its first “Aero” field, a product that due to its smart innovation needs no sand fill and doesn’t need a water sprinkler system, which meets the International Hockey Federation’s requirements for dry turf. This supports the Federation’s commitment to the United Nations Sustainable Development Goal on water conservation by removing the need for water.

SOCIAL REVIEW

Own Workforce

Victoria understands that fostering a positive workplace benefits both the company and the local communities where we operate. Across the Group, we prioritise the fair and respectful treatment of our employees and are committed to providing equitable compensation and ensuring suitable working conditions. Discrimination, bullying, harassment, and victimisation are strictly prohibited, and we actively promote open communication, supported where appropriate by whistleblowing tools, encouraging employees to voice any concerns directly to senior management. While Victoria primarily operates in territories with robust regulations, we go beyond these where appropriate, offering, where possible, family-friendly working practices that accommodate the needs of our employees.

Working conditions

The well-being and safety of our workforce are of critical importance. We are committed not only to preventing injuries and accidents among our employees but also to providing them with the necessary support to maintain their physical and mental well-being, while promoting a healthy work-life balance.

We operate with a “Safety First” mindset, aiming to improve our performance in Lost Time Incidents (LTI) and Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations (RIDDOR), actively encouraging colleagues to report any incidents or near misses, as this enables us to drive further enhancements in workplace safety.

Major manufacturing sites across the Group adhere to ISO accreditation and uphold high standards of health and safety supported by a dedicated Safety Manager who oversees the implementation of safety protocols. Employees are actively involved in developing risk assessments, and through process improvements, training initiatives, and strong management focus, we continue to advance workplace safety.

Environmental, Social and Governance Report

Examples of this commitment include:

- Balta Rugs: Ongoing safety campaigns, including virtual reality training for shift leaders, alongside practical and externally delivered training.
- Carpet manufacturing facility in Newport, Wales: Implementation of Standard Operating Procedures (SOPs) across all areas, supported by occupational health surveillance and employee healthcare plans.
- Yorkshire carpet manufacturing plant: Monthly Health & Safety meetings, “theme of the month” campaigns, mental health first aid training, and drop-in sessions.
- Interfloor: Toolbox talks, manual handling and chemical safety training, and change management training for supervisors. Interfloor also supports young people with learning difficulties through a partnership with a local specialist school.
- Alliance: 24/7 access to qualified mental health professionals and a partnership with the occupational health services entity Recovery For Life.
- Victoria Grass Group: Regular safety inspections and training in first aid and forklift operation. An external confidential advisor supports the whistleblowing policy.
- Dunlop Flooring: Employees volunteer with The Sacred Heart Mission to support disadvantaged communities.
- Victoria Carpets Australia: Ongoing partnership with the Black Dog Institute to support mental health awareness and fundraising. The Employee Assistance Programme continues to provide confidential support to employees and their families.

Equal treatment and opportunities for all

Ensuring that our people enjoy equal opportunity is important for our growth. We are committed to equal treatment and non-discrimination in all aspects of employment. Recruitment, promotion, and remuneration decisions are based on merit, qualifications, and business needs.

Examples during 2024 include development of robust succession plans for our carpet manufacturing facility in Newport, Wales. At our Yorkshire carpet manufacturing plant, specific training courses have been delivered to supervisors and managers, with additional training available to the wider workforce based on interest and development goals. Our UK carpet logistics subsidiary, Alliance, continues to operate apprenticeship programmes and supports school students seeking work experience.

Other work-related rights

We respect the rights of employees to freedom of association and collective bargaining, in line with local laws and international standards. In jurisdictions where trade unions are active, we engage constructively with employee representatives and maintain open channels of communication.

We uphold the right to fair remuneration and ensure that all employees receive at least the applicable minimum wage. In many cases, as well as our compensation structures exceeding statutory requirements we include performance-based incentives, pension contributions, and other benefits.

Grievance mechanisms are in place across the Group to allow employees to raise concerns confidentially and without fear of retaliation. These mechanisms are reviewed periodically to ensure accessibility and effectiveness.

Workers in the Value Chain

Victoria’s responsibility to uphold ethical and fair labour practices extends beyond our direct employees to include the broader network of individuals working within our value chain. As a Group with global operations and diverse sourcing relationships, we recognise the importance of ensuring that the rights and welfare of workers employed by our suppliers, contractors, and other partners are respected and protected.

We take a risk-based approach to managing labour standards in our supply chain, focusing on transparency, accountability, and continuous improvement. While many of our supplier relationships are longstanding and trusted, we remain vigilant in identifying and addressing potential risks, particularly in areas where regulatory oversight may be limited or inconsistent.

Other work-related rights

To support responsible practices across our supply chain, we maintain a Group-wide Modern Slavery Statement, supplemented where appropriate by local statements, which outlines how we address the risk of modern slavery and human trafficking. These statements describe the measures we take to protect against exploitative practices, including factory visits by our employees and, in some cases, collaboration with third-party organisations.

We regularly screen and visit key commercial partners, and several subsidiaries have established supplier codes of conduct that define the standards and practices we expect. These codes typically address fair wages, working hours, health and safety, non-discrimination, and the prohibition of forced or child labour. Compliance is monitored through a combination of self-assessments, contractual obligations, and, where appropriate, audits or site inspections.

Examples from across the Group include:

- Balta: Participates in Sedex Members Ethical Trade Audits (SMETA) across all sites, reinforcing its commitment to ethical trade and transparency.
- Cali: Works closely with suppliers to ensure the legal and sustainable sourcing of plant-based flooring products, supported by supplier education and third-party certifications.
- Interfloor: Revised its supplier charter in the prior year, requiring suppliers to adhere to updated standards aligned with responsible sourcing and manufacturing practices.
- Victoria Carpets Australia: Conducts regular supplier factory visits, providing feedback on quality and performance. A rigorous assessment process is applied to key suppliers, covering criteria such as energy efficiency and human rights.
- Dunlop Flooring: Ensures that technical department audits of suppliers confirm compliance with good manufacturing practices.

Where temporary or agency labour is used, we expect our partners to ensure that all workers receive fair treatment, appropriate training, and access to grievance mechanisms. As part of our broader ESG strategy, we will continue to strengthen our approach to supply chain due diligence and, where necessary, update contractual terms to reflect evolving expectations and support corrective actions where required.

GOVERNANCE REVIEW

Business Conduct

Strong governance is essential to the long-term success and resilience of Victoria. Our governance framework supports effective decision-making, risk management, and accountability across a decentralised operating model. While our subsidiaries operate with a high degree of autonomy, they are expected to uphold the Group's standards on ethical conduct, regulatory compliance, and responsible business practices. As part of our efforts to strengthen governance and improve supply chain transparency, we have more recently adopted a centralised and globally coordinated approach to procurement. This transition not only supports more consistent ESG standards and enhanced oversight of supplier practices, but also delivers commercial benefits through improved cost control, greater leverage, and operational efficiency.

The following sections outline how we manage key aspects of business governance, including corporate culture and supplier relationships.

Corporate culture

We expect all employees, from factory floor to the plc Board of Directors, to act with integrity, comply with applicable laws and regulations, and uphold the standards set out in our internal policies and codes of conduct. The Group's leadership sets the tone from the top, promoting transparency, responsibility, and continuous improvement through regular engagement with operating companies and risk-based oversight.

While each subsidiary retains operational autonomy, they are expected to maintain governance practices that reflect the Group's values and meet local regulatory requirements. There is at least one member of the executive management team on each of the local statutory boards, providing a direct link between Group oversight and local decision-making. We ensure that appropriate controls are in place across our businesses to consistently uphold strong business ethics and support anyone who, in good faith, discloses a failure to meet our high standards. In recent years, we have integrated several whistleblowing procedures to provide a more consistent and robust framework across the Group. These measures promote a culture where employees feel able to raise concerns, knowing they will be taken seriously and handled in confidence.

The Group also maintains a framework of internal policies and procedures that includes anti-corruption, bribery, whistleblowing, gifts and hospitality, tax evasion, and share dealing. We continue to monitor the regulatory environment and respond as necessary to developments such as the Corporate Sustainability Reporting Directive, the EU Taxonomy, and the Corporate Sustainability Due Diligence Directive (CSDDD).

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Sustainability-related governance is an area of increasing focus. At Group level, we collate and report carbon impact data in accordance with the Streamlined Energy and Carbon Reporting (SECR) regulations. In line with our reporting obligations, we have again aligned our climate-related disclosures with the Task Force on Climate-related Financial Disclosures (TCFD), detailing our governance, strategy, risk management, and metrics and targets related to climate risks and opportunities.

Management of relationships with suppliers, including payment practices

Victoria's supplier relationships are built on principles of fairness, transparency, and long-term value creation. We recognise that responsible procurement practices contribute not only to supply chain resilience but also to broader environmental and social outcomes.

We maintain open and constructive relationships with our suppliers, many of whom have worked with the Group over extended periods. We take steps to ensure that our payment practices are fair and timely. While payment terms vary by region and supplier type, we aim to meet agreed terms consistently and maintain open communication in the event of any delays or disputes. We recognise that late payments can place significant financial strain on suppliers, particularly smaller businesses, and we are committed to avoiding practices that could jeopardise their stability. In addition, we comply with relevant regulatory requirements regarding the reporting of our payment practices, policies, and performance.

Outlook

As Victoria continues to grow and evolve, we remain focused on strengthening the operational foundations that support long-term value creation. Our approach to sustainability is grounded in practical action, regulatory alignment, and a clear understanding of the risks and opportunities facing our industry.

Victoria is committed to ESG matters and continues to implement its strategy. There is constant progress being made, with many subsidiary-level actions being taken across the Group in addition to the actions undertaken under our Board-reviewed framework. We look forward to providing further updates as the Group's ESG strategy continues to develop.

Looking ahead, we will continue to invest in improving the efficiency and resilience of our operations, deepening engagement with our workforce and supply chain partners, and enhancing the quality and transparency of our disclosures. We recognise that expectations - both regulatory and societal - are increasing, and we are committed to responding in a way that is proportionate, credible, and aligned with the structure and needs of our business.

We do not view sustainability as a standalone initiative, but as an integral part of how we operate. Across the Group, our businesses are taking meaningful steps to reduce environmental impact, support their people, and uphold high standards of governance. These efforts are not uniform, nor are they complete - but they reflect a shared direction of travel and a commitment to continuous improvement. We look forward to building on the progress made in the year ahead.

Environmental, Social and Governance Report

Task Force on Climate-Related Financial Disclosures ('TCFD')

Victoria plc acknowledges that climate change poses a significant financial risk to the broader economy, which may result in both direct and indirect financial impacts on our businesses. We recognise the importance of providing accurate and timely disclosures to support informed and efficient capital-allocation decisions across financial markets.

In response, we are pleased to present our second report in accordance with the Department for Business, Energy & Industrial Strategy (BEIS) Climate-related Financial Disclosures (CFD) requirements. We understand that effective management and adaptation to climate-related issues will be an ongoing process requiring continuous improvement. We are committed to enhancing our current understanding, management, and resilience to climate risk and will strive to advance our strategic and financial planning to ensure effective climate change adaptation. We will maintain transparency and communicate our progress in this area through annual CFD-aligned reporting.

The disclosures presented in this section reflect our current approach to identifying and managing climate-related risks and opportunities across four key areas: governance, strategy, risk management, and targets.

Section	Requirement	Disclosure
Governance	(a) Describe the board's oversight of climate-related risks and opportunities	Responsibility for overseeing climate-related risks and opportunities ultimately rests with the Board, in line with its broader oversight of business risks and opportunities. These matters are addressed as part of the Group's wider Environment, Social, and Governance (ESG) agenda. To support the Board in this role, an ESG Committee was established in the prior year. The Committee is chaired by the Chief Executive Officer and includes the Chief Financial Officer, Group Finance Director, and the Head of Risk and Compliance. Its remit includes the ongoing development and implementation of the Group's ESG strategy, including climate-related matters. The Committee Chair provides updates to the Board as required, summarising the Committee's activities and raising any matters requiring Board attention or decision. Where relevant these updates include recommendations on ESG and climate-related strategy, priorities, and performance. The Group maintains regular engagement with capital providers to communicate its ESG strategy and progress, and to understand evolving expectations, including those related to climate risk and disclosure. This dialogue informs the Board's understanding of external stakeholder priorities. Climate-related risks and opportunities, including regulatory compliance and operational impacts, are monitored by the Risk and Compliance function. This function contributes to Board discussions and ensures that relevant actions are cascaded through the organisation as appropriate. Major initiatives, including any responding to climate-related risks, are reviewed as part of the annual budget-setting process. ESG is considered in the evaluation of significant capital expenditure and acquisition proposals, which are subject to Board approval. The ESG Committee monitors performance against ESG objectives, including climate-related risks and opportunities. Victoria is in the process of evaluating climate-related targets across our business, which we expect to disclose progress on in future. The Board is involved in the target-setting process and will review and sign off on any climate targets the Group adopts. Furthermore, we will establish a formal process to ensure regular Board oversight of progress against any targets, providing regular updates to the Board on our performance against targets as part of the ESG Committee updates, along with specific roles and responsibilities to maintain strong governance over these.

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TCFD Continued

Section	Requirement	Disclosure
Governance	(b) Describe the management's role in assessing and managing climate-related risks and opportunities	The Group's Risk and Compliance function is responsible for the identification, assessment, and management of risks and opportunities across the business, including those related to climate. Oversight of climate-related risk management is provided by the ESG Committee, which reports to the Board as required. Climate-related risks are integrated into the Group's overall risk management framework. These risks are documented in the Group Risk Register and are reviewed regularly in collaboration with subsidiary and divisional leadership. In addition, divisional Climate Risk Registers are maintained to capture more granular risks, which are subsequently consolidated into the Group-level register. Where appropriate, significant climate-related risks are escalated to the ESG Committee and, if necessary, to the Board. The prioritisation of ESG topics, including climate-related issues, is reviewed annually. This process informs the Group's risk management activities and ensures that emerging risks are appropriately considered and addressed. The preparation of the Group's annual ESG Report and TCFD-aligned disclosures provides a structured opportunity to assess and communicate climate-related risks and opportunities. This process supports internal alignment and enables the Group to provide stakeholders with clear and consistent information on climate-related developments.

Section	Requirement	Disclosure
Strategy	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Victoria evaluates climate-related risks and opportunities across three defined time horizons: short, medium, and long term. These timeframes are aligned with the Group's financial and strategic planning cycles, as well as the expected useful life of key assets and operations. This approach enables the business to assess near-term transitional risks alongside longer-term physical risks that may emerge over extended periods. By structuring our analysis in this way, we are better positioned to identify and respond to evolving regulatory, market, and environmental developments. This includes assessing the potential impact of climate-related legislation, shifts in customer preferences, supply chain disruptions, and the physical effects of climate change on our operations and infrastructure. The identification of risks and opportunities is an ongoing process, informed by internal assessments, stakeholder engagement, and external developments. These insights are integrated into our broader risk management and strategic planning activities to support operational resilience and long-term value preservation.

Table 1. Victoria's climate time horizons

Time Horizon	Description	Potential climate risks relevant to time horizon
Short-term	0-3 years (FY26-FY29)	Short-term climate-related risks that could have a potential immediate financial impact on the business. This considers predominantly transition risks from changing market, technology, policy and reputational demands. This time horizons extends to FY29 in line with Victoria's shorter-term term business and financial planning.
Medium-term	3-5 years (FY29 – FY32)	Medium-term climate related risks consider both transition and physical risks across our global operations and supply chain. During this time horizon, transition risks such as carbon pricing may become increasingly demanding to support the transition to a low-carbon economy, placing increased strain across several or potentially all our regions of operations. This time horizon extends to FY32 as an increasing number of governments and companies are looking to meet interim targets set for the end of the decade.
Long-term	5+ years (FY32-FY40)	Long-term impacts are predominantly those relating to increased frequency and severity of extreme acute and chronic climate change events. Victoria has a global supply chain that may be susceptible to a range of acute and/or chronic physical hazards such as storms and flooding, extreme heat, sea level rise and drought. This timeline extends to FY40 to appropriately assess the resilience of Victoria to potentially increased frequency and severity of longer-term physical impacts of climate change.

Environmental, Social and Governance Report

TCFD Continued

Section	Requirement	Disclosure
Strategy continued		During FY2024, Victoria undertook a comprehensive qualitative assessment of climate-related risks and opportunities across the Group to support its first year of reporting under the Climate-related Financial Disclosure (CFD) Regulations 2022. This assessment was informed by desktop research, peer benchmarking, and internal workshops involving stakeholders from across the Group's divisions and regions. Through this process, a shortlist of climate-related risks and opportunities was identified as having the potential to materially impact the business over the short, medium, and long term. These reflect the operational profile of Victoria as a large-scale manufacturer and distributor of flooring products. Three transition risks, one physical risk, and one opportunity were identified as material. Given the energy-intensive nature of our operations—from raw material procurement through to manufacturing and global distribution—the Group is particularly exposed to macroeconomic shifts associated with the transition to a low-carbon economy. Key risks include potential increases in the cost of traditional fuel sources (see R.02 on page 43) and the introduction of carbon pricing mechanisms in jurisdictions where we operate (see R.03 on page 44). Reputational risk has also been identified, particularly in relation to meeting evolving stakeholder expectations and regulatory disclosure requirements across multiple jurisdictions (see R.04 on page 45). In addition to transition risks, the Group is exposed to physical climate risks that may affect the resilience of its global supply chain (see R.01 on page 42). These include the potential for increased frequency and severity of extreme weather events, which could disrupt raw material sourcing, manufacturing operations, and distribution activities, with implications for both cost and revenue. On the opportunity side, a key area of potential value lies in responding to growing consumer demand for sustainable and resilient products (see O.01 on page 46). Victoria has already begun investing in the development of products incorporating sustainable and recycled materials and will continue to build on this work in line with customer expectations. Further detail on the potential impacts of these risks and opportunities, as well as the climate scenarios used to assess the Group's resilience, is provided on pages 47 to 50 of the Strategy section.

Section	Requirement	Disclosure
Strategy continued	(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	As outlined in the preceding section, Victoria conducted a qualitative assessment of five potentially material climate-related risks and opportunities during FY2024, supported by a third-party advisor. This work was undertaken to inform the Group's first-year reporting under the Climate-related Financial Disclosure (CFD) Regulations 2022. The assessment considered the potential financial and strategic implications of each risk and opportunity across short-, medium-, and long-term time horizons, using two defined climate scenarios. Table 2 (below) summarises the potential impacts of each item on the Group's operations, strategy, and financial planning. This analysis has informed our understanding of relative exposure and supports ongoing integration of climate considerations into business planning. The two scenarios used in the assessment are as follows: **'Net Zero' scenario:** The Net Zero scenario is the most ambitious scenario that assumes global warming can be limited to 1.5°C by 2100, enabled via stringent climate policies that are introduced across the global economy with immediate effect, allowing for Net Zero targets to be met by 2050. Key assumptions that underpin this scenario include policy measures that drive technology and market changes to support efforts to decarbonise the power sector. This in turn drives up the cost of traditional fossil-fuel energy sources, as they struggle to compete with renewable, low-carbon alternatives that become increasingly cost-effective. **'Current Policies' scenario:** The Current Policies Scenario projects the future of energy and climate based on the assumption that existing laws and policies remain in effect without any additional changes or new policies being implemented. In such a scenario, it's presumed that there is no further action taken to specifically address climate change, improve energy efficiency, or transition to cleaner energy sources beyond what has already been established. This temperature scenario assumes >4°C of warming by 2100. Macroeconomic inputs and assumptions for the scenario analysis were primarily drawn from the Network for Greening the Financial System (NGFS) and the International Energy Agency (IEA). Where appropriate, additional secondary sources were used, including academic literature, institutional research, and government publications. For the assessment of physical risks, Victoria relied on the Intergovernmental Panel on Climate Change (IPCC)'s Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs). This scenario-based approach has enabled the Group to begin evaluating the resilience of its strategy under different climate scenarios and to identify areas where further analysis or adaptation may be required.

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TCFD Continued

Disclosure

Climate-related risk / opportunity	Risk description and assessment	Relative financial impact: Potential financial impact	Net Zero 2050: 2029	Net Zero 2050: 2032	Net Zero 2050: 2040	Current Policies: 2029	Current Policies: 2032	Current Policies: 2040	Mitigation measures / Risk treatment plans
R.01: Acute/Chronic physical risks impacting upstream and downstream supply chain activities. **TCFD Taxonomy:** Physical risk – Acute/Chronic.	Victoria's extensive global supply chain is exposed to a range of acute and/or chronic physical risks that may negatively impact the Company's business activities via disruptions to the sourcing and transport of raw materials or onwards distribution of products. Analysis of our key materials and regions of procurement identified several physical hazards such as flooding, extreme heat, drought, and sea level rise to be of particular risk across our supply chain. Their impacts are projected to increase in frequency and severity over the long-term, particularly under the Current Polices scenario where warming levels are anticipated to rise considerably.	• Increased operational costs resulting from costs associated with delays and/or damages passed through from suppliers. • Decreased revenue resulting from delays to upstream and/ or downstream supply chain activities.	Low	Low	Medium	Low	Medium	High	• Ongoing diversification of the Group's operations across different flooring sectors - such as ceramics, rugs, and carpets - alongside geographic expansion, as demonstrated in recent years; • Changes to the supply chain, e.g. some raw materials are already sourced locally and this could be extended (for example at our Spanish Ceramics operation); • Short term impact on supply chain could be mitigated through inventory management; • Ability to pass through costs.

Relative financial impact

○ Low ◐ Medium ● High

Disclosure

Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	Relative financial impact: Net Zero 2050			Relative financial impact: Current Policies			Mitigation measures / Risk treatment plans
			2029	2032	2040	2029	2032	2040	
R.02: Energy price volatility. **TCFD Taxonomy:** Transition risk - Market.	Fossil fuel prices may increase over time, particularly under more ambitious climate scenarios where emission-intensive fuel sources are gradually phased out in favour of renewable, lower-carbon alternatives. This risk is likely to have a larger impact on Victoria under the Net Zero 2050 scenario, due to the emissions-intensive nature of the current manufacturing processes required for ceramics production. However, recent instances of energy price volatility have been mainly driven by short-term geopolitical events rather than climate-related factors. As such, substantial changes to energy prices in the short to medium-term is considered highly unlikely. However, as policy and industry drive the energy transition, and net zero by 2050 ambitions materialise, this is likely to have a high impact and likelihood in the long-term under a Net Zero 2050 scenario.	• Increased operational costs resulting from higher cost of energy, required for Victoria's manufacturing processes. • Decreased revenue in response to reduced production to manage the increased operational costs.	Low	Medium	High	Low	Low	Low	• Similar to the examples detailed in this year's ESG Report we expect further investments/ R&D into more sustainable methods of manufacturing/ logistics resulting in decreased costs; • Investment/ Power Purchase Agreements (PPAs) with renewable energy sources; • Ability to pass through costs (assuming it to be a sector wide issue).

Relative financial impact

Low Medium High

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TCFD Continued

Disclosure

			Relative financial impact						
			Net Zero 2050			Current Policies			
Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	2029	2032	2040	2029	2032	2040	Mitigation measures / Risk treatment plans
R.03: Increased direct costs on operations resulting from carbon taxes. **TCFD Taxonomy:** Transition risk – Policy and Legal.	Carbon taxation is anticipated to be a key instrument in driving reductions in global GHG emissions, and we may be exposed to carbon taxes being applied to our business activities, to varying degrees across the jurisdictions in which we operate. This would be particularly impactful for the ceramics business, which currently has emissions-intensive manufacturing processes. This risk is expected to be more likely and impactful under the Net Zero 2050 scenario, where carbon prices are anticipated to rise considerably over the medium to long-term to meet global net zero commitments.	• Increased operational costs as carbon taxes are applied to direct activities (i.e., scope 1 and 2 emissions). • Increased operational costs as carbon taxes are indirectly passed through from suppliers (i.e., scope 3 emissions).	○	●	●	○	○	○	• Investment/R&D into alternative methods of manufacturing to reduce the carbon intensity – see ESG Report for examples to date; • Ability to pass through costs (assuming it would be a sector wide issue).

Disclosure

			Relative financial impact						
			Net Zero 2050			Current Policies			
Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	2029	2032	2040	2029	2032	2040	Mitigation measures / Risk treatment plans
R.04: Reputational damage that may result from not meeting climate performance and disclosure regulations and requirements. **TCFD Taxonomy:** Transition risk – Reputation.	Victoria operates across many regions and jurisdictions and may be captured under a multitude of climate-related disclosure mandates in the coming years. It is likely reporting requirements will become more widespread and onerous under both climate scenarios, given there are numerous existing climate-related frameworks and new ones may be introduced across key regions of our operations including Europe, UK, US and Australia. Stakeholder expectations for adequate communication of climate-related performance and management is possible across all time horizons and scenarios, as indicated by recent trends in the market which demonstrates climate conscious spending increasing over recent years. The overall risk is anticipated to be greater however under the Net Zero 2050 scenario, where greater importance is placed on climate-related mitigation and adaptation. However, we do not consider Victoria to operate in a high-risk sector that may be more susceptible to regulatory liability and public scrutiny, due to our diversified portfolio of products and companies.	• Decreased revenue resulting from damaged brand reputation. • Increased operational costs associated with litigation fees and/or financial penalties.	Low	Low	Medium	Low	Low	Low	• Regulatory scanning to ensure we adhere to mandatory reporting; • Engagement with appropriately qualified external advisors; • Consideration of non-mandatory reporting, e.g. consideration to be given to meeting CSRD in advance of the Group reporting deadline.

Relative financial impact

Low Medium High

Environmental, Social and Governance Report

TCFD Continued

Disclosure

			Relative financial impact						
			Net Zero 2050			Current Policies			
Climate-related risk / opportunity	**Risk description and assessment**	**Potential financial impact**	**2029**	**2032**	**2040**	**2029**	**2032**	**2040**	**Mitigation measures / Risk treatment plans**
O.01: Capture market share by responding to the shift in consumer preferences for more sustainable / resilient products. **TCFD Taxonomy:** Opportunity – Reputation.	Victoria has an opportunity to respond to shifting market trends signalling increased consumer demand for more sustainable products. Several of Victoria's businesses are well positioned to respond to this market trend, with already established product offerings and market presence. However, we have a considerable opportunity to further drive innovation and tap into new, emerging markets across the flooring industry. This opportunity is particularly viable over the medium to long-term and under the Net Zero 2050 scenario, as policy and macroeconomic changes shift consumer attention in support of a transition to a net-zero economy by 2050.	• Increased revenue resulting from diversified portfolio and product offerings. • Increased access to capital and/or revenue resulting from enhanced brand reputation.	○	○	●	○	○	○	• Sustainable product offerings from across Victoria's businesses, such as the Renu product currently offered by our UK Underlay operations, the Athmos range offered by the Victoria Grass Group and Balta Rugs' Re_Lease (our first machine-woven rug quality made entirely of recycled polyester bottles); • Investments/ R&D into more sustainable methods of manufacturing and products.

Section	Requirement	Disclosure
Strategy	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2oC or lower scenario	Victoria's current business strategy is considered resilient to climate-related risks and opportunities in the near term. The Group's core markets in Europe and the United States have demonstrated consistent volume growth over the past 25 years, averaging approximately 2.6% per annum. This growth has been underpinned by structural drivers such as an ageing housing stock, increased household formation, persistent housing shortages, and evolving consumer preferences. These factors are expected to remain relevant, providing a stable foundation for continued demand across our product portfolio. The climate-related risks and opportunities identified are broadly consistent with those faced by others in the sector. Our focus on outperforming the wider market supports our ability to adapt to emerging risks and capture new opportunities. Scenario analysis indicates that the Group is most exposed to climate-related risks over the medium to long term. Under the Net Zero scenario, the primary risks relate to increased operating costs driven by carbon pricing and energy market volatility. In contrast, under the Current Policies scenario, physical risks become more pronounced over time, particularly in relation to supply chain disruption and infrastructure resilience. Victoria will continue to assess the exposure of its business strategy to climate-related risks and opportunities under a range of plausible future scenarios. This includes identifying additional mitigation measures that can be integrated into financial and strategic planning to enhance resilience and support long-term value creation. As this is only the Group's second year reporting under the Climate-related Financial Disclosure Regulations 2022, the focus remains on the robust qualitative assessment. This has enabled a comprehensive risk identification process across the Group's diverse operations and geographies. In future reporting cycles, Victoria intends to build on this foundation by incorporating more detailed quantitative financial analysis. The Group's strategy provides a strong platform from which to respond to climate-related developments and is reviewed regularly and adjusted as necessary to ensure continued alignment with climate-related risks and opportunities. This approach is intended to ensure that Victoria remains resilient, competitive, and well-positioned to manage the transition to a low-carbon economy while maintaining operational and financial stability.

Environmental, Social and Governance Report

TCFD Continued

Section	Requirement	Disclosure
Risk Management	(a) Describe the organisation's processes for identifying and assessing climate related risks	As outlined in the Strategy section, Victoria undertook a structured process to identify and assess climate-related risks and opportunities relevant to its operations. This process was supported by a third-party advisor and included extensive desktop research and peer benchmarking to develop an initial longlist of climate-related issues applicable to the Group's industry and geographic footprint. To refine this assessment, workshops were conducted with key stakeholders from across the business, including representatives from Risk, Finance, and divisional leadership. These sessions focused on evaluating the relevance and potential materiality of the identified risks and opportunities. As a result, five climate-related items were prioritised for further analysis—comprising three transition risks, one physical risk, and one opportunity—based on their potential to materially impact the Group's financial performance. A qualitative scenario analysis was then carried out to assess the materiality of these risks and opportunities across short-, medium-, and long-term time horizons, under two distinct climate scenarios. This analysis considered both the likelihood and potential financial impact of each risk, enabling the Group to assign relative significance and inform strategic planning. Further detail on the scenario analysis is provided in the Strategy section. Victoria's broader risk governance framework incorporates ESG considerations, including climate-related risks, into its qualitative risk assessment process. Risks are evaluated based on inherent likelihood and impact and are reviewed regularly to ensure alignment with emerging regulatory requirements and market developments. The Group will continue to reassess climate-related risks and opportunities on an annual basis, ensuring that material exposures are identified and appropriately addressed as part of its ongoing risk management activities.
	(b) Describe the organisation's processes for managing climate related risks	Victoria manages climate-related risks through a process that is integrated with the Group's broader risk management framework. This approach ensures consistency in how risks are identified, assessed, prioritised, and addressed across the organisation. The process begins with the identification of relevant climate-related risks, followed by an assessment of their potential impact and likelihood. Risks are then prioritised based on their significance to the Group's operations, including potential implications for financial performance, supply chain continuity, and regulatory compliance. For each material risk, appropriate mitigation measures are developed and implemented. These may include operational adjustments, investment in more efficient technologies, or engagement with suppliers and partners to improve resilience. Once mitigation plans are in place, risks are monitored on an ongoing basis and reviewed regularly to ensure they remain appropriately managed in light of evolving external conditions. Climate-related risks are subject to the same governance and oversight processes as other principal risks. This includes regular reporting to the ESG Committee and, where appropriate, escalation to the Board. This integrated approach supports a consistent and disciplined response to climate-related challenges across the Group.

Section	Requirement	Disclosure
	(c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management	Climate-related risks and opportunities are assessed with consideration of their potential impact at both the Group level and across Victoria's four operating divisions: UK & Europe Soft Flooring, UK & Europe Ceramic Tiles, Australia, and North America. As part of our integrated risk management approach, we engage with representatives from key functions and business units to ensure that climate-related risks are evaluated consistently across the organisation. This is Victoria's second year reporting under the Climate-related Financial Disclosure Regulations 2022. At this stage, we have adopted a qualitative approach to identifying and assessing material climate-related risks and opportunities. This has enabled a comprehensive, Group-wide evaluation of potential exposures using structured workshops and scenario analysis. As our capabilities in this area mature, we intend to incorporate more quantitative methodologies, including financial modelling, to assess the potential impact of climate-related risks with greater precision. This will support more detailed integration of climate considerations into financial planning and strategic decision-making. The Group's ESG and Climate Risk Registers are reviewed annually to ensure they reflect the current risk landscape. This process also supports the identification of new or emerging climate-related risks that may have a material financial impact on the business. These reviews are embedded within our broader risk governance framework, ensuring that climate-related risks are managed alongside other principal risks in a consistent and coordinated manner.
Targets	(a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	Victoria monitors and reports its greenhouse gas (GHG) emissions annually, focusing on Scope 1 and Scope 2 emissions. This enables the Group to track its operational carbon footprint and evaluate progress in reducing emissions over time. Disclosures are made in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, as set out in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. To support internal analysis and comparability across the business, emissions intensity ratios are calculated for each of the Group's four reporting divisions. These ratios are based on a combination of sales volumes, energy consumption, and GHG emissions data. Further detail on these metrics is provided on page 28 of the SECR section of this report. Looking ahead, Victoria will explore the development of additional metrics to support the monitoring of priority climate-related risks and opportunities, as identified in the Strategy section. These may include indicators to assess the effectiveness of mitigation actions, support scenario analysis, and inform strategic decision-making.

Environmental, Social and Governance Report

TCFD Continued

Section	Requirement	Disclosure
	(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Victoria discloses its Scope 1 and Scope 2 greenhouse gas (GHG) emissions annually in line with the Streamlined Energy and Carbon Reporting (SECR) framework. These disclosures provide transparency on the Group's direct and indirect emissions and support the monitoring of climate-related risks associated with energy use and carbon intensity across our operations. Further detail on Victoria's GHG emissions, including methodology, emissions data, and intensity metrics, is provided in the SECR section of this report on page 28.
	(c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	As this is only Victoria's second year reporting in line with the Climate-related Financial Disclosure Regulations 2022, our focus has been on establishing a clear understanding of the Group's climate-related risk profile. This involved identifying and assessing material risks and opportunities across different time horizons and climate scenarios, to inform future planning and prioritisation. To date, our efforts have centred on measuring and reporting greenhouse gas (GHG) emissions in accordance with the SECR Regulations 2018. This provides a foundation for tracking emissions performance and supports the development of a baseline against which future reduction targets can be set. In future periods Victoria will evaluate the feasibility of setting Group-wide GHG emissions reduction targets. In parallel, we will explore the development of additional metrics and associated targets aligned with the priority climate-related risks and opportunities identified through the current scenario analysis. As our understanding evolves, we will review and refine these metrics to ensure they remain relevant and effective in supporting the Group's climate strategy and performance monitoring over time.

This report marks Victoria's second year of disclosure in line with the Climate-related Financial Disclosure Regulations 2022. The work undertaken has provided a foundation for understanding the Group's exposure to climate-related risks and opportunities and integrating these considerations into our governance, strategy, and risk management processes. As regulatory expectations and stakeholder requirements continue to evolve, Victoria remains committed to enhancing its climate-related disclosures and strengthening its approach to climate risk management.

Alec Pratt
Chief Financial Officer

24 July 2025

Board of Directors

GEOFFREY WILDING
Executive Chairman

Geoffrey Wilding is a former investment banker. He set up his own investment company in New Zealand in 1989. Geoff was appointed Executive Chairman at the General Meeting on 3 October 2012 and is a member of the Nominations Committee.

PHILIPPE HAMERS
Chief Executive Officer

Philippe Hamers was appointed to the Board on 20 March 2017. Philippe has over 30 years' experience in the flooring industry and headed Europe's largest carpet manufacturing operation at Balta Group, for the previous six and a half years. Prior to joining the Balta Group he was General Manager of the Tufted and Woven Division of Beaulieu International Group.

BRIAN MORGAN
Chief Financial Officer

Brian Morgan was appointed to the Board of Victoria PLC on 22 August 2022 and resigned from the Board on 23 July 2025. Prior to joining Victoria, Brian was Director of Group Finance at Synthomer plc. He has worked in several other FTSE 250 multi-national companies in senior commercial finance and head office roles. Brian is a chartered accountant and has worked for Arthur Andersen and Deloitte in Corporate Finance and Audit.

ALEC PRATT
Chief Financial Officer

Alec Pratt was appointed to the Board of Victoria PLC on 15 April 2025 and Chief Financial Officer from 23 July 2025. Prior to joining Victoria, Alec was Co-head of EMEA Financial Sponsor M&A at Deutsche Bank. He is an experienced senior finance leader having spent 16 years in investment banking. Throughout this time, he has advised many listed and private companies on significant M&A transactions, executed equity and debt raises of various types, and built teams and businesses within banks. Previously he spent four years at Numis growing their UK public M&A business, and 11 years at J.P. Morgan where he was an Industrials coverage banker focusing on the built environment. Over his career he has advised numerous UK listed building materials manufacturers and distributors at every stage of the business cycle.

ANDREW HARRISON
Non-executive Director

Andrew Harrison has more than 30 years of experience as a solicitor in private practice, specialising in company law. He has advised on a wide variety of corporate transactions, including management buy-outs and buy-ins, corporate acquisitions and disposals and listed company take-overs.

Andrew was appointed to the Board at the General Meeting held on 3 October 2012. He is the Senior Independent Non-executive Director, Chair of the Audit and Nominations Committees and a member of the Remuneration Committee.

GAVIN PETKEN
Non-executive Director

Gavin Petken is a private equity investor with over twenty years' experience across multiple asset classes and sectors. He was previously Head of Investment South and Quoted at BGF, responsible for leading investment and portfolio teams across a number of offices. He was also a member of BGF's national executive leadership team, national investment committee, and responsible for managing BGF's UK wide investment activity into public companies, BGF Quoted. Before BGF, Gavin was a Managing Director in Private Equity with RBS plc for 13 years.

Gavin was appointed to the Board in September 2014 and is Chair of the Remuneration Committee and a member of the Audit and Nominations Committees.

JOSEPH SCRIBBINS
Non-executive Director

Joseph Scribbins is a Managing Director of Koch Equity Development LLC, where he founded and leads their Commercial Excellence Team. He holds an MBA from Massachusetts Institute of Technology Sloan School of Management.

Joseph was appointed to the Board on 8 January 2025.

BLAKE RESSEL
Non-executive Director

Blake Ressel is a Managing Director of Koch Equity Development LLC, where he leads and manages their European team and activities with an investment mandate centred on partnered acquisitions and principal investments. He holds an MBA from Northwestern University Kellogg School of Management.

Blake was appointed to the Board in December 2020 and resigned from the Board on 8 January 2025.

Directors' Report

The Directors present their Annual Report and the audited financial statements for the Group for the 52 weeks ended 29 March 2025.

PRINCIPAL ACTIVITIES AND STRATEGIC REPORT

The Group's principal activities are the manufacture, distribution and sale of floorcoverings. A review of the group's activities and an indication of likely future developments are set out in the Chairman and CEO's review on pages 04 to 11.

The Company is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Group's business, the development and the performance of the Group's business during the year and its future development, of the position of the Group at the end of the financial year to 29 March 2025 and a description of the principal risks and uncertainties faced by the Group. The Strategic Report can be found on pages 12 to 15.

RESULTS AND DIVIDENDS

The results include those of Victoria PLC and its subsidiaries for the full year and are set out in the financial statements on pages 72 to 153.

	£m
Loss attributable to shareholders	264.4
Total dividend paid in the financial year	–
Retained loss	**264.4**

The Directors do not recommend the payment of a final dividend for the 52 weeks ended 29 March 2025.

DIRECTORS' INSURANCE AND INDEMNITIES

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the 52 weeks ended 29 March 2025 and through to the date of this report.

DIRECTORS' REMUNERATION

The remuneration of all Directors for the 52 weeks ended 29 March 2025 were as follows:

	Salary/Fees £000	Benefits in kind £000	Bonus £000	Termination benefits £000	**Total 2025 £000**	Total 2024 £000
Executive						
Geoffrey Wilding	1,200	–	–	–	**1,200**	69
Philippe Hamers	1,614	43	–	–	**1,657**	2,863
Brian Morgan	525	21	100	100	**746**	419
	3,339	64	100	100	**3,603**	3,351
Non-executive						
Andrew Harrison	35	–	–	–	**35**	35
Gavin Petken	100	–	–	–	**100**	35
Zachary Sternberg (until resignation on 21 November 2023)	–	–	–	–	**–**	23
	135	–	–	–	**135**	93
	3,474	64	100	100	**3,738**	3,444

Director's interests in share schemes are detailed in note 5.

DIRECTORS' PENSION ENTITLEMENTS

Philippe Hamers who held office during the 52 weeks ended 30 March 2024 was the only Director who was part of the money purchase scheme. The contributions paid by the Group in respect of this was £19,129 (2024: £19,991).

SHARES HELD IN TREASURY

During the year the Company purchased 365,000 of the ordinary 5p shares in issue for a total consideration of £986,555. All of the shares purchased were transferred into treasury. There has also been a transfer out of treasury of 661,139 shares used for settlement of certain employee share options that vested and were exercised in the period. The number of shares held in treasury at 29 March 2025 was 11,170,655 and represents 8.9% of the called-up share capital (2024: 11,466,794).

The total number of ordinary shares in issue in the Company at 29 March 2025 was 114,294,012 (excluding the shares held in treasury).

EMPLOYEES AND OTHER STAKEHOLDER MANAGEMENT

Employees

Our employees are integral to the successful delivery of the Group's strategy. Employees' knowledge, skills and experience are key to maintaining our strong customer and supplier relationships. As such, the Group is focused on the recruitment, development, retention, and reward of its employees.

Employees are encouraged to attend training courses and there is regular consultation with employee representatives to ensure that employees are informed of all matters affecting them. Applications for employment by disabled persons are given full and fair consideration having regard to their aptitudes and abilities. Appropriate training within their capabilities is provided for disabled employees seeking career development. Employees who become disabled during their employment have continued in employment wherever possible.

Within the bounds of law, regulation and commercial confidentiality, information is shared to all levels of staff about matters that affect the progress of the Group and are of interest and concern to them as employees.

Further details on the Group's engagement with employees is set out in the Environmental, Social and Governance Report on pages 26 to 50.

Shareholders and bondholders

The company engages with its shareholders and bondholders principally via a Regulatory Information Service, its investor website, formal company meetings and investor roadshows. The Company's contact details, telephone, email and correspondence address, are listed on its website for investors' use. The Company also provides an email alert service on its website to which investors and other interested parties can subscribe, to receive company announcements when they are released.

The Directors actively seek to build a relationship with institutional shareholders and bondholders. The Chairman, Chief Executive Officer and Chief Financial Officer make presentations to institutional investors and analysts each year immediately following the release of the full-year and half-year results.

The AGM is the main forum for dialogue between retail shareholders and the Board. The Board are available to answer questions raised by shareholders.

The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the Chairman. Any significant investment reports from analysts are also circulated to the Board. The Chairman and Chief Financial Officer are available to meet with major shareholders and bondholders if required to discuss issues of importance to them.

Customers

Our customers are of paramount importance and the Group seeks to retain customers and establish long and lasting relationships with them, built on mutual respect and trust. The Group is focused on producing quality flooring products at competitive prices for our customers.

We meet with our customers regularly to ensure we are offering the right products and level of service and responding to customer feedback to ensure we meet their expectations. Our customer relationships and manufacturing flexibility also aid diversification of our product portfolio. Our close relationships with our customers provide us with valuable feedback, enabling us to adapt quickly to changes in end-consumer preferences.

Directors' Report

Suppliers

Victoria endeavours to forge strong relationships with suppliers built on honesty, fairness, and mutual respect. We meet with key suppliers on a regular basis and take reasonable steps to ensure our suppliers comply with our standards, such as those relating to environmental responsibility, modern slavery, data protection, human rights, and ethics.

Community and the environment

As a manufacturing and distribution business, there is a risk that some of the Group's activities could have an adverse impact on the local environment. Policies are in place to mitigate these risks, and all of the Group businesses are committed to full compliance with all relevant health and safety and environmental regulations. Further details on the Group's approach to environmental matters is included in the Environmental, Social and Governance Report on pages 26 to 50.

STREAMLINED ENERGY AND CARBON REPORTING

Under the Companies (Directors' Report) and Limited Liabilities Partnerships (Energy & Carbon Report) Regulations 2019, we are mandated to disclose our UK energy use and associated greenhouse gas emissions. These disclosures are set out separately in the Streamlined Energy and Carbon Report on page 28.

FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies are set out within Note 25 of the financial statements. Note 25 also details the Group's exposure to foreign exchange, share price, interest, credit, capital and liquidity risks. This note is incorporated by reference and deemed to form part of this report.

TAXATION STATUS

The Directors are advised that the Company is not a 'close company' within the provisions of the Income and Corporation Taxes Act 1988.

CORPORATE GOVERNANCE STATEMENT

From September 2018 all AIM companies are required to set out details of a recognised corporate governance code that the Board of directors has chosen to apply, how they comply with that code, and where it departs from its chosen corporate governance code an explanation for doing so.

The Board decided to adopt the Quoted Companies Alliance ("QCA") Code as our guide. The Group's application of this code is detailed in the Corporate Governance Statement on the Group's website at www.victoriaplc.com/corporate_governance_statement/. As required under AIM Rule 26, the information in this statement is reviewed annually.

GOING CONCERN

The consolidated financial statements for the Group have been prepared on a going concern basis.

The Financial Review on page 24 sets out the justification for this basis of preparation.

ANNUAL GENERAL MEETING

Notice of the 2025 Annual General Meeting, together with a description of the business to be discussed at the AGM, is set out in the accompanying Notice. The Notice of this year's Annual General Meeting will be available to review on the Company's website at www.victoriaplc.com.

The Directors consider that each of the proposed resolutions to be considered at the Annual General Meeting are in the best interests of the Company and its shareholders, and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of each of the proposed resolutions, as the directors intend to do in respect of their own shareholdings.

POST BALANCE SHEET EVENTS

Balta restructuring

Balta announced on June 12 2025 that, due to ongoing demand and cost pressures on its rug business, the continuation of large-scale woven rug production at Belgian locations has become financially unviable.

As a result, Balta intends to cease yarn production with select operations transferring to existing facilities in Turkey. Further details are set out in Note 28.

The directors are not aware of any other material post balance sheet events.

By Order of the Board

David Cressman
Company Secretary

24 July 2025

Directors’ Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

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

The directors confirm that:

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

On behalf of the Board

Alec Pratt
Chief Financial Officer

24 July 2025

Independent Auditor's Report

to the members of Victoria PLC

OPINION

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

We have audited the financial statements of Victoria PLC (the 'parent company') and its subsidiaries (the 'group') for the 52 week period ended 29 March 2025, which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated and Company statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 29 March 2025 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the Basis of Preparation section within Significant Accounting Policies in the financial statements which states that the Group's cash position, net of overdrafts, as at 29 March 2025 was £56.6m (2024: £72.8m), that it maintains significant additional liquidity through local financing lines and its existing Super Senior Revolving Credit Facility ("SSRCF") and proposed new Super Senior Credit Facility ("SSCF"), and that the Group expects to continue to generate positive operating cash flows in the forecast period to 31 July 2026. The Basis of Preparation section within Significant Accounting Policies also refers to the maturity dates of the existing SSRCF (February 2026) and its 3.625% Senior Secured Notes (August 2026) (the "2026 Notes") as well as a series of public consent solicitations and a public exchange offer to holders of its 2026 Notes ("the 2026 Notes transaction") and an agreement to refinance the existing SSRCF with a new SSCF.

As stated in the Basis of Preparation section within Significant Accounting Policies, as a result of the 2026 Notes transaction and the refinancing of the SSRCF not having completed at the time of the approval of the Annual Report and Accounts, there is a material uncertainty relating to events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern.

These events or conditions, along with the other matters as set forth in the Basis of Preparation section within Significant Accounting Policies, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independent Auditor’s Report

to the members of Victoria PLC

Our evaluation of management’s assessment of the entity’s ability to continue as a going concern
The existence of a material uncertainty related to going concern was assessed as a matter that was one of the most significant assessed risks of material misstatement due to the uncertainty associated with the 2026 Notes transaction and the SSRCF transaction not having completed at the time of approval of the annual report and accounts.

The Group has prepared a reverse stress test scenario sensitising revenue such that liquidity is fully absorbed within the twelve-month going concern assessment period. The required adjustment is a circa 43% reduction to the projected revenue. This scenario assumes that all facilities which mature during the going concern assessment period are repaid in full and not replaced, while certain facilities which have no fixed maturity are assumed to be revoked. Substantial mitigating actions, which would be taken in such a scenario, have not been modelled.

Having considered the work undertaken as described above, and in light of the expectation of the successful completion of the 2026 Notes transaction and the SSRCF transaction, the Directors are of the view that the Group is well placed to manage its business risks. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

We performed the following audit procedures to evaluate management’s assessment of the group’s and the parent company’s ability to continue as a going concern:

- obtained management’s forecasts covering the period to 31 July 2026, which include a base case assessment, reasonably possible downside scenario and a reverse stress test. These forecasts were evaluated to confirm the mathematical accuracy of the model;
- obtained and considered the appropriateness of management’s assessment in support of the going concern assumption including the following:
- the rationale for the selection of an appropriate going concern period;
  - consideration of the economic conditions relevant to the industry in which the group operates; and
  - consideration of events outside the going concern period including, but not limited to, the expiry of some of the group’s current financing arrangements in 2026.
- tested the mathematical accuracy of management’s forecasts, including vouching the opening cash position to the closing balances at 29 March 2025;
- obtained and compared analyst reports and industry data with management’s estimates and considered whether the data provided corroborative or contradictory evidence in relation to management’s assumptions;
- considered the inherent risks associated with the Group’s business model including effects arising from macro-uncertainties (such as interest and inflationary pressures) on the forecasting period;
- assessed and challenged the reasonableness of estimates made and the related disclosures and analysed how those risks might affect the Group’s business in the going concern period;
- compared management’s forecasting to historical financial information for the past four financial periods and post period end for April and May 2025, to assess the accuracy of that forecasting; and
- evaluated the Group’s disclosures on going concern for compliance with the requirements of IAS 1 ‘Presentation of Financial Statements’.

Our responsibilities

We are responsible for concluding on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s and the parent company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

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

OUR APPROACH TO THE AUDIT

Grant Thornton

OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £6,000,000, which represents approximately 0.5% of the group's total revenue.

Parent company: £10,000,000, which represents approximately 1% of the parent company's total assets.

The parent company materiality is for the purposes of the parent company only financial statement audit. A lower component performance materiality has been used in respect of the parent company for the group financial statements audit.

Key audit matters were identified as:

- Valuation (impairment) of non-current assets - UK & Europe – Ceramic Tiles (Spain) cash-generating unit ("CGU"), North America - Cali Bamboo CGU, UK & Europe - Ceramic Tiles (Italy) CGU (same as previous period) and UK & Europe - Rugs CGU (new in current period);
- Valuation of investment in subsidiaries and amounts owed by subsidiaries within the parent company only (new in current period); and
- Going concern (same as previous period).

Our auditor's report for the period ended 30 March 2024 included one key audit matter that has not been reported as a key audit matter in the current period report. This relates to the risk factors in respect of revenue, cash and payroll financial statement line items and actual and potential irregularities in respect of Hanover Flooring Limited. This has not been included in the current year as in the prior period audit, following management's additional work, the support of external advisors, and our procedures performed, we satisfied our concerns linked to the identified fraud risk factors in respect of Hanover Flooring Limited. In addition, Hanover Flooring Limited has been disposed of within the current period.

We performed an audit of the entire financial information of 12 components using component performance materiality (full-scope audit procedures) and specific-scope audit procedures on the financial information of a further 13 components, of which 2 of those components audited related to the disposal accounting treatment only.

The components which were subject to either a full scope audit or specific-audit scope procedures contributed 76% of the group's revenue and 78% of the group's absolute underlying profit before taxation.

We performed analytical procedures on the financial information of all the remaining group components. This is consistent with the scope of the audit in the prior period.

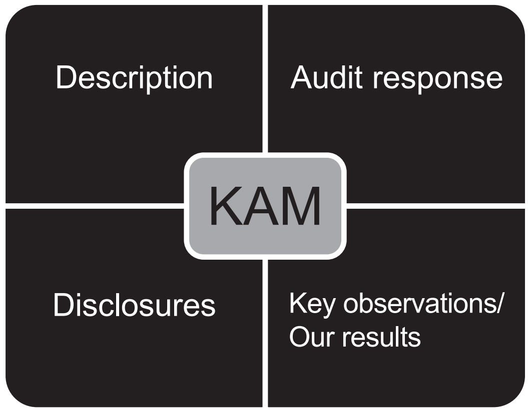
Independent Auditor's Report

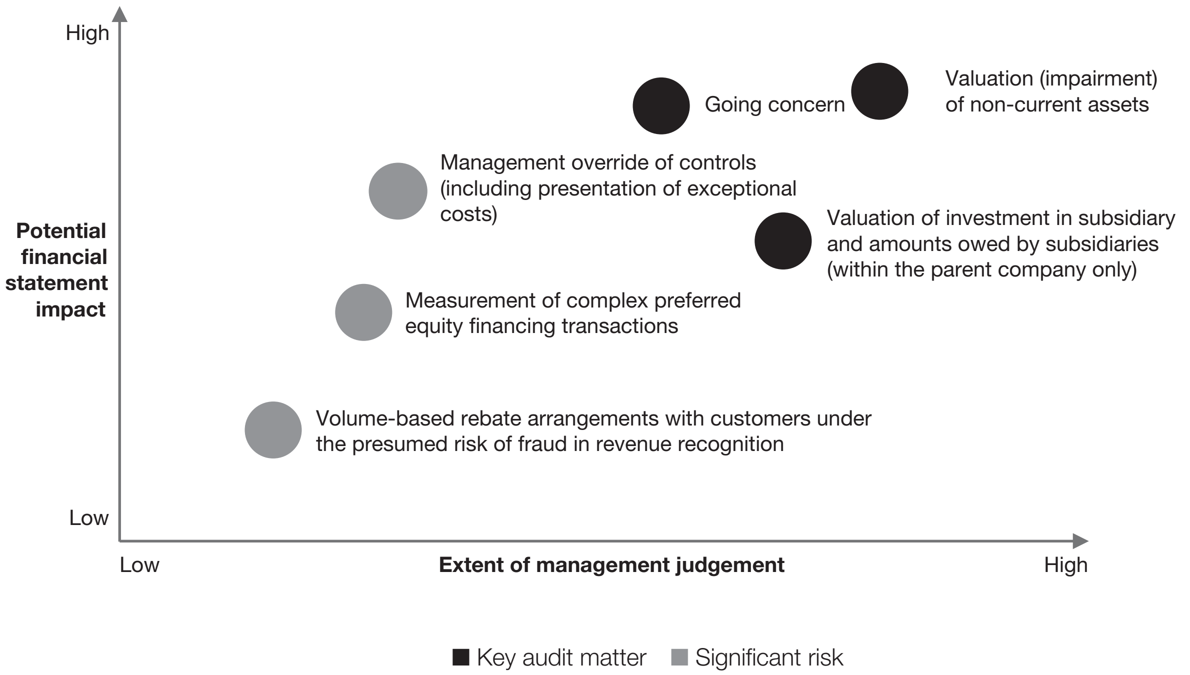
to the members of Victoria PLC

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 that 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.

In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.





In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter – Group	How our scope addressed the matter – Group
VALUATION (IMPAIRMENT) OF NON-CURRENT ASSETS – UK & EUROPE – CERAMIC TILES (SPAIN) CGU, NORTH AMERICA – CALI BAMBOO CGU, UK & EUROPE - RUGS CGU AND UK & EUROPE – CERAMIC TILES (ITALY) CGU We identified valuation (impairment) of non-current assets - UK & Europe - Ceramic Tiles (Spain) CGU, North America - Cali Bamboo CGU, UK & Europe - Rugs CGU and UK & Europe – Ceramics Tiles (Italy) CGU as one of the most significant assessed risks of material misstatement due to error. The process for assessing whether an impairment exists under International Accounting Standard ('IAS') 36 'Impairment of Assets' is complex. When carrying out the impairment review, determining the recoverable amount for each CGU required management to make judgements over several key inputs in the value-in-use discounted cash flow models. These include revenue growth, discount rates, long-term growth rates and the key assumption of margin growth. Due to the high level of estimation uncertainty present in the impairment test, underperformance of actual results to forecasts in the period, the challenging economic environment the group continues to operate in and the sensitivity of the related assumptions in management's model, we identified the valuation of non-current assets in relation to the UK & Europe -Ceramic Tiles (Spain) CGU, the North America - Cali Bamboo CGU, UK & Europe - Rugs CGU and UK & Europe - Ceramics Tiles (Italy) CGU as a significant risk.	In responding to the key audit matter, we performed the following audit procedures: • obtained management's impairment paper and impairment workings, and critically assessed management's identification of groups of CGUs used for the impairment review; • evaluated whether the methodology applied in the value-in-use calculation is in accordance with the requirements of IAS 36; • evaluated the mathematical accuracy of management's model, including the calculation of the discount rate and the calculations of key underlying assumptions such as revenue and margin growth and trends for the period over which management has projected cash flows, based on financial judgements / forecasts approved by management; • performed an overall assessment of management's assumptions to identify which were highly sensitive or contradictory to evidence obtained, thus requiring further challenge of management; • performed a sensitivity analysis in respect of the key assumptions identified, such as revenue and margin growth assumptions and discount rates, to consider the level of headroom in management's calculation; • challenged management on its cash flow forecast, particularly around whether it appropriately factored in the impact of the wider macroeconomic environment the CGU operates in, and accuracy of recent forecasting. We corroborated management's responses to relevant evidence or external market data such as economic and industry forecasts to support key assumptions; • assessed the competency, objectivity and independence of management's experts who assisted with preparing the discount rates used in the value-in-use calculation; • used our independent internal valuation specialist as an auditor's expert to assess the reasonableness of management's assumptions used in calculating the discount rates within the value-in-use calculation; • developed an auditor's range with which to evaluate the value-in-use assessed by management for the UK & Europe – Ceramic Tiles (Spain) CGU, the UK & Europe - Rugs CGU and the UK & Europe – Ceramics Tile (Italy) CGU; and • evaluated the accuracy and sufficiency of management's accounts disclosures in respect of impairment.

Independent Auditor's Report

to the members of Victoria PLC

RELEVANT DISCLOSURES IN THE ANNUAL REPORT AND ACCOUNTS 2025	KEY OBSERVATIONS
Financial statements: Note 9, Goodwill; Note 10, Intangible assets; and Note 26, Key sources of estimation uncertainty.	No material errors over the valuation (impairment) of non-current assets of UK & Europe – Ceramic Tiles (Spain) CGU, North America – Cali Bamboo CGU, UK & Europe – Ceramics Tiles (Italy) CGU or UK & Europe – Rugs CGU were identified as a result of our audit procedures.

Key Audit Matter – Parent company	How our scope addressed the matter– Parent company
VALUATION OF INVESTMENT IN SUBSIDIARY AND AMOUNTS OWED BY SUBSIDIARIES (WITHIN THE PARENT COMPANY ONLY) We identified valuation of investment in subsidiary and amounts owed by subsidiaries (within the parent company only) as one of the most significant assessed risks of material misstatement due to error. There is substantial estimation uncertainty in determining whether these loans and investments are impaired at the year end due to the high level of estimation uncertainty present in the impairment test. This arises from the underperformance of actual results to forecasts in the period, the challenging economic environment the group continues to operate in and the sensitivity of the related cash flow and other key assumptions in management's model.	In responding to the key audit matter, we performed the following audit procedures: • obtained management's supporting cash flow forecasts and evaluated whether the methodology applied in the calculations is in accordance with the requirements of IFRS 9 and IAS 36; • evaluated the mathematical accuracy of management's model; • performed an overall assessment of management's assumptions to identify which were highly sensitive or contradictory to evidence obtained, thus requiring further challenge of management; • challenged management on its cash flow forecast, particularly around whether it appropriately factored in the impact of the wider macroeconomic environment and accuracy of recent forecasting. We corroborated management's responses to relevant evidence or external market data such as economic and industry forecasts to support key assumptions; • challenged management on the leverage ratios applied as a key and highly sensitive judgement in identifying impairment; and • evaluated the accuracy and sufficiency of the disclosures within the annual report to determine compliance with the requirements of IFRS 9 and IAS36.
RELEVANT DISCLOSURES IN THE ANNUAL REPORT AND ACCOUNTS 2025 • Financial statements: Note 12 Fixed asset investments; Note 14 Trade and other receivables; and Note 26 Key sources of estimation uncertainty.	**KEY OBSERVATIONS** No material misstatement over the valuation of investment in subsidiary and amounts owed by subsidiaries were identified as a result of our audit procedures.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£6,000,000 (2024: £6,000,000), which represents approximately 0.5% of the group's total revenue.	£10,000,000 (2024: £11,000,000), which represents approximately 1% of the parent company's assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • revenue is a key performance indicator for the group, is a key area of focus for stakeholders and was identified as the primary benchmark and key performance indicator highlighted in our analysis of comparator businesses in the wider flooring sector; • the measurement percentage we have applied to the revenue benchmark is broadly consistent with that used when considering prior period materiality as a percentage of prior period revenue (2024: 0.5%, 2023: 0.4%; 2022: 0.4%); and • following the satisfaction of our concerns relating to Hanover in the prior year and its disposal in the current year, along with the restructuring exercises nearing completion, we believe our materially benchmark to be appropriate.	In determining materiality, we made the following significant judgements: • total assets is considered to be the most appropriate benchmark as it reflects the parent company's status as a non-trading holding company; and • we have restricted our materiality benchmark to 1% to reflect the increased risk stemming from the company's listing, given the company is an OEPI with market capitalisation being more than €200m over the preceding three financial periods, and the related diversity of ownership percentages. Materiality for the current period is lower than the level that we determined for the period ended 30 March 2024 which is reflective of the decrease in parent company assets. The parent company materiality is for the purposes of the parent company only financial statement audit. A lower component materiality has been used in respect of the parent company for the group financial statements audit.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£4,200,000 (2024: £4,200,00), which is 70% (2024: 70%) of financial statement materiality. The range of component performance materialities used across the group was £1,680,000 to £2,100,000.	£7,000,000 (2024: £7,700,000), which is 70% (2024: 70%) of financial statement materiality.

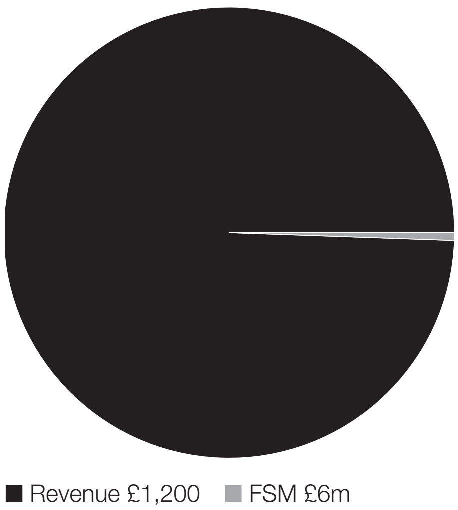
Independent Auditor's Report

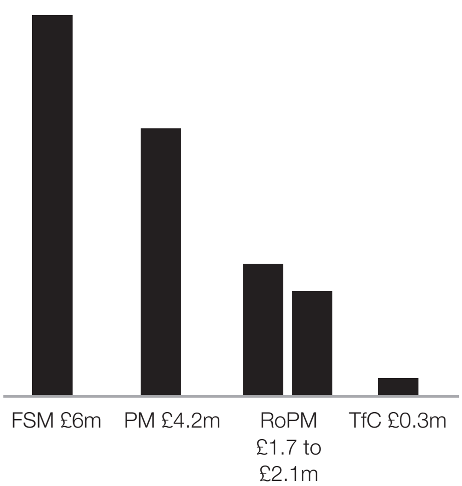
to the members of Victoria PLC

Materiality measure	Group	Parent company
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • having considered the level of misstatements identified in the prior period, the changes implemented to the control environment and there were no significant changes in business objectives/ strategy we determined that a performance materiality threshold to 70% is applicable which is in line with the prior period. In determining component performance materiality, we made the following significant judgements: • extent of disaggregation of financial information across components, including the relative risk and size of a component to the group; and • For each component in scope for our group audit, we allocated a performance materiality that is less than our overall group performance materiality.	In determining performance materiality, we made the following significant judgements: • having considered the level of misstatements identified in the prior period and the consistency of the control environment with that of the group, we determined that a performance materiality threshold to 70% is applicable which is in line with the prior period.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for: • directors' remuneration disclosure; and • identified related party transactions outside of the normal course of business.	We determined a lower level of specific materiality for: • directors' remuneration disclosure; and • identified related party transactions outside of the normal course of business.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£300,000 (2024: £300,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£500,000 (2024: £500,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds. The parent company threshold for communication is for the purposes of the parent company only financial statement audit. A lower component threshold has been used in respect of the parent company for the Group financial statements audit.

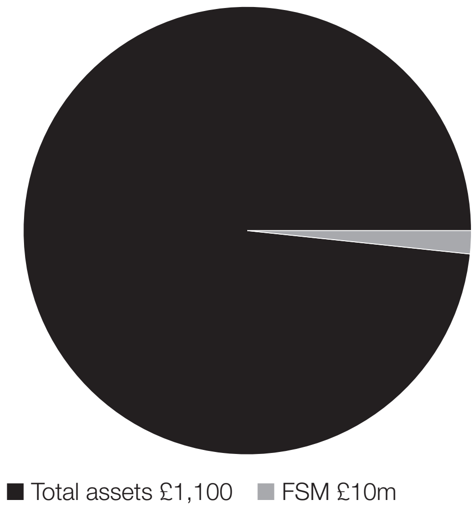
The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

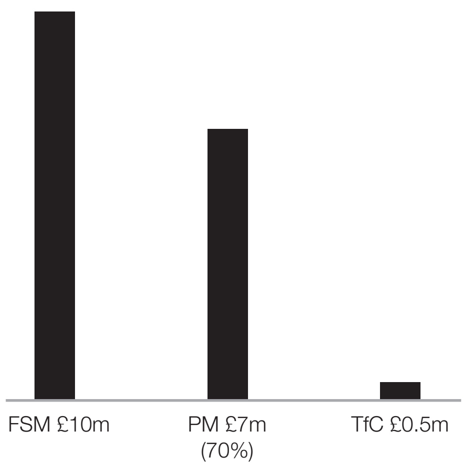
Overall materiality – Group





Overall materiality – Parent





FSM: Financial statement materiality, PM: Performance materiality, RoPM: Range of performance materiality, TfC: Threshold for communication to the audit committee.

Independent Auditor’s Report

to the members of Victoria PLC

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

This year, we applied the revised group auditing standard, ISA (UK) 600 (Revised), in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, with a greater focus on how we, as the group auditor, plan to perform audit procedures to address risks of material misstatement of the consolidated financial statements. Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed and how these procedures are executed and supervised.

We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the consolidated financial statements and to determine which of the group’s components are likely to include risks of material misstatement to the consolidated financial statements and which procedures to perform at these components to address those risks.

We performed a risk-based audit that requires an understanding of the group’s and the parent company’s business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

Our audit approach was a risk-based approach founded on a thorough understanding of the group’s and parent company’s business, its environment and risk profile. The group’s accounting process is primarily resourced through a central function within the UK, with local finance functions in Australia, Belgium, France, Italy, the Netherlands, Portugal, the United States of America, Turkey, Germany and Spain. Each local finance function reports into the central group finance function based at the group’s head office. We obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level,

In our identification of components we considered our evaluation of:

- the group’s operational structure
- the existence of common information systems
- the existence of common management across entities
- the existence of common risk profiles across entities
- geographical location
- and our ability to perform audit procedures centrally

We obtained an understanding of the business processes for all significant classes of transactions, including significant risks, in order to enhance our understanding of the control environment across the group.

For in scope full-scope audits and specific scope procedures, component auditors obtained an understanding of the relevant controls over the entity-specific financial reporting systems identified as well as the centralised financial reporting system as part of our assessment.

We documented and assessed the design and implementation of controls related to key audit matters and other significant risks communicated in this report.

Identifying components at which to perform audit procedures

We have determined the components at which to perform further audit procedures, by considering the following:

- components in scope for further audit procedures due to individually including a risk of material misstatement to the group financial statements due to the component’s nature or circumstances;
- components in scope for further audit procedures due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope); and
- components in scope for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

In order to address the audit risks identified during our planning procedures, the group auditor performed the following audit procedures:

- Full-scope audit procedures on the financial information of one component in the United Kingdom. This full-scope audit included work on one of the identified key audit matters described above of the valuation of investment in subsidiaries and amounts owed by subsidiaries;
- Specific-scope audit procedures on the financial information of one component located in the Netherlands to ensure we achieved sufficient coverage;
- Specific-scope audit procedures on a financial statement line item in three components located in the United Kingdom to ensure we achieved sufficient coverage;
- Specific-scope audit procedures of one component located in the United Kingdom in relation to disposal accounting.

Component auditors performed the following audit procedures:

- Full-scope audit procedures on the financial information of eleven components, two located in the United States, three in the United Kingdom, two in Spain, two in Italy, one in Belgium and one in Australia;
- Specific-scope audit procedures on five components, two in Australia, one in Belgium, one in Italy and one in Turkey.
- Specific- scope audit procedures on a financial statement line item in one component in Belgium to ensure we achieved sufficient coverage;
- Specific-scope audit procedures of one component located in the Turkey in relation to disposal accounting.

The financial information of the remaining operations of the group were subject to analytical procedures.

Performance of our audit

Further audit procedures performed on components subject to specific scope may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific financial statement line items within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

	No. of components		% coverage Revenue		% coverage Absolute underlying PBT	
Audit approach	FY25	FY24	FY25	FY24	FY25	FY24
Full-scope audit	12	12	63%	58%	62%	55%
Specific-scope audit	13	13	13%	17%	16%	26%
Sub-total	**25**	**25**	**76%**	**75%**	**78%**	**81%**
Analytical procedures	59	56	24%	25%	22%	19%
Total	**84**	**81**	**100%**	**100%**	**100%**	**100%**

Independent Auditor’s Report

to the members of Victoria PLC

Communications with component auditors

As part of establishing the overall group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss risks of material misstatement at group level relevant to the components.

Component auditors were issued with detailed audit instructions, highlighting the relevant significant risks and group reporting requirements. These instructions highlighted the significant risks that needed to be addressed through the audit procedures and specified the information that we required to be reported to the group auditor;

Where component auditors were instructed to perform specific-scope procedures, detailed instructions were issued highlighting the specific testing requirements and the information that we required to be reported to the group auditor;

Throughout the planning, fieldwork, and concluding stages of the group audit, the group auditor communicated with all component auditors and conducted a review of their work. Key working papers were prepared by the group auditor to summarise the review of component auditor files;

We visited the component auditors of all full-scope and specific-scope components in the United Kingdom, the United States of America, Belgium, Italy and Spain during the audit. Virtual meetings were also held on a regular basis during each phase of the audit with these component auditors. At the visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors;

Across the group audit, the group auditor and all component auditors carried out the majority of work performed in person with the respective finance teams. We held detailed discussions with the component audit teams, including remote and in-person reviews of the work performed, update calls on the progress of their fieldwork and by attending the component audit clearance meetings with component management; and

We inspected the work performed by the component auditors for the purpose of the group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

Changes in approach from previous period

As a result of increased levels of rebates and disposals in the group we have instructed our component auditors to perform a full scope audit in relation to one Australian component which has historically been specific scope.

OTHER INFORMATION

The other information comprises the information included in the annual report and accounts 2025, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report and accounts 2025. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

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 period 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.

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

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 material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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.

Independent Auditor’s Report

to the members of Victoria PLC

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent company and the group and sector in which they operate and how the parent company and the group are complying with those legal and regulatory frameworks, through our commercial and sector experience, making enquiries of management and those charged with governance, and inspection of the parent company’s and the group’s key external correspondence. We corroborated our enquiries through our inspection of board minutes and other information obtained during the course of the audit.
- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements to be those related to the financial reporting framework, being UK-adopted international accounting standards and the Companies Act 2006, together with the AIM Rules for Companies, and the relevant taxation regulations in the jurisdictions in which the parent company and group operate.
- We enquired of management and the Board of Directors whether they were aware of any non-compliance with laws and regulations.
- We enquired of management, the finance team, the head of risk and compliance and the Audit Committee about the group and parent company’s policies and procedures relating to the identification, evaluation and compliance with laws and regulations, and the detection and response to the risk of fraud and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of how the group and parent company is complying with those legal and regulatory frameworks, through making enquiries of management, those responsible for legal and compliance procedures, and the company secretary. Our findings were corroborated by our reading of the board minutes.
- We assessed the susceptibility of the parent company’s and the group’s financial statements to material misstatement, including how fraud might occur, by considering management’s incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas with a risk of fraud, including potential management bias, of volume-based rebate arrangements with customers and through management override of controls.
- Our audit procedures included:
  - Evaluation of design and implementation effectiveness of the controls that management has in place to prevent and detect fraud;
  - Journal entry testing, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business;
  - Gaining an understanding of and testing significant identified related party transactions; and
  - Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group audit team members included consideration of the group audit team members:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the parent company and the group operate;
  - Understanding of the legal and regulatory requirements specific to the parent company and the group;
  - The previous experience with or knowledge of the component auditor;
  - The component auditor's knowledge of the industry in which the client operates; and
  - The degree to which group and component auditors are subject to a common system of quality control.
- Communications within the engagement team in respect of potential non-compliance with laws and regulations and fraud included the areas of estimation and judgemental areas with a risk of fraud, including potential management bias, of volume-based rebate arrangements with customers, and through management override of controls in the preparation of the financial statements.
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Marc Summers BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

24 July 2025

Consolidated Income Statement

For the 52 weeks ended 29 March 2025

			52 weeks ended 29 March 2025			52 weeks ended 30 March 2024 (restated)*	
	Notes	Underlying performance £m	Non-underlying items £m	Reported numbers £m	Underlying performance £m	Non-underlying items £m	Reported numbers £m
Revenue	1	**1,115.2**	**2.9**	**1,118.1**	1,226.4	7.7	1,234.1
Cost of sales		**(754.2)**	**(27.8)**	**(782.0)**	(812.2)	(26.1)	(838.3)
Gross profit		**361.0**	**(24.9)**	**336.1**	414.2	(18.4)	395.8
Distribution and administrative expenses		**(337.7)**	**(230.1)**	**(567.8)**	(345.9)	(119.5)	(465.4)
Other operating income		**6.2**	**0.1**	**6.3**	4.7	0.1	4.8
Operating profit / (loss)	1	**29.5**	**(254.9)**	**(225.4)**	73.0	(137.8)	(64.8)
Comprising:							
Operating profit before non-underlying and exceptional items		**29.5**	**–**	**29.5**	73.0	–	73.0
Amortisation of acquired intangibles	2	**–**	**(31.5)**	**(31.5)**	–	(38.6)	(38.6)
Other non-underlying items	2	**–**	**(15.3)**	**(15.3)**	–	(6.2)	(6.2)
Exceptional impairment charge	2	**–**	**(186.4)**	**(186.4)**	–	(72.6)	(72.6)
Other exceptional items	2	**–**	**(21.7)**	**(21.7)**	–	(20.4)	(20.4)
Finance costs	3	**(41.0)**	**(0.4)**	**(41.4)**	(41.9)	(10.2)	(52.1)
Comprising:							
Interest on loans and notes		**(30.7)**	**–**	**(30.7)**	(32.3)	–	(32.3)
Amortisation of prepaid finance costs for bank loans		**(2.2)**	**–**	**(2.2)**	(2.7)	–	(2.7)
Unwinding of discount on right-of-use lease liabilities		**(7.9)**	**–**	**(7.9)**	(6.8)	–	(6.8)
Preferred equity items	3	**–**	**1.0**	**1.0**	–	(5.4)	(5.4)
Other finance items	3	**(0.2)**	**(1.4)**	**(1.6)**	(0.1)	(4.8)	(4.9)
(Loss) / profit before tax	4	**(11.5)**	**(255.3)**	**(266.8)**	31.1	(148.0)	(116.9)
Taxation (charge) / credit	6	**(0.6)**	**27.8**	**27.2**	1.1	20.1	21.2
(Loss) / profit from continuing operations for the period		**(12.1)**	**(227.5)**	**(239.6)**	32.2	(127.9)	(95.7)
Discontinued operations							
Loss from discontinued operations for the period	24	**(6.3)**	**(18.5)**	**(24.8)**	(0.4)	(11.9)	(12.3)
Total (loss) / profit for the period		**(18.4)**	**(246.0)**	**(264.4)**	31.8	(139.8)	(108.0)
Loss per share from continuing operations – pence basic	7			**(210.26)**			(83.15)
diluted	7			**(210.26)**			(83.15)
Loss per share from total operations – pence basic	7			**(232.02)**			(93.85)
diluted	7			**(232.02)**			(93.85)

**See note 24 for further details regarding discontinued operations.*

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 29 March 2025

	Note	52 weeks ended 29 March 2025 £m	52 weeks ended 30 March 2024 £m
Loss for the period		**(264.4)**	(108.0)
Other comprehensive income / (expense)			
Items that will not be reclassified to profit or loss:			
Actuarial gain / (loss) on defined benefit pension scheme	21	**0.5**	(1.9)
Items that will not be reclassified to profit or loss		**0.5**	(1.9)
Items that may be reclassified subsequently to profit or loss:			
Hyperinflation foreign exchange adjustments		**34.6**	(9.0)
Retranslation of overseas subsidiaries		**(15.4)**	(21.8)
Subsidiary disposal - reclassification of translation reserves	24	**(8.6)**	–
Items that may be reclassified subsequently to profit or loss		**10.6**	(30.8)
Other comprehensive income / (expense)		**11.1**	(32.7)
Total comprehensive expense for the period attributable to the owners of the parent		**(253.3)**	(140.7)
Total comprehensive expense for the period attributable to the owners of the parent arises from:			
Continuing operations		**(235.5)**	(119.1)
Discontinued operations		**(17.8)**	(21.6)
		(253.3)	(140.7)

Consolidated and Company Balance Sheets

As at 29 March 2025

		Group		Company		
	Notes	**29 March 2025 £m**	30 March 2024 £m	**29 March 2025 £m**	30 March 2024 (restated)* £m	1 April 2023 (restated)* £m
Non-current assets						
Goodwill	9	**88.9**	102.6	**–**	–	–
Intangible assets other than goodwill	10	**111.5**	250.7	**0.3**	0.4	0.2
Property, plant and equipment	11	**344.4**	447.8	**–**	–	–
Right-of-use lease assets	11	**162.6**	157.2	**1.0**	4.4	4.9
Investment property	12	**0.2**	0.2	**0.1**	0.1	0.1
Investments in subsidiaries	12	**–**	–	**379.5**	279.7	269.5
Other investments		**3.2**	–	**–**	–	–
Trade and other non-current receivables	14	**–**	–	**511.3**	767.6	781.6
Deferred tax assets	20	**8.9**	7.9	**11.4**	8.2	–
Total non-current assets		**719.7**	966.4	**903.6**	1,060.4	1,056.3
Current assets						
Inventories	13	**303.7**	326.1	**–**	–	–
Trade and other receivables	14	**226.9**	238.1	**7.6**	1.9	26.6
Current tax assets		**2.1**	4.1	**–**	1.4	–
Cash and cash equivalents	18	**77.6**	94.8	**13.2**	8.9	13.8
Total current assets		**610.3**	663.1	**20.8**	12.2	40.4
Total assets		**1,330.0**	1,629.5	**924.4**	1,072.6	1,096.7
Current liabilities						
Trade and other current payables	15	**(272.7)**	(320.3)	**(8.0)**	(7.0)	(4.3)
Current tax liabilities		**(6.2)**	(4.7)	**–**	–	–
Obligations under right-of-use leases - current	17	**(30.0)**	(31.2)	**(0.5)**	(0.5)	(0.4)
Other financial liabilities	17	**(135.4)**	(94.3)	**(44.2)**	(0.9)	–
Provisions	16	**(7.1)**	(12.1)	**–**	–	–
Total current liabilities		**(451.4)**	(462.6)	**(52.7)**	(8.4)	(4.7)
Non-current liabilities						
Trade and other non-current payables	15	**(8.1)**	(7.2)	**–**	–	–
Obligations under right-of-use leases - non-current	17	**(159.9)**	(136.5)	**(5.4)**	(4.4)	(4.8)
Other non-current financial liabilities	17	**(650.2)**	(672.7)	**(623.9)**	(644.2)	(668.4)
Preferred equity	17	**(282.5)**	(274.2)	**(282.5)**	(274.2)	(255.2)
Preferred equity – contractually-linked warrants	17	**(3.1)**	(12.4)	**(3.1)**	(12.4)	(26.0)
Deferred tax liabilities	20	**(24.3)**	(56.7)	**(1.1)**	–	–
Retirement benefit obligations	21	**(4.0)**	(8.4)	**–**	–	–
Provisions	16	**(19.6)**	(21.0)	**(0.4)**	–	–
Total non-current liabilities		**(1,151.7)**	(1,189.1)	**(916.4)**	(935.2)	(954.4)
Total liabilities		**(1,603.1)**	(1,651.7)	**(969.1)**	(943.6)	(959.1)
Net (liabilities) / assets		**(273.1)**	(22.2)	**(44.7)**	129.0	137.6
Equity						
Share capital	22	**6.3**	6.3	**6.3**	6.3	6.3
Retained earnings	23	**(292.2)**	(27.4)	**(66.5)**	110.5	121.8
Foreign exchange reserve	23	**(38.4)**	(20.8)	**–**	–	–
Hyperinflation foreign exchange reserve	23	**35.7**	7.5	**–**	–	–
Other reserves	23	**15.5**	12.2	**15.5**	12.2	9.5
Total equity		**(273.1)**	(22.2)	**(44.7)**	129.0	137.6

* *See note 12 for further details regarding the prior year restatement.*

The loss of the Company for the year was £175.9m (2024: loss of £8.1m (restated)).

Company Registered Number (England & Wales) 00282204.

The financial statements on pages 72 to 153 were approved by the Board of Directors and authorised for issue on 24 July 2025.

They were signed on its behalf by:

Alec Pratt
Chief Financial Officer

Consolidated Statement of Changes In Equity

For the 52 weeks ended 29 March 2025

	Share capital £m	Retained earnings £m	Foreign exchange reserve £m	Hyperinflation foreign exchange reserve £m	Other reserves £m	Total equity £m
At 1 Apr 2023	6.3	85.7	1.0	16.5	9.5	119.0
Loss for the period to 30 Mar 2024	–	(108.0)	–	–	–	(108.0)
Other comprehensive income for the period	–	(1.9)	–	–	–	(1.9)
Retranslation of overseas subsidiaries	–	–	(21.8)	(9.0)	–	(30.8)
Total comprehensive loss	–	(109.9)	(21.8)	(9.0)	–	(140.7)
Buy back of ordinary shares (note 22)	–	(3.2)	–	–	–	(3.2)
Share-based payment charge	–	–	–	–	2.7	2.7
Transactions with owners	–	(3.2)	–	–	2.7	(0.5)
At 30 Mar 2024	6.3	(27.4)	(20.8)	7.5	12.2	(22.2)
Loss for the period to 29 Mar 2025	–	(264.2)	–	–	–	(264.2)
Other comprehensive expense for the period	–	0.5	–	–	–	0.5
Retranslation of overseas subsidiaries	–	–	(15.4)	34.6	–	19.2
Subsidiary disposal - reclassification of translation reserves	–	–	(2.2)	(6.4)	–	(8.6)
Total comprehensive loss	–	(263.7)	(17.6)	28.2	–	(253.1)
Buy back of ordinary shares (note 22)	–	(1.1)	–	–	–	(1.1)
Share-based payment charge	–	–	–	–	3.3	3.3
Transactions with owners	–	(1.1)	–	–	3.3	2.2
At 29 Mar 2025	**6.3**	**(292.2)**	**(38.4)**	**35.7**	**15.5**	**(273.1)**

Company Statement of Changes In Equity

For the 52 weeks ended 29 March 2025

	Share capital £m	Retained earnings £m	Other reserves £m	Total equity £m
At 1 Apr 2023 on previous basis	6.3	125.7	9.5	141.5
Impact of restatement (Note 12)	–	(3.9)	–	(3.9)
At 1 Apr 2023 (restated)	6.3	121.8	9.5	137.6
Loss for the period to 30 Mar 2024	–	(8.1)	–	(8.1)
Total comprehensive loss	–	(8.1)	–	(8.1)
Buy back of ordinary shares	–	(3.2)	–	(3.2)
Share-based payment charge	–	–	2.7	2.7
Transactions with owners	–	(3.2)	2.7	(0.5)
At 30 Mar 2024	6.3	110.5	12.2	129.0
At 30 Mar 2024 on previous basis	6.3	114.1	12.2	132.6
Impact of restatement (Note 12)	–	(3.6)	–	(3.6)
At 30 Mar 2024 (restated)	6.3	110.5	12.2	129.0
Loss for the period to 29 Mar 2025	–	(175.9)	–	(175.9)
Total comprehensive loss	–	(175.9)	–	(175.9)
Buy back of ordinary shares	–	(1.1)	–	(1.1)
Share-based payment charge	–	–	3.3	3.3
Transactions with owners	–	(1.1)	3.3	2.2
At 29 Mar 2025	**6.3**	**(66.5)**	**15.5**	**(44.7)**

Consolidated and Company Statements Of Cash Flows

For the 52 weeks ended 29 March 2025

	Note	Group 52 weeks ended 29 March 2025 £m	Group 52 weeks ended 30 March 2024 £m	Company 52 weeks ended 29 March 2025 £m	Company 52 weeks ended 30 March 2024 £m
Cash flows from operating activities					
Operating loss	1	**(225.4)**	(64.8)	**(178.3)**	(12.2)
Adjustments for:					
Depreciation and amortisation of IT software	1	**95.7**	95.5	**0.7**	0.5
Amortisation of acquired intangibles	1	**31.6**	38.5	**–**	–
Hyperinflation impact	2	**(0.2)**	(13.2)	**–**	–
Acquisition-related performance plan charge	2	**0.4**	6.7	**–**	–
Acquisition-related performance plan payment		**(6.8)**	(10.8)	**–**	–
Amortisation of government grants		**(1.9)**	(0.9)	**–**	–
(Profit) / loss on disposal of investments, property, plant and equipment and acquired intangibles		**3.9**	(2.1)	**2.1**	–
Impairment charges	2	**186.4**	72.5	**151.5**	–
Share incentive plan charge	2	**3.5**	2.7	**2.6**	1.3
Defined benefit pension	21	**(0.5)**	0.1	**–**	–
Net cash flow from operating activities before movements in working capital, tax and interest payments		**86.7**	124.2	**(21.4)**	(10.4)
Change in inventories		**(5.1)**	14.1	**–**	–
Change in trade and other receivables		**1.6**	22.8	**(2.2)**	(0.8)
Change in trade and other payables		**(21.8)**	(48.3)	**1.4**	3.4
Change in provisions	16	**(10.3)**	(11.7)	**–**	–
Cash generated by continuing operations before tax and interest payments		**51.1**	101.1	**(22.2)**	(7.8)
Interest paid on loans and notes		**(32.7)**	(29.7)	**(26.2)**	(22.3)
Interest relating to right-of-use lease assets		**(8.2)**	(6.6)	**(0.2)**	(0.2)
Income taxes paid		**(1.7)**	(2.3)	**1.9**	–
Net cash inflow from continuing operating activities		**8.5**	62.5	**(46.7)**	(30.3)
Net cash flow from discontinued operations		**(10.7)**	(8.2)	**–**	–
Investing activities					
Purchases of property, plant and equipment		**(74.9)**	(57.8)	**–**	–
Purchases of intangible assets		**(2.3)**	(4.0)	**(0.1)**	(0.3)
Repayments of subsidiary loans		**–**	–	**17.9**	37.6
Proceeds on disposal of property, plant and equipment		**7.3**	28.5	**–**	–
Deferred consideration and earn-out payments		**(4.3)**	(4.1)	**–**	–
Proceeds on disposal of real estate via sale and leaseback		**30.4**	–	**–**	–
Proceeds on disposal of business, net of cash		**3.3**	–	**0.8**	–
Acquisition of subsidiaries net of cash acquired		**(1.3)**	–	**–**	–
Cash flow from other investing activities		**1.1**	–	**0.2**	–
Net cash used in continuing investing activities		**(40.7)**	(37.4)	**18.8**	37.3
Investing activities cash flow from discontinued operations		**8.7**	(0.7)	**–**	–
Financing activities					
Proceeds from debt		**89.2**	36.7	**63.0**	–
Repayment of debt		**(48.5)**	(33.4)	**(28.2)**	(9.6)
Buy back of ordinary shares	22	**(1.1)**	(3.2)	**(1.1)**	(3.2)
Payments under right-of-use lease obligations		**(31.4)**	(28.2)	**(0.5)**	(0.4)
Cash flow from other financing activities		**1.5**	(9.9)	**(0.1)**	–
Net cash generated / (used) in continuing financing activities		**9.7**	(38.0)	**33.1**	(13.2)
Financing activities cash flow from discontinued operations		**7.2**	21.0	**–**	–
Net decrease in cash and cash equivalents		**(17.3)**	(0.8)	**5.2**	(6.2)
Cash and cash equivalents at beginning of period	18	**87.2**	90.4	**8.0**	13.8
Effect of foreign exchange rate changes	18	**(1.6)**	(2.4)	**–**	0.4
Cash and cash equivalents at end of period		**68.3**	87.2	**13.2**	8.0
Comprising:					
Cash and cash equivalents	18	**77.6**	94.8	**13.2**	8.9
Bank overdrafts		**(9.3)**	(7.6)	**–**	(0.9)
		68.3	87.2	**13.2**	8.0

Significant Accounting Policies

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with UK-adopted International Financial Reporting standards.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are recorded at fair value through the Income Statement in accordance with IFRS9, certain classes of property, plant and equipment, and investment property measured at fair value or revaluated amount at acquisition, (where applicable) assets held for sale which are measured at the lower of carrying amount and fair value less costs to sell, and defined benefit pension plans measured at fair value. Certain land and buildings were professionally valued at 4 April 2004 and this valuation was adopted as deemed cost on adoption of IFRS. The accounting policies have been applied consistently in the current and prior year.

The principal accounting policies adopted are set out below.

BASIS OF PREPARATION

The consolidated financial statements for the Group and Parent Company have been prepared on a going concern basis.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman and CEO Review on pages 04 to 11. In addition, Note 25 to the Accounts includes details of the Group's financial instruments and its exposure to and management of credit risk, liquidity risk, currency risk and interest rate risk.

As of 29 March 2025, the Group had circa £45m outstanding under its existing Super Senior RCF (the "SSRCF") which matures in February 2026, circa €490m of 3.625% Senior Secured Notes due in August 2026 (the "2026 Notes") and €250m of 3.75% Senior Secured Notes due in March 2028 (the "2028 Notes").

The Company will launch a series of public consent solicitations and a public exchange offer to holders of its 2026 notes to exchange their existing 2026 Notes into a new tranche of notes (the "New Notes"), to mature four years following the date of the proposed transaction (the "2026 Notes transaction"). The New Notes will be junior to the new Super Senior Credit Facility, but senior to all other parts of the capital structure including the existing 2026 Notes and 2028 Notes. Prior to the launch of the public consent solicitations and exchange offer, the Company has agreed private exchanges and transaction support agreements with holders of more than 90% of the 2026 Notes, who represent greater than 50% of all Senior Secured Notes outstanding, to support the proposed transaction.

The New Notes will include an interest coupon of 9.875%, settled in cash on a half-yearly basis. At the election of the Company, for the first twelve months following issuance the coupon can be reduced to 1.000% of cash pay and 8.875% via Payment In Kind (PIK), with the PIK'd coupon being added to the principal at the end of each six-month period, paid through the issuance of additional New Notes.

The New Notes will have a significantly higher coupon than the 2026 Notes. In addition, the Company has offered to exchange the 2026 Notes at par, with additional fees available for noteholders who participate in the consent solicitation, subject to certain terms and conditions.

The Board believes the exchange offer is therefore attractive to existing noteholders. As a result, the Company expects to receive a high level of support from noteholders for the offer, and expects closing to occur in August 2025.

Simultaneous with the closing of the exchange offer, the Company has entered into an agreement to refinance the existing SSRCF with a new Super Senior Credit Facility (the "SSCF"), due January 2030, with a springing maturity six months prior to the maturity date of the New Notes.

The existing SSRCF is on an entirely revolving basis and contains a springing leverage covenant, whereas the new facility agreement will comprise a combination of term loan and committed RCF, and does not contain any maintenance or springing covenants. The absence of such covenants, along with the debt incurrence covenants within the indenture for the New Notes, allow for greater flexibility for the Company and therefore an improvement in liquidity available under the new SSCF.

The new facility is fully committed and will be available to be drawn, subject to satisfaction of customary conditions precedent and the refinancing of the 2026 Notes.

As a result of the 2026 Notes transaction and the refinancing of the SSRCF not having completed at the time of the approval of the annual report and accounts, there is a material uncertainty relating to events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. However, the Directors believe that the proposed transaction represents an appropriate and achievable plan to address the Group's funding requirements, although the successful completion of the proposed transaction cannot be guaranteed.

Significant Accounting Policies

Going concern assessment

The Group's cash position, net of overdrafts, as at 29 March 2025 was £56.6m (2024: £72.8m), and it maintains significant additional liquidity through local financing lines and its existing and proposed new SSCF. The Group expects to generate positive operating cash flows in the forecast period to 31 July 2026.

In assessing the Group as a going concern, a cashflow forecast through to 31 July 2026 was modelled, representing a twelve-month period of assessment in-line with market practice, with the base case aligned with our budget and medium-term strategic plan, consistent with the model used in the testing of impairment. In all scenarios modelled, no future hypothetical, acquisitions were included in the assumed cashflows, due to there being no certainty over any acquisitions outside of those already completed to date. The capital structure factored into the going concern assessment is based on the successful completion of both the 2026 Notes transaction and the replacement of the SSRCF as the Directors are confident that the transactions will complete successfully.

To take into account the current uncertainty in consumer demand, a downside scenario was modelled, assuming a significant drop in EBITDA as a result of lower volumes versus the base forecast to ensure that even in a downside scenario, sufficient liquidity was maintained through the forecast period. This downside scenario did not result in a change in our view that the business remains a going concern.

A reverse stress-test scenario was modelled, purely for the purposes of sensitising earnings such that liquidity is fully absorbed within the twelve-month period of assessment. The required adjustment is a circa 85% reduction to the projected EBITDA, and circa 100% reduction in operating cashflows during the forecast period. This scenario assumes that all facilities which mature during the period are repaid in full and not replaced, while certain facilities which have no fixed maturity are assumed not to be revoked. Substantial mitigating actions, which would be taken in such a scenario, have not been modelled in this extreme scenario. The Group does not consider the reverse stress-test a plausible scenario.

Having considered the work undertaken as described above, and in light of the expectation of a successful exchange offer completing, the Directors are of the view that the Group is well placed to manage its business risks. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

The acquisition method of accounting is used to account for business combinations by the group.

All intra-group transactions, balances, income and expenses and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and statement of comprehensive income and related notes.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred for the acquisition of a subsidiary is the fair value (at the date of exchange) of the assets transferred, the liabilities incurred or assumed, and the equity interests issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets held for sale and discontinued operations are measured in accordance with that standard.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

Costs related to acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed in the income statement as incurred.

If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held investment is re-measured to fair value at the acquisition date; any gains or losses from such re-measurement are recognised in the income statement.

INVESTMENTS IN SUBSIDIARIES HELD BY THE COMPANY

Investments in subsidiaries held by the Company are included at cost less accumulated impairment.

GOODWILL

Goodwill represents the excess of the fair value of the cost of a business acquisition over the Group's interest in the fair value the identifiable assets and liabilities acquired of a subsidiary, associate or joint venture at the date of acquisition.

Should the fair value of the identifiable assets exceed the cost of acquisition, a "bargain purchase", the excess is credited to the income statement immediately on acquisition.

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

Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there are events or changes in circumstances indicated that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is then charged against other assets attributed to the relevant cash-generating unit.

Except for goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

If the impairment is subsequently reversed, the carrying amount, except in the case of goodwill, is increased to the revised estimate of its recoverable amount, limited to the carrying value that would have been determined had no impairment been recognised previously. Impairment losses in respect of goodwill are not subsequently reversed.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, with the exception of assets which are scoped out of the measurement requirements of IFRS 5 'Non-current assets held for sale and discontinued operations', for example financial assets, which continue to be measured in accordance with IFRS 9 'Financial instruments'.

Where the carrying amount of a non-

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current asset or disposal group held for sale exceeds its fair value less costs to sell, a loss is recognised. This is allocated firstly against any goodwill attributable to the disposal group, and then to other non-current assets in the disposal group that are in scope of IFRS 5's measurement requirements. Any excess loss remaining is recognised against the remaining assets of the disposal group as a whole.

A component of the Group that is held for sale or disposed of is presented as a discontinued operation either when it is a subsidiary acquired exclusively with a view to resale; or it represents, or is part of a coordinated plan to dispose of, a separate major line of business or geographical area of operations. The net results of discontinued operations are presented separately in the Group income statement (and the comparatives restated).

PROPERTY, PLANT AND EQUIPMENT

A. Property, plant and equipment acquired as part of the business combination

Tangible assets acquired through acquisition are initially measured at fair value at the date of exchange corrected for any impairment in case the recoverable amount of the cash generating unit is less than the carrying amount of the assets from the acquired business. The remaining net book value is amortised on a straight-line basis over their remaining estimated useful lives.

Tangible assets which cannot be separately identified as part of the acquisition are fully impaired at acquisition.

Where necessary, the fair value at acquisition and estimated useful lives for these tangible assets are based on independent valuation reports.

B. Property, plant and equipment subsequently acquired

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Other fixed assets are stated at cost (original purchase price and the costs attributable to bringing the asset to its working condition for its intended use), net of accumulated depreciation and any accumulated provision for impairment.

Subsequent costs are included in the assets' carrying amount or recognised as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Except for freehold land, which is not depreciated, the cost of property plant and equipment, less any anticipated residual value, is depreciated on a straight-line basis over its expected useful lives for which the depreciation is charged to profit or loss. The expected useful lives of assets are applied on a straight-line basis:

Buildings: between 30 and 50 years

Roofs of buildings: 10 years

Plant and equipment: between 3 and 20 years

Fixtures and equipment: between 3 and 20 years

Motor vehicles: 4 to 5 years

Spare parts: 4 years

Sampling assets: between 2 and 5 years

Annual reviews are made of estimated useful lives and material residual values. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets in the course of construction are not depreciated until the assets are ready for their intended use.

Important upgrades or renewals on existing plant and machinery are depreciated over the remaining depreciation period of the original property, plant and equipment, or in case the underlying asset is fully depreciated, depreciated over the remaining expected useful life of the tangible asset.

Sampling assets consist of a variety of product samples and sample books, as well as point of sale stands. The group places these assets with retail customers for the purpose of helping to generate future consumer sales, and therefore sales for the Group. Sampling assets are included within the category 'Fixtures, vehicles and equipment' as shown in note 11.

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS

(i) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, which is regarded as their cost.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(ii) Amortisation of intangible assets

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. The expected useful lives of intangible assets are:

Customer relationships: between 6 and 20 years

Brand names: between 20 and 35 years

Developed technology: 4 years

Customer relationships relate to existing relationships with customers based on a number of factors including trading history, contractual and non-contractual relationships and customer specific product formulations.

Where necessary, the fair value at acquisition and estimated useful lives for these intangible assets are based on independent valuation reports.

Amortisation commences from the date the intangible asset becomes available for use.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(iv) Impairment of property, plant and equipment and intangible assets (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LEASING

The Group recognises right-of-use assets at cost and lease liabilities at the lease commencement date based on the present value of future lease payments. The right of use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis in line with the Group's accounting policy for property, plant and equipment. The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Group's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

Where an underlying lease contract is changed, if the scope of the new contract includes one or more additional underlying assets, and the increase in consideration is commensurate with the stand alone price of the new assets, then the Group recognises an entirely separate right-of-use lease asset and liability. The balances representative of the old contract are disposed of.

Where both criteria is not met, but the underlying lease contract has changed, then the Group recognises a modification to the right-of-use lease asset and liability balances, which involves remeasuring the balances, but classified as a modification rather than a remeasurement.

SALE AND LEASEBACK

Where the Group sells an asset and immediately reacquires use of it by entering into a lease with the buyer, a lease liability is recognised, the associated property, plant and equipment asset is derecognised, and a right of use asset is recognised at the proportion of the carrying value relating to the right retained. This initial recognition only takes place if the criteria for a sale per IFRS 15 is met,

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insofar in that there is a satisfaction of performance obligations between the Group and a buyer.

During the current year, the Group entered into a material sale and leaseback arrangement in Belgium. A sale was deemed to have taken place and met the criteria of IFRS 15, specifically that there was a satisfaction of performance obligations (in this case the control of land and buildings in Belgium being passed between the Group and the buyer).

The lease liability was calculated in a similar fashion as per the Leasing accounting policy, i.e. calculated as the present value of future lease payments. However, the agreement underpinning the Belgian sale and leaseback stipulates the lease payments may increase over time depending on a publicly available index. Therefore upon initial recognition the Group estimated the impact of future indexed increases to the payments made. This estimation was based upon reliable, substantiated information that was readily available at the reporting date (in particular, recent changes in the index that was used as a basis for future changes). The Group may only reassess this if the sale and leaseback arrangement is modified, or the lease term is reassessed.

Regarding the right-of-use asset, to calculate the proportion of the carrying value relating to the rights retained by the Group, the Group used a fraction of: the present value relating to the lease (itself the net of the present value of the lease payments adjusted for any additional financing) divided by the market value at the date of sale. The carrying amount of the property, plant and equipment at the date of sale was then multiplied against this fraction.

Any gain or loss arising from a sale and leaseback arrangement should only relate to the rights transferred to the buyer. The Group therefore calculated the gain or loss relating to the rights transferred on the Belgian sale and leaseback arrangement in a similar fashion as the right-of-use asset. This was insofar as using a fraction based upon the proportion of the present value relating to the lease divided by the market value at the date of sale. This was then multiplied by the total gain recognised on disposal. The amount of the total gain calculated using this fraction represents the value retained by the Group, and therefore the difference between this calculation and the total is recognised by the Group as the gain on disposal.

In the cash flow statement, the proceeds received related to the Belgian sale and leaseback arrangement have been classified as investing cash flows, given the proceeds did not exceed the fair value of the asset sold at the date of sale. If this was the case, the excess proceeds would be classified as financing cash flows.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The cost of inventories also includes purchased emission rights recorded at cost and free of charge emission rights where the group have elected to record the rights at nil cost. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions are made for obsolete, slow-moving, defective items and out of collections where appropriate.

FACTORING

The group has entered into receivables factoring agreements, whereby it may sell trade receivables arising from its normal course of business at face value less reserves and fees. While certain recourse conditions exist, the credit risk related to certain factored receivables has been mitigated by using a third-party credit insurance company which is transferred to the factor. In respect of factored receivables covered by the credit insurance, for the purpose of derecognition criteria, management deem the original asset to be a combination of the receivables themselves along with the attached credit insurance. The credit insured receivables are therefore not derecognised hence the debtor balances and corresponding factoring liabilities are recognised gross on the balance sheet for all factored receivables.

CASH AND CASH EQUIVALENTS

Cash comprises amounts held short-term on deposit with financial institutions.

Cash equivalents comprises short-term highly liquid corporate bonds with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts that are repayable on demand and not deemed as a financing facility are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

PREFERRED EQUITY, ASSOCIATED WARRANTS AND OTHER ITEMS

Whilst the preferred equity is legally structured as an equity instrument through the Company's articles of association and has many equity-like features, and must be accounted for as a financial liability under IFRS. This primarily relates to the fact that the conversion option is based on the prevailing share price, and therefore it fails the 'fixed-for-fixed' criteria as prescribed in the standard.

Based on the terms of the preferred equity, the underlying host instrument was identified alongside a number of other related items, including non-closely related embedded derivatives.

The underlying host instrument is held at amortised cost. This is amortised using the effective interest rate method. This liability is held on the balance sheet net of prepaid financing costs, which are amortised at the same rate.

Two non closely-related embedded derivatives were identified:

(i) the Victoria option to cash redeem (rather than the instrument running into perpetuity or conversion) which is held at fair value through profit and loss; and

(ii) the KED option to convert into ordinary shares - this was valued at £nil at inception and therefore is not recognised.

The attached warrants have been identified as a separate liability on the balance sheet, which is held at fair value through profit and loss.

Further details on the preferred equity instrument are included in Note 17 to the Accounts.

SHARE-BASED PAYMENTS

The share options issued under the LTIP 2020 scheme and warrants issued in 2021 to certain Group employees have no performance conditions and only subject to remaining in employment by the Group at the time the options or warrants are exercisable. The fair value of these share options and warrants has been based off the share price of Victoria PLC at the date of issue. The fair value is spread over the vesting period with the charge to the income statement recognised as an employee expense, and a corresponding increase in equity.

The share options issued under the LTIP 2022 scheme and warrants issued in 2022 to certain Group employees have no performance conditions and only subject to remaining in employment by the Group at the time the options or warrants are exercisable. The fair value of these share options and warrants has been determined using a Black-Scholes valuation model at grant date. The fair value is spread over the vesting period with the charge to the income statement recognised as an employee expense, and a corresponding increase in equity.

The share options issued under a 2024 LTIP plan have no performance conditions and only subject to remaining in employment by the Group at the time the options are exercisable. The incentive plan comprised of: (i) a fair market value option with an exercise price at market value at the date of issue; (ii) a par value option with an exercise price of 5p per Ordinary Share; and (iii) an annual grant of Ordinary Shares on 1 October (starting from October 2024) for an aggregate value of £0.75m provided the employee remains in employment with the Company as of such date. The fair value of the fair market value options has been determined using a Black-Scholes valuation model at grant date. The fair value of the par value option has been based off the share price of Victoria PLC at the date of issue. For both the fair market value and par value options, the fair value is spread over the vesting period with the charge to the income statement recognised as an employee expense, and a corresponding increase in equity. For the annual share grant, there is no vesting period and as such, the full expenses Is recognised on grant each year. The valuation of the IFRS2 charge for the share grant is calculated from the number of shares to grant multiplied by the share price on the grant date (1 October).

ACQUISITION-RELATED PERFORMANCE PLANS

Certain acquisitions made by the Group include an element of consideration, known as an earn-out, that is contingent on the financial performance of the target business meeting pre-determined targets over a specified period. Where the earn-out is also contingent on the continued employment of the seller(s) following the acquisition, this is then treated as a non-underlying remuneration cost (see below), accrued over the earn-out period (i.e. the period over which the effective employment condition is applicable) into an acquisition-related performance plan liability.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Where the timing of settlement is uncertain, amounts are classified as non-current where settlement is expected more than 12 months from the reporting date.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

FINANCIAL INSTRUMENTS

The use of financial derivatives is governed by the group's policies which are described in Note 18.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate,

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foreign exchange rate and commodity risk, including foreign exchange forward contracts and foreign currency options.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in the income statement immediately. Hedge accounting is not applied.

(a) Financial assets

The Group's financial assets fall into the categories discussed below, with the allocation depending on the purpose for which the asset was acquired. Although the Group occasionally uses derivative financial instruments in economic hedges of currency rate risk, it does not hedge account for these transactions.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(i) Assets held at amortised cost

They arise principally through the provision of goods and services to customers (e.g. trade receivables) and deposits held at banks but may also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost as reduced by appropriate allowances for estimated unrecoverable amounts.

The effect of discounting on these financial instruments is not considered to be material.

The group makes use of a simplified approach to accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the financial instrument. The group uses its historical experience, external indicators and forward-looking information to calculate expected credit losses.

The group oversees impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped on the number of days overdue. We refer to Note 14 for an analysis of how the impairment requirements of IFRS9 have been applied.

Assets held at amortised cost in the Company includes those classified as other receivables, and loans issued to other Group companies. They are initially recognised at fair value less transaction costs that are directly attributable and subsequently at amortised cost reduced by appropriate allowances for credit losses.

For loans with other Group companies that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date in accordance with IFRS 9.

For other receivables and loans with Group companies, the credit risk is assessed by management at the reporting date. Where the credit risk has not increased significantly since initial recognition, a twelve-month expected credit loss is recognised in accordance with IFRS 9.

Where the credit risk has increased significantly since initial recognition, a lifetime expected credit loss is recognised in accordance with IFRS 9. Management determines whether a significant increase in credit risk has taken place by assessing reasonable and supportable information that is readily available.

Where such financial assets have already been credit impaired, assessments are still made by management for lifetime expected credit losses.

Interest income is recognised on the gross basis on these loans except in cases where the loans have been credit impaired, in which case they are calculated after the lifetime expected credit losses are taken into account.

For any financial assets impaired upon initial recognition, management will recognise the cumulative changes in lifetime expected credit losses as a loss allowance.

(ii) Fair value through profit or loss

This category comprises "in the money" foreign exchange derivatives to the extent that they exist (see (b)(ii) for "out of the money" derivatives). They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

The fair value of the Group's foreign exchange derivatives is measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturity of the contracts.

(b) Financial liabilities

The Group classifies its financial liabilities into one of two categories depending on the purpose for which the liability was incurred. Although the Group uses derivative financial instruments in economic hedges of currency risk, it does not hedge account for these transactions.

Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(i) Financial liabilities measured at amortised cost

These liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.
- Bank borrowings and loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost. Interest is recognised as a finance expense in the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.
- Deferred, non-contingent consideration payable in relation to acquisitions, which is initially recognised at fair value and subsequently carried at amortised cost.

(ii) Fair value through profit or loss

These liabilities include the following items:

- "Out of the money" foreign exchange derivatives and interest rate swaps to the extent that they exist (see (a)(ii) for "in the money" derivatives). They are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expense. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

  The methods used for calculating the fair value of the Group's interest rate and foreign exchange derivatives have been described in (a)(ii) above.
- Contingent consideration payable in relation to acquisitions, which are carried in the balance sheet at fair value with changes in fair value recognised in finance income or expense.

(c) Share capital

The Group's Ordinary shares are classified as equity instruments. Share capital includes the nominal value of the shares. Any share premium attaching to the shares are shown as share premium.

(d) Embedded derivatives

The Group recognises an embedded derivative separate from the host contract where the economic characteristics and risks of the embedded derivative are not closely related to those of the host liability contract and the host financial liability contract itself is not measured at fair value through profit or loss. The embedded derivative is bifurcated and reported at fair value at inception, with gains and losses recognised on financial assets/ liabilities at fair value through profit or loss. The host financial liability contract will continue to be accounted for in accordance with the appropriate accounting standard. The carrying amount of an embedded derivative is reported in the same balance sheet line items as the host financial liability contract.

REVENUE RECOGNITION

The group enters into contracts with customers involving one performance obligation being the sale of flooring products. Revenue is recorded at transaction price being the amount of consideration to which the group equates to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, for example some sales or value added taxes in accordance with IFRS 15.

Revenue from the sale of goods is recognised at a point in time when the promised goods have been transferred to a customer at which point the performance obligation is considered to have been satisfied. The customer is considered to obtain control of the promised goods when the control over the goods has transferred, that is when the products are delivered at the destination which has been agreed to and at the point the customer has full discretion over the channel and price to sell the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped or have been made available to/at a specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The moment of transfer of risk and control can be affected by the incoterm that has been agreed with the customer.

The standalone selling price of the product sold to a customer is clearly determined from the contract entered into. The total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods after deducting trade discounts and volume rebates which create variability in the transaction price. In determining the variable consideration

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to be recognised, trade discounts and volume rebates are estimated based on the terms of the contractually agreed arrangements and the amount of consideration to which the group will be entitled in exchange for transferring the promised goods to the customer. Variable consideration is estimated using the ‘most likely amount’ method.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for any negotiated rebates which are estimated based on historical data. Rebates are generally recognised as a deduction from the corresponding trade receivable due from the related customer, except where the rebate is to be paid in cash where a liability is recognised within ‘other creditors and accruals’. The Group reviews its estimate at each reporting date and updates the amounts of the deduction from the trade receivable accordingly.

Payment terms are generally determined between 30 and 60 days, therefore the impact of the time value of money is minimal.

INTEREST INCOME

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

DIVIDEND INCOME

Dividend income from investments is recognised when the shareholders’ rights to receive payment have been established.

FOREIGN CURRENCIES

The individual financial statements of each Group entity, including those subsidiaries operating in a hyperinflationary economy, are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Pound Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in equity. In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts (see also for details of the Group’s accounting policies in respect of such derivative financial instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations (including comparatives) are expressed in Pound Sterling using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Translation differences arising, if any, are recognised in other comprehensive income and accumulated in equity. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

GOVERNMENT GRANTS

Government grants relating to property, plant and equipment are treated as deferred income, and released to profit or loss over the expected useful lives of the assets concerned. Other government grants, are recognised in profit or loss over the periods necessary to match them with the related costs and are deducted in reporting the related expense.

RETIREMENT BENEFIT COSTS

(a) Defined contribution schemes

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) Defined benefit schemes

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise, net of the related deferred tax.

Administrative expenses incurred by the Trustees in connection with managing the Group's pension schemes are recognised in the Consolidated Income Statement.

TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are recognised for temporary differences arising from lease liabilities and right-of-use assets under IFRS 16. Deferred tax is calculated based on the difference between the carrying amounts of these lease-related items in the financial statements and their respective tax bases, applying the tax rates expected to apply when the temporary differences reverse.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group has applied the temporary exemption issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to the OECD Inclusive Framework agreement for a global minimum corporate income tax rate.

HYPERINFLATION

The group applied hyperinflationary accounting for its operations in Turkey. In March 2022, the three-year cumulative inflation in Turkey exceeded 100% and as a result, hyperinflationary accounting was applied as from the 52 week period ended 1 April 2023 in respect of the group's operations in Turkey. The Group's consolidated financial statements include the results and financial position of its Turkish operations restated to the measuring unit current at the end of the period, with hyperinflationary monetary gains and losses being reported in operating costs. Hyperinflationary accounting needs to be applied as if Turkey has always been a hyperinflationary economy since acquisition date, hence, the differences between equity

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at 2 April 2022 as reported and the equity after the restatement of the non-monetary items to the measuring unit current at 2 April 2022 were recognised in retained earnings. Graniser and Balta (Turkish operations) were acquired in February 2022 and April 2022 respectively. The disposal of Graniser was completed on 18 November 2024 and hyperinflation accounting stopped in respect of Graniser at this time. As part of the disposal of Graniser, the cumulative hyperinflation reserve, along with the cumulative currency translation reserves, (relating to Graniser) that have been previously recorded in other comprehensive income have been reclassified to retained earnings as part of the gain on disposal.

When applying IAS 29 on an ongoing basis, comparatives in stable currency are not restated. For non-monetary items denoted in Turkish Lira the effect of inflating opening balances (from acquisition date) to the measuring unit current at the end of the reporting period is presented in other comprehensive income. Movements through other comprehensive income include; adjustments to equity-related other comprehensive income items (revaluation and translation reserves), restatement of comparative equity items (retained earnings , share capital and other comprehensive income figures) to current purchasing power and intercompany transactions.

The inflation rate used by the group is the official rate published by the Turkish Statistical Institute, TurkStat. The movement in the publicly available official price index for the year ended 29 March 2025 was 38% (year ended 30 March 2024: 68%). The index rate at the 29 March 2025 was 2,954.7.

SEGMENTAL REPORTING

The Group's internal organisation and management structure and its system of internal financial reporting to the Board of Directors are based on the geographical locations and operational characteristics of its businesses.
The chief operating decision-maker has been identified as the Executive Directors.

EXCEPTIONAL AND NON-UNDERLYING ITEMS

EXCEPTIONAL ITEMS

Operating costs which are material by virtue of their size or incidence and are not expected to be recurring are disclosed as exceptional items.

The Victoria Group does not treat any recurring internal costs (such as employee time spent on restructuring or acquisition projects) as exceptional unless these costs can be fully assigned to the projects and can be removed after the project is finalised. All other costs of resources are treated as recurring.

Exceptional items are presented as non-underlying as resulting from there nature are not expected to re-occur as part of the underlying business.

(a) Acquisition and disposal related costs:

Acquisition and disposal related costs, being third-party professional fees in connection with prospecting and completing acquisitions, are expensed in accordance with IFRS 3 and in each case relate to specific transactions that are considered one-off events. As such, these costs do not recur in future periods on the same business.

(b) Reorganisation and re-financing costs:

Significant investments to restructure the business are classified under integration and reorganisation costs. It mainly includes the costs of reducing the footprint of the business and the relocation of production related capacity and business to another locations. It also includes post-acquisition integration costs and restructuring costs relating to the restructuring of the activities within a business unit. The majority of these costs are either redundancy costs, fees from external service providers or costs that are made to relocate operations from one location to another, which can also include the costs to vacate a location or to reinstate it to its original condition (if required by the rental agreement). Also included are some costs linked to re-financing.

(c) Disposal of assets, investments & subsidiaries

Income/charge relating to sales of major land and buildings or a business unit is presented as non-underlying as the nature of the transaction discontinues the future involvement the asset and the related cost will not recur. There is a also non-cash charge included for the loss on disposal of a subsidiary in the year.

(d) Exceptional impairment charge

This includes the impairment of assets and goodwill.

The impairment of assets which are valued in accordance with highest and best use at the point of acquisition, which are subsequently impaired to reflect the market value or value in use to the Company.

An impairment of the net asset value is higher than the expected market value or the value in use. This cost is non-cash in nature and, unlike the depreciation or amortisation of other assets, is not expected to result in a future capital cost to the business in relation to replacement or renewal.

The group treats goodwill impairment as non-recurring as the goodwill impairment testing takes into accounts future expected performance of the business and only substantial changes in the expected profitability of the business might lead to an impairment. These downward changes in expectations are not expected to reoccur every year for the same business units for the same magnitude.

NON-UNDERLYING ITEMS

Non-underlying items are material non-trading income and costs and non-underlying finance costs as defined by the Directors. In line with IAS 1 para 85, the non-underlying items are disclosed separately in the Consolidated Income Statement given, in the opinion of the Directors, such presentation is relevant to an understanding of the Group's financial performance. Determining the presentation of an item as non-underlying is considered to be a significant judgement in the preparation of the annual report.

Non-underlying items comprise:

Operating income and costs

(a) Exceptional items

Exceptional items, as described above, are not considered to form part of the underlying result and are therefore treated as non-underlying.

(b) Acquisition-related performance plan charge

Charge relating to the accrual of expected liability under acquisition-related performance plans. The related liabilities can go up or down based on the actual and expected financial performance of the relevant acquired businesses over the earn-out period. Given these plans are linked directly to specific historical acquisitions, the related charges are treated as non-underlying.

(c) Non-cash share incentive plan charge

Share incentive plan costs are non-cash in nature and the fact that any expected share issue is accounted for in the assessment of fully diluted earnings per share, except in the circumstance where there is a loss per share. The corresponding IFRS2 charge is treated as a non-underlying cost. See note 5 for further details of the schemes.

(d) Amortisation of acquired intangibles

The amortisation of intangible assets arising from business combinations (primarily customer relationships and brand names) arises only for a finite period of time as a result of accounting for business combinations. This cost is non-cash in nature and, unlike the depreciation or amortisation of other assets, is not expected to result in a future capital cost to the business in relation to replacement or renewal.

(e) Unwind of fair value uplift to acquisition opening inventory

Charge relating to the IFRS 3 fair value adjustment on inventory acquired on new business acquisitions. This is a one-off cost arising on acquisition which will unwind over the period that the acquired inventory is sold. The nature of these costs are non-recurring and not considered to form part of the underlying performance of the business.

(f) Depreciation of fair value uplift to acquisition property

Charge relating to the IFRS 3 fair value adjustment on property, plant and equipment acquired on new business acquisitions. This is a one-off cost arising on acquisition which will unwind over the period that the asset is being used. The nature of these costs are non-recurring and not considered to form part of the underlying performance of the business as mainly arising from acquisition accounting.

(g) Hyperinflation

Some businesses might operate in jurisdictions where the threshold for implementing inflation accounting is exceeded as described under IAS29. The implementation of hyperinflation accounting on these business results in the revaluation of the opening balance sheet and the indexing of the financial numbers. To ensure comparability of historical figures, the hyperinflation accounting impact is treated as non-underlying.

Income/charge relating to hyperinflation under IAS 29 are not considered to part of the operating performance of the business and the income/charge are non-cash in nature.

Finance costs

(a) Unwinding of present value of deferred and contingent earn-out liabilities

Contingent consideration in respect of acquisitions is measured under IFRS 3, initially at fair value discounted for the time value of money. Subsequently, the present value is reassessed to unwind the time value of money. Such adjustments are non-cash in nature and are not considered to form part of the underlying performance of the business.

Deferred consideration in respect of acquisitions is measured under IFRS 3 at amortised cost. Such adjustments are non-cash in nature and are not considered to form part of the underlying performance of the business.

(b) Other adjustments to present value of contingent earn-out liabilities

Any changes to contingent earn-outs arising from actual and forecast business performance are reflected as other adjustments to present value of contingent earn-out liabilities. Such adjustments are non-cash in nature and are not considered to form part of the underlying performance of the business.

(c) Mark-to market adjustments on foreign exchange contracts

The mark to market valuation of forward foreign exchange contracts is entirely dependent on the closing exchange and interest rates at the balance sheet date, and therefore not considered to form part of the underlying performance of the business.

(d) Translation differences on foreign currency loans

The impact of exchange rate

Significant Accounting Policies

movements on foreign currency loans presented in translation of non-Pound-Sterling denominated debt into the group accounts which are presented in Pound Sterling within the balance sheet of the Company or of its consolidated UK subsidiaries is treated as a non-underlying finance cost.

(e) Financial costs relating to preferred equity, associated warrants and other items

The preferred equity issued is treated under IFRS 9 as a financial instrument with a number of associated embedded derivatives. There are a number of resulting financial items taken to the income statement in each period, including the cost of the underlying host contracts and the income or expense related to the fair value movement of the warrants and embedded derivatives. The preferred equity is legally structured as equity and is also equity-like in nature as it is contractually subordinated, and never has to be serviced in cash, and contains no default or acceleration rights, hence the resultant finance costs or income are treated as non-underlying.

There are a number of financial items in the income statement that relate to the preferred equity, associated warrants and other items (see below), as follows:

- A financial cost relating to the effective interest rate on the amortisation of the underlying host instrument;
- A financial cost / credit relating to the movement in fair value of the redemption option asset;
- A financial cost / credit relating to the movement in fair value of the warrants liability; and

Given the instrument is legally equity capital and equity-like in nature as the preferred shares are perpetual, and there is no obligation to ever cash settle any of the preferred dividends, any ongoing financial costs in respect of this facility are not considered to form part of the underlying performance of the business.

(f) Fair value adjustment to notes redemption option

The corporate bonds issued in March 2021 comprise two tranches maturing in August 2026 and March 2028. However, the company can choose to repay early if it pays a redemption premium, the level of which varies over time. Under IFRS 9, this 'embedded call option' must be separately disclosed as a financial asset on the balance sheet and fair-valued at each reporting date. The income or charge resulting from this revaluation exercise at each reporting date is a non-cash item presented as non-underlying financial costs/income.

(g) Other financial expenses (hyperinflation)

Restated finance costs within entities which fall under the hyperinflation requirements based on the change in the general price index between the date when the finance costs were initially recorded and the reporting date.

(h) Implications of important changes in regulations (laws) on defined benefit pension liabilities

The impact of law and regulations changes on the valuation and measurement of defined benefit and certain defined contribution plans reclassified as defined benefit plans is treated as a non-underlying finance cost.

Deferred and current income tax cost/ income

The deferred and current income tax impact from above mentioned non-underlying and exceptional items is also presented as a non-underlying and / or exceptional tax costs.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ADOPTED FOR THE FIRST TIME IN THE YEAR

There were no new standards or amendments to standards adopted for the first time this year that had a material impact on the results for the group other than:

IAS7 (Statement of Cash Flows) and FRS 7 (Financial Instruments: Disclosures). These changes, issued in May 2023, aim to improve transparency by requiring companies to disclose more information about how these arrangements impact their liabilities, cash flows, and liquidity risk. The amendments are effective for annual periods beginning on or after January 1, 2024.

IFRIC has addressed the disclosure requirements for reportable segments under IFRS 8 Operating Segments. Disclosure is required for each reportable segment if those items are included in the measure of segment profit or loss reviewed by the Chief Operating Decision Maker (CODM).

FUTURE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

IFRS 18, "Presentation and Disclosure in Financial Statements," is a new accounting standard that is effective for periods beginning on or after January 1, 2027. The standard aims to enhance comparability and transparency in financial reporting. An assessment of the impact of this new standard has not yet been made by the Company.

Notes to the Accounts

1. SEGMENTAL INFORMATION

The Group is organised into four operating segments: soft flooring products in UK & Europe; ceramic tiles in UK & Europe; flooring products in Australia; and flooring products in North America. The Executive Board (which is collectively the Chief Operating Decision Maker) regularly reviews financial information for each of these operating segments in order to assess their performance and make decisions around strategy and resource allocation at this level.

The UK & Europe Soft Flooring segment comprises legal entities primarily in the UK, Republic of Ireland, the Netherlands and Belgium (including manufacturing entities in Turkey and a distribution entity in North America), whose operations involve the manufacture and distribution of carpets, rugs, flooring underlay, artificial grass, LVT, and associated accessories. The UK & Europe Ceramic Tiles segment comprises legal entities primarily in Spain, Italy, UK and France, whose operations involve the manufacture and distribution of wall and floor ceramic tiles. The Australia segment comprises legal entities in Australia, whose operations involve the manufacture and distribution of carpets, flooring underlay and LVT. The North America segment comprises legal entities in the USA, whose operations involve the distribution of hard flooring, LVT and ceramic tiles.

Whilst additional information has been provided in the operational review on sub-segment activities, discrete financial information on these activities is not regularly reported to the CODM for assessing performance or allocating resources.

No operating segments have been aggregated into reportable segments.

Both underlying operating profit and reported operating profit are reported to the Executive Board on a segmental basis.

Transactions between the operating segments are made on an arm length's basis. The operating segments exclude the results of non revenue generating holding companies, including Victoria PLC. These entities' results have been included as unallocated central expenses in the tables below.

Income statement

	52 weeks ended 29 March 2025						52 weeks ended 30 March 2024					
	UK & Europe Soft Flooring £m	**UK & Europe Ceramic Tiles £m**	**Australia £m**	**North America £m**	**Unallocated central expenses £m**	**Total £m**	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Total £m
Revenue	**584.2**	**280.2**	**103.7**	**150.0**	**–**	**1,118.1**	643.9	320.8	106.1	163.3	–	1,234.1
Underlying operating profit / (loss)	**18.9**	**7.7**	**8.6**	**2.1**	**(7.8)**	**29.5**	34.6	31.3	8.7	6.8	(8.4)	73.0
Non-underlying operating items	**(21.7)**	**(15.6)**	**(1.6)**	**(4.4)**	**(3.5)**	**(46.8)**	(12.0)	(22.3)	(1.6)	(5.6)	(3.4)	(44.9)
Exceptional operating items	**(92.4)**	**(105.8)**	**(0.2)**	**(0.8)**	**(8.9)**	**(208.1)**	(16.5)	(30.3)	–	(43.3)	(2.8)	(92.9)
Operating (loss) / profit	**(95.2)**	**(113.7)**	**6.8**	**(3.1)**	**(20.2)**	**(225.4)**	6.1	(21.3)	7.1	(42.1)	(14.6)	(64.8)
Underlying net finance costs						**(41.0)**						(41.9)
Non-underlying net finance costs						**(0.4)**						(10.2)
Loss before tax						**(266.8)**						(116.9)
Tax credit						**27.2**						21.2
Loss after tax from continuing operations						**(239.6)**						(95.7)
Loss from discontinued operations						**(24.8)**						(12.3)
Loss for the period						**(264.4)**						(108.0)

Management information is reviewed on a segmental basis to operating profit.

During the year, no single customer accounted for 10% or more of the Group's revenue. Inter-segment sales in the year and in the prior year were immaterial.

Notes to the Accounts

1. SEGMENTAL INFORMATION (CONTINUED)

All revenue generated across each operating segment was from the sale of flooring products recognised at a point in time in accordance with IFRS 15. The flooring products sold across each operating segment have similar production processes, classes of customers and economic characteristics such as similar rates of profitability, similar degrees of risk, and similar opportunities for growth.

The Group's revenue for the period was split geographically (by origin) as follows:

	2025 £m	2024 £m
Revenue		
United Kingdom	285.4	331.2
United States	181.8	199.1
Italy	139.6	163.0
Belgium	154.3	159.4
Spain	128.7	140.2
Australia	103.7	106.1
Netherlands	84.1	84.8
Turkey	22.6	26.3
France	9.3	14.6
Ireland	7.2	7.9
Portugal	1.4	1.5
	1,118.1	1,234.1

Balance sheet

	52 weeks ended 29 March 2025						52 weeks ended 30 March 2024					
	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Central £m	Total £m	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Total £m
Total Assets	662.9	443.2	72.3	105.5	46.1	1,330.0	742.9	658.8	76.6	117.7	33.5	1,629.5
Total Liabilities	(354.2)	(209.1)	(23.8)	(47.8)	(968.2)	(1,603.1)	(378.4)	(281.9)	(23.6)	(58.0)	(909.8)	(1,651.7)
Net Assets / (liabilities)	308.7	234.1	48.5	57.7	(922.1)	(273.1)	364.5	376.9	53.0	59.7	(876.3)	(22.2)

The Group's non-current assets (net of deferred tax) as at 29 March 2025 were split geographically as follows:

	2025 £m	2024 £m
Non-current assets (net of deferred tax)		
Spain	163.3	245.7
Belgium	74.4	173.8
United Kingdom	132.2	143.7
Netherlands	100.5	110.1
Italy	95.4	114.1
Turkey	66.9	82.5
United States	49.1	57.1
Australia	29.0	31.4
	710.8	958.4

1. SEGMENTAL INFORMATION (CONTINUED)

Other segmental information

	52 weeks ended 29 March 2025							52 weeks ended 30 March 2024						
	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Discontinued operations £m	Total £m	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Discontinued operations £m	Total £m
Depreciation of tangible fixed assets and IT software amortisation	(35.6)	(20.8)	(2.9)	(3.3)	(0.1)	(0.7)	(63.4)	(37.4)	(22.3)	(2.9)	(2.9)	(0.1)	(1.8)	(67.4)
Depreciation of right-of-use lease assets	(21.1)	(6.6)	(2.5)	(2.1)	(0.6)	(1.0)	(33.9)	(20.0)	(5.3)	(1.9)	(2.2)	(0.5)	(1.1)	(30.9)
Amortisation of acquired intangibles	(10.2)	(15.4)	(1.6)	(4.4)	–	(1.2)	(32.8)	(11.0)	(20.4)	(1.6)	(4.6)	(0.9)	(2.3)	(40.9)
	(66.9)	(42.8)	(7.0)	(9.8)	(0.7)	(2.9)	(130.1)	(68.4)	(47.9)	(6.4)	(9.7)	(1.5)	(5.2)	(139.1)

	52 weeks ended 29 March 2025							52 weeks ended 30 March 2024						
	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Discontinued operations £m	Total £m	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Discontinued operations £m	Total £m
Intangible additions	0.2	2.0	–	–	0.1	–	2.3	2.7	1.6	–	–	0.3	–	4.6
Property, plant and equipment additions	34.3	25.4	2.9	6.1	–	0.7	69.4	37.9	29.2	2.6	5.5	–	0.7	75.9
Right of use additions	26.5	7.6	0.3	–	0.1	0.6	35.1	12.9	8.8	2.9	0.7	–	0.1	25.4
Total capital additions	61.0	35.0	3.2	6.1	0.2	1.3	106.8	53.5	39.6	5.5	6.2	0.3	0.8	105.9

	52 weeks ended 29 March 2025							52 weeks ended 30 March 2024						
	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Discontinued operations £m	Total £m	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Unallocated central expenses £m	Discontinued operations £m	Total £m
Staff costs	(133.8)	(61.9)	(19.0)	(19.5)	(11.1)	(5.0)	(250.3)	(138.3)	(65.2)	(19.2)	(22.8)	(5.8)	(7.0)	(258.3)
Cost of inventories recognised as an expense	(319.0)	(133.7)	(53.9)	(80.0)	–	(12.6)	(599.2)	(359.7)	(138.1)	(56.9)	(84.5)	–	(25.8)	(665.0)

2. EXCEPTIONAL AND NON-UNDERLYING ITEMS

	52 weeks ended 29 March 2025 £m	52 weeks ended 30 March 2024 £m
Exceptional items		
(a) Acquisition and disposal related costs	(0.9)	(1.0)
(b) Reorganisation, re-financing and other costs	(15.8)	(19.4)
(c) Gain on disposal of assets and investments	1.9	–
(d) Loss on disposal of subsidiaries	(6.9)	–
(e) Exceptional impairment charge	(186.4)	(72.6)
	(208.1)	(93.0)

2. EXCEPTIONAL AND NON-UNDERLYING ITEMS (CONTINUED)

	52 weeks ended 29 March 2025 £m	52 weeks ended 30 March 2024 £m
Non-underlying operating items		
(f) Acquisition-related performance plans	(0.4)	(6.7)
(g) Non-cash share incentive plan charge	(3.5)	(2.7)
(h) Amortisation of acquired intangibles (excluding hyperinflation)	(31.5)	(38.6)
(i) Unwind of fair value uplift to acquisition opening inventory	–	(0.6)
(j) Depreciation of fair value uplift to acquisition property, plant and machinery	(5.7)	(5.0)
(k) Hyperinflation depreciation adjustment	(5.8)	(4.3)
(l) Hyperinflation monetary gain/(loss)	12.8	23.2
(m) Other hyperinflation adjustments (excluding depreciation and monetary gain)	(12.7)	(10.1)
	(46.8)	(44.8)
Total	(254.9)	(137.8)
Representing functional categorisation of:		
Revenue (see notes k,l,m)	2.9	7.7
Cost of sales (see notes i,j,k,l,m)	(27.8)	(26.1)
Distribution and administrative expenses	(230.1)	(119.5)
Other operating income (see notes k,l,m)	0.1	0.1
	(254.9)	(137.8)

(a) One-off third-party professional fees in connection with prospecting and completing specific acquisitions and disposals during the period.

(b) Various reorganisation and integration projects around the Group. Also some costs linked to re-financing.

(c) Largely represents a gain relating to the sale and leaseback of a property in Belgium, whereby under IFRS 16, the majority of the gain on the disposal has been presented within the carrying value of the right-of-use asset.

(d) Non-cash charge relating to the respective loss on disposal of Hanover Flooring during the period.

(e) Exceptional impairment charge in the ‘UK & Europe – Soft flooring (Rugs)’ CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets by £87 million due to the weak demand environment. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£40.5m) and tangible fixed assets (£46.5m). Further weaker demand in the European ceramics industry has resulted in an impairment in the ‘UK & Europe - Ceramic Tiles (Spain)’ CGU where the carrying value of assets exceeded the recoverable amount of the CGU by £80 million. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£50.3m) and tangible fixed assets (£29.7m). Exceptional impairment charge in the ‘UK & Europe - Ceramic Tiles (Italy)’ CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets by £14.6 million due to the weak demand environment and the goodwill has been fully impaired. Prior year exceptional goodwill impairment charge, reduced production in Spain, as a result of the integration programme within the ceramics division has resulted in a further impairment of £24.7 million being taken in the UK & Europe – Ceramics (Spain & Turkey) CGU, along with weaker demand in the US impacting Cali Bamboo resulting in an impairment of £42.5 million. The current period also includes a £4.8m impairment of a right-of-use building which is mostly unoccupied.

(f) Charge relating to the accrual of expected liability under acquisition-related performance plans.

(g) Non-cash, IFRS2 share-based payment charge in relation to the long-term management incentive plans.

(h) Amortisation of intangible assets, primarily brands and customer relationships, recognised on consolidation as a result of business combinations.

2. EXCEPTIONAL AND NON-UNDERLYING ITEMS (CONTINUED)

(i) One-off cost of sales charge reflecting the IFRS 3 fair value adjustment on inventory acquired on new business acquisitions, given this is not representative of the underlying performance of those businesses (see Note 25 for further details).

(j) Cost of sales depreciation charge reflecting the IFRS 3 fair value adjustment on buildings and plant and machinery acquired on new business acquisitions, given this is not representative of the underlying performance of those businesses.

(k,l,m) Impact of hyperinflation indexation in the period, see accounting policies. The hyperinflation impact in the period on revenue was £2.9m (2024: £7.7m income), cost of sales was £19.4m charge (2024: £20.5m (charge)) and admin expenses was £10.8m income (FY24: £21.6m income).

3. FINANCE COSTS

	52 weeks ended 29 March 2025 £m	52 weeks ended 30 March 2024 £m
Non-underlying finance items		
(a) Finance items related to preferred equity	**1.0**	(5.4)
(b) Unwinding of present value of deferred and contingent earn-out liabilities	**(0.2)**	(0.5)
(c) Fair value adjustment to deferred consideration and contingent earnout	**1.7**	2.0
Acquisitions related	**1.5**	1.5
(d) Gain on bond repurchase	**–**	2.0
(e) Fair value adjustment to notes redemption option / amortisation inception derivative	**1.2**	1.2
(f) Mark to market adjustments and gains on foreign exchange forward contracts	**0.5**	(0.2)
(g) Translation difference on foreign currency loans and cash	**(5.0)**	(8.6)
(h) Hyperinflation - finance portion	**0.4**	(0.6)
(i) Defined benefit pension	**–**	(0.1)
Other non-underlying	**(2.9)**	(6.3)
	(0.4)	(10.2)

(a) The net impact of items relating to preferred equity issued to Koch Equity Development during the current and prior periods (see Note 17).

(b) Current period non-cash costs relating to the unwind of present value discounts applied to deferred consideration and contingent earn-outs on historical business acquisitions. Deferred consideration is measured at amortised cost, while contingent consideration is measured under IFRS 9 / 13 at fair value. Both are discounted for the time value of money.

(c) Fair value reduction to contingent liability resulting in a change to the expected earnout due, resulting in a credit.

(d) The Company generated a gain on bonds repurchased in the prior year as the purchase price was lower than the carrying amount. This happened as market interest rates had risen since the bonds were issued, reducing their market value.

(e) Attached to the senior notes is an early repayment option which, on inception, was recognised as an embedded derivative asset at a fair value of £4.3m. The value of the senior debt liabilities recognised were increased by a corresponding amount at initial recognition, which then reduces to par at maturity using an effective interest rate method.

(f) Non-cash fair value adjustments on foreign exchange forward contracts.

(g) Net impact of exchange rate movements on third party and intercompany loans.

(h) Other finance cost / income impact of hyperinflation.

(i) Defined benefit pension change due to restructuring in the prior period.

See Financial Review for further details of these items.

4. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Continuing operations	2025 £m	2024 £m
After charging / (crediting):		
Net foreign exchange losses	**(1.3)**	(1.2)
Depreciation of property, plant and equipment	**(61.2)**	(64.4)
Depreciation of right-of-use lease assets (see Note 1)	**(32.9)**	(29.8)
Amortisation of intangible assets	**(33.1)**	(39.9)
Staff costs (see Note 5)	**(245.3)**	(251.3)
Cost of inventories recognised as an expense (see Note 1)	**(586.7)**	(639.2)
Loss on disposal of subsidiaries (see Note 2)	**(6.9)**	–
Profit on sale of assets	**2.6**	2.1
Government grants	**1.9**	0.9
Rentals charged under short term and low value leases	**(0.2)**	(0.5)
Warehousing and transport costs	**(65.2)**	(80.9)
Exceptional acquisition, reorganisation and other costs (see Note 2)	**(16.7)**	(20.2)
Asset impairment and exceptional goodwill impairment (see Note 9)	**(186.4)**	(72.6)
Other SG&A costs	**(118.5)**	(106.7)
Other income	**6.3**	4.8
	(1,343.5)	(1,298.9)
Representing functional costs of:		
Cost of sales	**(782.0)**	(838.3)
Distribution and administrative expenses	**(567.8)**	(465.4)
Other operating income	**6.3**	4.8
	(1,343.5)	(1,298.9)

Auditor's remuneration	2025 £m	2024 £m
Fees payable to the Company's Auditor in respect of audit services:		
The audit of the Group consolidated accounts	**(0.88)**	(0.86)
The audit of the Company's subsidiaries pursuant to legislation	**(1.21)**	(1.24)
Total audit fees	**(2.09)**	(2.11)
Audit-related assurance services*	**(0.20)**	(0.12)
Tax compliance services	**–**	–
Taxation advisory services	**–**	–
Services relating to corporate finance transactions (either proposed or entered into) by or on behalf of the Company or any of its associates	**–**	–
Pension scheme advisory services		
Other services pursuant to legislation		
Total non-audit fees	**(0.20)**	(0.12)

* *Audit-related assurances services in 2025 include £11,000 of fees related to grant assurance (carried out by the auditor by statute) reporting services (2024: £126,100)*

5. STAFF COSTS

	Group 2025 £m	Group 2024 restated £m	Company 2025 £m	Company 2024 £m
Wages and salaries	**(192.6)**	(192.0)	**(5.8)**	(2.7)
Social security costs	**(38.6)**	(39.9)	**(0.5)**	(0.2)
Share-based employee remuneration	**(3.4)**	(2.7)	**(2.5)**	(1.3)
Other pension costs	**(10.3)**	(10.0)	**(0.2)**	(0.2)
Acquisition-related performance plans	**(0.4)**	(6.7)	**–**	–
Gross employment costs	**(245.3)**	(251.3)	**(9.0)**	(4.4)

Directors' remuneration is included as part of the staff costs above. Directors' remuneration is disclosed separately on page 52 of the Directors' Report and forms part of these financial statements.

5. STAFF COSTS (CONTINUED)

Average number employed (including executive directors of subsidiaries):

	Group 2025	Group 2024 restated	Company 2025	Company 2024
Directors	**76**	78	**7**	7
Sales and marketing	**716**	786	**–**	–
Production, logistics and maintenance	**4,204**	4,466	**–**	–
Finance, IT and administration	**359**	430	**13**	10
	5,355	5,760	**20**	17

Share-based payment schemes

2020 LTIP Plan

Share options issued under the 2020 LTIP Plan in the year ended 3 April 2021

On 26 June 2020, a long-term incentive plan ('2020 LTIP Plan') was introduced to incentivise senior employees. 5p cost options were granted to 17 scheme participants in varying proportions, which, when exercised, will convert into 1,250,000 ordinary shares. The participants are able to exercise these options from June 2024 provided they are still employed by the Group at the vesting date.

To fair value the options, the share price at the date of issue was applied to the number of options awarded. The fair value was determined as £2.93m and this charge was spread over the four year vesting period to June 2024. The charge to the income statement for the 2020 LTIP shares was £0.2m (2024: £0.5m). As at 29 March 2025, 535,000 options have been exercised, 115,000 options lapsed or forfeited, and the remaining 600,000 options issued are still in place.

Certain of the Company's directors are participating in the 2020 LTIP Plan, as detailed below.

Name	Number of Incentive Shares (unexercised)
Philippe Hamers	200,000

Follow-on share option issues under 2020 LTIP Plan

(a) Share options issued in the year ended 2 April 2022

In the year ended 2 April 2022, 37,750 shares were issued to certain senior employees under the 2020 LTIP Plan. To fair value these options, the share price at the date of issue was applied to the number of options awarded, less the exercise price borne by the participant. The fair value was determined as £0.38m. The options will vest and become exercisable as to 25% on each vesting date of 1 January 2023 and each anniversary thereafter up until 1 January 2026 provided the participants remain in employment with the Group. The charge will be spread over the period to 1 January 2026 in accordance with this vesting profile. The charge to the income statement for these options for the year ended 29 March 2025 was £0.0m (2024: £0.0m). As at 29 March 2025, 15,812 options have been exercised, 9,188 options have lapsed, and the remaining 12,750 options issued are still in place.

(b) Share options issued in the year ended 1 April 2023

In the year ended 1 April 2023, 380,000 shares were issued to certain senior employees under the 2020 LTIP Plan. To fair value these options, the share price at the date of issue was applied to the number of options awarded, less the exercise price borne by the participant. The fair value was determined as £1.69m. The options will vest and become exercisable at various future dates between June 2024 and August 2026 provided the participants remain in employment with the Group at each relevant vesting date. The charge will be spread in accordance with the vesting profile for each individual. The charge to the income statement for these options was £0.5m (2024: £0.8m). As at 29 March 2025, 90,000 options have been exercised and the remaining 290,000 options issued are still in place.

5. STAFF COSTS (CONTINUED)

(c) Share options issued in the year ended 30 March 2024

In the year ended 30 April 2024, 250,000 shares were issued to certain senior employees under the 2020 LTIP Plan. To fair value these options, the share price at the date of issue was applied to the number of options awarded, less the exercise price borne by the participant. The fair value was determined as £0.83m. The options will vest and become exercisable at various future dates between June 2024 and October 2027 provided the participants remain in employment with the Group at each relevant vesting date. The charge will be spread in accordance with the vesting profile for each individual. The charge to the income statement for these options was £0.3m (2024: £0.2m). As at 29 March 2025 all of the options remain in issue and none have been exercised.

2022 LTIP Plan

On 31 May 2022, a long-term incentive plan (‘2022 LTIP Plan’) was introduced to incentivise senior employees. Participants will be able to exercise any options issued provided they are still employed by the Group at the relevant vesting date.

To fair value these options, the share price at the date of issue was applied to the number of options awarded, less the exercise price borne by the participant. For any options where the share price at date of issue is below the exercise price, a black-scholes model has been used to fair value the options.

The key black-scholes inputs and assumptions applied in this model for the relevant 2022 LTIP plan shares are set out in the table below:

Inputs and Assumptions

Grant date	10 August 2022	22 August 2022
Victoria Plc share price at grant	£3.80	£3.64
Expected term	5.6 years	6.4 years
Risk free rate (continuously compounded)	1.80%	2.38%
Expected dividend yield	0.0%	0.0%
Expected volatility	48.61%	48.81%

The fair value of the 2022 LTIP shares issued in the year was determined as £1.0m. The options will vest and become exercisable at various dates between April 2022 and November 2026 provided the participants remain in employment with the Group at each relevant vesting date. The charge will be spread in accordance with the vesting profile for each individual. The charge to the income statement for these options for the year ended 29 March 2025 was £0.2m (2024: £0.3m).

In the year ended 1 April 2023, 669,500 shares were issued to certain senior employees under the 2022 LTIP Plan. As at 29 March 2025, 343,750 of the 2022 LTIP shares are exercisable. All of the LTIP 2022 shares issued remained in place as at 29 March 2025 and none were exercised.

Certain of the Company’s directors are participating in the 2022 LTIP Plan, as detailed below.

Inputs and Assumptions	Philippe Hamers	Brian Morgan
Number of incentive shares	375,000	250,000
Exercise price (£)	7.00	7.00
Vesting profile:		
Apr-22	93,750	–
Apr-23	93,750	25,000
Apr-24	93,750	37,500
Apr-25	93,750	62,500
Apr-26	–	125,000

5. STAFF COSTS (CONTINUED)

2022 Warrants

On 7 September 2022, a new share-based long-term incentive plan was issued to one senior employee. This comprises the issue of warrants to subscribe for a total of 495,000 ordinary shares of 5 pence each. The Warrants are exercisable at the exercise price of 401 pence, with 87,348 warrants vesting on 7 September 2022, and thereafter 29,118 per calendar quarter, starting on 1 December 2022 and ending 1 March 2026, subject to the employee's continued employment with the Company.

To fair value these warrants, a black-scholes valuation model has been used.

The key black-scholes inputs and assumptions applied in this model are set out in the table below:

Inputs and Assumptions	
Grant date	07–Sep–22
Victoria Plc share price at grant	£4.01
Expected term	5.8 years
Risk free rate (continuously compounded)	2.91%
Expected dividend yield	0.0%
Expected volatility	49.24%

The fair value of the warrants issued was determined as £1.0m. The charge to the income statement for the year ended 29 March 2025 was £0.1m (2024: £0.3m).

As at 29 March 2025, 378,528 of the 2022 warrants are exercisable. All of the warrants issued remained in place as at 29 March 2025 and none were exercised.

2024 Incentive Plan

On 15 March 2024, a new share-based long-term incentive plan was issued to one senior employee, comprising:

(i) a fair market value option for 1,067,481 Ordinary shares of 5p each in the capital of the Company with an exercise price of 233.5p per Ordinary Share;

(ii) a par value option for 720,000 Ordinary Shares, with an exercise price of 5p per Ordinary Share; and

(iii) an annual grant of Ordinary Shares on 1 October (starting from October 2024) for an aggregate value of £0.75m provided the employee remains in employment with the Company as of such date.

Options under (i) and (ii)

The options will vest equally on a quarterly basis over a period from March 2024 to September 2026 as long as the employee remains employed by the Group. The fair market value option may be exercised up until the tenth anniversary of the date that the options were granted and the par value option may be exercised up until 31 December 2027.

To fair value the fair market value options, a black-scholes valuation model has been used.

The key black-scholes inputs and assumptions applied in this model are set out in the table below:

Inputs and Assumptions	
Grant date	15–Mar–24
Victoria Plc share price at grant	£2.34
Expected term	1.7 – 2.5 years
Risk free rate (continuously compounded)	4.02%
Expected dividend yield	0.0%
Expected volatility	61.24%

5. STAFF COSTS (CONTINUED)

The fair value of the fair market value option issued was determined as £0.9m. The charge to the income statement for the year ended 29 March 2025 was £0.5m (2024: £0.2m).

As at 29 March 2025, 444,782 of the fair market value options were exercisable. All of the fair market value options issued remained in place as at 29 March 2025 and none were exercised.

To fair value the par value options, the share price at the date of issue was applied to the number of options awarded,less the exercise price of 5p borne by the participant. The fair value of the par value options was determined as £1.6m. The charge to the income statement for the year ended 29 March 2025 was £1.0m (2024: £0.3m).

As at 29 March 2025, 300,000 of the par value options were exercisable. In the year ended 29 March 2025, 300,000 par value options were exercised and the remaining 420,000 issued par value options remain in place as at 29 March 2025.

Annual Share Grant (item (iii) above)

The number of shares corresponding to the £0.75m grant each 1 October is to be determined based on the 30-day average volume weighted average price ("VWAP") of the Ordinary Shares for the 30 consecutive trading day period prior to 1 October.

There is no vesting period and as such, the full expense is recognised on grant each year.

The valuation of the IFRS 2 charge for the share grant is calculated from the number of shares to grant multiplied by the share price on the grant date (1 October).

For the share grant on 1 October 2024, the charge to the income statement for the year ended 29 March 2025 was £0.7m.

6. TAXATION

Continuing Operations	52 weeks ended 29 March 2025 £m	52 weeks ended 30 March 2024 (restated) £m
Current tax		
– Current year UK	(0.2)	(0.7)
– Current year non–UK	(5.6)	(10.6)
– Adjustments in respect of prior years	0.8	(0.3)
	(5.0)	(11.6)
Deferred tax		
– Credit recognised in the current year	33.9	24.6
– Adjustments in respect of prior years	(1.7)	10.1
– Effect of rate change	–	(1.9)
	32.2	32.8
Total tax credit	**27.2**	21.2

6. TAXATION (CONTINUED)

Discontinued Operations	**52 weeks ended 29 March 2025 £m**	52 weeks ended 30 March 2024 £m
Current tax		
– Current year UK	**–**	–
– Current year non–UK	**–**	(0.2)
– Adjustments in respect of prior years	**–**	–
	–	(0.2)
Deferred tax		
– Credit recognised in the current year	**1.5**	1.9
– Adjustments in respect of prior years	**0.3**	–
– Effect of rate change	**–**	–
	1.8	1.9
Total tax credit	**1.8**	1.7

Corporation tax is calculated at the applicable percentage of the estimated assessable profit for the year in each respective geography. This is 25% in the UK, Spain and Belgium; 25.8% in the Netherlands; 27.9% in Italy; 30% in Australia; 12.5% in Ireland; a 25% combined rate (Federal and State) in the US; and 24% in Turkey.

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2025 £m	**%**	2024 £m	%
Loss before tax from total operations	**(293.6)**		(130.9)	
Tax credit at the UK corporation tax rate of 25% (2024: 25%)	**73.5**	**25.0**	32.7	25.0
Tax effect of items that are not deductible / non-taxable in determining taxable profit	**(7.8)**	**(2.7)**	(24.8)	(18.9)
Differences between UK and non-UK statutory tax rates	**(1.1)**	**(0.4)**	(1.5)	(1.1)
Effect of changes in future tax rates on deferred tax amounts	**(0.1)**	–	(1.9)	(1.5)
Deferred tax amounts not recognised	**(33.1)**	**(11.3)**	1.9	1.5
Pillar 2 (OECD Global Minimum Tax)	**–**	**–**	–	–
Hyperinflation	**(1.8)**	**(0.6)**	6.6	5.0
Adjustments to prior periods	**(0.6)**	**(0.2)**	9.9	7.6
Tax credit and effective tax rate	**29.0**	**9.9**	22.9	17.5
Reconciliation to underlying effective tax rate				
Deduct tax credit on non-underlying items (Total)	**(25.1)**		(16.3)	
Deduct tax credit/(charge) on underlying discontinued items	**(1.5)**		(3.6)	
Deduct prior year items	**0.6**		(9.9)	
Current year tax credit/(charge) on underlying items	**3.0**		(6.9)	
Underlying Continuing (Loss)/Profit Before Tax	**(11.5)**		31.1	
Adjusted effective tax rate excluding discontinued, prior year and non-underlying items		**26.2**		22.2

Notes to the Accounts

6. TAXATION (CONTINUED)

The tax effect of non-underlying items is as follows:

	2025 Profit/ (loss) before tax £m	2025 Tax credit/ (charge) £m	2024 Profit/ (loss) before tax £m	2024 Tax credit/ (charge) £m
Acquisition and disposal related costs	**(0.9)**	**–**	(1.0)	–
Reorganisation, re-financing and other costs	**(15.7)**	**2.5**	(19.4)	2.3
Gain on disposal of assets and investments	**1.9**	**–**	–	–
Loss on disposal of subsidiaries	**(6.9)**	**–**	–	–
Asset impairment	**(171.8)**	**13.5**	(5.4)	1.4
Exceptional goodwill impairment	**(14.6)**	**–**	(67.2)	–
Acquisition-related performance plan	**(0.4)**	**–**	(6.7)	0.1
Non-cash share incentive plan charge	**(3.5)**	**–**	(2.7)	–
Amortisation of acquired intangibles (excluding Hyperinflation)	**(31.5)**	**9.4**	(38.6)	8.8
Unwind of fair value uplift to acquisition opening inventory	**–**	**–**	(0.6)	0.1
Depreciation of fair value uplift to acquisition property, plant and machinery	**(5.7)**	**2.4**	(5.0)	1.3
Hyperinflation depreciation adjustment	**(5.8)**	**–**	(4.3)	–
Hyperinflation monetary gain / (loss)	**12.8**	**(1.3)**	23.2	2.6
Other hyperinflation adjustments (excluding depreciation and monetary gain)	**(12.7)**	**–**	(10.1)	–
Finance items related to preferred equity	**1.0**	**(2.3)**	(5.4)	(3.4)
Unwinding of present value of deferred and contingent earn-out liabilities	**(0.2)**	**0.1**	(0.5)	0.1
Fair value adjustment to deferred consideration and contingent earnout	**1.7**	**(0.4)**	2.0	(0.5)
Gain on bond repurchase	**–**	**–**	2.0	(0.5)
Fair value adjustment to notes redemption option / amortisation inception derivative	**1.2**	**(0.3)**	1.2	(0.3)
Mark to market adjustments and gains on foreign exchange forward contracts	**0.5**	**(0.1)**	(0.2)	0.1
Translation difference on foreign currency loans and cash	**(5.0)**	**1.6**	(8.6)	6.1
Hyperinflation - finance portion	**0.4**	**–**	(0.6)	–
Defined benefit pension	**–**	**–**	(0.1)	–
Loss before tax from non-underlying items	**(255.2)**	**25.1**	(147.9)	18.2

During 2023, the UK government substantively enacted the OECD Inclusive Framework agreement for a global minimum corporate income tax rate of 15%. For the Victoria Group, the rules take effect for the first time during the FY25 accounting period, and the impact of any relevant top-up taxes have been quantified in the 'Reconciliation of the effective tax rate' above.

7. EARNINGS PER SHARE

The calculation of the basic, adjusted and diluted earnings / loss per share is based on the following data:

	52 weeks ended 29 March 2025		52 weeks ended 30 March 2024	
	Basic £m	Adjusted £m	Basic £m	Adjusted £m
Loss attributable to ordinary equity holders of the parent entity	(239.6)	(239.6)	(95.7)	(95.7)
Exceptional and non-underlying items:				
Exceptional items	–	208.1	–	93.0
Non-underlying items	–	47.2	–	55.0
Tax effect on adjusted items where applicable	–	(27.8)	–	(20.1)
(Loss) / earnings for the purpose of basic and adjusted earnings per share from continuing operations	(239.6)	(12.1)	(95.7)	32.2
Loss attributable to ordinary equity holders of the parent entity from discontinued operations	(24.8)	(6.3)	(12.3)	(0.4)
(Loss) / earnings for the purpose of basic and adjusted earnings per share	(264.4)	(18.4)	(108.0)	31.8

Weighted average number of shares

	52 weeks ended 29 March 2025 Number of shares (000's)	52 weeks ended 30 March 2024 Number of shares (000's)
Weighted average number of shares for the purpose of basic and adjusted earnings per share	113,954	115,046
Effect of dilutive potential ordinary shares:		
Share options and warrants	1,350	1,621
Weighted average number of ordinary shares for the purposes of diluted earnings per share	115,304	116,667
Preferred equity and contractually-linked warrants	118,394	49,771
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	233,698	166,438

The potential dilutive effect of the share options has been calculated in accordance with IAS 33 using the average share price in the period.

The Group's earnings / loss per share are as follows:

	52 weeks ended 29 March 2025 Pence	52 weeks ended 30 March 2024 Pence
Earnings / loss per share from continuing operations		
Basic loss per share	(210.26)	(83.15)
Diluted loss per share	(210.26)	(83.15)
Basic adjusted (loss) / earnings per share	(10.62)	27.99
Diluted adjusted (loss) / earnings per share	(5.18)	19.35
Loss per share from discontinued operations		
Basic loss per share	(21.76)	(10.70)
Diluted loss per share	(21.76)	(10.70)
Earnings / loss per share		
Basic loss per share	(232.02)	(93.85)
Diluted loss per share	(232.02)	(93.85)
Basic adjusted (loss) / earnings per share	(16.15)	27.66
Diluted adjusted (loss) / earnings per share	(7.87)	19.12

Diluted earnings per share for the period is not adjusted for the impact of the potential future conversion of preferred equity due to this instrument having an anti-dilutive effect, whereby the positive impact of adding back the associated financial costs to earnings outweighs the dilutive impact of conversion/exercise. Diluted adjusted earnings per share does take into account the impact of this instrument as shown in the table above setting out the weighted average number of shares. Due to the loss incurred in the year, in calculating the diluted loss per share, the share options, warrants and preferred equity are considered to be non-dilutive.

8. RATES OF EXCHANGE

	2025 Average	2025 Year end	2024 Average	2024 Year end
Australia - AUD	**1.9629**	**2.0545**	1.9134	1.9369
Europe - EUR	**1.1906**	**1.1903**	1.1594	1.1690
United States - USD	**1.2792**	**1.2946**	1.2577	1.2626
Turkey - TRY	**44.0275**	**49.1910**	34.4101	40.8163

9. GOODWILL

	£m
Cost	
At 2 April 2023	302.6
Exchange movements	(7.6)
At 30 March 2024	295.0
At 31 March 2024	295.0
Arising on acquisition	3.0
Exchange movements	(5.5)
At 29 March 2025	**292.5**
Accumulated impairment	
At 2 April 2023	(129.1)
Exceptional impairment in the year	(67.1)
Exchange movements	3.8
At 30 March 2024	(192.4)
At 31 March 2024	(192.4)
Exceptional impairment in the year	(14.6)
Exchange movements	3.4
At 29 March 2025	**(203.6)**
Net Book Value	
At 29 March 2025	**88.9**
At 30 March 2024	102.6

Goodwill is attributed to the business units identified below for the purpose of testing impairment. These businesses are the lowest level at which goodwill is monitored and represent cash generating units or cash generating unit groups (hereby referred to as "CGUs"). The CGUs within a reported segment share similar characteristics to each other and to the other businesses within that segment. There have been no changes in the identification of CGUs in the period.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

Operating and reported segments	Cash Generating Units	2025 £m	2024 £m
UK & Europe - Soft Flooring	UK & Europe – Soft Flooring (carpet and underlay)	**35.6**	32.7
	UK & Europe – Artificial Grass	**40.6**	41.3
UK & Europe - Ceramic Tiles	UK & Europe – Ceramic Tiles (Spain)	**–**	–
	UK & Europe – Ceramic Tiles (Italy)	**–**	14.9
Australia	Australia	**12.7**	13.6
North America	North America – Cali Bamboo	**–**	–
		88.9	102.6

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

The recoverable amounts of the goodwill have been determined based on value in use calculations (higher of value in use and the fair value less costs to sell). The key assumptions for the value in use calculations are those regarding revenue growth, margin trends and discount rates.

9. GOODWILL (CONTINUED)

The discount rates and growth rates used in these calculations have been sensitised as part of current year testing procedures. The discount rates are estimated using post-tax weighted-average costs of capital (WACC) that reflect current market assessments of the time value of money, based on risks specific to the markets in which the businesses operate. The primary reasons for the difference in rates between the CGUs are the differences in underlying risk-free rates and cost of debt across the different geographies. The calculation uses post-tax cash flow projections based on the latest management approved budgets and forecasts covering a period of five years, which yields the same results as if calculated on a pre-tax basis. Revenue and margin growth have been derived based on past experience and knowledge of management. At the end of the five-year forecast period, a terminal value was calculated based on the terminal growth rate assumptions for each CGU.

The WACC and terminal growth rates assessed for each CGU are set out below:

	2025			2024	
Cash Generating Units	Post-tax WACC %	Pre-tax WACC %	Terminal growth rate %	Post-tax WACC %	Pre-tax WACC %
UK & Europe - Soft Flooring (carpet and underlay)	**12.00%**	**16.00%**	**2.00%**	10.75%	14.33%
UK & Europe - Artificial Grass	**10.75%**	**14.49%**	**1.30%**	9.75%	13.14%
UK & Europe - Rugs	**10.63%**	**14.17%**	**1.90%**	10.00%	13.33%
UK & Europe - Ceramic Tiles (Spain)	**11.50%**	**15.33%**	**2.00%**	11.15%	15.20%
UK & Europe - Ceramic Tiles (Italy)	**11.38%**	**15.78%**	**2.00%**	10.75%	14.91%
Australia	**11.50%**	**16.43%**	**2.40%**	10.50%	15.00%
North America - Cali Bamboo	**11.50%**	**15.36%**	**2.30%**	10.50%	14.00%
North America - International Wholesale Tiles (IWT)	**11.50%**	**15.36%**	**2.30%**	10.50%	14.00%

For UK & Europe Rugs CGU

For the UK & Europe - Rugs CGU, the estimated recoverable amount of the CGU (£146.8m) was below the carrying value of assets by £87.0m, resulting in an impairment of intangibles of £40.4m and fixed assets of £46.6m, recognised through exceptional impairment charges included as part of distribution and administrative expenses in the income statement. The rugs segment has experienced a difficult environment generally, but particularly in two of its largest markets – the US and Germany. Significant cost saving initiatives have now been implemented, and management are looking closely at the opportunity to further orientate the manufacturing footprint towards Turkey, where the Company has two modern, certified and low-cost factories. It was concluded that the long-term prospects of the business are sufficient such that no further impairment is due.

Additional sensitivity analysis has been undertaken on key assumptions to the model as follows:

Medium-term (FY25-30) annual revenue growth (assumed 3.1%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (4.1%) growth rate would result in a c. £30m reduction of the impairment loss
- A 1% lower (2.1%) growth rate would result in a c. £29m increase of the impairment loss

Discount rate (assumed 10.63%)

- 50bps higher (11.13%) discount rate would result in a c. £7m increase of the impairment loss
- 50bps lower (10.13%) discount rate would result in a c. £8m reduction of the impairment loss

Long-term growth rate, the perpetuity assumption (assumed 1.90%)

- 50bps higher (2.40%) growth rate would result in a c. £6m reduction of the impairment loss
- 50bps lower (1.40%) growth rate would result in a c. £6m increase of the impairment loss

9. GOODWILL (CONTINUED)

Medium-term (FY25-30) annual EBITDA margin percentage growth (assumed 1.56%)

- A 0.25% higher (1.81%) growth rate would result in a c. £33.0m reduction of the impairment loss
- A 0.25% lower (1.31%) growth rate would result in a c. £33.0m increase of the impairment loss

The Group is not aware of any other reasonably possible changes to key assumptions that would cause the carrying amount of this CGU to differ from its recoverable amount.

For UK & Europe – Ceramic Tiles (Italy) CGU

For the UK & Europe - Ceramic Tiles (Italy) CGU, the estimated recoverable amount of the CGU (£133.3m) was below the carrying value of assets by £14.6m and goodwill has been impaired by this value, recognised through exceptional goodwill impairment charges included as part of distribution and administrative expenses in the income statement. Revenues and margins have been under pressure across the ceramics sector, due to a combination of market dynamics and short-term disruptions, however significant restructuring and strategic initiatives have been implemented during H2 FY2025, to deliver improved near-term earnings whilst positioning the business for stronger performance and profitability as demand conditions improve . It was concluded that the long-term prospects of the business are sufficient such that no further impairment is due.

Additional sensitivity analysis has been undertaken on key assumptions to the model as follows:

Medium-term (FY25-30) annual revenue growth (assumed 2.7%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (3.7%) growth rate would result in a c. £21m reduction of the impairment loss (recoverable amount would exceed carrying value)
- A 1% lower (1.7%) growth rate would result in a c. £22m increase of the impairment loss

Discount rate (assumed 11.38%)

- 50bps higher (11.88%) discount rate would result in a c. £7m increase of the impairment loss
- 50bps lower (10.88%) discount rate would result in a c. £7m reduction of the impairment loss

Long-term growth rate, the perpetuity assumption (assumed 2.00%)

- 50bps higher (2.50%) growth rate would result in a c. £5m reduction of the impairment loss
- 50bps lower (1.50%) growth rate would result in a c. £5m increase of the impairment loss

Medium-term (FY25-30) annual EBITDA margin percentage growth (assumed 1.46%)

- A 0.25% higher (1.71%) growth rate would result in a c. £20m reduction of the impairment loss (recoverable amount would exceed carrying value)
- A 0.25% lower (1.21%) growth rate would result in a c. £20m increase of the impairment loss

The Group is not aware of any other reasonably possible changes to key assumptions that would cause the carrying amount of this CGU to differ from its recoverable amount.

For UK & Europe – Ceramic Tiles (Spain) CGU

For the UK & Europe - Ceramic Tiles (Spain) CGU, the estimated recoverable amount of the CGU (£199.4m) was below the carrying value of assets by £80.0m, resulting in an impairment of Intangibles of £50.4m and fixed assets of £29.6m, recognised through exceptional impairment charges included as part of distribution and administrative expenses in the income statement. Revenues and margins have been under pressure across the ceramics sector, due to a combination of market dynamics and short-term disruptions, however significant actions are underway to improve performance outlook in Spain. It was concluded that the long-term prospects of the business are sufficient such that no further impairment is due.

9. GOODWILL (CONTINUED)

Additional sensitivity analysis has been undertaken on key assumptions to the model as follows:

Medium-term (FY25-30) annual revenue growth (assumed 7.8%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (8.8%) growth rate would result in a c. £26m reduction in impairment loss
- A 1% lower (6.8%) growth rate would result in a c. £25m increase in impairment loss

Discount rate (assumed 11.50%)

- 50bps higher (12.00%) discount rate would result in a c. £8m increase in impairment loss
- 50bps lower (11.00%) discount rate would result in a c. £11m reduction in impairment loss

Long-term growth rate, the perpetuity assumption (assumed 2.00%)

- 50bps higher (2.50%) growth rate would result in a c. £8m reduction in impairment loss
- 50bps lower (1.50%) growth rate would result in a c. £6m increase in impairment loss

Medium-term (FY25-30) annual EBITDA margin percentage growth (assumed 0.27%)

- A 0.25% higher (0.52%) growth rate would result in a c. £26m reduction of the impairment loss
- A 0.25% lower (0.02%) growth rate would result in a c. £26m increase of the impairment loss

The Group is not aware of any other reasonably possible changes to key assumptions that would cause the carrying amount of this CGU to differ from its recoverable amount.

For the North America – Cali Bamboo CGU

The estimated recoverable amount of the cash-generating unit exceeds its carrying value by circa £10m and therefore no impairment charge has been recognised. However the recoverable amount calculations are sensitive to reasonably possible changes in the following key assumptions.

(i) If the medium-term (FY25-30) annual revenue growth rate assumption was decreased from 7.0% growth to 6.85% (with a flow-through effect on margin, based on operational leverage), the recoverable amount for the cash-generating unit would be reduced to a level equal to its carrying value.

(ii) If the post-tax WACC applied as a discount rate to cashflows (11.5%) was increased by 185bps (to 13.35%), the recoverable amount for the cash-generating unit would be reduced to a level equal to its carrying value.

(iii) If the medium-term (FY25-30) annual EBITDA margin percentage growth assumption was decreased from 0.68% growth to 0.55%, the recoverable amount for the cash-generating unit would be reduced to a level equal to its carrying value.

Notes to the Accounts

9. GOODWILL (CONTINUED)

For the North America – IWT CGU

The estimated recoverable amount of the cash-generating unit exceeds its carrying value by circa £3.8m and therefore no impairment charge has been recognised. However the recoverable amount calculations are sensitive to reasonably possible changes in the following key assumptions.

(i) If the medium-term (FY25-30) annual revenue growth rate assumption was decreased from 7.6% growth to 7.3% (with a flow-through effect on margin, based on operational leverage), the recoverable amount for the cash-generating unit would be reduced to a level equal to its carrying value.

(ii) If the post-tax WACC applied as a discount rate to cashflows (11.5%) was increased by 102bps (to 12.52%), the recoverable amount for the cash-generating unit would be reduced to a level equal to its carrying value.

(iii) If the medium-term (FY25-30) annual EBITDA margin percentage growth assumption was decreased from 0.45% growth to 0.33%, the recoverable amount for the cash-generating unit would be reduced to a level equal to its carrying value.

No reasonably possible changes in assumptions in the value in use calculations for any other CGUs would give rise to an implied impairment.

Goodwill comprises intangible assets that do not qualify for separate recognition, in particular the existing workforce. None of the goodwill is expected to be tax deductible.

Impairment charge allocation

The impairment loss was first applied to reduce the carrying amount of any goodwill allocated to the CGU. Once the carrying amount of goodwill had been reduced to nil, the remaining impairment loss was allocated to the other assets of the CGU on a pro-rata basis, based on the carrying amount of each asset within the unit. Any remaining loss was then allocated to the other assets of the CGU, ensuring that no individual asset was reduced below the higher of its fair value less costs of disposal or its value in use.

		Allocation		
Cash Generating Units	Impairment charge (Continuing) £m	Goodwill £m	Intangible assets £m	Tangible assets £m
UK & Europe - Soft Flooring (carpet and underlay)	–	–	–	–
UK & Europe - Artificial Grass	–	–	–	–
UK & Europe - Rugs	(87.0)	–	(40.5)	(46.5)
UK & Europe - Ceramic Tiles (Spain)	(80.0)	–	(50.3)	(29.7)
UK & Europe - Ceramic Tiles (Italy)	(14.6)	(14.6)	–	–
Australia	–	–	–	–
North America - Cali Bamboo	–	–	–	–
North America - IWT	–	–	–	–
	(181.6)	**(14.6)**	**(90.8)**	**(76.2)**

10. INTANGIBLE ASSETS

Group		Customer relationships £m	Brand names £m	Other Acquired Intangibles £m	IT Software £m	Group Total £m
Cost	At 2 Apr 2023	372.3	90.2	5.1	6.9	474.6
	Additions	–	–	–	4.6	4.6
	Disposals	–	–	–	(0.7)	(0.7)
	Hyperinflation	2.5	0.8	–	–	3.3
	Exchange difference	(14.8)	(4.0)	(0.1)	(0.2)	(19.1)
	At 30 Mar 2024	360.1	87.0	5.1	10.5	462.7
	At 31 Mar 2024	360.1	87.0	5.1	10.5	462.7
	Additions	**–**	**–**	**–**	**1.9**	**1.9**
	Disposals	**(21.1)**	**(6.2)**	**(0.3)**	**(0.2)**	**(27.8)**
	Hyperinflation	**4.8**	**1.5**	**–**	**–**	**6.3**
	Exchange difference	**(7.0)**	**(1.6)**	**0.1**	**(0.2)**	**(8.7)**
	Reclassifications	**–**	**–**	**–**	**1.5**	**1.5**
	At 29 Mar 2025	**336.8**	**80.7**	**4.9**	**13.5**	**435.9**
Amortisation	At 2 Apr 2023	(137.3)	(24.4)	(5.1)	(2.3)	(169.1)
	Charge for the period	(34.8)	(6.0)	(0.1)	(1.3)	(42.2)
	Impairment	(5.4)	–	–	–	(5.4)
	Disposals	–	–	–	(0.4)	(0.4)
	Hyperinflation	(0.4)	(0.1)	–	–	(0.4)
	Exchange difference	4.5	0.7	0.1	0.1	5.3
	At 30 Mar 2024	(173.4)	(29.7)	(5.0)	(3.9)	(212.0)
	At 31 Mar 2024	**(173.4)**	**(29.7)**	**(5.0)**	**(3.9)**	**(212.0)**
	Charge for the period	**(27.1)**	**(5.7)**	**–**	**(1.5)**	**(34.3)**
	Impairment	**(84.4)**	**(13.2)**	**–**	**(1.5)**	**(99.1)**
	Disposals	**15.2**	**4.0**	**0.1**	**0.2**	**19.5**
	Hyperinflation	**(1.0)**	**(0.2)**	**–**	**–**	**(1.2)**
	Exchange difference	**2.7**	**0.5**	**0.2**	**0.2**	**3.6**
	Reclassifications	**(1.2)**	**1.2**	**–**	**(0.9)**	**(0.9)**
	At 29 Mar 2025	**(269.2)**	**(43.1)**	**(4.7)**	**(7.4)**	**(324.4)**
Net book value	At 29 Mar 2025	**67.6**	**37.6**	**0.2**	**6.1**	**111.5**
	At 30 Mar 2024	186.7	57.3	0.1	6.6	250.7
	At 1 Apr 2023	235.0	65.7	–	4.7	305.5

Notes to the Accounts

10. INTANGIBLE ASSETS (CONTINUED)

Within intangible assets, there is a Keraben customer relationship asset of £10m (2024: £51.2m) which was impaired in the year by an amount of £36.2m and has a remaining life of 5 years and 8 months. There is also a Saloni customer relationship asset of £3.4m (2024: £18.5m), which was impaired in the year by an amount of £12.6m and has a remaining life of 4 years and 4 months. There is a Balta customer relationship asset of £nil (2024: £30.9m) which was impaired in the year by an amount of £28.3m and has a remaining life of 10 years.

Company		Customer relationships £m	Brand names £m	Other Acquired Intangibles £m	IT Software £m	Group Total £m
Cost	At 31 Mar 2024	**–**	**–**	**–**	**1.0**	**1.0**
	Additions	**–**	**–**	**–**	**0.1**	**0.1**
	At 29 Mar 2025	**–**	**–**	**–**	**1.0**	**1.0**
Amortisation	At 31 Mar 2024	**–**	**–**	**–**	**(0.6)**	**(0.6)**
	Charge for the period	**–**	**–**	**–**	**(0.1)**	**(0.1)**
	At 29 Mar 2025	**–**	**–**	**–**	**(0.7)**	**(0.7)**
Net book value	At 29 Mar 2025	**–**	**–**	**–**	**0.3**	**0.3**
	At 30 Mar 2024	–	–	–	0.4	0.4
	At 1 Apr 2023	–	–	–	0.2	0.2

11. PROPERTY, PLANT AND EQUIPMENT

Group		Freehold land and buildings £m	Plant and machinery £m	Fixtures, vehicles and equipment £m	Assets under construction £m	Group Total £m
Cost	At 2 Apr 2023	216.9	303.3	47.0	28.8	596.0
	Additions	5.8	23.2	23.1	23.7	75.8
	Transfers / reclassifications	0.5	11.2	1.1	(14.2)	(1.4)
	Disposals	(12.8)	(80.5)	(22.6)	–	(115.9)
	Exchange differences	(24.4)	(32.1)	(1.5)	(1.6)	(59.6)
	Hyperinflation	12.1	18.2	0.7	–	31.0
	At 30 Mar 2024	198.1	243.3	47.8	36.7	525.9
	At 31 Mar 2024	198.1	243.3	47.8	36.7	525.9
	Additions	**3.2**	**15.3**	**23.9**	**27.0**	**69.4**
	Transfers / reclassifications	**–**	**6.0**	**7.8**	**(15.9)**	**(2.1)**
	Disposals	**(45.5)**	**(40.8)**	**(12.7)**	**(3.7)**	**(102.7)**
	Business combinations	**–**	**0.4**	**0.2**	**–**	**0.6**
	Exchange difference	**(7.9)**	**(13.2)**	**(1.1)**	**(0.7)**	**(22.9)**
	Hyperinflation	**17.6**	**21.4**	**0.3**	**0.2**	**39.5**
	At 29 Mar 2025	**165.5**	**232.4**	**66.2**	**43.6**	**507.7**
Accumulated Depreciation	At 2 Apr 2023	(12.5)	(105.3)	(15.4)	–	(133.2)
	Charge for the period	(5.3)	(41.5)	(19.4)	–	(66.2)
	Transfers	–	(0.8)	0.8	–	–
	Disposals	12.8	80.4	22.4	–	115.6
	Exchange differences	0.5	9.2	0.5	–	10.2
	Hyperinflation	(0.4)	(4.0)	(0.1)	–	(4.5)
	At 30 Mar 2024	(4.9)	(62.0)	(11.2)	–	(78.1)
	At 31 Mar 2024	**(4.9)**	**(62.0)**	**(11.2)**	**–**	**(78.1)**
	Charge for the period	**(6.4)**	**(34.3)**	**(21.2)**	**–**	**(61.9)**
	Impairment	**(58.5)**	**(29.0)**	**(7.2)**	**–**	**(94.7)**
	Transfers / reclassifications	**0.1**	**3.1**	**(0.8)**	**–**	**2.4**
	Disposals	**21.9**	**36.4**	**10.8**	**–**	**69.1**
	Exchange differences	**(0.1)**	**5.1**	**0.4**	**–**	**5.4**
	Hyperinflation	**(0.7)**	**(5.0)**	**0.2**	**–**	**(5.5)**
	At 29 Mar 2025	**(48.8)**	**(85.5)**	**(29.0)**	**–**	**(163.3)**
Net book value	At 29 Mar 2025	**116.7**	**146.9**	**37.2**	**43.6**	**344.4**
	At 30 Mar 2024	193.2	181.3	36.6	36.7	447.8
	At 1 Apr 2023	204.4	198.0	31.6	28.8	462.8

The Company holds no property, plant and equipment.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right of Use Assets

Group		Freehold land and buildings £m	Plant and machinery £m	Fixtures, vehicles and equipment £m	IT Software £m	Group Total £m
Cost	At 2 Apr 2023	165.4	19.3	32.4	–	217.1
	Additions	10.6	2.7	12.1	–	25.4
	Transfers / modifications	5.3	1.5	0.6	0.3	7.6
	Terminations	(1.5)	(1.4)	(2.7)	–	(5.6)
	Hyperinflation	0.2	–	0.6	–	0.8
	Exchange differences	(3.3)	(0.5)	(1.0)	–	(4.9)
	At 30 Mar 2024	176.7	21.6	41.9	0.3	240.5
	At 31 Mar 2024	**176.7**	**21.6**	**41.9**	**0.3**	**240.5**
	Additions	**18.0**	**3.5**	**13.6**	**–**	**35.1**
	Transfers / modifications / remeasurements	**18.0**	**0.4**	**0.7**	**–**	**19.1**
	Terminations	**(1.8)**	**(0.6)**	**(4.7)**	**–**	**(7.1)**
	Disposals	**(4.8)**	**(1.3)**	**(3.4)**	**–**	**(9.5)**
	Hyperinflation	**0.2**	**–**	**0.9**	**–**	**1.1**
	Exchange difference	**(2.8)**	**(0.5)**	**(0.4)**	**–**	**(3.7)**
	At 29 Mar 2025	**203.4**	**23.1**	**48.6**	**0.3**	**275.4**
Accumulated Depreciation	At 2 Apr 2023	(36.5)	(5.0)	(13.5)	–	(55.0)
	Charge for the period	(18.9)	(2.8)	(9.2)	(0.1)	(30.9)
	Transfers / modifications	(2.6)	–	–	–	(2.6)
	Terminations	1.5	0.2	2.3	–	4.1
	Hyperinflation	–	–	(0.1)	–	(0.2)
	Exchange differences	0.8	0.1	0.4	–	1.4
	At 30 Mar 2024	(55.7)	(7.4)	(20.0)	(0.1)	(83.2)
	At 31 Mar 2024	**(55.7)**	**(7.4)**	**(20.0)**	**(0.1)**	**(83.2)**
	Charge for the period	**(21.7)**	**(2.9)**	**(9.3)**	**–**	**(33.9)**
	Transfers / modifications / remeasurements	**–**	**(0.6)**	**–**	**–**	**(0.6)**
	Terminations	**1.5**	**0.1**	**3.4**	**–**	**5.0**
	Impairment (Note 2)	**(4.8)**	**–**	**–**	**–**	**(4.8)**
	Disposals	**1.4**	**0.2**	**2.3**	**–**	**3.9**
	Hyperinflation	**(0.1)**	**0.1**	**(0.4)**	**–**	**(0.4)**
	Exchange differences	**0.9**	**0.1**	**0.2**	**–**	**1.2**
	At 29 Mar 2025	**(78.5)**	**(10.4)**	**(23.8)**	**(0.1)**	**(112.8)**
Net book value	At 29 Mar 2025	**124.9**	**12.7**	**24.8**	**0.2**	**162.6**
	At 30 Mar 2024	121.0	14.2	21.9	0.2	157.2
	At 1 Apr 2023	128.9	14.3	18.9	–	162.0

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group leases have varying terms, escalation clauses, and renewal and termination rights. Escalation clauses are in line with market practices and include inflation-linked, fixed rates, resets to market rents and hybrids of these.

The Group has taken advantage of the exemptions available not to capitalise short-term leases with a duration of less than 12 months or low value leases with a total cash outflow of less than £5,000. These leases have therefore been treated as off-balance-sheet leases. The expense in the year relating to leases has been disclosed in note 4.

The related right-of-use lease liabilities and maturity analysis are presented in note 17.

Interest expense on right-of-use lease liabilities is disclosed on the face of the Income statement.

The total cash outflow for right-of-use leases is disclosed in the consolidated Cash flow statement.

Company		Land and buildings £m	Plant and machinery £m	Fixtures, vehicles and equipment £m	IT Software £m	Total £m
Cost						
	At 2 Apr 2023	6.6	–	0.1	–	6.7
	Additions	–	–	–	–	–
	At 30 Mar 2024	6.6	–	0.1	–	6.7
	At 31 Mar 2024	**6.6**	**–**	**0.1**	**–**	**6.7**
	Additions	**–**	**–**	**0.1**	**–**	**0.1**
	Transfers / modifications	**1.8**	–	**–**	**–**	**1.8**
	At 29 Mar 2025	**8.4**	**–**	**0.2**	**–**	**8.6**
Amortisation						
	At 2 Apr 2023	(1.8)	–	(0.1)	–	(1.8)
	Charge for the period	(0.4)	–	–	–	(0.5)
	At 30 Mar 2024	(2.2)	–	(0.1)	–	(2.3)
	At 31 Mar 2024	**(2.2)**	**–**	**(0.1)**	**–**	**(2.3)**
	Charge for the period	**(0.5)**	**–**	**–**	**–**	**(0.5)**
	Impairment	**(4.8)**	**–**	**–**	**–**	**(4.8)**
	At 29 Mar 2025	**(7.5)**	**–**	**(0.1)**	**–**	**(7.6)**
Net Book Value						
	At 29 Mar 2025	**0.9**	**–**	**0.1**	**–**	**1.0**
	At 30 Mar 2024	4.4	–	0.1	–	4.4
	At 2 Apr 2023	4.8	–	–	–	4.9

Group capital expenditure authorised and committed at the period end:

	2025 £m	2024 £m
Contracts placed	**(1.4)**	(5.7)

12. FIXED ASSET INVESTMENTS

	Note	Group **2025 £m**	Group 2024 £m	Company **2025 £m**	Company 2024 £m
Investment property	(a)	**0.2**	0.2	**0.1**	0.1
Investment in subsidiaries	(b)	**–**	–	**379.5**	279.7
Investment in associates	(c)	**–**	–	**–**	–

(a) Investment property held in the Company's opening balance sheet relates to the legacy ownership of one small area of land in Kidderminster and the surrounding area, held at cost.

The remainder of investment property in the Group's opening balance sheet relates to properties obtained as part of the acquisition of Keraben, held at their total fair value at the date of acquisition, and the fair value at 29 March 2025 of the remaining properties is deemed to be materially unchanged from prior year.

Notes to the Accounts

12. FIXED ASSET INVESTMENTS (CONTINUED)

(b) Victoria PLC owns directly or indirectly the whole of the allotted ordinary share capital of the following subsidiary companies. The increase in the year represents: capital contributions of intercompany loans in Victoria Midco Holdings Limited (£101.6m); and the allocation of share-based payment charges to the relevant subsidiaries (£1.1m). These were offset by a fall in the Company's investment value due to the liquidation of Balta Belgium N.V, a subsidiary entity (£2.9m). A return on capital of £0.8m was received by the Company in respect of this liquidation.

Company investments in subsidiaries

	£m
At 2 Apr 2023	255.4
Capital contribution	8.8
Share-based payment charges	1.4
At 30 Mar 2024 on previous basis	265.6
Impact of restatement (see below)	14.1
At 30 Mar 2024 on previous basis	279.7
At 31 Mar 2024 (restated)	279.7
Capital contribution	101.6
Share-based payment charges	1.1
Liquidation	(2.9)
At 29 Mar 2025	**379.5**

As at 30 March 2024	Registered number	Country of incorporation and operation	Nature of business	Ownership
Primary Flooring Pty Limited		Australia	Underlay manufacturer	Indirect
Quest Flooring Pty Ltd		Australia	Carpet manufacturer	Indirect
The Victoria Carpet Company Pty Limited		Australia	Carpet manufacturer	Indirect
Balta Industries NV		Belgium	Carpet and rugs manufacturer	Indirect
Balta Oudenaarde NV		Belgium	Carpet manufacturer	Indirect
Ragolle Rugs NV		Belgium	Rugs manufacturer	Indirect
Abingdon Flooring Limited*	04923718	England	Carpet manufacturer	Indirect
Alliance Flooring Distribution Limited*	05410587	England	Logistic Services	Indirect
Balta Floorcovering UK Ltd*	11978782	England	Carpet manufacturer	Indirect
Carpet Line Direct Limited*	13057623	England	Non–trading	Indirect
Distinctive Flooring Limited*	05368429	England	Flooring distributor	Indirect
Ezi Floor Limited*	10373607	England	Underlay manufacturer	Indirect
Gaskell Mackay Carpets Limited*	05781556	England	Non–trading	Indirect
Globesign Limited*	05305174	England	Holding Company	Indirect
G-Tuft (2015) Limited*	09497255	England	Non–trading	Indirect
G-Tuft (Holdings) Limited*	07917736	England	Holding Company	Indirect
G-Tuft Limited*	07917706	England	Carpet manufacturer	Indirect
Interfloor Group Limited*	05516829	England	Non–trading	Indirect
Interfloor Limited*	00162988	England	Underlay manufacturer	Indirect
Interfloor Operations Limited*	05518878	England	Non–trading	Indirect
Foot Fall Flooring Limited*	07588754	England	Underlay manufacturer	Indirect
Footfall Distribution Limited*	05513026	England	Non–trading	Indirect
Millennium Weavers Limited*	13111714	England	Carpet distributor	Indirect
Saloni UK Limited*	04479546	England	Ceramic tile distributor	Indirect
Stikatak Limited*	01763122	England	Non–trading	Indirect
Tacktrim Limited*	SC089578	England	Non–trading	Indirect
The Victoria Carpet Company Limited*	03195825	England	Non–trading	Indirect
Thomas Witter Carpets Limited*	08421990	England	Non–trading	Indirect
Venture Floorcoverings Limited*	11242455	England	Carpet distributor	Indirect
Victoria Carpets Limited*	01178145	England	Carpet distributor	Indirect
Victoria Midco Holdings Limited*	09966342	England	Holding Company	Direct
Victoria Procurement Group Limited*	07309359	England	Non–trading	Direct

12. FIXED ASSET INVESTMENTS (CONTINUED)

As at 30 March 2024	Registered number	Country of incorporation and operation	Nature of business	Ownership
View Logistics Limited*	06387995	England	Carpet distributor	Indirect
V-Line Carpets Limited*	01022904	England	Non–trading	Indirect
Westex (Carpets) Limited*	01480813	England	Carpet manufacturer	Indirect
Whitestone Carpets Holdings Limited*	09352848	England	Holding Company	Indirect
Whitestone Weavers Limited*	02616354	England	Non–trading	Indirect
Estillon SARL		France	Underlay distributor	Indirect
Saloni France S.A.S.		France	Ceramic tile distributor	Indirect
Estillon GMBH		Germany	Underlay distributor	Indirect
Schramm GMBH		Germany	Synthetic yarn manufacturer	Indirect
Schramm GMBH CO. KG		Germany	Synthetic yarn manufacturer	Indirect
Keraben Guatemala		Guatemala	Ceramic tile manufacturing services	Indirect
Abingdon Flooring (Ireland) Ltd		Ireland	Carpet distributor	Indirect
Hugh Mackay Carpets		Ireland	Carpet distributor	Indirect
Munster Carpets Limited		Ireland	Carpet distributor	Indirect
Royal Transport Limited		Ireland	Logistic Services	Indirect
Ascot Gruppo Ceramiche SRL		Italy	Ceramic tile manufacturer	Indirect
Ceramiche Serra S.p.A		Italy	Ceramic tile manufacturer	Indirect
Keradom S.r.l		Italy	Ceramic tile manufacturer	Indirect
Victoria Ceramiche Holdco S.r.l		Italy	Holding Company	Indirect
Victoria Ceramiche Holdco 2 S.r.l		Italy	Holding Company	Indirect
Dinca S.r.l		Italy	Ceramic tile manufacturer	Indirect
BMC Freight Limited*	NI634358	Northern Ireland	Logistic Services	Indirect
Saloni Portugal Materiais De Construcao LTDA		Portugal	Ceramic tile distributor	Indirect
Ceramica Saloni, S.A.		Spain	Ceramic tile manufacturer	Indirect
Keraben Grupo S.A.U		Spain	Ceramic tile manufacturer	Indirect
AIU Poligono Ceramicas y Fritas de Nules		Spain	Ceramic tile manufacturer	Indirect
Victoria Ceramics Spain, SL		Spain	Non–trading	Indirect
Kinsan Trade, S.L.		Spain	Holding Company	Indirect
Avalon BV		The Netherlands	Artificial grass distributor	Indirect
Edel Grass BV		The Netherlands	Artificial grass distributor	Indirect
Edel Group B.V		The Netherlands	Holding Company	Indirect
Edel Life BV		The Netherlands	Non–trading	Indirect
Estillon B.V		The Netherlands	Underlay manufacturer	Indirect
GrassInc BV		The Netherlands	Artificial grass distributor	Indirect
Rex Invest BV		The Netherlands	Holding Company	Indirect
Landscape Solutions BV		The Netherlands	Artificial grass distributor	Indirect
United Works Grass BV		The Netherlands	Artificial grass manufacturer	Indirect
United Works Holding Backing BV		The Netherlands	Carpet and artificial grass manufacturer	Indirect
United Works Holding BV		The Netherlands	Holding Company	Indirect
United Works International BV		The Netherlands	Holding Company	Indirect
Victoria Bidco BV		The Netherlands	Holding Company	Indirect
Victoria Holdco B.V		The Netherlands	Holding Company	Indirect
Balta Orient Tekstil Sanayi Ve Ticaret A.S.		Turkey	Carpet and rugs manufacturer	Indirect
Balta Floorcovering Yer Dösemeleri Sanayi Ve Dis Ticaret A.S.		Turkey	Carpet and rugs manufacturer	Indirect
Cali Bamboo Holdings Inc.		USA	Holding Company	Indirect
Cali Bamboo Intermediate Holdings, Inc.		USA	Holding Company	Indirect
Cali Bamboo LLC		USA	Flooring distributor	Indirect
Balta US, Inc		USA	Carpet manufacturer	Indirect
Victoria IWT Holdings Inc		USA	Holding Company	Indirect
IWT Holdings, LLC		USA	Holding Company	Indirect

Notes to the Accounts

12. FIXED ASSET INVESTMENTS (CONTINUED)

As at 30 March 2024	Registered number	Country of incorporation and operation	Nature of business	Ownership
International Wholesale Tile, LLC		USA	Flooring distributor	Indirect
Victoria US Holdings Inc.		USA	Holding Company	Indirect

Addresses of registered offices are shown on page 155.

** The Directors have taken advantage of the exemption available under Section 479A of the Companies Act 2006 relating to the requirement for the audit of the individual accounts for the companies annotated as Victoria PLC has provided these companies with a parental guarantee. The registered number of these Companies have been provided above.*

(c) Victoria PLC indirectly holds investments in the following associate companies.

As at 30 March 2025	Percentage ownership
Keraben Bolivia, S.R.L.	50%
Easylay Systems Limited	20%

The aggregate result for the associated undertakings during the period was immaterial.

Due to the immaterial nature of these investments, further detailed disclosures have been omitted.

In accordance with IAS 36, the investment held by Victoria Plc in subsidiaries was reviewed for potential impairment.

This was assessed by reference to the enterprise value of the Group, comprising equity and consolidated net debt, from which net debt held outside of the Company was then deducted, to arrive at a net investment value in subsidiaries. The market capitalisation (equity value) of the Group was calculated by applying the closing share price of £0.93p on 29 March 2025 to the number of shares in issue.

Applying this methodology and taking into consideration potential costs to dispose of the investments, the net investment value at the balance sheet date exceeded the cost of investment held. As a result, no impairment has been recognised. The key sensitivity in this assessment is the share price. If the share price decreased by 10%, this would result in a potential impairment of £5.7m.

Prior year restatement (Company only)

During the current financial year, the Company identified an error in the accounting treatment between intra group loans and investments held with Quest Flooring Pty Ltd in the comparative periods which dated back to 2016. This error resulted in the overstatement/understatement of intra group loans, investments in subsidiary companies and the reported loss for the Company.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the comparative amounts for the prior period have been restated. The error also affected the opening balance sheet as at 1 April 2023, and therefore, a third balance sheet as at that date has been presented as required by IAS 1.40A.

12. FIXED ASSET INVESTMENTS (CONTINUED)

The effect of the restatement on the financial statements is summarised below:

	As at 30 March 2024			As at 1 April 2023		
Assets	Previously reported £m	Impact of restatement £m	Restated £m	Previously reported £m	Impact of restatement £m	Restated £m
Investments in subsidiaries	265.6	14.1	279.7	255.4	14.1	269.5
Amounts owed by subsidiaries (non-current)	785.3	(17.7)	767.6	799.6	(18.0)	781.6
Trade and other non-current receivables	**785.3**	**(17.7)**	**767.6**	**799.6**	**(18.0)**	**781.6**
Total non-current assets	**1,064.0**	**(3.6)**	**1,060.4**	**1,060.2**	**(3.9)**	**1,056.3**
Total assets	**1,076.2**	**(3.6)**	**1,072.6**	**1,100.6**	**(3.9)**	**1,096.7**
Net assets	**132.6**	**(3.6)**	**129.0**	**141.5**	**(3.9)**	**137.6**
Equity						
Retained earnings	**114.1**	**(3.6)**	**110.5**	**125.7**	**(3.9)**	**121.8**
Total Equity	**132.6**	**(3.6)**	**129.0**	**141.5**	**(3.9)**	**137.6**
Reported loss for the year	**8.4**	**(0.3)**	**8.1**	**28.6**	**3.9**	**32.5**

13. INVENTORIES

Inventories held at year-end	**2025 £m**	2024 £m
Raw materials	**83.0**	84.3
Work–in–progress	**5.1**	5.4
Finished goods	**215.6**	236.3
	303.7	326.1

During the year to 29 March 2025, the total movement in stock provisions resulted in a charge to the income statement of £0.9m (2024 credit: £1.5m).

The Company held no inventories at either year-end. There is no material difference between the balance sheet value of inventories and their replacement cost.

14. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	Group		**Company**	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Trade debtors	**184.8**	192.2	**–**	–
Amounts owed by subsidiaries	**–**	–	**7.1**	1.3
Other debtors	**32.1**	33.8	**–**	0.1
Prepayments and accrued income	**10.0**	12.0	**0.5**	0.5
	226.9	238.1	**7.6**	1.9

Amounts falling due after one year:

	Group		**Company**	
	2025 £m	2024 £m	**2025 £m**	2024 (restated) £m
Amounts owed by subsidiaries	**–**	–	**511.3**	767.6
	–	–	**511.3**	767.6

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other debtors include sales tax receivable of £11.9m (2024: £12.4m).

Where intercompany loans have been formally documented, interest is charged on amounts owed by subsidiaries to the Company at a rate between 4.0% - 8.0%. For intercompany loans where there is no formal documentation and where there is no intention to settle these balances within the next 12 months, these are classified as amounts falling due after one year.

Current trade debtors not considered to be overdue represent amounts due from customers that are not overdue in accordance with the specific credit terms agreed with those customers. The expected credit loss arising on current debtors not overdue is considered to be immaterial.

The above amounts are stated net of a net settled customer rebates totalling £3.4m (2024: £4.9m) and a provision (net of VAT) of £7.3m (2024: £8.4m) made for doubtful debts and expected credit losses. The movement of the provision during the year is summarised below:

	2025 £m	2024 £m
Opening balance at 31 March 2024	(8.4)	(12.9)
Increase in provisions	(0.9)	(0.5)
Utilisation of provisions	1.5	4.2
Exchange differences	0.2	0.8
Disposals	0.3	–
Closing balance at 29 March 2025	(7.3)	(8.4)

An analysis of the gross age of trade receivables can be seen in the table below:

	2025 £m	2024 £m
Current	162.5	168.0
1-30 days overdue	21.8	19.0
31-60 days overdue	2.8	3.6
> 60 days overdue	8.4	10.0
Total	195.5	200.6

The Group makes use of a simplified approach to accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate expected credit loss. The Directors consider that the carrying amount of all receivables, including those impaired, approximates to their fair value.

Further information concerning credit risk, along with an analysis of liquidity and market risks is provided in Note 25.

Intercompany loan impairment assessment – Company

In accordance with IFRS 9 – Financial Instruments, the Company has assessed the loan receivable for impairment based on an expected credit loss (ECL) model. Given the loan is to a subsidiary, the assessment takes into consideration:

- the financial position and future cash flow forecasts of the subsidiary;
- the subsidiary's ability to repay the loan (including support from group cash flows, if relevant);
- any formal or informal subordination of the loan;
- the intention and ability of the parent to provide continued financial support, where relevant.

Based on the assessment, an expected credit loss of £146.7m has been recognised as an impairment loss in the parent company's financial statements for the year ended 29 March 2025.

Consolidation Consideration

This impairment has no impact on the consolidated financial statements as the intercompany balances are eliminated on consolidation. The impairment is recognised only in the parent company's individual financial statements.

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Sensitivity analysis

In determining whether there is an intercompany loan impairment the two key assumptions made relate to:

1. The forecast LTM EBITDA at loan maturity date; and
2. The debt to EBITDA leverage ratio applied (assumed 4.0x non-US loans and 6.0x for US loans) in determining the amount of the forecasted outstanding loan at maturity that could be refinanced on an arms length basis.

Additional sensitivity analysis has been undertaken on key assumptions to the model as follows:

1. 10% sensitivity on the forecasted LTM EBITDA at loan maturity:
   – A 10% increase would result in a c. £18m reduction of the impairment loss
   – A 10% decrease would result in a c. £18m increase in the impairment loss
2. A half turn change to the debt to EBITDA leverage ratio:
   – A 0.5x increase (4.5x for non-US loans and 6.5x for US loans) would result in a c. £21m reduction of the impairment loss
   – A 0.5x increase (3.5x for non-US loans and 5.5x for US loans) would result in a c. £21m increase in the impairment loss

15. TRADE AND OTHER PAYABLES

Amounts falling due within one year:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Trade creditors	**(161.9)**	(177.4)	**(1.2)**	(2.7)
Amounts due to subsidiaries	**–**	–	**(1.2)**	(1.8)
Deferred consideration (non contingent)	**(0.7)**	(3.8)	**–**	–
Contingent earn-out liabilities - current	**(0.3)**	(1.0)	**–**	–
Acquisition-related performance plan liabilities	**(16.9)**	(23.6)	**–**	–
Other creditors	**(43.0)**	(67.2)	**(1.3)**	(1.2)
Accruals	**(49.9)**	(46.9)	**(4.3)**	(1.4)
Deferred income	**–**	(0.4)	**–**	–
	(272.7)	(320.3)	**(8.0)**	(7.0)

The majority of current trade creditors are due within 120 days.

Other creditors include other taxes and social security payable of £10.2m (2024: £7.5m), purchase tax receivable of £9.3m (2024: £10.8m) and a fixed asset creditor of £12.5m (2024: £19m).

Amounts falling due after one year:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Deferred consideration (non contingent)	**(0.7)**	–	**–**	–
Contingent earn-out liabilities - long-term	**(0.4)**	(1.2)	**–**	–
Deferred income	**(1.1)**	(0.9)	**–**	–
Other creditors	**(5.9)**	(5.2)	**–**	–
	(8.1)	(7.2)	**–**	–

Deferred earn-out liabilities are in connection with the acquisitions of BMC Freight, Estillon, Foot Fall and Royal Transport. Earn out arrangements in respect of the acquisitions of Estillon, Ceramiche Serra, IWT and Royal Transport are accounted for as acquisition related performance plan liabilities when the arrangement includes service conditions and as contingent consideration under IFRS 13 fair value measurement when no service conditions are present.

Notes to the Accounts

15. TRADE AND OTHER PAYABLES (CONTINUED)

Deferred income relates to government grants.

Supplier finance arrangements

The Group exercises judgement on how to account for and present Supplier Finance Arrangements (SFAs), based on the specific terms and conditions of each arrangement, and has determined that the Group's participation mainly comprises receipt of notifications and facilitation of payments, with no material benefit accruing to the Group in terms of payment to the suppliers and overall working capital management. Therefore, the Group has assessed that as the SFAs do not have a material effect on the Group's payment terms and liquidity risk, enhanced disclosures under IFRS7 are not required.

16. PROVISIONS

	Group					
	2025			2024		
	Current £m	**Non-current £m**	**Total £m**	Current £m	Non-current £m	Total £m
Environmental (a)	**–**	**(10.6)**	**(10.6)**	–	(10.8)	(10.8)
Restructuring (b)	**(4.9)**	**–**	**(4.9)**	(8.5)	(2.5)	(11.0)
Long-service award provision (d)	**(1.1)**	**(0.2)**	**(1.3)**	(1.1)	(0.2)	(1.3)
Dilapidation and restoration provisions (e)	**–**	**(8.3)**	**(8.3)**	(1.1)	(7.5)	(8.6)
Other provisions	**(1.1)**	**(0.5)**	**(1.6)**	(1.4)	–	(1.4)
	(7.1)	**(19.6)**	**(26.7)**	(12.1)	(21.0)	(33.1)

	Company					
	2025			2024		
	Current £m	**Non-current £m**	**Total £m**	Current £m	Non-current £m	Total £m
Dilapidation and restoration provisions	**–**	**(0.4)**	**(0.4)**	–	–	–

Information about individual provisions and significant estimates

a) Environmental
An environmental provision was recognised within the Balta group companies at the point of acquisition, in relation to environmental remediation work. This risk was estimated based on historical experience and on peer groups.

b) Restructuring
As part of the acquisition, significant restructuring work was undertaken in the Balta group, which involved relocating a portion of activities to other entities within the group. As part of these decisions a restructuring provision was created. The liability includes the expected remaining redundancy costs to be paid to the personnel members affected and fees paid to external parties to transition the people into new employment.

c) Long-service award
Australian long service provision refers to the legislative framework that grants employees entitlements such as extended leave or financial rewards after completing a specified period of service with an employer, usually ranging from seven to ten years depending on the jurisdiction.

Provisions for the costs related to employees' entitlements are calculated as required by the terms and conditions of the employees' contract and associated legislative framework, which is predominantly when the employees pass the long service threshold. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

The provisions are current in nature as the employee is entitled to take the extended leave as soon as conditions have been met and the associated provision recognised.

16. PROVISIONS (CONTINUED)

d) Dilapidation and restoration provisions

A dilapidation provision is a contractual clause that outlines the responsibilities and liabilities of parties regarding the maintenance, repair, or restoration of a property. It typically specifies the condition in which the property should be returned at the end of a lease or construction project and outlines the procedures for addressing any damages or deterioration incurred during the term of the agreement.

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

The provisions are non-current in nature and are released when the obligations cease to exist which is at the of the lease contract and/or when restoration works have been completed.

Movement in provisions	Environmental £m	Restructuring £m	Long-service award £m	Dilapidation and restoration provisions £m	Other provisions £m	Total £m
At 31 Mar 2024	(10.8)	(11.0)	(1.3)	(8.6)	(1.4)	(33.1)
Balance sheet reclassification	–	–	–	(0.3)	(1.3)	(1.6)
(Charged) / credited to profit or loss	–	(0.1)	(0.1)	0.6	0.6	1.0
Amounts utilised during the year	–	1.8	–	2.9	0.4	5.1
Released	–	4.2	–	–	–	4.2
Increase from acquisition of ROU assets	–	–	–	(3.0)	–	(3.0)
Exchange differences	0.2	0.2	0.1	0.1	0.1	0.7
At 29 Mar 2025	(10.6)	(4.9)	(1.3)	(8.3)	(1.6)	(26.7)

17. OTHER FINANCIAL LIABILITIES

Amounts falling due within one year:

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Bank overdrafts	(21.0)	(21.9)	–	(0.9)
Senior secured notes	–	–	–	–
Bank loans and other facilities (net of prepaid finance costs)	(114.4)	(72.4)	(44.2)	–
Obligations under right-of-use leases	(30.0)	(31.2)	(0.5)	(0.5)
	(165.4)	(125.5)	(44.7)	(1.3)

17. OTHER FINANCIAL LIABILITIES (CONTINUED)

Amounts falling due after one year:

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Senior secured notes (net of prepaid finance costs):				
– due between one and two years	**(413.7)**	–	**(413.7)**	–
– due between two and five years	**(210.2)**	(633.9)	**(210.2)**	(633.9)
– due over five years	**–**	–	**–**	–
Bank loans and other facilities:				
– due between one and two years	**(6.8)**	(17.6)	**–**	(10.3)
– due between two and five years	**(9.3)**	(5.9)	**–**	–
– due over five years	**(10.2)**	(15.4)	**–**	–
Preferred equity	**(282.5)**	(274.2)	**(282.5)**	(274.2)
Preferred equity – contractually-linked warrants	**(3.1)**	(12.4)	**(3.1)**	(12.4)
Obligations under right-of-use leases:				
– due between one and two years	**(29.4)**	(26.0)	**(0.5)**	(0.4)
– due between two and five years	**(58.8)**	(55.2)	**(1.8)**	(1.4)
– due over five years	**(71.7)**	(55.4)	**(3.1)**	(2.6)
	(1,095.7)	(1,095.8)	**(914.9)**	(935.2)

Other debt instruments, bank loans and other facilities:

	2025 £m	2024 £m	Maturities £m	Applicable interest rate
Term loans	**(31.9)**	(40.8)	**2025 to 2032**	**3.0% to 7.0%**
Revolving credit facilities	**(63.6)**	(32.0)	**2025 to 2028**	**6.0% to 8.5%**
Factoring and receivables financing facilities	**(45.8)**	(38.4)	**2025 to 2027**	**3.0% to 7.0%**
	(141.3)	(111.2)		

There are no individually material term loans and therefore the disclosure takes the position as an average. Certain loans are secured against fixed assets and receivables (accounts receivable factoring) and the others are all unsecured. The RCF balance includes £44.8m drawn down by the Company (2024: £10.3m).

Senior debt

Senior debt as at 29 March 2025 relates to €739m of senior secured notes, split between two tranches: €489m 3.625% notes maturing in 2026; and €250m 3.75% notes maturing in 2028. The coupon on the notes is paid bi-annually. These notes were issued in March 2021, at which time the previous €500m 5.25% notes were refinanced. The fair value of the liability as at 29 March 2025 was €619.7m (2024: €569.6m), which has been determined based on a quoted price in an active market.

Attached to both sets of notes are early repayment options, which have been identified as embedded derivative assets, separately valued from the host contracts. Changes in the Group's credit rating and market pricing of the notes would have an impact on the value of the options. The redemption price of the repayment option on the €489m 2026 notes is the par value of the notes plus any accrued interest, plus the following premia: within the first two years 1.813% plus a make-whole of the present value of interest that would otherwise have been payable in that period; in the third year 1.813%; in the fourth year 0.906%; in the fifth year 0%. The redemption price of the repayment option on the €250m 2028 notes is the par value of the notes plus any accrued interest, plus the following premia: within the first three years 1.875% plus a make-whole of the present value of interest that would otherwise have been payable in that period; in the fourth year 1.875%; in the fifth year 0.938%; in the final two years 0%.

17. OTHER FINANCIAL LIABILITIES (CONTINUED)

These options have been valued based on the contractual redemption terms and measuring the Group's forward assessment of the notes' market value based on an option pricing model. The fair value of the derivative assets at inception of the first and second tranches of the notes was £4.3m in aggregate, of which £1.2m has been amortised in the period (2024: £1.2m). These options have a carrying value of £1.2m (2024: £2.4m). The value of the senior debt liabilities recognised were increased by a corresponding amount at initial recognition, which then reduces to par at maturity using an effective interest rate method. The fair value of the derivative asset at the year end was £Nil (2024: £Nil).

Prepaid legal and professional fees associated with the issue of the new notes totalling £12.9m (2.0% of gross debt raised) is offset against the senior debt liability and is amortised over its life £2.7m in the year (2024: £2.7m). The net prepaid value as at 29 March 2025 is £3.0m.

Due to timings of the year end interest accrued totalled £5.0m at the period end (2024: £5.2m).

As at 29 March 2025 there is a total liability recognised of £624.0m (2024: £633.9m) in relation to notes with a par value of £620.8m (2024: £632.0m).

Certain assets, including certain PPE assets in Note 11 are included within the security package which is granted to the lenders of the super senior RCF and the lenders of the super senior secured notes.

Additionally, the Group has a variable rate £150m multi-currency revolving credit facility maturing in February 2026, which at the year end was drawn by £44.8m (2024: £10.3m).

Preferred equity

Background and key terms

On 16 November 2020 the Company issued £75m of preferred equity to Koch Equity Development, LLC. ('KED') (via its affiliate KED Victoria Investments, LLC).

The agreement was subsequently amended on 23 December 2021 and the Company issued additional preferred shares for a total subscription price of £150m. The additional preferred shares issued consist of "A" preferred shares for a subscription price of £50 million and "B" preferred shares for a subscription price of £100 million. The "A" shares mirror the existing preferred shares (resulting in a total of £125m "A" shares made up of the £50m new and the existing £75m were redesignated as ""A"" shares and the terms amended). The "B" shares represent a separate tranche with all the same characteristics except for: i) the process for early redemption (described below); and ii) that the "B" shares do not contribute to the overall return cap pertaining to the warrants. No further warrants were issued as part of this amendment and, at the point of completion, fees in relation to the follow-on commitment ceased to apply. Additionally, a reduction of 100bp to the dividend rates (both cash and PIK) was agreed.

The preferred equity attracts a dividend of 8.35% if cash settled, or 8.85% if Paid In Kind by way of issue of additional preferred shares (such PIK occurring quarterly). Starting in year three, the dividend moves from a fixed rate to a spread over three-month LIBOR (or SONIA, if it is not possible to ascertain LIBOR). The spread starts at 8.35% and 8.85% (for cash and PIK settlement respectively) and increases by 1% in each subsequent year up to year nine, after which it remains flat.

There have been no changes to the preferred equity arrangements in the year, with a total in issue of £225 million (plus those issued for the 'Payment In Kind' of the fixed coupon, whereby new preferred shares are issued as opposed to cash payment, at the Group's option).

The preferred equity is a perpetual instrument, albeit the Company can choose to redeem it in cash at any time, subject to a redemption premium. The redemption price of this repayment option is the face value of the preferred shares plus any accrued dividends, plus the following premia:

Notes to the Accounts

17. OTHER FINANCIAL LIABILITIES (CONTINUED)

For the "A" shares, within the first three years 6.0% plus a make-whole of the present value of dividends that would otherwise have accrued in that period; in the fourth year 6.0%; in the fifth year 3.0%; and after the fifth anniversary 0%. There are two scenarios in which mandatory cash redemption of the preferred equity can occur outside of the Company's control, both of which are highly unlikely in management's view: (i) if the Group becomes insolvent (being bankruptcy, placing into receivership or similar events), or (ii) a change in control of the Company where the offer for the ordinary shares is not all-cash and, at the same time, the offeror (on an enlarged pro-forma basis) is deemed to be sub-investment grade. For the "B" shares, the premia are applied in the same way except that if redeemed after the 3rd anniversary no redemption premium is payable. Any redemption for some, but not all, of the preferred shares must comprise a redemption of the "A" shares and the "B" shares pro rata to the number of "A" shares and "B" shares in issue at the applicable time.

After the sixth anniversary, KED can elect to convert the outstanding preferred equity and PIK'd dividends into ordinary shares, with the conversion price being the prevailing 30 business day VWAP of the Company's ordinary shares.

In the event of a change of control of the Company (for example a tender offer, merger or scheme of arrangement in relation to the ordinary shares of the Company), the terms of the preferred equity envisage three scenarios: (i) where an all-cash offer is made and accepted, the preferred equity and any PIK'd dividends will convert into ordinary shares which are then subject to the same offer price per share made to other shareholders and acquired by the offeror; (ii) where an offer is made and accepted that is not all-cash and the offeror (on an enlarged pro-forma basis) is deemed to be investment grade, the preferred equity and any PIK'd dividends plus a material penalty fee will convert into ordinary shares which are then subject to the same offer price per share made to other shareholders and acquired by the offeror (such penalty fee having the effect of doubling the number of ordinary shares that KED would otherwise receive on conversion that would then be subject to the offer price per share; this being designed to incentivise the offeror to consider agreeing to fund redemption of the preferred equity rather than conversion); and (iii) where an offer is made and accepted that is not all-cash and the offeror (on an enlarged pro-forma basis) is deemed to be sub-investment grade, the preferred equity will be subject to mandatory redemption as described above.

Attached to the preferred equity are warrants issued to KED over a maximum of 12.402m ordinary shares. These warrants are only exercisable following the third anniversary (unless the preferred shares have been cash redeemed or there has been a change in control of the Company) at an exercise price of £3.50. The terms include a total maximum return for KED, across both across the ""A"" preferred equity and the warrants (the ""B"" shares do not contribute to this), of the greater of 1.73x money multiple or 20% IRR. If this limit is exceeded at the point of exercising the warrants (calculated as if the preferred equity was being redeemed at the same time), then the number of shares receivable on exercise is reduced until the returns equal the limit. Additionally, if the IRR achieved by KED on the aggregate subscription price paid for all of the "A" shares and "B" shares and the warrants is less than 12.0%, the exercise price is reduced from £3.50/share by such minimum amount as necessary to ensure that the IRR achieved by KED on such aggregate subscription price would be equal to 12% (but the exercise price cannot be less than £0.05/share).

Accounting recognition

Whilst the preferred equity is legally structured as an equity instrument through the Company's articles of association and have many equity-like features, they must be accounted for as a financial liability under IFRS. This primarily relates to the fact that the conversion option is based on the prevailing share price, and therefore it fails the 'fixed-for-fixed' criteria as prescribed in the standard.

Based on the terms of the preferred equity, the underlying host instrument was identified alongside a number of embedded derivatives and other associated instruments. Furthermore, the embedded derivatives were assessed to identify those that are deemed to be closely-related to the host instrument and those that are not, the latter of which are required to be separately valued in the balance sheet. The underlying host instrument is held at amortised cost and valued into perpetuity on the assumption of PIK'd dividends for the first ten years and then a terminal value assuming cash dividends thereafter. This has been valued using a binomial option pricing model, which uses standard option pricing techniques to calculate the optimal time to exercise the respective options, taking into account the specific contractual details of the instruments and their interconnectedness.

17. OTHER FINANCIAL LIABILITIES (CONTINUED)

At each reporting date the terminal value is re-assessed based on long-term LIBOR (or SONIA) curves and a revised accrued value of the instrument is calculated at that date using an effective interest rate method, with the increase in value taken to the income statement as a financial charge. The value of the “”A”” and “”B “”shares as at 29 March 2025 totalled £282.5m (2024: £274.2m), with the fair value at 29 March 2025 was £59.5m (2024: £115.1m).

Two non closely-related embedded derivatives have been identified:

(i) the Victoria option to cash redeem (rather than the instrument running into perpetuity or conversion, see below). The fair value of the asset as at 29 March 2025 was £Nil (2024: £Nil). This option has been valued based on the contractual redemption terms and the Group’s forward assessment of the preferred equity value based on an option pricing model.

(ii) the KED option to convert into ordinary shares. The model uses standard option pricing techniques to calculate the optimal time to exercise the respective options. As such, the valuation technique assumes that all interest will be accrued and rolled into the preference share balance and that there will be no conversion of the preference shares into ordinary shares due to their coupon and enhanced liquidity preference. As a result, nil value has been attributed to this feature.

The host debt liability and redemption option asset have been presented as a single instrument under the heading ‘Preferred equity’ in the summary of Other Financial Liabilities presented above and further detailed in Note 18.

Finally, the KED ordinary equity warrants have been separately identified. The warrants are fair valued at each reporting date through the income statement, with a fair value of £3.1m as at 29 March 2025 (2024: £12.4m). These warrants have been valued using a binomial option pricing model. The model uses standard option pricing techniques to calculate the optimal time to exercise the respective options, taking into account the specific contractual details of the instruments and their interconnectedness. Details of the significant judgements and estimates in relation to the valuation of these items are provided in Note 26, and the associated income statement impact in Note 3. Below is a summary of the Preferred Equity P&L charge.

Preferred Equity P&L (charge) / income

	2025 £m	2024 £m
Host contract	**(8.4)**	(19.0)
Fair value warrants	**9.4**	13.6
Fair value redemption asset	**–**	–
Loan commitment	**–**	–
Ticking fee	**–**	–
Loss on substantial modification	**–**	–
Preferred equity	**1.0**	(5.4)
Preferred equity prepaid finance costs	**–**	–
Preferred equity including prepaid finance costs	**1.0**	(5.4)

Of the £1.0m (2024: £(5.4)m) preferred equity credit / (charge), all elements are non-cash in nature.

Recourse Factoring

Within factoring and receivables financing facilities there are liabilities relating to a recourse factoring facility which is secured against trade receivables.

Associated with the receivable is an attached credit insurance which protects against default risk on balances.

Following the point of transfer to the factor the entity no longer has use of the receivable balance and cannot transfer or use as collateral. Although the rights to the transferred asset are no longer with the entity at this point, the entity does retain some risks.

17. OTHER FINANCIAL LIABILITIES (CONTINUED)

The entity retains slow payment risk in terms of cost of finance, due to the finance charge relating to the duration that the balance is outstanding, additionally the entity can be required to buy back any invoice that remains unpaid for more than 180 days and they have been unable to claim under the insurance. In addition, the entity retains risk of dispute and can be required to rectify this with a customer.

At year end the value of the debtors totalled £62.3m and corresponding liabilities totalled £45.8m.

18. FINANCIAL ASSETS AND LIABILITIES

The financial assets of the Group comprised:

	At 29 March 2025				At 30 March 2024			
Group	Amortised cost £m	Financial assets held at fair value through profit and loss £m	Assets not within the scope of IFRS 9 £m	Total £m	Amortised cost £m	Financial assets held at fair value through profit and loss £m	Assets not within the scope of IFRS 9 £m	Total £m
Cash								
Sterling	31.3	–	–	31.3	27.2	–	–	27.2
US Dollars	5.3	–	–	5.3	8.8	–	–	8.8
Euros	36.0	–	–	36.0	46.4	–	–	46.4
Australian Dollars	4.8	–	–	4.8	10.4	–	–	10.4
New Zealand Dollars	–	–	–	–	0.6	–	–	0.6
Turkish Lira	0.2	–	–	0.2	1.5	–	–	1.5
Other	–	–	–	–	–	–	–	–
	77.6	–	–	77.6	94.8	–	–	94.8
Current assets								
Trade and other receivables (including current tax)	204.9	–	24.1	229.0	213.6	–	28.6	242.2
Current inventories	–	–	303.6	303.6	–	–	326.1	326.1
Current assets	282.5	–	327.7	610.2	308.4	–	354.7	663.1

18. FINANCIAL ASSETS AND LIABILITIES CONTINUED

The financial liabilities of the Group comprised:

Group	At 29 March 2025 Other financial liabilities at amortised cost £m	Financial liabilities held at fair value through profit and loss £m	Liabilities not within the scope of IFRS 9 £m	Total £m	At 30 March 2024 Other financial liabilities at amortised cost £m	Financial liabilities held at fair value through profit and loss £m	Liabilities not within the scope of IFRS 9 £m	Total £m
Overdraft								
Sterling	**(17.1)**	**–**	**–**	**(17.1)**	(16.4)	–	–	(16.4)
US Dollars	**–**	**–**	**–**	**–**	–	–	–	–
Euro	**(3.8)**	**–**	**–**	**(3.8)**	(5.5)	–	–	(5.5)
	(20.9)	**–**	**–**	**(20.9)**	(21.9)	–	–	(21.9)
Current liabilities								
Contingent & deferred earn-out liabilities - current	**–**	**(1.0)**	**–**	**(1.0)**	–	(1.0)	–	(1.0)
Trade and other payables	**(234.5)**	**–**	**(19.5)**	**(254.0)**	(276.1)	–	(18.6)	(294.7)
Provisions	**–**	**–**	**(7.1)**	**(7.1)**	–	–	(12.3)	(12.3)
Acquisition-related performance plan liability	**(16.8)**	**–**	**(0.1)**	**(16.9)**	(22.6)	–	(1.0)	(23.6)
Current tax liabilities (including current tax)	**–**	**–**	**(6.2)**	**(6.2)**	–	–	(4.7)	(4.7)
Forward foreign exchange contracts	**–**	**(0.8)**	**–**	**(0.8)**	–	(0.9)	–	(0.9)
Obligations under right-of-use leases	**–**	**–**	**(30.0)**	**(30.0)**	–	–	(31.2)	(31.2)
Bank loans and other facilities	**(114.4)**	**–**	**–**	**(114.4)**	(72.4)	–	–	(72.4)
Current liabilities	**(386.6)**	**(1.8)**	**(62.9)**	**(451.4)**	(393.0)	(1.9)	(67.9)	(462.6)
Non-current liabilities								
Contingent & deferred earn-out liabilities - long-term	**–**	**(1.1)**	**–**	**(1.1)**	–	(1.2)	–	(1.2)
Trade and other payables	**(5.9)**	**–**	**(1.1)**	**(7.0)**	(5.1)	–	(0.9)	(6.0)
Provisions	**–**	**–**	**(19.6)**	**(19.6)**	–	–	(20.8)	(20.8)
Deferred tax liabilities	**–**	**–**	**(24.3)**	**(24.3)**	–	–	(56.7)	(56.7)
Retirement benefit obligations	**–**	**–**	**(4.0)**	**(4.0)**	–	–	(8.4)	(8.4)
Obligations under right-of-use leases	**–**	**–**	**(159.9)**	**(159.9)**	–	–	(136.5)	(136.5)
Senior secured debt	**(623.9)**	**–**	**–**	**(623.9)**	(633.9)	–	–	(633.9)
Preferred Equity	**(282.5)**	**–**	**–**	**(282.5)**	(274.2)	–	–	(274.2)
Preferred Equity – contractually-linked warrants	**–**	**(3.1)**	**–**	**(3.1)**	–	(12.4)	–	(12.4)
Bank loans and other facilities	**(26.2)**	**–**	**–**	**(26.2)**	(38.8)	–	–	(38.8)
Non-current liabilities	**(938.5)**	**(4.2)**	**(208.9)**	**(1,151.6)**	(952.0)	(13.6)	(223.2)	(1,189.1)
Total liabilities	**(1,325.1)**	**(6.0)**	**(271.8)**	**(1,603.0)**	(1,345.1)	(15.5)	(291.1)	(1,651.7)

Notes to the Accounts

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The financial assets of the Company comprised:

Company	At 29 March 2025 Amortised cost £m	At 29 March 2025 Financial assets held at fair value through profit and loss £m	At 29 March 2025 Assets not within the scope of IFRS 9 £m	At 29 March 2025 Total £m	At 30 March 2024 Amortised cost £m	At 30 March 2024 Financial assets held at fair value through profit and loss £m	At 30 March 2024 Assets not within the scope of IFRS 9 £m	At 30 March 2024 Total £m
Cash								
Sterling	8.3	–	–	8.3	0.5	–	–	0.5
US Dollars	0.3	–	–	0.3	0.4	–	–	0.4
Euros	4.5	–	–	4.5	7.8	–	–	7.8
Australian Dollars	0.1	–	–	0.1	0.1	–	–	0.1
	13.2	–	–	13.2	8.9	–	–	8.9
Current assets								
Trade and other receivables (including current tax)	7.1	–	0.5	7.6	1.4	–	2.0	3.4
Current assets	20.3	–	0.5	20.8	10.3	–	2.0	12.3
Non-current assets								
Investments in subsidiaries	–	–	379.5	379.5	–	–	279.7	279.7
Amounts owed by subsidiaries	511.3	–	–	511.3	767.6	–	–	767.6
Deferred tax assets	–	–	11.4	11.4	–	–	8.2	8.2
Non-current assets	511.3	–	390.9	902.2	767.6	–	287.9	1,055.4
Total financial assets	531.6	–	391.4	923.0	777.9	–	289.9	1,067.7

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The financial liabilities of the Company comprised:

Company	At 29 March 2025 Other financial liabilities at amortised cost £m	Financial liabilities held at fair value through profit and loss £m	Liabilities not within the scope of IFRS 9 £m	Total £m	At 30 March 2024 Other financial liabilities at amortised cost £m	Financial liabilities held at fair value through profit and loss £m	Liabilities not within the scope of IFRS 9 £m	Total £m
Overdraft								
Sterling	–	–	–	–	(0.9)	–	–	(0.9)
	–	–	–	–	(0.9)	–	–	(0.9)
Current liabilities								
Trade and other payables (including current tax)	(7.1)	–	–	(7.1)	(6.2)	–	–	(6.2)
Forward foreign exchange contracts	–	(0.8)	–	(0.8)	–	(0.9)	–	(0.9)
Obligations under right-of-use leases	(0.5)	–	–	(0.5)	(0.5)	–	–	(0.5)
Bank loans and other facilities	(44.2)	–	–	(44.2)	–	–	–	–
Current liabilities	(51.8)	(0.8)	–	(52.6)	(7.6)	(0.9)	–	(8.4)
Non-current liabilities								
Deferred tax liabilities	–	–	(1.1)	(1.1)	–	–	–	–
Provisions	–	–	(0.4)	(0.4)	–	–	–	–
Obligations under right-of-use leases	–	–	(5.4)	(5.4)	–	–	(4.4)	(4.4)
Senior secured debt	(623.9)	–	–	(623.9)	(633.9)	–	–	(633.9)
Preferred Equity	(282.5)	–	–	(282.5)	(274.2)	–	–	(274.2)
Preferred Equity – contractually-linked warrants	–	(3.1)	–	(3.1)	–	(12.4)	–	(12.4)
Bank loans and other facilities	–	–	–	–	(10.3)	–	–	(10.3)
Non-current liabilities	(906.4)	(3.1)	(6.9)	(916.4)	(918.3)	(12.4)	(4.4)	(935.2)
Total liabilities	(958.2)	(3.9)	(7.0)	(969.0)	(925.9)	(13.3)	(4.4)	(943.6)

Fair value measurement of financial instruments

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

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

All financial assets and liabilities held at fair value have been grouped into the fair value hierarchy as shown below.

Forward foreign exchange contracts

These are Level two financial assets / liabilities and all expire within 12 months from 29 March 2025.

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

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Contingent earn-out liabilities

These are Level three liabilities. The fair value of the contingent earn out liability as at 29 March 2025 totalled £0.7m (2024: £2.2m). The impact to the income statement in the period was a £0.2m unwind of present value (charge) and £1.7m income due to the fair value reduction of the liability.

The fair value of the contingent earn-out liabilities arising from acquisitions is determined considering the value of estimated future payments, discounted to present value. Payments are determined by mechanisms set out in each acquisition agreement, and are generally based on EBITDA performance over a three to four year period. Estimated future payments are calculated using financial projections based on operational budgets for the next 12 months and then applying growth assumptions for future years as appropriate. Discount rates are reviewed annually for each acquisition, and at the year end the rate is 14.5%.

The most significant inputs, all of which are unobservable, are the estimated growth rates in future profits and the discount rates applied. The estimated fair value increases if the estimated growth rates increase or the discount rates decrease. The overall valuations are sensitive to both assumptions. The Board considers that changing the above unobservable inputs to reflect other reasonably probable alternative assumptions would not result in a significant change in the estimated fair value."

Embedded derivatives within senior secured notes

These are Level three assets. The redemption option was valued at £nil at both the opening and the closing of the period.

The fair value of the embedded derivatives within senior secured notes is determined based on the interest rate and credit spread. The interest rate component is modelled using a Hull-White one-factor model along with implied volatilities and yield curves from observable market quotes. The expected value of the credit spread in the future cannot be reliably estimated due to the lack of implied or historic volatilities and its correlation with interest rates, market convention for the fair value of these is therefore to use a deterministic credit spread. i.e. a credit spread as determined on the valuation date.

However, significant unobservable inputs are not deemed to be materially sensitive.

Senior secured notes

Senior secured notes are held at amortised cost, the fair value at 29 March 2025 was €619.7m (2024: €569.6m). These are level one assets.

Preferred equity, associated embedded derivatives; and warrants

These are Level three assets and liabilities. The valuation method for the various elements has been described in Note 17. The most significant inputs, which are unobservable, are the estimated equity risk premium (ERP) and volatility.

The ERP is an expectation of the amount by which future long-term equity returns will outperform the underlying risk-free rate, that latter being observable based on money market forecasts. Therefore an increase in the ERP would reduce the future value to the business of the liability representing the preferred equity host instrument, thereby also reducing the future attractiveness to the business of voluntary cash redemption.

The impact of sensitising these inputs on the values at 29 March 2025 is as follows:

- Increasing the ERP (assumed to be 30.33%) by 200 bps would result in no change to the redeem asset (£nil at 29 March 2025)
- Decreasing the ERP (assumed to be 30.33%) by 200 bps would result in no change to the redeem asset (£nil at 29 March 2025)
- Increasing the volatility (assumed to be 70.0%) by 5% would result in a decrease in the value of the warrants liability of £0.1m
- Decreasing the volatility (assumed to be 70.0%) by 5% would result in an decrease in the value of the warrants liability of £0.2m

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

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Analysis of net debt

Reconciliation of movements in the Group's net debt position:

Group	At 30 March 2024 £m	Cash flow £m	Non-cash movement on inception of leasing contract expenditure £m	Disposals £m	Acquisitions £m	Other non-cash changes £m	Exchange movement £m	**At 29 March 2025 £m**
Cash and cash equivalents	94.8	(14.6)	–	(1.7)	0.8	–	**(1.7)**	**77.6**
Bank overdraft	(7.5)	(1.8)	–	–	–	–	**0.1**	**(9.3)**
Net cash and cash equivalents	87.2	(16.5)	–	(1.7)	0.8	–	**(1.6)**	**68.3**
Bank overdraft	(14.4)	2.7	–	–	–	–	**–**	**(11.7)**
Senior secured debt (gross of prepaid finance costs):								
– due in less than one year	–	–	–	–	–	–	**–**	**–**
– due in more than one year	(639.6)	–	–	–	–	1.4	**11.3**	**(627.0)**
Bank loans and other facilities (gross of prepaid finance costs):								
– Other bank loans and facilities due in less than one year	(72.4)	(51.4)	–	20.0	(0.7)	(11.9)	**1.2**	**(115.0)**
– Other bank loans and facilities due in more than one year	(38.8)	–	–	–	–	12.0	**0.7**	**(26.2)**
Net debt	(678.0)	(65.1)	–	18.3	0.1	1.5	**11.5**	**(711.6)**
Obligations under right-of-use leases:								
– due in less than one year	(31.2)	39.8	(46.1)	1.4	–	5.4	**0.7**	**(30.0)**
– due in more than one year	(136.5)	–	–		–	(25.0)	**1.6**	**(159.9)**
Preferred equity (gross of prepaid finance costs)	(286.6)	–	–	–	–	1.0	–	**(285.6)**
Prepaid finance costs in relation to senior debt:								
– due in less than one year	–	0.2	–	–	–	0.4	–	**0.6**
– due in more than one year	5.7	–	–	–	–	(2.6)	–	**3.0**
Financing liabilities	(1,213.8)	(8.8)	(46.1)	21.5	(0.7)	(19.3)	**15.5**	**(1,251.8)**
Net debt including right-of-use lease liabilities, issue premia, preferred equity and prepaid finance costs	(1,126.6)	(25.2)	(46.1)	19.8	0.1	(19.3)	**13.9**	**(1,183.5)**

Notes to the Accounts

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

As at 29 March 2025, overdrafts totalling £11.7m (2024: £14.4m) that are not an integral part of the Group's cash management, have not been presented as cash in the Cash Flow Statement.

Group	At 2 April 2023 £m	Cash flow £m	Non-cash movement on inception of leasing contract expenditure £m	Disposals £m	Acquisitions £m	Other non-cash changes £m	Exchange movement £m	At 30 March 2024 £m
Cash and cash equivalents	93.3	4.1	–	–	–	–	(2.6)	94.8
Bank overdraft	(2.9)	(4.8)	–	–	–	–	0.2	(7.6)
Net cash and cash equivalents	90.4	(0.7)	–	–	–	–	(2.4)	87.2
Bank overdraft	–	(14.4)	–	–	–	–	–	(14.4)
Senior secured debt (gross of prepaid finance costs):								
– due in less than one year	–	–	–	–	–	–	–	–
– due in more than one year	(663.8)	7.6	–	–	–	(2.0)	18.6	(639.6)
Bank loans and other facilities:								
– due in less than one year	(62.3)	(9.2)	–	–	–	(5.4)	4.6	(72.4)
– due in more than one year	(50.3)	2.0	–	–	–	8.3	1.2	(38.8)
Net debt	(686.0)	(14.7)	–	–	–	0.8	22.0	(678.0)
Obligations under right-of-use leases:								
– due in less than one year	(27.6)	28.7	(25.0)	–	–	(8.1)	0.8	(31.2)
– due in more than one year	(144.6)	–	–	–	–	4.3	3.8	(136.5)
Preferred equity (gross of prepaid finance costs)	(281.2)	–	–	–	–	(5.4)	–	(286.6)
Prepaid finance costs:								
– In relation to senior debt	7.9	0.5	–	–	–	(2.7)	–	5.7
Financing liabilities	(1,221.9)	15.2	(25.0)	–	–	(11.0)	28.9	(1,213.8)
Net debt including right-of-use lease liabilities, issue premia and prepaid finance costs	(1,131.5)	14.5	(25.0)	–	–	(11.0)	26.5	(1,126.6)

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Senior secured debt, bank loans and other facilities are disclosed in the table excluding prepaid finance costs.

The Group's policy on Derivatives and Other Financial Instruments is set out in Note 25.

Reconciliation of movements in the Company's net debt position:

Company	At 31 March 2024 £m	Cash flow £m	Non-cash movement on inception of leasing contract expenditure £m	Disposals £m	Acquisitions £m	Other non-cash changes £m	Exchange movement £m	**At 29 March 2025 £m**
Cash and cash equivalents	8.9	4.3	–	–	–	–	–	**13.2**
Bank overdraft	(0.9)	0.9	–	–	–	–	–	**–**
Net cash and cash equivalents	8.0	5.1	–	–	–	–	–	**13.2**
Senior secured debt (gross of prepaid finance costs):								
- due in less than one year	–	–	–	–	–	–	–	**–**
- due in more than one year	(639.6)	–	–	–	–	1.4	11.3	**(627.0)**
Bank loans and other facilities (gross of prepaid finance costs):								
- Other bank loans and facilities due in less than one year	–	(34.8)	–	–	–	(10.3)	0.3	**(44.8)**
- Other bank loans and facilities due in more than one year	(10.3)	–	–	–	–	10.3	–	**–**
Net debt	(641.9)	(29.7)	–	–	–	1.4	11.6	**(658.5)**
Obligations under right-of-use leases:								
- due in less than one year	(0.5)	0.7	(0.1)	–	–	(0.6)	–	**(0.5)**
- due in more than one year	(4.4)	–	–		–	(1.0)	–	**(5.4)**
Preferred equity (gross of prepaid finance costs)	(286.6)	–	–	–	–	1.0	–	**(285.6)**
Prepaid finance costs:								
- In relation to senior debt	5.7	0.2	–		–	(2.2)	–	**3.6**
Financing liabilities	(935.6)	(34.0)	(0.1)	–	–	(1.5)	11.6	**(959.6)**
Net debt including right-of-use lease liabilities, issue premia, preferred equity and prepaid finance costs	(927.5)	(28.8)	(0.1)	–	–	(1.5)	11.6	**(946.4)**

Notes to the Accounts

18. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Company	At 2 April 2023 £m	Cash flow £m	Non-cash movement on inception of leasing contract expenditure £m	Disposals £m	Acquisitions £m	Other non-cash changes £m	Exchange movement £m	At 30 March 2024 £m
Cash and cash equivalents	13.8	(5.2)	–	–	–	–	0.3	8.9
Bank overdraft	–	(0.9)	–	–	–	–	–	(0.9)
Net cash and cash equivalents	13.8	(6.0)	–	–	–	–	0.3	8.0
Senior secured debt (gross of prepaid finance costs):								
– due in more than one year	(663.8)	7.6	–	–	–	(2.0)	18.6	(639.6)
Bank loans and other facilities:								
– due in less than one year	–	–	–	–	–	–	–	–
– due in more than one year	(12.5)	2.0	–	–	–	–	0.2	(10.3)
Net debt	(662.5)	3.6	–	–	–	(2.0)	19.1	(641.9)
Obligations under right-of-use leases:								
– due in less than one year	(0.4)	0.4	–	–	–	(0.4)	–	(0.5)
– due in more than one year	(4.8)	–	–	–	–	0.4	–	(4.4)
Preferred equity (gross of prepaid finance costs)	(281.2)	–	–	–	–	(5.4)	–	(286.6)
Prepaid finance costs:								
– In relation to preferred equity	–	–	–	–	–	–	–	–
– - In relation to senior debt	7.9	0.5	–	–	–	(2.7)	–	5.7
Financing liabilities	(954.8)	10.5	–	–	–	(10.1)	18.8	(935.6)
Net debt including right-of-use lease liabilities, issue premia and prepaid finance costs	(941.0)	4.5	–	–	–	(10.1)	19.1	(927.5)

Senior secured debt, bank loans and other facilities are disclosed in the table excluding prepaid finance costs.

Amounts falling due within one year:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Deferred consideration	**(0.7)**	(3.8)	**–**	–
Contingent earn-out liabilities	**(0.3)**	(1.0)	**–**	–
	(1.0)	(4.8)	**–**	–

Amounts falling due after one year:

	Group		Company	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Deferred consideration:				
– due between one and two years	**(0.6)**	–	**–**	–
– due between two and five years	**(0.1)**	–	**–**	–
Contingent earn-out liabilities:				
– due between one and two years	**(0.2)**	(1.2)	**–**	–
– due between two and five years	**(0.2)**	–	**–**	–
	(1.1)	(1.2)	**–**	–

19. LOW VALUE AND SHORT TERM LEASE ARRANGEMENTS

The Group and Company as lessee

At the balance sheet date, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
Minimum lease payments	**2025 £m**	2024 £m	**2025 £m**	2024 £m
Within one year	**0.2**	0.5	**–**	–
In the second to fifth years inclusive	**–**	–	**–**	–
After five years	**–**	–	**–**	–
	0.2	0.5	**–**	–

The table above comprises of leases which are exempt from IFRS16 with a duration of less than 12 months or a cost less than £5,000. Leases with a duration of over 12 months and a total cost of over £5,000 have been included within right-of-use assets in accordance with IFRS 16, see Note 11.

20. DEFERRED TAX

	Group £m	Company £m
At 2 Apr 2023	(87.6)	–
Credit to income statement (see Note 6)	34.7	8.2
Credit to SOCI	0.7	–
Exchange adjustment	3.5	–
At 30 Mar 2024	(48.7)	8.2
At 31 Mar 2024	**(48.7)**	**8.2**
Credit to income statement (see Note 6)	**34.0**	**2.1**
Debit to SOCI	**(0.4)**	**–**
Exchange adjustment	**(0.3)**	**–**
At 29 Mar 2025	**(15.4)**	**10.3**

Movement in deferred tax during the year

	31 March 2024	Income statement	Statement of comprehensive income	Brought in on acquisition	Exchange adjustment	**29 March 2025**
Tangible fixed assets	(41.7)	17.9	–	–	–	**(23.8)**
IFRS 16 Right Of Use asset	(39.2)	3.9	–	–	–	**(35.3)**
IFRS 16 Right Of Use liability	41.4	(0.1)	–	–	–	**41.3**
Tax losses	36.9	(14.8)	–	–	–	**22.1**
Intangible fixed assets	(58.1)	40.6	–	–	–	**(17.5)**
Defined benefit pension	8.9	(7.4)	(0.4)	–	0.1	**1.2**
Hyperinflation	(6.1)	(1.5)	–	–	–	**(7.6)**
Other temporary differences	9.3	(4.4)	–	–	(0.4)	**4.4**
	(48.6)	34.0	(0.4)	–	(0.3)	**(15.4)**

20. DEFERRED TAX (CONTINUED)

Movement in deferred tax during the prior year

	2 April 2023	Income statement	Statement of comprehensive income	Brought in on acquisition	Exchange adjustment	30 March 2024
Tangible fixed assets	(37.7)	(6.2)	–	–	2.2	(41.7)
IFRS 16 Right Of Use asset	(44.2)	5.0	–	–	–	(39.2)
IFRS 16 Right Of Use liability	44.2	(2.8)	–	–	–	41.4
Tax losses	28.2	8.2	–	–	0.5	36.9
Intangible fixed assets	(69.9)	9.2	–	–	2.6	(58.1)
Defined benefit pension	9.2	(1.0)	0.5	–	0.1	8.9
Hyperinflation	(6.7)	2.6	–	–	(2.0)	(6.1)
Other temporary differences	(10.7)	19.7	0.2	–	0.1	9.3
	(87.6)	34.7	0.7	–	3.5	(48.7)

The provision for deferred taxation is as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Tangible fixed assets	(23.8)	(41.7)	–	–
IFRS 16 Right Of Use asset	(35.3)	(39.2)	(0.2)	(1.1)
IFRS 16 Right Of Use liability	41.3	41.4	0.3	1.2
Tax losses	22.1	36.9	9.5	6.7
Intangible fixed assets	(17.5)	(58.1)	–	–
Defined benefit pension	1.2	8.9	–	–
Hyperinflation	(7.6)	(6.1)	–	–
Other temporary differences	4.4	9.3	0.7	1.5
	(15.4)	(48.7)	10.3	8.2

The deferred tax provision is based on taxation rates of: 25% in the UK, Spain and Belgium; 25.8% in the Netherlands; 27.9% in Italy; 30% in Australia; 12.5% in Ireland; and a 25% combined rate (Federal and State) in North America; and 24% in Turkey.

The Group has applied the temporary exception issued by IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to the OECD Inclusive Framework agreement for a global minimum corporate income tax rate.

The amount of Group unrecognised deferred tax items (gross value) at 29 March 2025 was £224.8m (2024: £109.8m), comprising tax losses of £164.1m (2024: £93.9m), Other temporary differences of £41.9m (2024: £0m) and Corporate Interest Restriction of £18.8m (2024: £15.9m). We would note that there is no expiry date in relation to the above deferred tax items.

The amount of Group unrecognised deferred tax items (tax value) at 29 March 2025 was £56.3m (2024: £27.5m), comprising tax losses of £41m (2024: £23.5m), Other temporary differences of £10.5m (2024: £0m) and Corporate Interest Restriction of £4.8m (2024: £4m).

The amount of Company unrecognised deferred tax items (tax value) at 29 March 2025 was £4.8m (2024: £4m) in relation to Corporate Interest Restriction.

20. DEFERRED TAX (CONTINUED)

Deferred tax assets and liabilities

The deferred tax balances shown on the balance sheet are:

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Deferred tax liabilities	**(24.3)**	(56.7)	**(1.1)**	–
Deferred tax assets	**8.9**	7.9	**11.4**	8.2
	(15.4)	(48.7)	**10.3**	8.2

21. RETIREMENT BENEFIT OBLIGATIONS

Defined contribution schemes

The Group operates a number of defined contribution pension schemes. The companies and the employees contribute towards the schemes.

Contributions are charged to the Income Statement as incurred and amounted to £10,311,000 (2024: £9,989,000), of which £3,260,000 (2024: £3,116,000) relates to the UK schemes. The total contributions outstanding at the year-end were £nil (2024: £nil).

Defined benefit schemes

The Group has three defined benefit schemes at the year end, and one scheme which was disposed of by the Group during the year:

- two schemes relate to Interfloor Limited;
- one scheme relates to Balta group;
- the final scheme relates to Seramik, Sahika and Ic vi Dis Ticaret (Graniser group); this group was disposed of in November 2024.

Summary of all schemes

Amounts recognised in the consolidated income statement in respect of all defined benefit schemes are as follows:

	2025 £m	2024 £m
Net interest expense	**0.2**	0.2
Loss on settlements	**–**	–
Current / Past service cost	**0.4**	0.7
Components of defined benefit costs recognised in profit or loss	**0.6**	0.9

Amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2025 £m	2024 £m
The return on plan assets (excluding amounts included in net interest expense)	**(1.2)**	(0.1)
Actuarial gains/(losses) arising from changes in demographic assumptions	**2.1**	0.4
Actuarial gains arising from changes in financial assumptions	–	0.3
Remeasurement gains/(losses) on defined benefit obligation	**0.1**	–
Actuarial gains/(losses) arising from experience adjustments	**–**	(2.6)
Remeasurement of the net defined benefit liability	**1.0**	(2.0)

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of all schemes is as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	(27.9)	(34.1)
Fair value of plan assets	23.9	25.7
Net liability arising from defined benefit obligation	**(4.0)**	**(8.4)**
Deferred tax applied to net obligation	**0.9**	**1.4**

The value of the net liability arising from Graniser group's defined benefit scheme in the prior period and at the date of its disposal was as follows:

	At disposal £m	2024 £m
Present value of defined benefit obligations	(3.5)	(3.4)
Fair value of plan assets	–	–
Net liability arising from defined benefit obligation	**(3.5)**	**(3.4)**

(a) Interfloor schemes

Interfloor Limited sponsors the Final Salary Scheme ("the Main Scheme") and the Interfloor Limited Executive Scheme ("the Executive Scheme") which are both defined benefit arrangements. The defined benefit schemes are administered by a separate fund that is legally separated from the Group. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme. The trustees of the pension fund are responsible for the investment policy with regard to the assets of the fund.

The last full actuarial valuations of these schemes were carried out by a qualified independent actuary as at 31 July 2024.

The contributions made by the employer over the financial period were £213,000 (2024: £213,000) in respect of the Main Scheme and £nil (2024: £nil) in respect of the Executive Scheme.

Contributions to the Executive and Main Schemes are made in accordance with the Schedule of Contributions. Future contributions are expected to be an annual premium of £240,000 in respect of the Main Scheme and £nil contributions payable to the Executive Scheme. These payments are in line with the certified Schedules of Contributions until they are reviewed on completion of the triennial valuations of the schemes in the third quarter of 2025.

As both schemes are closed to future accrual there will be no current service cost in future years.

The defined benefit schemes typically expose the Company to actuarial risks such as: investment risk, interest rate risk and longevity risk.

Investment risk

The Trustees are aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case. There is a potential for the outcome of the case to have an impact on the UK pension scheme. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under Section 37 of the Pension Schemes Act 1993. The case was taken to The Court of Appeal in June 2024 and the original ruling was upheld.

As a result, there may be a further liability to Interfloor pension schemes for benefits that were reduced by previous amendments, if those amendments prove invalid (i.e. were made without obtaining s37 confirmation). The trustees have started reviewing the records of the scheme to look for evidence of having obtained the necessary written actuarial confirmation where relevant. The trustees will continue to investigate the possible implications with their advisers, but it is not possible at present to estimate the potential impact, if any, on the scheme and consequently on the defined benefit

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

obligation in the financial statements.

In a statement dated 05 June 2025, the Government of the United Kingdom outlined it recognised that schemes and sponsoring employers require clarity around scheme liabilities and member benefit levels in order to plan for the future.

The Government of the United Kingdom has therefore announced it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Until this legislation has passed, most schemes and employers are unlikely to continue with any investigation to calculate a potential liability

Interest risk

A decrease in the bond interest rate will increase the schemes' liability but this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the schemes' participants will increase the schemes' liability.

Inflation risk

An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

The present value of the defined benefit liabilities was measured using the projected unit credit method.

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

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

	2025	2024
Discount rate	5.5%	4.7%
Revaluation rate of deferred pensioners of CPI (5% p.a. as a maximum)	2.7%	2.8%
Pension in payment increases of RPI (5% p.a. as a maximum)	3.2%	3.2%
Pension in payment increases of CPI (3% p.a. as a maximum)	2.2%	2.2%
Inflation (RPI)	3.3%	3.4%
Inflation (CPI)	2.7%	2.8%

The assumptions relating to longevity underlying the pension liabilities at the Consolidated Statement of Financial Position date are based on 110% of the standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year-old to live for a number of years as follows:

(i) Current pensioner aged 65: 20.6 years (male), 23.1 years (female).

(ii) Future retirees (aged 45) upon reaching 65: 21.6 years (male), 24.2 years (female)

Notes to the Accounts

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Amounts recognised in the consolidated income statement in respect of these defined benefit schemes are as follows:

	2025 £m	2024 £m
Net interest expense	0.2	0.2
Components of defined benefit costs recognised in profit or loss	**0.2**	0.2

The net interest expense has been included within finance costs. The remeasurement of the net defined benefit liability is included in the statement of comprehensive income.

Amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2025 £m	2024 £m
The return on plan assets (excluding amounts included in net interest expense)	(1.0)	(0.8)
Actuarial losses arising from changes in demographic assumptions	2.1	0.4
Actuarial gains arising from changes in financial assumptions	–	0.1
Actuarial gains arising from experience adjustments	–	(0.4)
Remeasurement of the net defined benefit liability	**1.1**	(0.7)

The amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	(18.6)	(20.9)
Fair value of plan assets	15.7	16.8
Net liability arising from defined benefit obligation	**(2.9)**	(4.1)
Deferred tax applied to net obligation	**0.7**	1.0

Movements in the present value of defined benefit obligations in the period were as follows:

	2025 £m	2024 £m
Opening defined benefit obligation	(20.9)	(21.2)
Interest cost	(0.9)	(1.0)
Remeasurement gains/(losses):		
Arising from changes in demographic assumptions	2.1	0.4
Arising from changes in financial assumptions	–	0.1
Arising from experience adjustments	–	(0.4)
Benefits paid and expenses	1.1	1.1
Closing defined benefit obligation	**(18.6)**	(20.9)

Movements in the fair value of plan assets in the period were as follows:

	2025 £m	2024 £m
Opening fair value of plan assets	16.8	17.8
Interest income	0.8	0.7
Remeasurement gains/(losses):		
The return on plan assets (excluding amounts included in net interest expense)	(1.0)	(0.8)
Contributions from the employer	0.2	0.2
Benefits paid and expenses	(1.1)	(1.1)
Closing fair value of plan assets	**15.7**	16.8

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:

	2025 £m	2024 £m
Cash and cash equivalents	0.4	0.4
LDI (Liability driven investment)	3.7	4.7
Equities	3.1	3.8
Property	1.4	1.3
Corporate Bonds	0.1	0.1
Multi-Asset Credit Funds	2.9	2.8
Diversified Growth Funds	2.3	2.2
Infrastructure	1.7	1.5
Closing fair value of plan assets	**15.7**	16.8

None of the fair values of the assets shown above include any of the employer's own financial instruments or any property occupied by, or other assets used by, the employer. None of the scheme's assets have a quoted market price in an active market.

The actual return on plan assets was a loss of £251,000 (2024: gain £24,000).

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate decreased by 0.5% per annum, the defined benefit obligation would increase by 5.7%.

If the rate of inflation increases by 0.5% per annum, the defined benefit obligation would increase by 4.1%.

If the life expectancy increases by one year for both men and women, the defined benefit obligation would increase by 3.3%.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

Defined benefit schemes

(b) Balta group scheme

Balta group has pension plans in place for management and are financed through employer contributions which increase depending on seniority (base contribution of 3.75% of pensionable salary, increasing by 0.5% for every 5 years of service rendered within the group up to a maximum contribution rate of 5.75%). This plan also includes a "death in service" benefit amounting to twice pensionable salary. Several pension plans are in place for white collar workers and are financed through fixed employer contributions. In addition, as part of the bonus policy for members of management, a portion of the bonus is awarded via employer contributions to a pension plan scheme.

The last full actuarial valuations of these schemes were carried out by a qualified independent actuary as at 31 March 2025.

The contributions made by the employer over the financial period were £415,000 (2024: £502,000).

Contributions to the Scheme is made in accordance with the Schedule of Contributions. The expected service cost for the next financial year is expected to be £342,000 (2024: £461,000).

The defined benefit schemes typically expose the Company to actuarial risks such as: investment risk, interest rate risk and longevity risk.

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Investment risk

The pension plan assets are financed by a group insurance product. In accordance with that formula, AG Insurance guarantees an interest rate as a return of contracts. The return is calculated through a profit sharing arrangement determined by AG Insurance. AG Insurance provide a guarantee meaning there is no financial risk for the employer. Based upon this information, we judge that the assets of the insurance contracts should be classified as a Level 2 asset.

Interest risk

A decrease in the bond interest rate will increase the schemes' liability but this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the schemes' participants will increase the schemes' liability.

Inflation risk

An increase in the inflation rate will increase the Group's liability. A portion of the plan assets are inflation-linked debt securities which will mitigate some of the effects of inflation.

The present value of the defined benefit liabilities was measured using the projected unit credit method.

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

	2025	2024
Discount rate	**3.2%**	3.3%
Discount rate (§113)	**3.5%**	3.6%
Future salary increase (including social security increase)	**3.2%**	3.2%
Social security increase	**2.2%**	2.2%
Pension and death ceiling increase	**2.2%**	2.2%
Mortality table (Pre-retirement)	**MR–5/FR–5**	MR–5/FR–5

Amounts recognised in the consolidated income statement in respect of these defined benefit schemes are as follows:

	2025 £m	2024 £m
Net interest expense	**–**	–
Current/ Past service cost	**0.4**	0.7
Components of defined benefit costs recognised in profit or loss	**0.4**	0.7

The net interest expense has been included within finance costs. The remeasurement of the net defined benefit liability is included in the statement of comprehensive income.

Amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2025 £m	2024 £m
The return on plan assets (excluding amounts included in net interest expense)	**(0.2)**	0.7
Remeasurement gains/(losses) on defined benefit obligation	**0.1**	–
Remeasurement of the net defined benefit liability	**(0.1)**	0.7

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	(9.3)	(9.8)
Fair value of plan assets	8.2	8.9
Net liability arising from defined benefit obligation	**(1.1)**	(0.9)
Deferred tax applied to net obligation	**0.3**	0.1

Movements in the present value of defined benefit obligations in the period were as follows:

	2025 £m	2024 £m
Opening defined benefit obligation	(9.8)	(9.3)
Acquired as part of business combinations	–	–
Current service costs	(0.4)	(0.7)
Interest cost	(0.3)	(0.3)
Remeasurement gains/(losses)	0.1	–
Benefits paid and expenses	1.0	0.4
Tax on contributions	0.1	0.1
Effect of foreign exchange rate changes	–	–
Closing defined benefit obligation	**(9.3)**	(9.8)

Movements in the fair value of plan assets in the period were as follows:

	2025 £m	2024 £m
Opening fair value of plan assets	8.9	8.3
Acquired as part of business combinations	–	–
Interest income	0.3	0.3
Remeasurement gains/(losses):		
The return on plan assets (excluding amounts included in net interest expense)	(0.2)	0.7
Contributions from the employer	0.3	0.4
Benefits paid and expenses	(1.0)	(0.4)
Effect of foreign exchange rate changes	(0.1)	(0.4)
Closing fair value of plan assets	**8.2**	8.9

The actual return on plan assets was a loss of £200,000 (2024: gain of £700,000).

The fair value of the plan assets is based on §113 of IAS 19 and is defined as the present value of the retirement capitals guaranteed by the insurance company (using the tariffs as set out by the insurance company). The discount rate used takes into account the investment risk of financial institutions by referring to financial single A bonds. Therefore an additional gap is added to the Defined Benefit Obligation ("DBO") discount rate which reflects the difference between AA rated corporate bonds and single A rated corporate bonds.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate decreased by 0.5% per annum, the defined benefit obligation would increase by 4.8%.

If the rate of inflation and salary changes increases by 0.5% per annum, the defined benefit obligation would increase by 0.5%.

Notes to the Accounts

21. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

22. SHARE CAPITAL

	2025 £m	2024 £m
Allotted, called-up and fully paid:		
5p ordinary shares	**6.3**	6.3

	2025 Number of shares (000's)	2024 Number of shares (000's)
5p ordinary shares:		
Number of shares issued and fully paid (excluding shares held in treasury)	**114,294**	113,998
Number of shares issued and fully paid, held in treasury	**11,171**	11,467

During the year the Company has purchased 365,000 of the ordinary 5p shares in issue for a total consideration of £986,555. All of the shares purchased were transferred into treasury. There has also been a transfer out of treasury of 661,139 shares used for settlement of certain employee share options that vested and were exercised in the period. The number of shares held in treasury at 29 March 2025 was 11,170,655 and represents 8.9% of the called-up share capital (2024: 11,466,794).

The total number of ordinary shares in issue in the Company at 29 March 2025 was 114,294,012 (excluding the shares held in treasury).

At the year end there were no shares issued but not fully paid (2024: nil).

At the year end, no shares were reserved for issue under options and there were no contracts for sale of shares (2024: nil).

Capital risk management

The Group considers its capital to comprise its Ordinary share capital, share premium, accumulated retained earnings and net debt. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions.

In order to achieve this objective, the Group monitors its gearing to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues (including the issue of preferred equity, on which more detail is provided in Note 17, in particular regarding the changes in the period), or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

23. RESERVES

Retained earnings

Retained earnings for the Group as at 29 March 2025 was a deficit of £292.2m (deficit 2024: £27.4m).

The loss of the Company for the year determined in accordance with the Companies Act 2006 was £175.9m (2024: loss of £8.1m (restated)). The Company is exempt under Section 408 of the Companies Act 2006 from presenting its own Income statement and Statement of comprehensive income.

Foreign exchange reserve

The foreign exchange reserve for the Group as at 29 March 2025 was a deficit £38.4m (deficit 2024: £20.8m), in respect of foreign exchange differences on consolidation of overseas subsidiaries.

Hyperinflation foreign exchange reserve

The hyperinflation foreign exchange reserve for the Group as at 29 March 2025 was £35.7m (2024: £7.5m), in respect of hyperinflation CTA adjustments on consolidation of Turkish subsidiaries.

Other reserves

Other reserves for the Group as at 29 March 2025 were £15.5m (2024: £12.2m) and relate to share-based payment charges (see further details in Note 5).

24. DISCONTINUED OPERATIONS AND SUBSIDIARY DISPOSALS

Discontinued operations

On 28 September 2024, the Group committed to a plan to dispose of B3 Ceramics Danismanlik (“”Graniser””) following the negative impact of instability in several of its key markets. Graniser is a specific business segment within the UK & Europe - Ceramic Tiles (Spain / Turkey CGU).

The sale of the Graniser discontinued operation completed on 18 November 2024. Total consideration paid was €10.0 million (£8.3m) cash on completion.

As a result, the operations of Graniser have been classified as discontinued operations in accordance with IFRS 5. The results of the discontinued operations are summarised below:

	52 weeks ended 29 March 2025*			52 weeks ended 30 March 2024		
Income statement - Graniser	Underlying performance £m	Non-underlying items £m	Reported numbers £m	Underlying performance £m	Non-underlying items £m	Reported numbers £m
Revenue	16.1	0.8	16.9	30.5	8.8	39.3
Cost of sales	(16.5)	(3.2)	(19.7)	(27.4)	(17.0)	(44.4)
Gross profit	(0.4)	(2.4)	(2.8)	3.1	(8.2)	(5.1)
Distribution and administrative expenses	(2.7)	(21.0)	(23.7)	(2.7)	20.6	17.9
Other operating income	–	–	–	0.1	–	0.1
Operating (loss) / profit	(3.1)	(23.4)	(26.5)	0.5	12.4	12.9
Finance costs	(4.8)	(2.5)	(7.3)	(4.8)	(22.2)	(27.0)
Loss before tax	(7.9)	(25.9)	(33.8)	(4.3)	(9.8)	(14.1)
Taxation credit / (charge)	1.6	0.2	1.8	3.6	(1.9)	1.7
Loss after tax	(6.3)	(25.7)	(32.0)	(0.7)	(11.7)	(12.4)
Gain on disposal of subsidiaries	–	7.2	7.2	–	–	–
Loss from discontinued operations for the period	(6.3)	(18.5)	(24.8)	(0.7)	(11.7)	(12.4)

** The Graniser group results in the 52 weeks ended 29 March 2025 are only included here up to the 18 November 2024 - their date of disposal.*

24. DISCONTINUED OPERATIONS AND SUBSIDIARY DISPOSALS (CONTINUED)

Details of the sale of the discontinued operations

	£m
Total disposal consideration, net of cash held	7.9
Carrying amount of net assets sold	(9.3)
Loss on sale before income tax and reclassification of foreign currency translation reserve	**(1.4)**
Reclassification of foreign currency translation reserve	8.6
Income tax expense on gain	–
Gain on sale after income tax	**7.2**

Assets and liabilities of discontinued operations

The carrying amount of assets and liabilities as at the date of sale were as follows:

	18 November 2024 £m
Intangible assets other than goodwill	4.3
Property, plant and equipment	9.7
Right-of-use lease assets	2.6
Inventories	17.5
Trade and other receivables	11.4
Total assets	**45.5**
Trade and other current payables	(10.1)
Obligations under right-of-use leases - current	(0.7)
Other financial liabilities	(20.0)
Trade and other non-current payables	(0.1)
Obligations under right-of-use leases - non-current	(1.8)
Retirement benefit obligations	(3.5)
Total liabilities	**(36.2)**
Total net assets	**9.3**

25. FINANCIAL INSTRUMENTS

Background

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The "financial instruments" which are affected by these risks comprise borrowings, cash and liquid resources used to provide finance for the Group's operations, together with various items such as trade debtors and trade creditors that arise directly from its operations, inter-company payables and receivables, and any derivatives transactions (such as interest rate swaps and forward foreign currency contracts) used to manage the risks from interest rate and currency rate volatility.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

25. FINANCIAL INSTRUMENTS (CONTINUED)

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

The Group's principal financial assets are bank balances and cash, and trade and other receivables.

The Group's exposure to credit risk is primarily attributable to its trade receivables. Credit risk is managed locally by the management of each business unit. Prior to accepting new customers, credit checks are obtained from reputable external sources. Furthermore, in specific areas where a heightened credit risk is perceived, credit insurance is utilised to help mitigate this risk.

Trade receivables consist of a large number of customers spread across geographical locations. Furthermore, specific trade receivables are written-off when there is considered to be little likelihood of recovering the debt.

The Group continues to monitor its exposure to expected credit losses and further disclosure will be provided in future periods if the Group's assessment changes.

The Group makes use of a simplified approach to accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are expected shortfalls in contractual cash flows, considering the potential for default at any point during the lifetime of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate expected credit loss. For example, expected losses for trade receivables may be calculated based upon current weighted credit risk profiles of each customer type. This weighting is applied to any uninsured debtor balances, and expected credit losses will then be calculated accordingly. The Directors consider that the carrying amount of all receivables, including those impaired, approximates to their fair value.

Regarding loans to Group companies, the Company considers the probability that repayments may not be made using regular information supplied to the Board, which given the loans are internally supplied within the Group, is readily available.

Other receivables such as prepayments and sales and VAT tax receivable are not relevant when considering expected credit losses.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with low credit risk assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The Company has no significant concentration of credit risk, other than with its own subsidiaries, the performances of which are closely monitored. The Directors confirm that the carrying amounts of monies owed by its subsidiaries approximate to their fair value.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

To achieve this aim, the cash position is continuously monitored to ensure that cash balances (or agreed facilities) meet expected requirements for a period of at least 90 days.

The preferred equity issued to KED is perpetual and has no contractual commitment to redeem or pay preferred dividends in cash, and therefore had a positive impact on the Group's liquidity. There are a two scenarios, both of which management believe highly unlikely, under which mandatory redemption of the preferred equity applies (see Note 17 for further details).

The Group expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The maturity of financial liabilities is detailed in Note 17.

25. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk), or market pricing (price risk). The fair value of the loan note prepayment option embedded derivative will fluctuate based on changes in market pricing, the relative impact of such fluctuations can be seen by the movement in the period as disclosed in Note 17. Fluctuations in foreign currency exchange rates can have a significant effect on the Group's reported results.

Market risk arises from the Company's use of third party and intercompany loans denominated in foreign currency. Fluctuations in foreign currency exchange rates can have a significant effect on the Company's reported results.

a) Interest rate risk

The Group finances its operations through a mixture of retained profits, equity capital and bank facilities, including hire purchase and lease finance. The Group borrows in the desired currency at floating or fixed rates of interest and may then use interest rate swaps to secure the desired interest profile and manage exposure to interest rate fluctuations.

Interest rate sensitivity

The annualised effect of a 50 basis point decrease in the interest rate at the balance sheet date on the variable rate debt carried at that date would, all other variables held constant, have resulted in a decrease in post-tax loss for the year of £470,000 (2024: decrease in post-tax loss of £209,000). A 50 basis point increase in the interest rate would, on the same basis, have increased the loss for the year by the same amount.

Borrowings contractual maturities and effective interest rate analysis

In respect of interest bearing financial liabilities, the following table indicates the undiscounted amounts due for the remaining contractual maturity (including interest payments based on the outstanding liability at the year end) and their effective interest rates. The ageing of these amounts is based on the earliest dates on which the Group can be required to pay.

	As at 29 March 2025						As at 30 March 2024					
	Effective Interest Rate %	**Total £m**	**0-1 Years £m**	**1-2 Years £m**	**2-5 Years £m**	**Over 5 Years £m**	Effective Interest Rate %	Total £m	0-1 Years £m	1-2 Years £m	2-5 Years £m	Over 5 Years £m
Group												
Cash and cash equivalents	0.00%	77.6	77.6	–	–	–	0.00%	94.8	94.8	–	–	–
Trade and other payables	0.00%	(261.0)	(254.0)	(7.0)	–	–	0.00%	(300.7)	(294.7)	(6.0)	–	–
Senior secured debt and overdraft	3.67%	(672.2)	(22.6)	(431.9)	(217.6)	–	3.67%	(703.9)	(27.1)	(23.0)	(653.8)	–
Bank loans and other facilities	7.16%	(104.5)	(67.3)	(10.0)	(20.3)	(6.8)	11.82%	(110.6)	(56.7)	(18.5)	(19.1)	(16.4)
Right-of-use leases	4.83%	(210.3)	(38.0)	(32.6)	(69.2)	(70.5)	6.42%	(210.3)	(38.0)	(32.6)	(69.2)	(70.5)
		(1,170.4)	(304.3)	(481.6)	(307.1)	(77.3)		(1,230.8)	(321.7)	(80.1)	(742.0)	(86.9)
Company												
Cash and cash equivalents	0.00%	13.2	13.2	–	–	–	0.00%	8.9	8.9	–	–	–
Trade and other payables	0.00%	(7.1)	(7.1)	–	–	–	0.00%	(6.2)	(6.2)	–	–	–
Senior secured debt	3.67%	(672.2)	(22.6)	(431.9)	(217.6)	–	3.67%	(703.9)	(27.1)	(23.0)	(653.8)	–
Bank loans and other facilities	7.42%	(44.8)	(44.8)				7.36%	(10.3)	(10.3)			
Right-of-use leases	4.05%	(5.8)	(0.6)	(0.6)	(1.7)	(2.9)	3.74%	(5.8)	(0.6)	(0.6)	(1.7)	(2.9)
		(716.7)	(62.0)	(432.5)	(219.3)	(2.9)		(717.3)	(35.3)	(23.6)	(655.5)	(2.9)

25. FINANCIAL INSTRUMENTS (CONTINUED)

In addition, the following table summarises the total undiscounted deferred and contingent consideration liabilities in relation to past acquisitions, again aged based on the earliest dates on which the Group can be required to pay.

	As at 29 March 2025				As at 30 March 2024			
Total undiscounted obligations	Total £m	0-1 Years £m	1-2 Years £m	2-5 Years £m	Total £m	0-1 Years £m	1-2 Years £m	2-5 Years £m
Group								
Deferred consideration liabilities	**(1.4)**	**(0.7)**	**(0.6)**	**(0.1)**	(3.8)	(3.8)	–	–
Contingent earn-out liabilities	**(0.7)**	**(0.3)**	**(0.2)**	**(0.2)**	(2.1)	(1.0)	(1.2)	–
	(2.1)	**(1.0)**	**(0.8)**	**(0.3)**	(6.0)	(4.8)	(1.2)	–

As described in Note 17, the KED preferred equity is never subject to mandatory redemption other than in two specific scenarios: (i) a change of control where the acquirer of Victoria offers share consideration (with no cash alternative) and is not considered to be investment grade, in which case KED could elect to ask Victoria, under the new owner(s), to redeem the outstanding preferred equity (currently £225m) and unpaid dividends in cash; (ii) insolvency of the Group.

Non-interest bearing liabilities

Details of trade and other payables falling due within one year are set out in Note 15.

b) Currency risk

The main currency exposure of the Group arises from the Euro denominated debt.

It is the Board's policy not to hedge against translational, as opposed to transactional movements, in the Sterling/Australian Dollar, Sterling/Euro exchange rate, Sterling/US Dollar exchange rate and Sterling/Turkish Lira exchange rate.

Other currency exposure derives from transactional operations where goods are exported or raw materials and capital equipment are imported. These exposures are not considered to be material and may be managed by forward currency contracts, particularly when the amounts or periods to maturities are significant and at times when currencies are particularly volatile.

Currency risk sensitivity

An analysis of the currency risk exposure arising from financial instruments denominated in a foreign currency is as follows.

A 10% strengthening of the Euro against Sterling closing rate would, all other variables held constant, have resulted in an increase in Group post-tax loss for the year of £28.4m as the net result of the translation impact on Euro denominated debt (net of intercompany loan exposure). A 10% weakening of the Euro against Sterling closing rate would, all other variables held constant, have resulted in a decrease in Group post-tax loss for the year of £23.2m as the net result of the translation impact on Euro denominated debt (net of intercompany loan exposure).

A 10% strengthening of the Australian dollar against Sterling closing rate would, all other variables held constant, have resulted in an decrease in Group post-tax loss for the year of £2.4m as the net result of the translation impact on Australian dollar asset. A 10% weakening of the Australian dollar against Sterling closing rate would, all other variables held constant, have resulted in a increase in Group post-tax loss for the year of £2.0m as the net result of the translation impact on Australian dollar denominated asset.

A 10% strengthening of the US dollar against Sterling closing rate would, all other variables held constant, have resulted in an decrease in Group post-tax loss for the year of £8.2m as the net result of the translation impact on US dollar asset. A 10% weakening of the US dollar against Sterling closing rate would, all other variables held constant, have resulted in a increase in Group post-tax loss for the year of £6.7m as the net result of the translation impact on US dollar denominated asset.

25. FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amounts of the Group's non-sterling denominated monetary assets (cash & cash equivalents) and monetary liabilities (financial debt, excluding intercompany balances) at the reporting date are as follows:

	Liabilities		Assets	
	2025 £m	2024 £m	**2025 £m**	2024 £m
Euro	**(738.9)**	(825.8)	**7.6**	54.2
Australian dollar	**–**	–	**45.0**	16.4
US dollar	**–**	–	**95.1**	69.9

c) Trading

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken other than in the corporate bonds held within cash and cash equivalents.

26. KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Information about significant areas of estimation that have the most significant impact on the financial statements are described in the following notes:

Estimates

Impairment of goodwill /other assets (Note 9)

Determining whether goodwill / other asset balances are impaired requires an estimation of the value in use of the cash generating units or cash generating unit groups (hereby referred to as “”CGUs””) to which value has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and to apply a suitable discount rate in order to calculate present value. On an annual basis for goodwill and whenever there is an indicator of impairment for other assets, the Group is required to perform an impairment review to assess whether the carrying value of goodwill / other asset balances are less than its recoverable amount. The recoverable amount is based on a calculation of expected future cash flows, which include estimates of future performance. Detail of assumptions used in the review of goodwill, investments, other assets and intercompany balances are detailed in Note 9.

Company investment in subsidiaries (Note 12)

Whenever there is a indicator of impairment, management is required to perform an impairment review to assess whether the carrying value of the company's investment in subsidiaries is less than its recoverable amount. As there was an indicator of impairment at the year end, management performed an impairment review and this was assessed with reference to the enterprise value of the Group, comprising equity and consolidated net debt, from which net debt held outside of the Company was then deducted, to arrive at a net investment value in subsidiaries. The market capitalisation (equity value) of the Group was calculated by applying the closing share price of £0.93p on 29 March 2025 to the number of shares in issue.

Applying this methodology and taking into consideration potential costs to dispose of the investments, the net investment value at the balance sheet date exceeded the cost of investment held. As a result, no impairment has been recognised but this is sensitive to movements in the share price. See Note 12.

Intercompany loan impairment (Note 14)

On an annual basis the Group is required to perform an impairment review to assess whether the carrying value of the intercompany loans are less than their recoverable amount. The assessment requires the entity(s) to estimate the future cash flows which can be used to repay or reduce the loan balance through to the maturity of the loan. The recoverable amount is based on expected future cash flows and an assessment of the ratio of debt to EBITDA leverage at the loan maturity date. Detail of assumptions used in the review are detailed in Note 14.

26. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Provisions (Note 16)

The environmental liability has been estimated using all available information to us including environment reports and our review of environmental standards and enacted laws that are present at the balance sheet date but given the assessment hasn't been finalised, costs and the potential liability arising are subject to change. By its very nature, this provision cannot be accurately sensitised.

Judgements

Non-underlying items (Note 2, 3)

Non-underlying items are material non-trading income and costs and non-underlying finance costs as defined by the Directors. In line with IAS 1 para 85, the non-underlying items are disclosed separately in the Consolidated Income Statement given, in the opinion of the Directors, such presentation is relevant to an understanding of the Group's financial performance. Determining the presentation of an item as non-underlying is considered to be a significant judgement in the preparation of the annual report.

Parent Company functional currency

In determining the functional currency of the parent company as sterling the Directors have considered all of the primary and secondary indicators in IAS 21. Factors considered relevant by the Directors include funding being received from the senior notes in euros, funding being received from the issue of preferred equity in sterling, dividend income being received in sterling and shares being issued in sterling on the UK stock market. Following consideration of all factors, the Directors have determined sterling to be the functional currency of the parent company however this is considered to be a significant judgement in the preparation of the annual report.

Contingent earn-out

Within acquisition-related performance plan liabilities there is £16.2m relating to an Italian earn-out. The amount of the liability held on the balance sheet at the year-end represents the highest amount payable. While there are ongoing court proceedings which could have a material impact on the amount payable, which could be lower than the liability held on the balance sheet, it is management's view that in the absence of any certainty around the court's decision it is most appropriate to continue to hold the liability in full. This represents a significant judgement, given the quantum of the liability.

Going concern

As noted in the going concern section of the Financial Review, as a result of the 2026 Notes transaction and the amendment and restatement of the SSRCF not having completed at the time of the approval of the annual report and accounts, there is a material uncertainty relating to events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. While completion can never be certain, until the point of closing, the Directors are confident that the transactions will complete successfully. This represents a key judgement in the preparation of the financial statements.

27. RELATED PARTIES

Transactions between the Company and its subsidiaries have been eliminated on consolidation.

Identity of related parties

The Group has a related party relationship with its Directors and executive officers.

The Company has a related party relationship with its subsidiaries and its Directors and executive officers.

Transactions with key management personnel

Key management personnel are considered to be the Directors of the Company.

As at 29 March 2025, the key management personnel, and their immediate relatives, controlled 20.45% of the voting shares of the Company. Details of the Group's share-based incentive plans, which includes key management personnel, are provided in Note 5.

Notes to the Accounts

27. RELATED PARTIES (CONTINUED)

The aggregate remuneration of the Group's key management personnel, including the above incentive schemes, is set out below for each of the categories specified in IAS 24 Related Party Disclosures.

	2025 £m	2024 £m
Short-term employee benefits	3.92	1.58
Post-employment benefits	0.02	0.02
Other-long term benefits	–	1.14
Termination benefits	0.12	–
Share-based payment charge	0.11	0.34
	4.17	3.08

Termination benefits are in respect of Mr B Morgan, Chief Financial Officer.

Transactions with subsidiary undertakings:	2025 £m	2024 £m
Expense / (income)		
Management fees - Victoria Bidco B.V	0.75	1.65
Management fees - Victoria Carpets Ltd	(0.17)	(0.08)
Management fees - Westex (Carpets) Ltd	(0.12)	(0.07)
Management fees - Abingdon Flooring Ltd	(0.54)	(0.25)
Management fees - Alliance Flooring Distribution Ltd	(0.03)	(0.01)
Management fees - Distinctive Flooring Ltd	–	(0.01)
Management fees - View Logistics Ltd	(0.17)	(0.12)
Management fees - Interfloor Group Ltd	(0.40)	(0.20)
Management fees - Ezi Floor Ltd	(0.09)	(0.04)
Management fees - Hanover Flooring Ltd*	(0.01)	(0.05)
Management fees - Millennium Weavers Ltd	–	(0.01)
Management fees - Estillon BV	(0.14)	(0.03)
Management fees - Victoria Holdco BV	(0.51)	(0.11)
Management fees - The Victoria Carpet Company Pty Ltd	(0.24)	(0.11)
Management fees - Quest Flooring Pty Ltd	(0.19)	(0.08)
Management fees - Primary Flooring Pty Limited	(0.20)	(0.09)
Management fees - Keraben Grupo S.A.	(1.11)	(0.25)
Management fees - Kinsan Trade, S.L.	–	(0.01)
Management fees - Ceramiche Serra S.p.A	(0.63)	(0.11)
Management fees - Ascot Gruppo Ceramiche SRL	(0.73)	(0.16)
Management fees - Keradom SRL	(0.35)	(0.07)
Management fees - Santa Maria SRL	(0.26)	(0.06)
Management fees - Ceramica Colli di Sassuolo S.p.A	–	(0.03)
Management fees - Ceramica Saloni, S.A.	(0.73)	(0.16)
Management fees - Graniser*	(0.13)	(0.46)
Management fees - Balta	(1.53)	(0.14)
Management fees - Victoria US Holdings Inc - Cali	(0.66)	(0.33)
Interest received - Victoria Midco Holdings Ltd	(1.78)	(2.10)
Interest received - Victoria Bidco B.V	(3.14)	(3.53)
Interest received - Victoria Carpets Ltd	(0.58)	(0.54)
Interest received - Abingdon Flooring Ltd	–	–
Interest received - Alliance Flooring Distribution Ltd	(0.48)	(0.48)
Interest received - Distinctive Flooring Ltd	(0.22)	(0.23)
Interest received - Whitestone Carpets Holdings Ltd	(0.97)	(0.90)
Interest received - Interfloor Group Ltd	(0.47)	(0.60)
Interest received - Interfloor Operations Ltd	–	–
Interest received - Ezi Floor Ltd	(0.57)	(0.58)

27. RELATED PARTIES (CONTINUED)

Transactions with subsidiary undertakings:	2025 £m	2024 £m
Interest received - G-tuft Ltd	(0.13)	(0.14)
Interest received - Hanover Flooring Ltd*	(0.13)	(0.43)
Interest received - Millennium Weavers Ltd	(0.22)	(0.17)
Interest received - Balta Belgium n.v	–	(0.01)
Interest received - The Victoria Carpet Company Pty Ltd	–	–
Interest received - Victoria Holdco BV	(1.29)	(1.26)
Interest received - Primary Flooring Pty Limited	(0.83)	(0.92)
Interest received - Keraben Grupo S.A.	(3.64)	(3.77)
Interest received - Kinsan Trade, S.L.	(3.82)	(4.60)
Interest received - Ceramica Saloni, S.A.	(2.00)	(2.00)
Interest received - Victoria US Holdings Inc.	(3.10)	(3.09)
Interest received - Balta	(4.07)	(3.88)
Dividend Income - Victoria Midco Holdings Ltd	–	–
Dividend Income - Grass Inc B.V	–	(0.01)
Dividend Income - The Victoria Carpet Company Pty Ltd	–	(0.04)
Finance Income - Quest Flooring Pty Ltd	–	(0.50)

** Companies disposed in the financial year*

Transactions with Koch Equity Development LLC

Joe Scribbins, a Non-Executive Director of Victoria PLC from 8 January 2025, is a Managing Director at Koch Equity Development LLC. On the 30 October 2020, the Company entered into a conditional investment agreement whereby KED Victoria Investments, LLC, an affiliate of Koch Equity Development, committed to invest £175 million of preferred equity in Victoria. As at 29 March 2025 Koch Equity Development have invested £225m of preferred equity in Victoria. See Note 17 for further details.

28. POST BALANCE SHEET EVENTS

Balta restructuring

Balta announced on June 12 2025 that, due to ongoing demand and cost pressures on its rug business, the continuation of large-scale woven rug production at Belgian locations has become financially unviable.

As a result, Balta intends to cease yarn production and the weaving and finishing of woven rugs at its sites in Sint-Eloois-Vijve and Sint-Baafs-Vijve.

The proposed restructuring is expected to result in the phased redundancy of 467 blue-collar and 62 white-collar employees over the next eighteen months, with select operations transferring to existing facilities in Turkey.

Lamination and finishing of tufted rugs will continue in Belgium, along with most administrative support functions. Additionally, the Sint-Baafs-Vijve facility will continue to function as a central distribution hub within Europe.

Shareholder Information

CORPORATE WEBSITE

The Annual Report, Company announcements and other information are available on the Group's website at: www.victoriaplc.com

SHAREHOLDER QUERIES

If you have any queries in relation to Victoria PLC shares, please contact the Company's registrars whose details are as follows: MUFG Corporate Markets – Unit 10, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Telephone: +44 (0) 371 664 0300; website: www.mpms.mufg.com

Calls to 0371 are charge at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

DIVIDEND PAYMENTS

Our registrars have the facility to pay shareholders' dividends directly into their bank accounts, instead of receiving the dividend payment by cheque. They are also able to convert dividend payments into local currency and send the funds by currency draft or, again, if preferred, pay them straight into a bank account.

More information on the above services can be obtained from our registrar MUFG Corporate Markets.

UNSOLICITED MAIL

The Company is required by law to make its share register available on request to the public and organisations which may use it as a mailing list resulting in shareholders receiving unsolicited mail. Shareholders wishing to limit such mail should write to the Mailing Preference Service DMA house, 70 Margaret Street, London, W1W 8SS or register online at www.mpsonline.org.uk

VICTORIA PLC REGISTERED OFFICE

Worcester Six Business Park
Worcester
Worcestershire
WR4 0AN
UK

COMPANY REGISTERED NO. (ENGLAND & WALES)

00282204

ADVISERS

Auditor:	Grant Thornton UK LLP – 17th Floor, 103 Colmore Row, Birmingham, B3 3AG
Bankers:	National Westminster Bank PLC – 250 Bishopsgate, London, EC2M 4AA
	Banco Bilbao Vizcaya Argentaria - One Canada Square, Canary Wharf, London, E14 5AA
Registrar:	MUFG Corporate Markets – Unit 10, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Solicitor:	Brown Rudnick LLP – 8 Clifford Street, London, W1S 2LQ
Nominated Adviser and Joint Broker:	Singer Capital Markets – 1 Bartholomew Lane, London, EC2N 2AX
Joint Broker:	Berenberg – 60 Threadneedle Street, London, EC2R 8HP
Public Relations:	Walbrook PR Limited – 75 King William Street, London, EC4N 7BE

Registered Offices of Subsidiaries

Company	Registered Office Address
Victoria Midco Holdings Ltd	Worcester Six Business Park, Worcester, WR4 0AN
Victoria Carpets Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Whitestone Carpets Holdings Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Ezi Floor Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Alliance Flooring Distribution Limited	Worcester Six Business Park, Worcester, WR4 0AN
Distinctive Flooring Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
'V'-Line Carpets Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Carpet Line Direct Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Victoria Procurement Group Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
The Victoria Carpet Company Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Abingdon Flooring Limited	Parkway, Pen Y Fan Industrial Estate, Croespenmaen Crumlin, Newport, NP11 4XG, UK
Venture Floorcoverings Limited	Unit 1 Parkway, Crumlin, Newport, Wales, NP11 3XG, UK
Globesign Limited	Calder Bank Mills, Calder Bank Road, Dewsbury, West Yorkshire, United Kingdom, WF12 9QW
Westex (Carpets) Limited	Calder Bank Mills, Calder Bank Road, Dewsbury, West Yorkshire, United Kingdom, WF12 9QW
Interfloor Limited	Broadway, Haslingden, Rossendale, Lancashire, BB4 4LS, UK
Interfloor Group Limited	Broadway, Haslingden, Rossendale, Lancashire, BB4 4LS, UK
Interfloor Operations Limited	Broadway, Haslingden, Rossendale, Lancashire, BB4 4LS, UK
Foot Fall Flooring Limited	Foot Fall House Unit 4 Witton Business Park, Cartmel Road, Blackburn, Lancashire, BB2 2TA
Footfall Distribution Limited	Unit 4a Witton Business Park, Cartmel Road, Blackburn,Lancashire, BB2 2TA
BMC Freight Limited	Unit 3, 11 Chancellops Road, Newry, Northern Ireland, BT35 8PR
Estillon B.V	Linie 25, 5405 AR Uden, The Netherlands
Estillon S.A.R.L.	64, Rue Claude Chappe, F-78370, Plaisir, France
Estillon GmbH	Hildesheimer, Straße 265-267, 30519 Hannover, Germany
Tacktrim Limited	Unit 10 Heathhall Industrial Estate, Dumfries, DG1 3PH, UK
Stikatak Limited	Broadway, Haslingden, Rossendale, Lancashire, BB4 4LS, UK
Millennum Weavers Limited	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
View Logistics Limited	Park View Road East, Hartlepool, Cleveland, TS25 1HT, UK
Whitestone Weavers Limited	Park View Road East, Hartlepool, Cleveland, TS25 1HT, UK
Thomas Witter Carpets Limited	Park View Road East, Hartlepool, Cleveland, TS25 1HT, UK
Gaskell Mackay Carpets Limited	Park View Road East, Hartlepool, Cleveland, TS25 1HT, UK
G-Tuft Limited	Thornhill Road Business Park, Tenter Fields, Dewsbury, West Yorkshire, WF12 9QT, UK
G-Tuft (Holdings) Limited	Thornhill Road Business Park, Tenter Fields, Dewsbury, West Yorkshire, WF12 9QT, UK
G-Tuft (2015) Limited	Thornhill Road Business Park, Tenter Fields, Dewsbury, West Yorkshire, WF12 9QT, UK
Hugh Mackay Carpets Ireland Limited	31 Admiral Park, Baldoyle, Dublin 13, D13 TOV6, Ireland
Munster Carpets Limited	6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
Abingdon Flooring (Ireland) Limited	The Black Church, St Mary's Place, Dublin 7, DO7 P4AX, Ireland
Royal Transport Limited	Raystown Business Park, Ratoath Road, Ashbourne Co. Meath
The Victoria Carpet Company Pty Limited	7 Gladstone Road, Dandenong, Victoria, 3175, Australia
Primary Flooring Pty Limited	380 Dohertys Road, Truganina, Victoria, 3029, Australia
Quest Flooring Pty Ltd	43-55 Mark Anthony Drive, Dandenong South, Victoria, 3175, Australia
Victoria Bidco BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
Avalon BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
GrassInc BV	Drontermeer 4, 5347 JJ Oss, The Netherlands
Victoria Holdco BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
Edel Group BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands

Registered Offices of Subsidiaries

REGISTERED OFFICES OF SUBSIDIARIES (CONTINUED)

Company	Registered Office Address
Edel Grass BV	Prinses Beatrixstraat 3, 8281 CA, Genemuiden, The Netherlands
Edel Life BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
United Works Holdings BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
United Works Grass BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
United Works Backing BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
United Works International BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
Rex Invest BV	Nylonstraat 7, 8281JX Genemuiden, The Netherlands
Lansdscape Solutions BV	Muziekplein 67, 5402CS Uden, The Netherlands
Schramm GMBH CO. KG	Borsigstraβe 13, 32369 Rahden, Germany
Schramm GMBH	Borsigstraβe 13, 32369 Rahden, Germany
Ceramiche Serra S.p.A	Via Estense, 10589, Serramazzoni, 41020, Italy
Victoria Ceramiche Holdco S.r.l	Foro Bonaparte 71, 20122, Milan, Italy
Victoria Ceramiche Holdco 2 S.r.l	Foro Bonaparte 71, 20122, Milan, Italy
Keradom S.r.l	Via Botticelli 10, Rubiera (RE) 42048, Italy
Dinca S.r.l	Via Botticelli 10, Rubiera (RE) 42048, Italy
Ascot Gruppo	Via Cross 80, 41014 Castelvetro diModerna, Frazione Solignano (MO), Italy
Kinsan Trade, S.L.	Ctra Valancia - Barcelona, Km. 44.3, Nules, Castellón, Spain
Keraben Grupo S.A	Ctra Valancia - Barcelona, Km. 44.3, Nules, Castellón, Spain
AIU Poligono Ceramicas y Fritas de Nules	Carretera Nacional 340, P K.44,300, Nules Castellón, Spain
Keraben Bolivia, S.R.L	Av. Cristo Redentor y C/ Padre , Francisco Eder en la zona norte de la ciudad de Santa Cruz de la Sierra, Bolivia
Victoria Ceramics Spain, SL	Carretera N 340, Nules, 12520 , Castellón, Spain
Ceramica Saloni, S.A.	Carretera Alcora, KM 17 San Juan, de Moro 12130, Castellón, Spain
Saloni Portugal Materiais De Construcao LTDA	Pedro Alvares Cabral, 2C, 2700-608 Amodora, Portugal
Saloni UK Limited	Unit 130 Business Design Centre, 52 Upper Street, London, N1 0QH, UK
Saloni France S.A.S.	89 Street of Faubourg, Saint-Honore, 75008 Paris, France
Victoria US Holdings Inc.	Corporation Trust Center 1209 Orange St, Wilmington, DE 19801, USA
Cali Bamboo Holdings, Inc.	662 Encinitas Blvd, Suite 270&280, Encinitas, CA, 92024
Cali Bamboo Intermediate Holdings, Inc	662 Encinitas Blvd, Suite 270&280, Encinitas, CA, 92024
Cali Bamboo LLC	662 Encinitas Blvd, Suite 270&280, Encinitas, CA, 92024
Balta Industries NV	Wakkensteenweg 2, 8710 Sint, Baafs Vijve, Belgium
Balta Oudenaarde NV	Industriepark De Bruwaan 4, 9700 Oudenaarde, Belgium
Balta Orient Tekstil Sanayi Ve Ticaret A.S.	Organize Sanayi Bölgesi 109, cd. No. 351 TR64100 Uşak, Turkey
Balta Floorcovering Yer Dösemeleri Sanayi Ve Dis Ticaret A.S.	Organize Sanayi Bölgesi 201, cd. No. 563 TR64100 Uşak, Turkey
Balta US, Inc	1230 Peachtree St. NE, Suite 3100, Atlanta, Georgia 30309, USA
Balta Floorcoverings UK Ltd	Worcester Road, Kidderminster, Worcestershire, DY10 1JR, UK
Ragolle Rugs NV	Maalbeekstraat 1, 8790, Waregem, Belgium
Victoria IWT Holdings Inc	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA
IWT Holdings, LLC	c/o Corporation Service Company, 2711 Centerville Road, Suite 400, New Castle County, Wilmington, Delaware 19808, USA
International Wholesale Tile, LLC	c/o Corporation Service Company, 2711 Centerville Road, Suite 400, New Castle County, Wilmington, Delaware 19808, USA

Glossary

BPS	Basis points
CAGR	Compound annual growth rate
Capex	Capital expenditure
CODM	Chief Operating Decision Maker
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
ESG	Environmental, Social and Governance
FY2024	The 52 weeks ended 30 March 2024
FY2025	The 52 weeks ended 29 March 2025
FCF	Free cash flow
FTE	Full Time Equivalent
GHG	Greenhouse Gases
H1	The 26 weeks ended 28 September 2024
H2	The 26 weeks ended 29 March 2025
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	The IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
KPIs	Key performance indicators used to assess the business performance
LFL	Like for like measures growth at constant currency, adjusting for the pro-forma impact of acquisitions where relevant
LTIP	Long term incentive plan
LVT	Luxury vinyl tile
M&A	Mergers and acquisitions
OECD	The Organisation for Economic Co-operation and Development
PBT	Profit before taxation
SSRCF	Senior Secured Revolving Credit Facility
TSR	Total shareholder return

Appendix

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Victoria PLC's consolidated financial statements include reference to a number of alternative performance measures, that are a necessary expansion to traditional GAAP measures to provide further information for the Board to make key strategic and operational decisions. These are not defined terms under IFRS and may not be comparable with similar titled measures reported by other companies. These performance measures have been reconciled to where possible to the primary statements (Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows).

Exceptional costs, non-underlying items, earnings per share and movement in net debt have been reconciled separately within the Financial Review to these accounts and within notes 2, 3, and 7 respectively.

A reconciliation of operating (loss) for the period, the most directly comparable IFRS measure, to underlying EBITDA is set out below:

	Reference	52 weeks ended 29 March 2025	52 weeks ended 30 March 2024
Reported operating (loss)	(per Income statement)	**(£225.4m)**	(£64.8m)
Exceptional items	(per note 2)	**£208.1m**	£93.0m
Non-underlying items	(per note 2)	**£46.8m**	£44.8m
Underlying operating profit	(per Income statement)	**£29.5m**	£73.0m
Depreciation and amortisation of IT software (including depreciation of right-of-use lease assets)	(per note 1)	**£95.7m**	£95.5m
Exclude non underlying depreciation	(per note 2)	**(£11.5m)**	(£9.3m)
Underlying EBITDA		**£113.7m**	£159.0m

Within the Chairman's statement, underlying EBITDA per share metric is compared over several years. As noted on the same page, the EBITDA number is pre-IFRS 16 to keep consistent with comparative years. A reconciliation of operating profit / (loss) for the period, the most directly comparable IFRS measure, to underlying EBITDA pre-IFRS 16 per share is set out below:

			52 weeks ended 29 March 2025	52 weeks ended 30 March 2024
Underlying EBITDA	(as reconciled above)		**£113.7m**	£159.0m
Less lease costs associated with IFRS 16 (on an IAS 17 basis)			**(£32.8m)**	(£30.3m)
Adjusted EBITDA (Pre-IFRS 16)		**A**	**£81.0m**	£128.7m
Weighted average number of ordinary shares (000s) for the purposes of diluted earnings per share	(per note 7)	**B**	**233,698**	166,438
EBITDA (Pre-IFRS 16) per share		**(A/ (B/1000))**	**£0.35**	£0.77

Free cash flow (FCF) is referred to in the Financial Review and is a key performance indicator to measure the Group's liquidity. It reflects the cash generated from operational performance after interest, tax and net replacement capex. A reconciliation from cash inflow from operating activities, the most directly comparable IFRS measure, to free cash flow, as shown below:

		52 weeks ended 29 March 2025	52 weeks ended 30 March 2024
Reported net cash flow from operating activities before movements in working capital, tax and interest payments	(per cashflow statement)	**£86.7m**	£124.2m
Movement in working capital (per cash flow change in inventories, receivables and payables)	(per cashflow statement)	**(£25.3m)**	(£11.4m)
Payments under ROU	(per cashflow statement)	**(£39.6m)**	(£34.8m)
Acquisition-related performance plan payments	(per cashflow statement)	**£6.8m**	£10.8m
Adjust for exceptional cash items	(per note 2)	**£16.7m**	£20.4m
Operating cash flow before interest, tax and exceptional items	N2	**£45.2m**	£109.2m
Interest paid on loans and notes	(per cashflow statement)	**(£32.7m)**	(£29.7m)
Corporation tax paid	(per cashflow statement)	**(£1.7m)**	(£2.3m)
Capital expenditure - replacement / maintenance net of disposals	N1	**(£46.9m)**	(£42.3m)
Free cash flow before exceptional items		**(£36.2m)**	£35.0m
Exceptional costs		**(£15.5m)**	(£30.8m)
Exceptional cash proceeds on property sale		**£30.4m**	£27.9m
Free cash flow after exceptional items		**(£21.3m)**	£32.1m

N1- Capital expenditure specific to replacement and maintenance. The balance being growth capital expenditure is later included on the net debt reconciliation in the Financial review.

N2- Stated after payments under ROU assets which includes £31.4m (2024: £28.2m) of payments disclosed as financing cash flows per the cash flow statement.

Within the Chairman's statement Underlying (operating) cash flow per share is a key performance indicator used to show the liquidity position for the Group. A reconciliation from cash inflow from operating activities, the most directly comparable IFRS measure, to operating cash flow per share, as shown below:

			52 weeks ended 29 March 2025	52 weeks ended 30 March 2024
Operating cash flow before interest, tax and exceptional items	(reconciled above)	A	**£45.2m**	£109.2m
Weighted average number of ordinary shares (000s) for the purposes of basic and adjusted earnings per share	(per note 7)	B	**113,954**	115,046
Underlying (operating) cash flow per share		(A/B)*1000	**£0.40**	£0.95

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

22039900788
Printed on Carbon Captured paper

Consultancy, design and production by:
jonesandpalmer.co.uk

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