VICTORIA PLC

Annual Report and Accounts
for the 52 weeks ended 28 March 2026

www.victoriaplc.com
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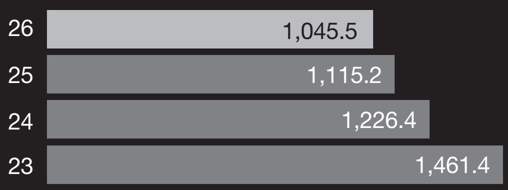
VICTORIA PLC

WELCOME TO VICTORIA PLC

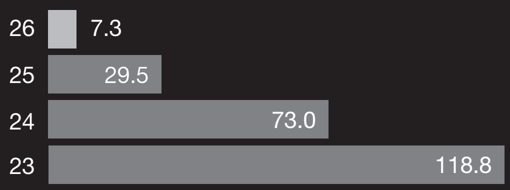
Victoria is a designer, manufacturer and distributor of innovative flooring products.

GROUP FINANCIAL AND OPERATIONAL HIGHLIGHTS

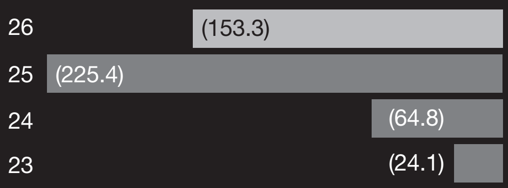
UNDERLYING REVENUE (£m)[1,2]



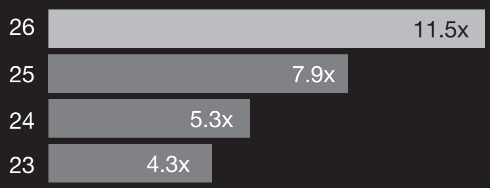
UNDERLYING OPERATING PROFIT (£m)[1,2]



IFRS REPORTED OPERATING LOSS (£m)[1]



NET LEVERAGE RATIO NET DEBT / EBITDA[1]



- Victoria made significant operational progress in FY2026, further integrating the business, executing cost saving initiatives and commissioning more efficient production capacity despite the continuation of a challenging trading environment.
- The business successfully refinanced all of its material debt maturing in 2026 in August 2025, and on 8 July 2026 announced the refinancing of its bonds maturing in March 2028 and KED Victoria Holdings LLC's ('KED Victoria') holding of Preferred Shares to significantly strengthen the financial position of Victoria.
- Collectively, this refinancing is expected to extend our 2028 debt maturities to 2031, providing runway for our operational recovery and, upon completion, is expected to significantly reduce our balance sheet liabilities (primarily, our senior secured debt and preferred equity liabilities, by approximately £300m) and ongoing finance costs, including PIK dividends, by approximately £34m (including approximately £5m annual cash cost).
- On 23 July 2026, the Company announced holders representing over 90% of its bonds maturing in March 2028 have acceded to the Transaction Support Agreement, meeting the necessary threshold required to implement it by way of a consent solicitation.
- Market conditions in H2 were much weaker than anticipated, however, Q1 FY2027 trading has been encouraging, demonstrating growth in volumes and revenue.

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 14 to 23

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	52.7%
UK & Europe Ceramic Tiles	24.7%
Australia	10.0%
North America	12.6%

OPERATING PROFIT

UK & Europe Soft Flooring	25.4%
UK & Europe Ceramic Tiles	10.0%
Australia	51.1%
North America	13.5%

EMPLOYEES

UK & Europe Soft Flooring	62.9%
UK & Europe Ceramic Tiles	24.7%
Australia	7.4%
North America	5.0%

UK & EUROPE SOFT FLOORING

Underlying Revenue	Employees	m^2 flooring sold	m^2 underlay sold
£551.3m	3,160	71.2m	37.4m

UK & EUROPE CERAMIC TILES

Underlying Revenue	Employees	m^2 flooring sold
£258.5m	1,239	30.6m

AUSTRALIA

Underlying Revenue	Employees	m^2 flooring sold	m^2 underlay sold
£104.3m	372	7.8m	15.4m

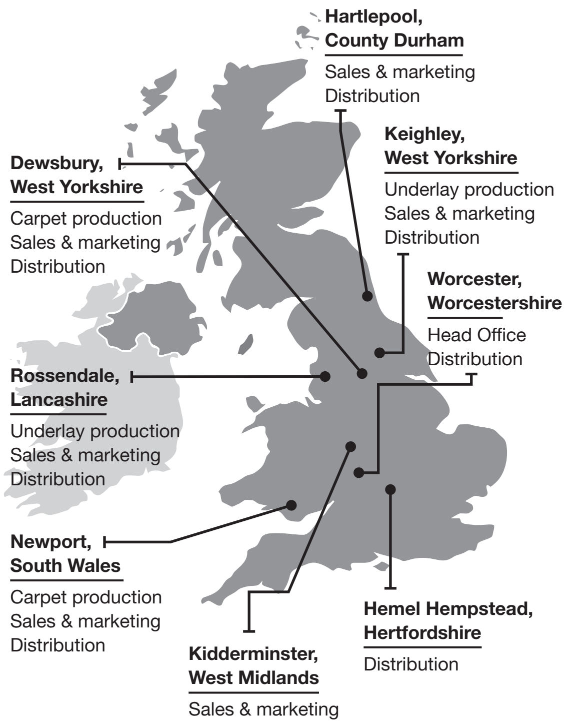
NORTH AMERICA

Underlying Revenue	Employees	m^2 flooring sold
£131.4m	254	6.4m

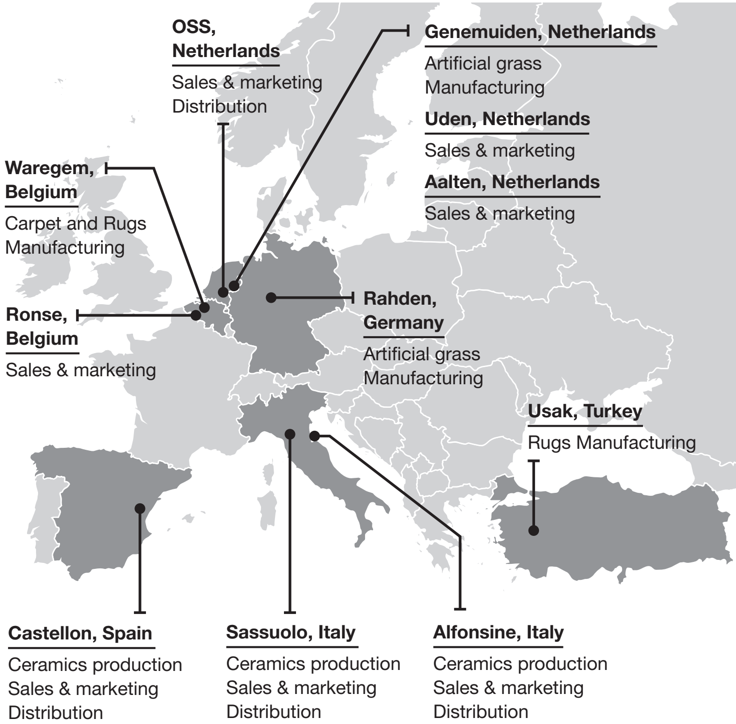
LOCATION OF OPERATIONS

The Group has operations in the UK, Europe, Turkey, the USA and Australia, employing approximately 5,020 people at more than 30 sites.

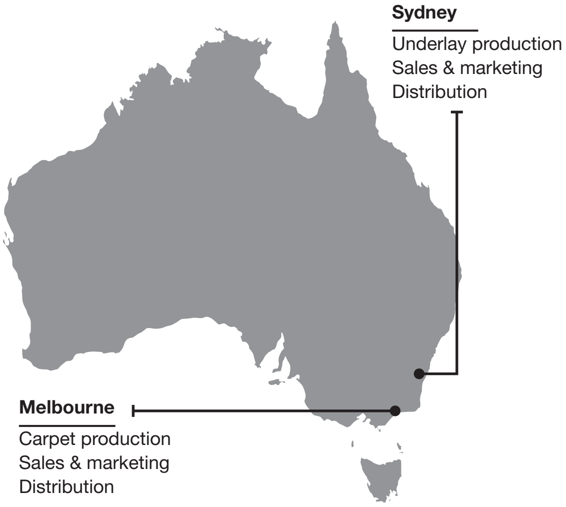
UNITED KINGDOM



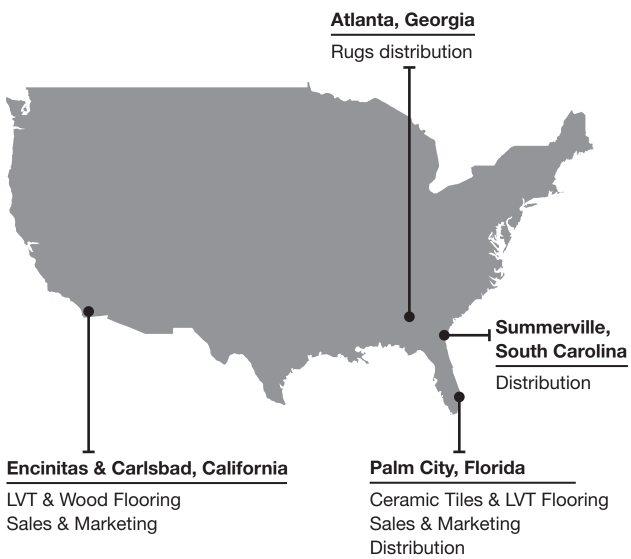
EUROPE



AUSTRALIA



NORTH AMERICA



Chairman's Statement

The last four years have not been fun. The flooring sector across all our markets was hit by a perfect storm of plummeting consumer demand due to macro-economic events, sky-rocketing input costs, and irrational competitors in certain markets. The impact on Victoria was exacerbated by looming debt maturities.

Furthermore, there have been a few false dawns, which led us to underestimate the duration and depth of the sector downturn, and we failed to adapt sufficiently quickly to protect earnings.

So, what reasons do we have for optimism about the future?

Firstly, in Q2 of the financial year we successfully refinanced the 2026 bonds on favourable terms. This has been followed by obtaining the required support for the refinancing transaction announced earlier this month, once implemented, which will significantly strengthen Victoria's balance sheet and extend our debt maturities to provide the business with sufficient runway to complete execution of the operational performance improvements that are already well underway.

Secondly, we are confident that the factors behind the subdued demand of recent years are not structural. Demand is dependent on a variety of factors, the most significant including housing transactions (not necessarily new build construction which constitutes less than 10% of the flooring market), consumer confidence, discretionary spending power, and mortgage rates. Many are inter-related and recovery of the housing/macro may take some time. Therefore, although market share gains are being achieved in several key geographies, earnings growth and cash generation is primarily about effective integration delivering cost savings and productivity improvement. We are now consciously treating the current environment as the 'new normal' and aggressively adapting the business to drive margins, whilst preserving capacity to rapidly react to the demand recovery and take advantage of operational leverage when cyclical recovery does arrive.

Thirdly, we believe Victoria is well placed to benefit as conditions improve. Although it is a miserable experience going through these extremely challenging trading conditions, the good news is that something positive follows in their wake. The adversity separates the wheat from the chaff, the businesses with a genuine reason to exist from those without it, and those who can "handle hard well" from those who cannot. (Indeed, we have seen meaningful capacity go out of the industry in the last 12 months and anticipate further reduction in the near-term). Victoria is adapting and each 5% increase in volume is expected to contribute approximately £20 million to Victoria's operating profit. Pre-IFRS16 EBITDA margins are currently less than half of the ten year average which highlights the significant recovery potential of the Group.

(£ million - Continuing)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	**FY26**
Underlying revenue	330.4	417.5	566.8	621.5	662.3	1,009.2	1,397.0	1,226.4	1,115.2	**1,045.5**
Underlying EBITDA - Pre IFRS16[1,2]	45.7	64.7	96.3	107.2	112.0	140.4	161.7	128.7	81.0	**58.3**
% margin	13.8	15.5	17.0	17.2	16.9	13.9	11.6	10.5	7.3	**5.6**
Underlying EBITDA - Post IFRS16				118.0	127.4	159.5	185.8	159.0	113.7	**92.3**
% margin				19.0	19.2	15.8	13.3	13.0	10.2	**8.8**

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.*

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 £92.3 million (FY2025: £113.7m) and underlying EBIT of £7.3 million (FY2025: £29.5m). The Financial Review covers non-underlying items in detail, following which the IFRS reported operating loss was £153.3 million (FY2025: loss £225.4m), and additionally covers financial items and tax.

FY2026 OPERATIONAL REVIEW

Overview

Although we expect demand to recover over time — with cyclical consumer markets typically reverting towards the mean — management isn't waiting for the macro environment to turn. They have an unambiguous mandate: cut costs deeper, accelerate productivity gains, grow sales harder, and do all faster than originally planned. The goal is simple — win, no matter the conditions.

To ensure the goal is reached we have made a number of changes in recent months in key management positions with the appointment of experienced industry operators with a bias for action and a willingness to accept extreme ownership of their results – taking full accountability for the outcomes of everything in their world irrespective of what comes at them.

After four years of severe macroeconomic pressure, characterised by elevated input costs and materially weaker demand, our view is that trading conditions have broadly stabilised. However, the Board and management remain focused on the factors within our control.

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 financial performance.

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

	FY26	FY25	Growth
Volumes	**108.5 million sqm**	123.0 million sqm	-11.8%
Underlying Revenue	**£551.3 million**	£581.2 million	-5.1%
Underlying EBITDA	**£50.3 million**	£64.3 million	-21.7%
Underlying EBITDA margin	**9.1%**	11.1%	-194 bps
Underlying EBIT	**£5.0 million**	£18.9 million	-73.7%
Underlying EBIT margin	**0.9%**	3.3%	-235 bps

Chairman's Statement

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

The UK is the largest market for our soft flooring products (primarily carpet and underlay) and the business there has seen solid market share gains during FY2026. Our UK carpets operation is fully integrated, with two factories (one focused on wool, the other on synthetic carpet) manufacturing for all our brands and the finest logistics operation in the sector ensuring smooth delivery of product to our customers. In a flat market we have leveraged our leading capability and strong inventory position to secure additional volume and customers, and this has continued into FY2027 as major competitors have continued to struggle. The full integration of our UK underlay activities continues to progress and is expected to deliver operating efficiencies in due course. As we recently announced, Steve Byrne, has rejoined the Group as Chief Executive UK Flooring, leading both UK Carpets and Underlay divisions which will further improve coordination between them.

The improvements in the UK business have, however, been temporarily masked by the impact of the essential reorganisation of our European rugs business. The performance of our rugs business is outlined below.

Rugs business – Balta reorganisation weighed on FY2026, project completion now expected in Q3 FY2027

£'m	FY26	FY25	Growth
Volumes	**40.7 million sqm**	50.4 million sqm	-19.3%
Revenue	**180.8 million**	205.9 million	-12.2%
Underlying EBITDA	**0.9 million**	10.4 million	-91.6%
Underlying EBITDA margin	**0.5%**	5.1%	-457 bps
Underlying EBIT	**-10.1 million**	-1.9 million	441.2%
Underlying EBIT margin	**-5.6%**	-0.9%	-468 bps

During FY2026 management began the major project of relocating Balta's rug production from Belgium to Turkey, where the company has two modern, certified, and low-cost factories. It is a very substantial undertaking with 25 weaving looms being physically relocated, and around 500 employees are being made redundant in Belgium, to be replaced by fewer than 300 workers in Turkey. However, the upside is expected to be very material, with lower production costs projected to improve margins and increase the international competitiveness of Balta's rugs.

Whilst we have of course minimised the disruption of the move, inevitably it has had a transient impact on both output and productivity, and the effect can be seen in the overall division's results. Nevertheless, at the time of writing execution is well-advanced, with completion expected in Q3 of this financial year and consequently the financial benefits to materially benefit FY2028. This transition has been a significant investment for the Group of approximately €50m in total but will position the division well for the future. The first of three property sales to fund the transition completed in July 2026 for gross proceeds of €34.4m, and the two remaining properties are currently being marketed.

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

	FY26	FY25	Growth
Volumes	**30.6 million sqm**	32.6 million sqm	-6.1%
Underlying Revenue	**£258.5 million**	£280.2 million	-7.8%
Underlying EBITDA	**£25.8 million**	£34.9 million	-26.1%
Underlying EBITDA margin	**10.0%**	12.5%	-248 bps
Underlying EBIT	**-£1.9 million**	£7.7 million	-125.4%
Underlying EBIT margin	**-0.8%**	2.7%	-349 bps

In line with the wider sector, the ceramics division had another challenging year, with revenue and margins under pressure due to weak market conditions. In addition, the high operational leverage inherent in ceramics production — where kilns must run continuously regardless of volume — meant that lower volumes had a disproportionate impact on earnings.

In comparing the last two years' results, remember that FY2026 did not benefit from the prior year's favourable £10.0 million gas hedging benefit, which masked significant operational improvements, particularly in our

Italian operations. During the year, we exited low-margin and unprofitable sales, which contributed to lower volumes, and delivered headcount savings. One site was also exited in March 2026, which will generate cost savings throughout FY2027. Aged stock impairments in an element of our Italian business also reduced profitability in H2 by £2.1m, alongside poor performance in our Italian DIY focused operations in H2.

In Spain the new, more efficient, V4 production line became operational at the end of Q3 FY2026 and formally entered service towards the end of Q4 FY2026. Due to the subdued trading environment management is accelerating saturation of the new line by reallocating production from our oldest, least-efficient line, which will eventually be mothballed. The efficiency of this line is expected to materially impact earnings once operating at full capacity in current market conditions.

Australia – Resilient performance and positive outlook

	FY26	FY25	Growth
Volumes	**23.2 million sqm**	22.7 million sqm	2.0%
Underlying Revenue	**£104.3 million**	£103.7 million	0.6%
Underlying EBITDA	**£15.6 million**	£14.0 million	11.5%
Underlying EBITDA margin	**14.9%**	13.5%	+146 bps
Underlying EBIT	**£10.0 million**	£8.6 million	16.8%
Underlying EBIT margin	**9.6%**	8.3%	+133 bps

Revenue and earnings in Australia continued to grow and market share gains and tight cost discipline delivered an 11.5% improvement in EBITDA in FY2026 and strong margin of 14.9%.

Our underlay business launched a new value-brand, Wonderlay, in the year and we are pleased with its performance. The new brand is helping grow market share strongly and this has continued into FY2027.

The Australian management team have been with us for a long time and have deep operational know-how. Their experience and ambition has been supplemented during the year with a single board overseeing the entire division, skills, a new holding structure, and aligned incentives which were put in place towards the end of FY2026 to enable closer collaboration between the three operational business units.

Transitioning to a consistent ERP system over the next year will provide the base for further cost efficiencies and operational integration, which is now being actively pursued.

North America – Resilient positioning in a challenging market

	FY26	FY25	Growth
Volumes	**6.4 million sqm**	6.7 million sqm	-3.5%
Underlying Revenue	**£131.4 million**	£150.0 million	-12.4%
Underlying EBITDA	**£3.3 million**	£7.5 million	-55.7%
Underlying EBITDA margin	**2.5%**	5.0%	-248 bps
Underlying EBIT	**-£2.6 million**	£2.1 million	-225.5%
Underlying EBIT margin	**-2.0%**	1.4%	-342 bps

Trading conditions through FY2025 continued throughout FY2026. Elevated mortgage rates, holding in the region of 6%, kept U.S. housing turnover at historically depressed levels and led to sustained and intense industry-wide promotional activity as flooring suppliers strived to generate demand. As a result, divisional revenue and profitability fell year-on-year.

On tariffs more broadly, the regime we flagged last year was in force for most of the period. Management diversified the sourcing base, secured vendor concessions, and took selective pricing action to recover residual cost but nevertheless tariffs weighed on earnings.

Against this backdrop, management progressed a fundamental transformation of the CALI business model rather than relying on incremental cost control. During the year the division completed its transition from a business-to-consumer to a business-to-business model, regionalised its sales force, consolidated its distribution footprint, and exited high-cost, low-margin activities.

Chairman's Statement

The next phase of self-help, launched at the start of FY2027, targets unit economics directly, through a simplified all-in pricing model that embeds freight recovery into product pricing, supported by minimum order quantities and profit-based sales incentives. The impact to date is encouraging and will benefit the majority of FY2027.

Our IWT business continues to roll out its geographic expansion into Tennessee and Texas from its historical core market in Florida.

Management remains vigilant for impacts of continued tariff and macroeconomic disruption but believes the combination of the completed transformation alongside the recent initiatives will be the more material driver of the division's recovery in the year ahead.

CASH FLOW & CAPEX

Cash flow for the year reflected ongoing investment in capex and exceptional costs to execute cost savings. Free Cash Flow of £(72.0) million after movements in working capital, tax, interest payments, capex, and all exceptional costs.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**
IFRS Reported EBITDA	30.4	43.1	53.5	72.5	60.3	120.3	134.1	85.0	69.0	(98.4)	**(36.8)**
Adj EBITDA	32.3	45.7	64.7	96.3	118.1	127.4	159.5	185.8	159.0	113.7	**92.3**
Adj EBITDA (pre IFRS-16)	32.3	45.7	64.7	96.3	107.2	112.0	140.4	161.7	128.7	81.0	**58.3**
FCF[1]	15.3	22.5	12.5	8.9	32.2	30.2	20.1	(48.2)	12.9	(51.6)	**(72.0)**
FCF post pref[2]	15.3	22.5	12.5	8.9	32.2	27.6	10.6	(67.0)	(4.6)	(79.4)	**(98.4)**

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.*

Despite the challenging conditions we have continued to invest in our factories to gain competitiveness and visitors are invariably impressed. Capex investment is expected to be broadly £55 million in FY2027 – similar to the FY2026 spend – reflecting the Group's ongoing focus on disciplined capital allocation and cash generation. To provide shareholders with greater transparency, the table below presents a five-year breakdown of capital expenditure, distinguishing between growth and maintenance spending. This historical context helps clarify the Group's underlying maintenance capex requirements:

Capex	FY22 £m	FY23 £m[2]	FY24 £m[2]	FY25 £m	**FY26 £m**
Maintenance	40.9	45.5	42.3	46.9	**40.1**
Expansionary / Reorganisational[1]	12.4	54.1	19.2	30.3	**16.0**
Total	53.3	99.6	61.5	77.2	**56.1**
Maintenance Capex as a percentage of revenue	4.0%	3.1%	3.4%	4.2%	**3.8%**

1. *Includes capital expenditure incurred as part of reorganisational and synergy projects to drive higher productivity and lower operating costs.*
2. *The step-up in FY2023 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.*

LEVERAGE

The Board recognises that the Group's leverage is elevated and reducing leverage is a clear priority for the Board.

The recently announced refinancing, once implemented, is expected to materially improve the Group's balance sheet and reported leverage ratio including the preferred equity. Further progress will be made by both growing the denominator through improved earnings and decreasing the numerator via the sale of surplus and non-core assets and applying free cash flow towards the debt. In particular, certain property assets have been identified for sale and will be executed through the balance of FY2027 and FY2028, with cumulative proceeds expected to be approximately £70m.

DIVIDENDS

The Company does not intend to pay dividends in the medium term.

CONCLUSION

This Review is shorter than in previous years. We have a solid plan to improve earnings and cash flow and are laser-focused on its execution in order to restore Victoria's decade-long reputation as an exceptional creator of shareholder value. It is time to deliver on Benjamin Franklin's line, "Well done is better than well said."

Geoffrey Wilding
Executive Chairman

23 July 2026

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 more than 5,000 people across 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.

	2026 £'m	2025 (restated) £'m
Underlying revenue	1,045.5	1,115.2
% change at constant currency	(5.9)%	(6.2)%
Underlying EBITDA	92.3	113.7
% margin	8.8%	10.2%
Underlying operating profit	7.3	29.5
% margin	0.7%	2.6%
Operating cash flow shown before interest, tax and exceptional items[1]	66.4	45.1
% conversion against underlying EBITDA (pre-IFRS 16)	114%	56%
Free cash flow[2]	(14.7)	(36.2)
% conversion against underlying operating profit	(201.4)%	(122.7)%
Underlying pre-IFRS 16 EBITDA per share (diluted)	13.30p	34.67p
(Loss) / earnings per share (diluted, adjusted)	(13.59)p	(5.18p)
Operating cash flow per share[3]	57.82p	39.67p
Net leverage ratio (net debt / EBITDA)	11.52x	7.90x

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

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

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

3. *Applying our banks' adjusted measure of financial leverage. The calculation is set out in the Appendix to this report.*

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 52 weeks ended 28 March 2026 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.

The Board identified the following as principal decisions during the year due to their strategic importance and impact on key stakeholders.

Bond refinancing – in Q2 of the financial year the 2026 bonds were successfully refinanced on favourable terms. In reaching its decision, the Board considered the interests of its key stakeholders, and concluded that the refinancing:

- Provides additional liquidity, increasing operational flexibility to accelerate self-help cost savings;
- Maximises near-term cash flow to invest in growth and margin improvement initiatives;
- Delivers a strong, long-term solution to the Company's capital structure, providing confidence for all partners and external stakeholders; and
- Does not dilute equity holders.

Balta restructuring – In Q1 of the financial year Balta announced that due to ongoing demand and cost pressures on its rug business, the continuation of large-scale woven production at Belgian locations was financially unviable and rug production is to transfer to existing facilities in Turkey.

The relocation of production from Belgium to Turkey that has started in FY26 is a substantial undertaking, with 25 weaving looms being physically relocated and around 500 employees being made redundant in Belgium.

In reaching this decision, the Board recognised the impact of the restructuring on affected employees and balanced this against the need to address ongoing operational and cost pressures and improve the long-term position of the business.

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 the Chairman's Statement.

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

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (NFSIS)

In accordance with section 414CA of the Companies Act 2006, the Company's non-financial and sustainability information, including its climate-related financial disclosures required under The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, is set out within the Environmental, Social and Governance Report on pages 24 to 50 and forms part of this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board and senior management team identify and monitor the principal risks facing the Group through a structured Enterprise Risk Management process. This process provides consistent risk assessment across the Group and supports enhanced Board oversight and decision-making.

The principal risks identified and being managed are set out below.

Competitive end markets requiring efficient operations to succeed – the Group operates in competitive end markets with local and international competition. The Group and its competitors seek to maximise the benefits of lower cost production, which in some instance is aided by the location of facilities which can drive input costs and regulation.

Some of the Group's manufacturing facilities are located in higher-cost geographies, this provides some advantages with respect to service levels and closeness to our customers, but requires the Group to compete with lower-cost international producers. Although the Group operates in the mid to high-end flooring market, where customers are typically less sensitive to economic uncertainty and inflation, this still places pressure on pricing and margins for certain products. Additionally, whilst the Group is one of the largest flooring companies in Europe, it largely operates through a federalised model which supports entrepreneurialism and agility but, in certain areas, requires higher costs. Management is addressing these risks through ongoing cost saving and integration initiatives, including aligning our production facilities to lower cost geographies, such as moving our Rugs manufacturing from Belgium to Turkey, investing in modern equipment such as the new v4 ceramics line in Spain, enhancing our systems and data capabilities, greater sharing of best practice across divisions, and targeted efforts to capture procurement, operational and administrative efficiencies while preserving appropriate divisional autonomy. Measures also include increased automation, optimisation of the manufacturing footprint, and a continued focus on product innovation and premium positioning to support pricing discipline.

Capital structure and financial flexibility – Compared to previous years, the Group is operating in an environment of elevated finance costs, tighter credit insurance conditions and increased pressure on working capital. The Group successfully extended the maturity of its 2026 maturities in August 2025, and has announced the proposed extension of its 2028 bond maturity. Once complete this will mean the Group's first material maturity will be in August 2029. Additionally, the Group's financing structure has limited maintenance covenants providing flexibility ahead of maturity to drive anticipated operational improvements. To further improve the Group's financial position management has strengthened cash flow forecasting, is actively managing working capital, maintaining strong relationships with lenders, suppliers and credit insurers, and continues to evaluate and implement options to optimise the balance sheet to ensure adequate liquidity and resilience including selective property sales.

Supply chain disruption and input cost volatility – the Group operates a global supply chain exposed to geopolitical and economic developments affecting the availability and cost of key inputs. Recent events, including shipping disruption, regional inflationary pressures and potential tariff changes, have increased volatility in input costs and logistics. Mitigating actions include supplier diversification, strategic inventory management, a range of hedging options (natural and synthetic), ongoing monitoring of geopolitical developments, and pricing strategies designed to protect margins where possible.

Talent and organisational capacity – the Group's performance is dependent on attracting, retaining and developing skilled employees and maintaining sufficient leadership capacity. Management continues to focus on employee engagement, retention and development initiatives, alongside ongoing review of organisational structure and succession planning to ensure adequate capability and resilience.

Other operational risks – in common with businesses operating at scale across multiple jurisdictions, the Group is exposed to a range of other operational risks. These include, but are not limited to, foreign exchange movements, evolving market dynamics, ESG and regulatory compliance requirements, cybersecurity threats, customer credit risk, and risks relating to physical assets and health and safety. These risks are monitored continuously, with appropriate controls and mitigation strategies in place, and are subject to regular review by the Board and senior management.

On behalf of the Board

Geoffrey Wilding
Executive Chairman

23 July 2026

Financial Review

HIGHLIGHTS

FY2026 saw the continuation of a challenging trading environment as end markets continued to adapt to higher interest rates across our key geographies. Management's immediate focus remains on delivering EBITDA improvement initiatives within our control, and to continue to strengthen our competitive position relative to our peers.

Volumes and revenue declined across the Group with Rugs volumes notably weaker as the business transitions its manufacturing activities from Belgium to Turkey. Overall volumes for the year were 8.8% down on FY2025, with H2 unexpectedly weaker than H1 due to poor weather and challenging macro conditions including the Iran conflict.

Underlying Revenue for the Group was therefore 6% down year-on-year at £1,045.5m and Underlying EBITDA declined to £92.3m as the impact of operational gearing from lower volumes more than offset EBITDA improvement initiatives executed through the year.

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's Statement. 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 £7.3 million) to the IFRS statutory performance of £153.3 million operating loss and, ultimately, £326.3 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.

	2026			2025 (restated)		
	Underlying performance £m	Non-underlying items £m	Reported numbers £m	Underlying performance £m	Non-underlying items £m	Reported numbers £m
Revenue	1,045.5	3.3	1,048.8	1,115.2	2.9	1,118.1
Gross profit / (loss)	334.6	(19.5)	315.1	361.0	(24.9)	336.1
Margin %	32.0%			32.4%		
Amortisation of acquired intangibles	–	(21.6)	(21.6)	–	(31.5)	(31.5)
Other operating expenses	(327.3)	(119.5)	(446.8)	(331.5)	(198.5)	(530.0)
Operating Profit / (loss)	7.3	(160.6)	(153.3)	29.5	(254.9)	(225.4)
Margin %	0.7%			2.6%		
Add back depreciation & amortisation	84.9			84.2		
Underlying EBITDA	92.3			113.7		
Margin %	8.8%			10.2%		
Preferred equity items	–	(50.5)	(50.5)	–	(35.2)	(35.2)
Other finance costs	(69.3)	(62.3)	(131.6)	(41.0)	(1.4)	(42.4)
Loss before tax	(62.0)	(273.4)	(335.4)	(11.5)	(291.5)	(303.0)
Loss after tax	(59.7)	(266.6)	(326.3)	(12.1)	(263.7)	(275.8)
EPS basic	(51.98p)		(284.12p)	(10.62p)		(242.03p)
EPS diluted	(13.59p)		(284.12p)	(5.18p)		(242.03p)

The Group incurred £160.6m non-underlying operating losses incurred consisting of £133.3 million of exceptional operating costs during the year, primarily non-cash cost resulting from the impairment of intangible and tangible assets. In addition, the Group incurred £21.6 million of amortisation of acquired intangibles (primarily customer relationships and brand names) and other non-underlying items of £5.7 million (primarily the accounting impact of non-cash share incentive plan charges and hyperinflation accounting). Further details are provided later in this Financial Review.

FINANCING

Debt financing and facilities

The Group has historically financed its operations through a combination of listed senior secured notes and a super senior revolving credit facility.

During Q2 FY2026. the Group successfully completed a refinancing transaction addressing its near term maturities. The debt prior to the refinancing consisted of circa €489 million of notes with a fixed coupon of 3.625% and maturity of August 2026, and €250 million of notes with a fixed coupon of 3.75% and maturity of March 2028 along with a £150 million Revolving Credit Facility with a maturity date of February 2026.

Circa €480 million of the 2026 notes were exchanged into a new tranche of senior secured notes due 2029 (the "New 1PNs") The residual balance of the 2026 notes had the maturity extended to 31 August 2031 and the coupon amended to 1%.

Of the €250 million 2028 notes, €83 million were converted into New 1PNs. The remaining €167 million 2028 Notes remain outstanding as at the balance sheet date.

The premium and fees associated with the New 1PNs totalled €47 million.

In total, €609 million of New 1PNs were issued (from the 2026 and 2028 tranches combined). The New 1PNs carry a 9.875% coupon per annum. For the first two interest periods, the Group may elect to pay either the full coupon in cash or a combination of 1% in cash with the balance capitalised as PIK (the "PIK Toggle"). Thereafter, the coupon will be fully settled in cash. The first full cash coupon will be due in February 2027.

The Existing RCF (£150 million, maturing February 2026) was repaid in full. The Group entered into a new super-senior facility agreement comprising:

- An £75 million term loan, maturing 26 February 2030, bearing interest at EURIBOR + 6.0%, fully drawn at closing.
- A £55 million revolving facility, also maturing 26 February 2030, bearing interest at SONIA (GBP) / EURIBOR (EUR) + 6.0%, with a 1% upfront fee on drawn amounts and a 1% unused commitment fee if undrawn after three months.

Financial Review

The Transaction extended the Group's maturity profile, refinanced the 2026 Notes in advance of their near-term maturity, strengthened liquidity through new super senior facilities, and provided flexibility through the PIK toggle feature of the New 1PNs.

Other debt facilities in the Group represent 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 £108.2 million, as shown below in the Net Debt section of this Financial Review.

July 2026 refinancing transactions

The proposed refinancing transactions, announced in July 2026, are anticipated to address the 2028 senior secured notes maturity (and springing covenant, which brings forward the maturity on the super senior credit facility and first priority senior secured notes to December 2027 if the 2028 notes are outstanding at that time). Further details of the anticipated transactions have been disclosed in the Company's announcement on 8 July 2026. The transaction also addresses the potential dilution impact of KED's right to convert the preferred equity into ordinary equity as of November 2026. Completion is reliant on the majority of ordinary equity holders voting in favour of certain resolutions along with 2028 senior secured noteholders consenting to the proposed transaction. On 23 July 2026, the Company announced holders representing over 90% of its bonds maturing in March 2028 have acceded to the Transaction Support Agreement, meeting the necessary threshold required to implement it by way of a consent solicitation.

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). The balance sheet carrying value of the liability at year end is £393.5 million, with the host instrument valued at £393.1 million (effective interest rate method based on the terminal value assessment) and the fair value of the equity warrants of £0.4 million. The redemption value at the year end was £368.9 million. During the period, there was a adjustment in valuation approach required, resulting in a balance sheet liability value more closely linked to the redemption value and also a prior period adjustment, for which further details are provided in Note 17. Through the refinancing transactions described above, there will be further changes to the accounting treatment in FY2027 and recognition of new financial liabilities in respect of the instruments.

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 since the financial policy around these items has remained unchanged, for consistency.

The Group incurred £133.3 million of exceptional costs during the year (FY2025: £208.1 million). Exceptional items are one-offs that will not continue or repeat in the future, for example reorganisation costs, that will not arise again on the same business and would disappear if the Group adopted a purely organic strategy.

Exceptional items	**2026 £'m**	2025 £'m
Acquisition and disposal related costs	**(0.4)**	(0.9)
Reorganisation and other costs	**(20.8)**	(15.8)
Gain on disposal of assets and investments	**3.7**	1.9
Loss on disposal of subsidiaries	**–**	(6.9)
Exceptional impairment charge	**(85.6)**	(186.4)
Exceptional provision charges	**(30.2)**	–
Total exceptional items	**(133.3)**	(208.1)

The 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 and prospective acquisitions.
- **Reorganisation, refinancing and other costs** – these consists of cost in relation to reorganisation projects across the business.
- **Gain on disposal of assets and investments** – this relates to the disposal of non-core assets.
- **Exceptional impairment charge** – An exceptional impairment charge of £6.9m was applied for specific assets no longer in use within 'UK & Europe - Ceramic Tiles (Italy)' CGU, split between £2.4m of fixed assets and £4.5m of other non-current assets. Furthermore, the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment. Given the goodwill has been fully impaired, a further impairment charge of £25.0m was applied against intangible fixed assets (£3.5m) and tangible fixed assets (£21.5m).

  Within 'UK & Europe - Ceramic Tiles (Spain)' CGU, the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment. Given the goodwill has been fully impaired, a further impairment charge of £32.7m was applied against intangible fixed assets. The impairment recognised has been limited by reference to the CGU's fair value less costs to sell.

  Within 'UK & Europe - Artificial Grass' CGU, the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment, as a result the goodwill has been impaired by £18.0m.

  £3.0m impairment recognised on the goodwill relating to Ezi Floor (in the 'UK & Europe – Soft flooring (Carpets and Underlay) CGU' CGU), following its integration within the broader UK underlay business.

  In FY2025, exceptional impairment charge occurred in the 'UK & Europe – Soft flooring (Rugs)' CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets 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 in FY2025 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. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£50.3m) and tangible fixed assets (£29.7m). Also in FY2025, exceptional impairment charge occurred in the 'UK & Europe - Ceramic Tiles (Italy)' CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment and the goodwill has been fully impaired.
- **Exceptional provision charge** – Exceptional provision charge for moving Rugs operations from Belgium to Turkey.
- The other prior year items are described in more detail in Note 2.

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	**2026 £'m**	2025 £'m
Acquisition-related performance plans	**6.3**	(0.4)
Non-cash share incentive plan charge	**(1.9)**	(3.5)
Amortisation of acquired intangibles (excluding hyperinflation)	**(21.6)**	(31.5)
Depreciation of fair value uplift to acquisition property, plant and machinery	**(3.0)**	(5.7)
Hyperinflation depreciation adjustment	**(6.9)**	(5.8)
Hyperinflation monetary gain	**6.0**	12.8
Other hyperinflation adjustments (excluding depreciation and monetary gain)	**(6.2)**	(12.7)
	(27.3)	(46.8)

Financial Review

Non-underlying items in the year:

- **Acquisition-related performance plans** – 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 and any settlement differences have been taken to the Income Statement.
- **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.
- **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 non-underlying.

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.

Adjustments in respect of hyperinflation

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:

	2026 £'m	2025 £'m
Revenue	**3.3**	2.9
Cost of Sales	**(16.0)**	(19.4)
Operating costs	**5.4**	10.8
EBIT	**(7.2)**	(5.6)
EBITDA	**(0.3)**	0.1
Finance costs	**(1.2)**	0.4
Loss before tax	**(8.4)**	(5.2)
Deferred tax	**0.9**	(1.3)
Loss for the period from continuing operations	**(7.5)**	(6.5)
Other comprehensive income - CTA (Cumulative continuing operations)	**39.2**	29.1

In FY2026 the Turkish Lira depreciated less 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. The movement in the publicly available official price index (TurkStat) for the was 31% (FY2025: 38%).

Further details of exceptional and non-underlying operating items are provided in Note 2.

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

Non-underlying finance items	2026 £'m	2025 (restated) £'m
Finance items related to preferred equity	(50.5)	(35.2)
Acquisition related items	0.1	1.5
Gain on bond repurchase	5.3	–
Fair value adjustment to notes redemption option / amortisation inception derivative	0.4	1.2
Mark to market adjustments on FX and commodity hedging contracts	4.6	0.5
Translation difference on foreign currency loans and cash	(14.3)	(5.0)
Hyperinflation - finance portion	(1.2)	0.4
One-off refinancing costs	(57.2)	–
Other non-underlying	(62.4)	(2.9)
	(112.8)	(36.6)

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	2026 £'m	2025 (restated) £'m
Amortised cost of host instrument	(53.2)	(44.6)
Fair value movement on associated equity warrants	2.7	9.4
Fair value movement on embedded redemption option	–	–
Total	(50.5)	(35.2)

- **Gain on bond repurchase** – The Company generated a gain on bonds repurchased as the purchase price was lower than the carrying amount.
- **Fair value adjustment to notes redemption option** – On the new notes the embedded early repayment option was valued at £nil at period end. Attached to the 2026 senior notes was an early repayment option which, on inception, was recognised as an embedded derivative asset at a fair value of £4.3m. This asset was 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 £0.4m was recognised in the period up to extinguishment (FY2025: £1.2m). The embedded derivatives were valued at £nil fair value at both period ends.
- **Mark to market adjustments on FX and commodity hedging 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 and commodity prices 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 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.
- **One-off refinancing costs** – as part of the debt refinancing, the Group incurred cash refinancing costs (£19.1m), loss on disposal of the old bonds (£41.4m) and FV adjustment gain on the 2031 bonds of £3.3m.

Further details of non-underlying finance items are provided in Note 3.

Financial Review

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	2026 £'m	2025 (restated) £'m
Underlying operating profit	7.3	29.5
Reported operating loss	(153.3)	(225.4)
Underlying loss	(62.0)	(11.5)
Reported loss before tax	(335.4)	(303.0)

Reported operating loss (earnings before interest and taxation) of £153.3 million (FY2025: £225.4 million). After removing the exceptional and non-underlying items described above, underlying operating profit was £7.3 million (FY2025: £29.5m).

Reported loss before tax increased to £335.4 million (FY2025: £303.0m (restated)). After removing the exceptional and non-underlying items described above, underlying loss before tax was £62.0 million (FY2025: Loss of £11.5m).

TAXATION

The reported tax credit on continuing operations in the year of £9.1 million (FY2025: £27.2m) was distorted by the impact of the exceptional and non-underlying costs, which contributed to a tax credit of £6.8 million. On an underlying basis and removing the effect of prior year items, the tax credit for the year was £3.9 million (FY2025: £3.0m) against an adjusted loss before tax of £62.1 million (FY2025: Loss of £11.5m). This results in an underlying effective current year tax rate of 6.3% (FY2025: 26.2%).

EARNINGS PER SHARE

The Group delivered a basic loss per share of 284.12p (FY2025: 242.03p (restated)) 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 (13.59)p (FY2025: (5.18)p). 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	2026	2025 (restated)
Reported basic loss per share	(284.12p)	(242.03p)
Diluted adjusted (loss) / earnings per share	(13.59p)	(5.18p)

OPERATING CASH FLOW

Cash flow from operating activities before interest, tax and exceptional items was £66.4 million which represents a conversion of 114% of underlying EBITDA (pre-IFRS 16).

Operating and free cash flow	2026 £'m	2025 £'m
Underlying operating profit	7.3	29.5
Add back: underlying depreciation & amortisation	85.0	84.2
Underlying EBITDA	92.3	113.7
Payments under right-of-use lease obligations (including interest)	(40.9)	(39.6)
Non-cash items	(2.6)	(3.7)
Movement in working capital	17.6	(25.3)
Operating cash flow before interest, tax and capex	66.4	45.1
% conversion against underlying operating profit	910%	153%
% conversion against underlying EBITDA (pre-IFRS 16)	114%	56%
Interest paid	(32.9)	(32.7)
Corporation tax paid	(8.1)	(1.7)
Capital expenditure - replacement / maintenance	(40.1)	(46.9)
Free cash flow before exceptional items	(14.7)	(36.2)

Pre-exceptional free cash flow of the Group – after interest, tax and net replacement capex – was an outflow of £14.7 million having been impacted by lower earnings and an investment in working capital.

The underlying movement in working capital was an inflow of £17.6 million. This inflow was all realised in H2 and driven by a reduction in inventory and a more disciplined approach on debtors and payables.

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 28 March 2026, the Group's net debt position (excluding preferred equity) was £1,063.2 million (29 March 2025: £897.9 million), and key drivers of this are laid out below.

Our £16.0 million growth capital expenditure this year reflects a deliberate strategy to invest through the cycle. There was a large contingent payout in the year covering the majority of the £12.5 million outlay, which was the last material earn-out liability retained by the Group. Exceptional cash costs totalled £41.2 million which includes £22.3 million refinancing costs (inclusive of £3.2 million prepaid finance costs) and net of proceeds of property sale shares of £3.2 million and fixed asset disposal proceeds of £6.6 million.

There was a further increase is net debt which was predominately driven by loss on refinanced bonds of £41.4 million, PIK interest on new 1PNs of £26.4 million, retranslation FX on debt of £28 million. This increase was partially offset by ROU liability reduction of £4.0 million and bond repurchase of £6.9 million.

The Group's year end net leverage ratio (excluding preferred equity) was 11.5x (FY2025: 7.9x). The leverage increase is primarily driven by the reduced earnings in the year.

Free cash flow to movement in net debt	2026 £'m	2025 £'m
Free cash flow before exceptional items (see above)	**(14.7)**	(36.2)
Exceptional reorganisation cash cost	**(28.6)**	(26.1)
Refinancing costs paid (including prepaid finance costs)	**(22.3)**	–
Bond repurchase - cash paid	**(1.6)**	
Capital expenditure - expansionary / reorganisation	**(16.0)**	(30.3)
Discontinued operations	**–**	17.9
Proceeds from fixed asset and subsidiary disposals	**9.6**	41.0
M&A expenditure including deferred / contingent consideration and related fees	**(12.5)**	(13.3)
Buy back of ordinary shares	**–**	(1.1)
Non-cash right-of-use liability movements	**4.0**	(26.1)
Translation differences on foreign currency cash and loans and other non-cash movements within debt	**(83.2)**	16.3
Total movement in net debt	**(165.3)**	(57.9)
Opening net debt	**(897.9)**	(840.0)
Net debt before preferred equity	**(1,063.2)**	(897.9)

Net debt	2026 £'m	2025 (restated) £'m
Net cash and cash equivalents	**67.6**	56.6
Super senior RCF[1]	**(128.5)**	(44.2)
Senior secured notes[1]	**(704.9)**	(624.0)
Bank loans and other facilities	**(50.7)**	(50.7)
Obligations under right-of-use leases	**(189.2)**	(189.8)
Factoring and receivables financing facilities	**(57.5)**	(45.8)
Net debt before preferred equity	**(1,063.2)**	(897.9)
Net leverage ratio (net debt / EBITDA)	**11.5x**	7.9x
Preferred equity, associated warrants and embedded derivatives	**(393.5)**	(343.0)
Statutory net debt (net of prepaid finance costs)	**(1,456.7)**	(1,240.9)

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.

IFRS 18 'Presentation and Disclosure in Financial Statements' will replace IAS 1 'Presentation of Financial Statements', effective for annual periods beginning after 1 January 2027. The Group is currently assessing the impact on its Consolidated Financial Statements, particularly with respect to the structure of the Consolidated Income Statement, the additional management-defined performance measures and the aggregation/disaggregation of the information within the notes.

From a preliminary high-level assessment, adoption of IFRS 18 is unlikely to have a material impact to net profit. However, the grouping of income and expense items into new categories could potentially result in minor changes to operating profit within the Consolidated Income Statement.

No other forthcoming new international accounting standards are expected to have a material impact on the financial statements of the Group.

GOING CONCERN

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation of the financial statements the Directors are required to consider whether the Group and Company can continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. The Directors have assessed the period to the end of July 2027.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement on pages 04 to 09. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 14 to 23. In addition, Note 24 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 at 28 March 2026, the Group had circa £67.6m of cash (net of overdraft) on balance sheet, and circa £1,131m of financial debt, comprising:

- £129m of super senior credit facility;
- £705m of senior secured notes; and
- £297m other local credit facilities and right-of-use lease liabilities (which were not fully drawn as at the year-end).

There are no maintenance covenants pertaining to the Group's senior debt and no material covenants on subsidiary-level borrowings around the Group.

Further details of the different elements of financial debt can be found in Note 17 to the Accounts.

The proposed refinancing transaction is anticipated to address the 2028 senior secured notes maturity (and springing covenant, which brings forward the maturity on the super senior credit facility and first priority senior secured notes to December 2027 if the 2028 notes are outstanding at that time). Further details of the anticipated transaction can be found in the Company's announcement on 8 July 2026. The transaction also addresses the potential dilution impact of KED's right to convert the preferred equity into ordinary equity as of November 2026. Completion is reliant on the majority of ordinary equity holders voting in favour of certain resolutions and 2028 senior secured noteholders consenting to the proposed transaction. On 23 July 2026, the Company announced holders representing over 90% of its bonds maturing in March 2028 have acceded to the Transaction Support Agreement, meeting the necessary threshold required to implement it by way of a consent solicitation.

The forecast cash flows for the going concern period are dependent on asset sale proceeds to fund reorganisation projects, principally the exceptional cash costs in Belgium, which are described within the Chairman's Statement. These asset sale processes, totalling circa £63m are diverse and cover a number of assets across the UK, Spain, Italy and Belgium. These are not yet contractually committed and therefore the timing of completion and precise disposal proceeds are not certain.

The Group operates a highly diversified set of financing arrangements across different geographies, which includes approximately 50 local lenders. These facilities include receivables financing, revolving credit facilities, capex or real estate loans and other cash borrowing facilities. Given the breadth of these arrangements, the Group is continually renewing or refinancing individual facilities as they fall due. Of the currently borrowed amounts, circa £18m are due to mature during the coming 12 months, and circa £64m are uncommitted. Therefore, although the Group expects to maintain its current borrowing capacity, a significant amount is not contractually committed and therefore not certain to be maintained.

As a result of the financing transactions not having completed at the time of the approval of the annual report and accounts, together with the reliance on asset sale proceeds and the renewal or replacement of uncommitted local credit facilities, which are not entirely in the Directors' control, 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 refinancing transactions represent an appropriate and achievable plan to address the Group's funding requirements, and is confident on securing proceeds from asset disposals in a timely manner and that uncommitted local borrowing facilities will be renewed or replaced in the ordinary course of business, although the successful completion and timing of these transactions cannot be guaranteed.

Going concern assessment

The Group's cash position, net of overdrafts, as at 28 March 2026 was £67.6m (FY2025: £56.6m), and it maintains additional liquidity through local financing lines. The Group expects to generate positive operating cash flows in the forecast period to 31 July 2027.

In assessing the Group as a going concern, a cash flow forecast through to 31 July 2027 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 where accounting standards permit this. The capital structure factored into the going concern assessment is based on the successful completion of the anticipated refinancing transactions as the Directors are confident that the transactions will complete successfully.

To take into account the current uncertainty in consumer demand, a plausible downside scenario was modelled, sensitising revenues by circa £36m, resulting in a reduction in EBITDA of circa £12m across the forecast period, versus the base forecast to ensure that even in a downside scenario, sufficient liquidity was maintained through the forecast period. As a result of lower volumes, an inflow of working capital would be expected, largely offsetting the cash impact in the short term. This downside scenario did not result in a change in our view that the business remains a going concern.

In both cases, sufficient liquidity is forecast to be maintained through the period of assessment.

A reverse stress-test scenario was modelled, purely for the purposes of sensitising earnings such that liquidity is fully exhausted within the period of assessment. With all other assumptions held equal, the required sensitivity to arrive at the point where liquidity is exhausted would be a greater than £300m shortfall in revenue versus the base case over the period from 1 July 2026 to 31 July 2027, resulting in a reduction in EBITDA of circa £112m versus the base case and a reduction in operating cash flows by the same amount. The scenario maintains the capital structure assumptions as the base and downside cases, isolating the quantum of operating cash flow reduction in order to break liquidity. Further mitigating actions as set out below, 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 given the historical performance of the business, even during periods of significant market weakness, has not fallen to a point where losses are recognised at EBITDA level over a prolonged period.

Asset sale proceeds, predominantly relating to real estate assets, are anticipated to be circa £63m through the period. These assets and sale processes are diverse and covers a number of assets across the UK, Spain, Italy and Belgium.

The Group operates a highly diversified set of financing arrangements across different geographies, which includes approximately 50 lenders. These facilities include receivables financing, revolving credit facilities, capex or real estate loans and other cash borrowing facilities. Given the breadth of these arrangements, the Group is continually renewing or refinancing individual facilities as they fall due. The value of borrowed amounts due to mature during the assessment period is circa £18m, and circa £64m of the current borrowings relates to uncommitted credit lines.

There are additional mitigations available to the Group that have not been included in any of the scenario projections. Additional mitigations that are within the Group's control include:

- Further working capital optimisation
- Reduction of discretionary capex
- Additional cost reductions, via the use of temporary unemployment initiatives available
- Additional, or accelerated, asset disposals
- Increasing the level of borrowing capacity at either super senior or local facility level

Having considered the work undertaken as described above, while there is uncertainty relating to the refinancing transaction and asset disposals, which are not wholly in the Company's control, the Directors are of the view that the Group is well placed to manage its business and liquidity risks. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Alec Pratt
Chief Financial Officer

23 July 2026

Environmental, Social and Governance Report

Environmental, social and governance (ESG) considerations are integrated into how Victoria operates as a global manufacturing and distribution business. Our approach reflects our decentralised model, where operational businesses lead implementation in line with local conditions, supported by appropriate Group-level oversight.

This structure enables a practical and commercially grounded approach to ESG. Rather than applying uniform programmes across diverse markets, we prioritise the actions that are most relevant to each business - whether that is improving energy efficiency, strengthening supply chain oversight or enhancing workplace practices. In this way, ESG is embedded within operational decision-making and aligned with broader business objectives, including efficiency, resilience and long-term value creation.

As our business evolves, so too will our approach to ESG. We remain focused on continuous improvement, ensuring our actions remain relevant, proportionate and supportive of long-term business performance.

OUR SIGNIFICANT ESG TOPICS

Identifying the ESG topics most relevant to our business is central to ensuring that our efforts remain focused and aligned with both operational priorities and stakeholder expectations.

Following a comprehensive materiality assessment in FY2025, we conducted an internal, high-level review in FY2026 to confirm that our identified topics remain appropriate. This review considered our current business activities, geographic footprint, regulatory environment and broader industry developments, alongside an internal management perspective.

The outcome of this review confirmed that our existing material ESG topics continue to reflect the areas most closely linked to our operational performance, regulatory exposure and stakeholder relationships. As a result, no substantive changes were made to the set of material topics during the year.

These topics provide a consistent framework for how we manage ESG across the Group. They inform internal priorities, guide the allocation of resources and form the basis of our external reporting, ensuring that disclosures remain focused on the issues most relevant to our business.

While the FY2026 review reaffirmed our current position, we recognise that materiality is not static. As our business evolves and external expectations continue to develop, particularly in response to emerging regulatory requirements such as the European Sustainability Reporting Standards (ESRS), we will continue to reassess and refine our approach where necessary.

The table below sets out the ESG topics currently considered most material to Victoria. The structure and terminology remain aligned with ESRS to support consistency with evolving reporting requirements.

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

Environmental, Social and Governance Report

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 (30 March 2025 to 28 March 2026)	Units	UK & Europe Soft Flooring	UK & Europe Ceramic Tiles	Australia	North America	Total
Emissions from combustion of gas (Scope 1)	tCO_2e	16,727	138,790	2,654	59	158,229
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO_2e	10,759	1,914	382	108	13,163
Emissions from purchased electricity (Scope 2)	tCO_2e	29,954	13,333	4,757	175	48,219
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	tCO_2e	30	1	–	282	312
Total Gross emissions	tCO_2e	57,470	154,038	7,793	623	219,924
Energy consumption used to calculate above emissions	kWh	251,155,594	835,536,762	22,994,876	2,591,118	1,112,278,349
Total Gas Usage	kWh	91,426,351	758,578,121	14,448,872	276,280	864,729,624
Total Electricity Usage	kWh	115,080,534	69,372,921	6,862,862	528,401	191,844,718
Total Transport Usage	kWh	44,648,708	7,585,719	1,683,142	1,786,437	55,704,007

Within the UK, the total Gross emissions for the year were 20,050 tCO2e (previous year 21,428 tCO2e) and total associated energy consumption was 97,962,073 kWh (previous year 102,237,951 kWh).

The total Global Gross emissions for the year were 219,924 tCO2e (previous year 230,809 tCO2e) and total associated energy consumption was 1,112,278,349 kWh (previous year 1,137,834,623 kWh), representing a small decrease 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 (30 March 2025 to 28 March 2026)	Units	UK & Europe Soft Flooring	UK & Europe Ceramic Tiles	Australia	North America	Total
Intensity Ratios	$tCO_2e/ 1000m^2$	0.530	5.095	0.336	0.097	1.306
Previous year intensity ratio	$tCO_2e/ 1000m^2$	0.518	4.810	0.345	0.295	1.242

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 2025 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 CO2e emissions calculated are associated to the generation only and do not include Scope 3 Transmission and Distribution losses. No emissions have been calculated for on-site renewable generation that is consumed on-site as it is assumed that the attributes have not been sold.

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.

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

Data was collected for 1 April 2025 to 31 March 2026 due to alignment with supplier invoices and other data sources and is representative of the financial year of 30 March 2025 to 28 March 2026.

0.7% of kWh and 0.6% of tCO2e were from estimated data. This included a small amount of transport data that was not available and has been estimated based on previous year's consumption. Where invoices were unavailable for some months for electricity and gas, the consumption has been estimated using the average consumption in months where data was available.

The primary sources for electricity were invoices, an online utility portal and meter readings. The primary sources for natural gas were invoices and meter readings. The primary source for other gas sources and on-site transport were supplier invoices. Where gas sources are used for on-site transportation and another purpose, and the consumption cannot be split out, the consumption has continued to be reported under gas combustion rather than transport. The primary sources for company vehicles, employee and rental vehicles were fuel cards, invoices, mileage records, fleet portals and expense claims. There was a mix of litres of fuel, kWh of EV charging and mileage data available.

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.

ENVIRONMENTAL REVIEW

Climate Change

Climate change presents a combination of operational, regulatory and cost considerations for Victoria, primarily through the energy and fuel used across our manufacturing and distribution activities. Our approach to climate change mitigation is therefore focused on improving energy efficiency, increasing the use of lower-carbon energy sources and reducing emissions associated with transport and logistics.

Climate change mitigation and Energy

Energy remains one of the most significant operational inputs across our operations. As a result, we continue to review where energy efficiency initiatives can add value across the business. Across the Group, a range of initiatives were implemented, primarily focused on improving the performance of existing equipment, reducing idle consumption and improving process control. In recent years, the UK & Europe Soft Flooring team have implemented many changes that have improved production efficiency and reduced energy inputs. For example, G-Tuft replaced an ageing compressor with a higher-efficiency model to support electrically driven machinery, while also aligning shift patterns across departments to reduce energy demand during non-productive hours. Our Westex subsidiary also consolidated its sampling department into a single area, enabling more efficient use of building space and associated heating and lighting.

At Balta, energy efficiency measures were implemented in line with the closure and relocation of its Belgian operations to Turkey. During the transfer of equipment, outdated heating systems are being replaced with more efficient, lower emission alternatives where suitable replacements are available. This reflects our broader approach to sustainability, where energy-efficient measures are embedded into operational decisions and pursued where they deliver both environmental benefits and long-term value for the business.

Targeted energy efficiency initiatives have also delivered measurable reductions in consumption. At Interfloor, new off-gas treatment filters replaced the existing Regenerative Thermal Oxidizer (RTO) resulting in a greater than 20% reduction in gas consumption and an approximate 10% reduction in electricity usage. Further efficiencies were achieved through the implementation of enhanced compressor control systems, reducing electricity consumption for compressed air by c.30%.

In Italy, energy efficiency actions were implemented across the ceramics businesses. Following its transition to porcelain stoneware, Serra revised its site layout, reducing specific gas consumption by 10%. Similarly, Keradom upgraded lighting at the Baison plant, replacing neon systems with energy-efficient LED technology.

The use of renewable energy has also increased across the Group, reflecting the operational and environmental benefits it delivers. 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. Solar installations continue to support our operations, generating value for the business alongside positive environmental outcomes.

Victoria Grass Group now operates c.6,900 solar panels, supporting electricity demand across its operations. Our underlay manufacturer,

Environmental, Social and Governance Report

Interfloor, also generates approximately 360 MWh of electricity annually through on-site installations. In Australia, Dunlop Flooring benefits from an on-site solar panel installation, contributing to its energy needs through self-generation. Our primary distribution centre in Worcester – a key operational hub for our UK Carpets division as well as being the Group's head office – also benefits from a rooftop solar panel installation.

We also utilise renewable energy in other ways, with our carpet manufacturing facility in Newport, Wales benefitting 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 and enhanced thermal panels on the backing line.

Alongside on-site generation, several subsidiaries have secured their energy supplies from renewable providers, further reducing the Group's overall emissions profile. This is particularly evident within our ceramics divisions in Italy, with Ascot Group, Keradom and Serra all sourcing a minimum of 70% of electricity from renewable energy.

As a Group, reducing emissions from transport and logistics is also a key area of focus as we appreciate the impacts our fleet can have on the environment. This year, progress continued through fleet renewal, operational consolidation and selective electrification. Examples from across the Group include:

- **G-Tuft:** Upgraded the HGV fleet from Euro 5 to Euro 6 models, supporting reduced nitrogen oxide (NOx) and particulate matter emissions.
- **Interfloor:** Replaced diesel vehicles with hybrids and eliminated approximately 60,000 HGV miles through site consolidation.
- **Balta:** Reduced internal transport as a result of site consolidation and more integrated operations in Turkey.
- **Ascot Group:** Added EV charging stations across all sites and upgraded the fleet which is now approximately 25% hybrid or electric.
- **Cali:** Increased the proportion of full-truckload (FTL) shipments relative to less-than-truckload (LTL) to improve efficiency and reduce emissions.
- **Victoria Carpets Australia:** Increased the hybrid vehicle fleet from 43% to 57% (up from 24% in 2024)
- **Quest Flooring:** Began transitioning the forklift truck fleet over to electric.
- **Dunlop Flooring:** Maintained a lower carbon footprint through optimised supply chain logistics, favouring efficient sea routes over road and rail where feasible, and using return journeys to collect recyclable materials from customers.

IMPROVING TRANSPORT EFFICIENCY AND REDUCING EMISSIONS

During the year, our Alliance Flooring Distribution subsidiary continued to strengthen the efficiency of its transport operations through targeted fleet investment. Older vehicles within Alliance's diesel fleet have been replaced with ultra fuel-efficient vehicles equipped with integrated driver-behaviour monitoring systems, designed to reduce harsh braking, aggressive acceleration and support more efficient driving practices.

Alongside this, Alliance has expanded its electric vehicle fleet with two additional fully electric trucks, bringing the total to five. These vehicles continue to handle around 25% of deliveries between our carpet manufacturing facility in Newport, Wales and Alliance's Worcester distribution centre, while generating zero tailpipe emissions. Building on this, they now also support more than 300 deliveries per week into Central London retailers, enabling carbon-free delivery on these routes and ensuring continued access to zero and low-emission zones.

These investments build on Alliance's broader logistics strategy, which combines fleet modernisation with operational improvements at its distribution centres. The introduction of electric vehicles has been supported by route planning and on-site charging infrastructure, allowing the business to integrate zero-emission vehicles into daily operations without disrupting service levels.

Alliance continues to monitor vehicle performance and emerging technology, assessing opportunities to further expand the use of electric and low-emission vehicles across its network as charging infrastructure and vehicle capability continue to develop.

POLLUTION

While flooring manufacture is not typically associated with high levels of pollution, managing emissions to air, water and land remains an important aspect of operational responsibility across Victoria's manufacturing and distribution footprint.

Our approach is focused on maintaining regulatory compliance and minimising environmental impact through targeted controls, monitoring and process improvements. Measures are implemented at a site level, reflecting local operating conditions and risk profiles, but supported by consistent oversight and periodic review to ensure effectiveness.

Air

Air emissions from our operations primarily arise from ceramics firing processes, material handling and certain finishing or coating activities. During FY2026, several sites implemented targeted actions to improve emission control and reduce environmental impact.

Within ceramics operations, Victoria Ceramics Spain completed the installation and commissioning of bag filter systems with reagent injection on two kilns at the Keraben V1 plant, reducing acidic emissions from exhaust gases. Additional measures, including enclosure of raw material storage areas and dust extraction systems, helped to limit diffuse particulate emissions associated with material handling.

At Keradom, solvent-based inks used in glazing processes were replaced with water-based alternatives, resulting in an approximate 70% reduction in volatile organic compound (VOC) emissions and associated odours.

Process improvements also delivered measurable results at other sites. At Interfloor, the aforementioned replacement of the existing Regenerative Thermal Oxidizer (RTO) with new off-gas treatment filters reduced emissions to below 10% of licence limits, while also contributing to a reduction of over 2,500 tonnes of CO_2 during the year.

Water

Although our water use remains relatively modest, effective management continues to be an important operational consideration across Victoria's manufacturing and distribution activities. During the year, the Group continued efforts to improve water efficiency through enhanced process control, reuse of water within operations and targeted maintenance activities, reflecting the varied water demands of our different manufacturing processes.

Water-related actions during the year were driven by site-specific risks and opportunities. This included reducing discharged volumes, increasing internal water reuse and improving oversight of water-intensive processes, supported by monitoring and operational discipline.

Within ceramics operations, Victoria Ceramics Spain established a dedicated water maintenance workshop during the year to identify and implement steps aimed at preventing over-consumption. This led

Environmental, Social and Governance Report

to the implementation of a range of practical measures, including installing closed-loop cooling systems for pumps, substituting clarified process water for fresh water in selected applications, and switching off water flows during stoppages and testing phases. Collectively, these measures strengthened day-to-day control of water use across production lines.

At Ascot Group, improved water management practices at the Ravenna plant resulted in an 18% reduction in discharged water compared with the prior year. Similarly, Serra continued to reuse cooling water from inkjet printers within its main plant. FY2026 represented the first complete 12-month period in which savings were measured, with specific water consumption reduced by approximately 15%.

At Interfloor, 100% of process water continues to be recycled, ensuring no process-related wastewater discharge. In addition, at International Wholesale Tile, all water used in tile-cutting operations was recycled through a two-tank clarification system, incorporating a process that causes fine particles to clump together and settle, before recirculating the water back into production.

Across other sites, rainwater harvesting and diversion initiatives continued to reduce demand on mains water and limit wastewater generation. These actions demonstrate our continued attention to managing water as a finite resource, while ensuring compliance with local discharge standards and supporting stable, efficient operations. One example is our main logistics centre in Worcester (UK & Europe Soft Flooring), where harvested rainwater is used for truck washing, reducing reliance on mains water supply.

Soil

The risk of soil or groundwater contamination from our operations is considered low but is actively managed. Our approach targets preventative controls, monitoring and effective site management at locations where materials handling and storage present higher potential risk. In addition to these controls, we engage in practices that minimise soil disturbance and promote soil health, including the use of environmentally responsible materials.

At Victoria Ceramics Spain, environmental assessments were carried out at the Keraben site that included monitoring and control of soil and groundwater quality. This work supports a clearer understanding of site-specific environmental conditions. Periodic inspections of hazardous substance storage areas were also maintained to ensure materials remain stored on impermeable surfaces and within appropriate containment.

Soil protection measures are also embedded in day-to-day operations across other businesses. Victoria Grass Group utilises impervious sections in critical coating areas and are subject to regular inspection and certification under ISO 14001-aligned management systems. At G-Tuft and Interfloor, spill-prevention arrangements were reinforced through additional containment equipment and employee training, with hazardous waste handled and monitored in accordance with applicable regulatory requirements.

RESOURCE USE AND CIRCULAR ECONOMY

Victoria's approach to resource use focuses on improving material efficiency, reducing waste and supporting the transition towards more circular practices, where this is commercially and operationally viable.

How we source, use and manage materials has a direct impact on both our environmental footprint and cost base, and remains an area of continued focus across the Group. While implementation remains largely decentralised, a more coordinated approach to procurement has also supported greater consistency and oversight across our supply base.

Waste

Waste reduction and landfill diversion remain important operational priorities across our businesses. For example, our underlay operation continues to have 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 by additional sustainability-focused offerings. The proportion of recycled foam in our underlay has increased from 55% to 65%, with all the products at this subsidiary covered by Environmental Product Declarations (EPDs). In addition, approximately 95% of Interfloor's waste generated during the year was either recycled or used as Refuse Derived Fuel (RDF), supporting both landfill diversion and energy recovery.

In Australia, Victoria Carpets Australia recovers and separates waste nylon generated during production for return to a partner recycling plant. Quest Carpets has implemented a core recycling programme in the year, with recycled cores accounting for approximately 15% of consumption, with plans to improve this to 40% over the next 12 months. Dunlop Flooring, another Australian subsidiary, recycles approximately 100 tonnes of used underlay annually, leveraging the return delivery trips 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 remained operational, which 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.

Victoria Ceramics Spain continued to operate closed-loop material systems within production. All unfired ceramic scrap generated during the year was recycled back into the manufacturing process. In addition, reuse of fired scrap increased, with around 80% recycled internally as ceramic body support material through clay grinding, significantly reducing waste sent to landfill.

Elsewhere, waste-stream specific actions were implemented. Westex composted all food waste generated on site. International Wholesale Tile reduced paper and ink waste by transitioning administrative record-keeping from printed to electronic formats. Within logistics operations, Alliance Flooring Distribution reported continued compliance with waste regulations and zero waste to landfill during the year.

At Victoria Grass Group, waste management practices were refined through improved registration of waste streams and changes in recycling methods, for example with materials now compacted into bales rather than stored in loose containers in support of more efficient handling and onward recycling.

Resource inflows

Improving material efficiency and increasing the use of recycled inputs remained an initiative in FY2026 and so 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.

At Victoria Ceramics Spain, a high level of pre-consumer recycled material continued to be used in porcelain bodies, accounting for approximately 30% of inputs and rising to around 35% for certain white porous ceramic products. The business also prioritises sourcing plastic packaging containing a minimum of 30% recycled content, supporting the continued use of recycled materials within its operations and supply chain.

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). Balta Rugs holds 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, for example in the UK, remain limited. Our contribution includes active membership in the UK Sustainable Flooring Alliance, a collaborative initiative aimed at reducing the amount of textile and resilient flooring in the UK going to landfill and to encourage and support more sustainable design and solutions leading to a circular economy. Innovations being explored include recycling carpet into fibre-reinforced concrete and converting latex bonding agents into fertiliser.

At Victoria Carpets Australia, waste nylon generated during production is collected and returned to a recycling facility, which is then turned into new products. The business also launched a limited range of nylon carpets using Econyl yarn, incorporating recycled material derived from waste fishing nets. Balta increased recycled content across new rug collections in the period and continued to expand internal polypropylene recycling following investment in additional drying capacity. This enables production waste from tufted full-polypropylene rugs to be recycled internally. Balta also continued development work under the local government supported Living Labs Carpet project, exploring single-material and patchwork rug designs to improve circularity.

Environmental, Social and Governance Report

CONTINUOUSLY IMPROVING PRODUCTS THROUGH INNOVATION AND CIRCULAR DESIGN

Victoria Grass Group designs and manufactures artificial grass systems for sports, landscaping and leisure applications. Across this product range, the business continually improves performance, durability and functionality, while reducing environmental impact through material choice, process innovation and circular product design.

During the year, this approach translated into several product-led developments. This year, Schramm and Edel designed a new yarn called the Apex, which benefits from texturisation without using texturisation machines. This costs less energy to manufacture and is implemented in dry-hockey fields and non-fill pitches, continuing to demonstrate how targeted raw material changes can also contribute meaningfully to emissions reduction. Schramm also increased the reuse of post-industrial waste in yarn production to up to 30% and introduced post-consumer recycled granulate in place of virgin polymer in selected products.

In other parts of the Grass Group, the Athmos yarn was produced using post-consumer recycled polymer and now contains up to 50% recycled raw materials, achieving ISCC+ certification. This supports lower demand for virgin inputs while maintaining product quality. In parallel, Edel continued to develop mineral and non-fill turf systems, removing the need for intentionally added microplastics and improving long-term recyclability. End-of-life materials are also being incorporated back into production, including as powder in polypropylene dispersions, further reducing reliance on new raw materials while maintaining stable performance.

Product improvement is supported by circular initiatives that extend beyond first use. Trial take-back programmes led by Royal Grass have successfully recovered end-of-life landscape products for reuse in yarn production. This recycling infrastructure also enables the internal recovery and reuse of yarn waste. In parallel, newer landscaping products are being designed within a single polyolefin material family, supporting simpler processing and improved recyclability at end of life.

Together, these initiatives reflect Victoria Grass Group's long-term approach to product development, embedding continuous improvement, material efficiency and circularity into design and manufacturing. This approach is supported by ongoing investment in R&D and underpinned by ISO 14001-certified environmental management systems.

SOCIAL REVIEW

Own Workforce

Victoria recognises that effective management of its workforce supports both operational performance and long-term value creation. Across a diverse and decentralised Group, the focus remains on maintaining safe working environments, treating employees fairly and providing appropriate support for wellbeing.

Responsibility for implementation largely sits with subsidiary management, reflecting local regulatory requirements and workforce needs. This is supported by Group-level expectations around ethical conduct, respect in the workplace and access to mechanisms that allow employees to raise concerns where necessary.

During FY2026, activity across the Group continued to focus on reinforcing safe working practices, supporting employee wellbeing and maintaining fair and consistent employment standards.

Working conditions

The health, safety and well-being of our employees will always be a priority. Our approach continues to centre on preventing workplace injuries and accidents, while also supporting employees' physical and mental well-being and promoting healthy and sustainable working practices.

We operate with a "Safety First" mindset, and encourage employees to report incidents, near misses and concerns, recognising that open reporting is essential to improving workplace safety and identifying opportunities for ongoing improvement. We continuously aim to improve our performance in Lost Time Incidents (LTI) and Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations (RIDDOR).

Major manufacturing sites continue to operate within recognised health and safety frameworks, including ISO-aligned management systems where applicable. Through structured risk assessments, employee involvement, and targeted training programmes, subsidiaries work to maintain safe working environments and reinforce consistent safety standards.

Examples of our actions to support working conditions and employee wellbeing include:

- **Balta Rugs:** Ongoing safety campaigns, including virtual reality training for shift leaders, alongside practical and externally delivered training.
- **Interfloor:** Toolbox talks, manual handling and chemical safety training, as well as change management training for supervisors. Interfloor also supports young people with learning difficulties through a partnership with a local specialist school.
- **G-Tuft:** Help@Hand Employee Assistance Programme made available for all employees, supported by workplace air-monitoring surveys and regular wellbeing communications.
- **Westex:** Introduced ergonomic improvements such as sit-stand desks. Also delivered fire-safety and first-aid training.
- **Alliance:** Delivered first-aid and fire-marshal training, supported by regular health and safety and management meetings. 24/7 access to qualified mental health professionals and a partnership with the occupational health services entity Recovery For Life.
- **Victoria Grass Group:** Delivered extensive safety-related training including first aid, forklift use, electrical safety (NEN 3140) and emergency exercises.
- **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.
- **Keradom:** Organised team-building activities to support employee engagement and wellbeing.
- **Victoria Ceramics Spain:** Maintains a comprehensive prevention and support programme underpinned by renewed ISO 45001 certification, including occupational health surveillance, ergonomic and psychosocial assessments, safety inspections, emergency drills, maintenance of fire-protection systems and access to on-site medical services.

Equal treatment and opportunities for all

Providing equal opportunity in employment remains an important part of maintaining a fair and effective workforce. The Group is committed to non-discrimination in recruitment, development and progression, with decisions based on merit, qualifications and business requirements.

During FY2026, subsidiaries continued to reinforce these principles through a combination of training, internal policies and management oversight. This includes dignity and respect training, management development programmes and, in certain businesses, formal training on discrimination and harassment.

These activities are supported by internal communication and monitoring processes, helping to ensure that equal treatment principles are embedded into day-to-day workplace practices.

Environmental, Social and Governance Report

Other work-related rights

Victoria respects the rights of employees to fair treatment and open communication, in line with local laws and applicable international standards.

Employees are supported in raising concerns through established reporting mechanisms, including whistleblowing channels where appropriate. These are intended to provide a confidential means of reporting issues, with protections in place to minimise the risk of retaliation.

In jurisdictions where trade unions or employee representative bodies are present, the Group engages constructively with employee representatives.

We also maintain a commitment to fair remuneration and many subsidiaries offer additional benefits such as performance-based incentives, pension contributions and other forms of support.

WORKERS IN THE VALUE CHAIN

Victoria recognises that its responsibility to uphold fair and ethical labour practices extends beyond its direct workforce to include workers within its supply chain. Given the Group's global operations and diverse supplier base, this remains an important area of focus.

Our approach is based on a proportionate, risk-based model. Oversight is focused on areas where there is a higher risk of adverse labour practices, taking into account factors such as geography, sector and the nature of the supplier relationship. While many supplier relationships are longstanding, we continue to monitor and assess potential risks on an ongoing basis.

Other work-related rights

To support responsible labour practices within the value chain, the Group maintains a Modern Slavery Statement, supplemented where appropriate by local disclosures. This outlines the steps taken to identify and mitigate risks relating to modern slavery and human trafficking.

Supplier expectations are defined through a combination of contractual requirements, supplier codes of conduct and ongoing engagement. These typically cover areas such as fair wages, working conditions, health and safety, non-discrimination and the prohibition of forced or child labour.

Oversight is maintained through a mix of supplier screening, site visits and, where appropriate, third-party assessments or audits. These mechanisms are applied on a basis proportionate to risk and the nature of the supplier relationship.

Examples from across the Group include:

- **Balta:** Established supplier code of conduct which all suppliers and contractors must comply with. Participates in Sedex Members Ethical Trade Audits (SMETA) across all sites, reinforcing its commitment to ethical trade and transparency.
- **Westex:** Vetting process in place prior to new suppliers being added to the approved supplier list.
- **Victoria Grass Group:** Maintains a supplier code of conduct and safety requirements for contractors working on site, supported by regular inspections and Workplace Conditions Assessments (WCA) conducted by a multinational testing laboratory.
- **Cali:** Works closely with suppliers to ensure the legal and sustainable sourcing of plant-based flooring products, supported by supplier education and annual third-party inspections conducted of labour and working conditions at key suppliers.
- **Interfloor:** Operates a supplier charter requiring suppliers to adhere to 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:** Technical department audits of suppliers confirm ongoing compliance with good manufacturing practices.
- **Victoria Ceramics Spain:** Strengthened its supplier vetting and approval process to include enhanced social, occupational health and safety and other ESG-related criteria, supported by internal training and ongoing monitoring by quality and purchasing teams.

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 underpins the long-term performance and resilience of Victoria. The Group operates through a decentralised structure, with subsidiaries responsible for day-to-day operations, supported by Group-level expectations around ethical conduct, regulatory compliance and risk management. This approach enables operating businesses to respond to local market and regulatory conditions, while Group-level processes provide oversight where appropriate, including monitoring of key risks, regulatory developments and reporting requirements. This includes sustainability-related governance, where the Group continues to develop its approach to climate-related disclosure and ESG reporting in line with applicable regulations.

Corporate culture

We expect all employees, from site level to senior management and the PLC Board, to act with integrity and comply with applicable laws, regulations, and internal policies. Leadership across the Group set clear expectations for ethical behaviour, transparency, and accountability, supported through regular engagement with operating businesses.

While subsidiaries retain operational autonomy, governance practices are expected to reflect the Group's values and meet local regulatory requirements. Representation of executive management on local statutory boards helps maintain a direct

Environmental, Social and Governance Report

link between Group oversight and local decision-making. Internal controls are established to support ethical conduct and regulatory compliance, and to encourage individuals to raise concerns in good faith.

Whistleblowing and speak-up mechanisms form a key part of this framework. These arrangements are designed to provide employees with confidential channels to raise concerns, with the assurance that issues will be taken seriously and handled appropriately, 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 will respond as necessary and where applicable to developments such as the Corporate Sustainability Reporting Directive.

Where appropriate, subsidiaries may also go further by operating more formalised local compliance structures. Ascot Group, for example, operates a Compliance and Control Model pursuant to Italian Legislative Decree 231/2001. This structured framework includes defined risk mapping, internal procedures, a code of ethics, training activities and oversight by an independent supervisory body, providing additional assurance in a regulated operating environment.

Sustainability-related governance is an area we continue to monitor closely. 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 relationships with suppliers are based on principles of fairness, transparency, and long-term value creation. We recognise that responsible procurement practices support not only supply chain resilience but also ethical, social and environmental outcomes.

Across the business, subsidiaries maintain regular communication with suppliers to support transparency and manage commercial, technical and operational matters. While payment terms vary by location and supplier type, there is an expectation that agreed terms are respected and that any issues are addressed through open dialogue. In addition, we comply with relevant regulatory requirements regarding the reporting of our payment practices, policies, and performance.

Supplier oversight is applied in a manner proportionate to risk and operating context. Several businesses maintain supplier approval processes, compliance questionnaires or codes of conduct that set out expectations around ethical behaviour, legal compliance, health and safety and labour standards. In some cases, these expectations are supported by independent audits or reviews conducted as part of established assurance programmes.

Outlook

As Victoria continues to develop as a global manufacturing and distribution business, our approach to sustainability remains focused on practical actions that support operational performance, regulatory compliance and long-term value creation.

Looking ahead, our focus is on strengthening the consistency, quality and integration of ESG across three key areas:

- Enhancing data and reporting: continuing to improve the accuracy, coverage and consistency of ESG data, supporting more robust internal monitoring and external disclosure in line with evolving regulatory requirements.
- Embedding ESG in operational decision-making: further integrating environmental, social and governance considerations into existing management processes, with particular focus on energy use, resource efficiency and supply chain oversight.
- Strengthening governance and oversight: maintaining clear accountability for ESG-related matters, while continuing to develop governance frameworks, controls and reporting processes as expectations evolve.

Alongside these priorities, subsidiaries will continue to implement targeted initiatives relevant to their operations, including improvements in energy efficiency, resource use, workforce engagement and supplier management. Sustainability at Victoria remains embedded within how the business operates, rather than treated as a standalone function.

We recognise that regulatory requirements and stakeholder expectations are continuing to develop, particularly in relation to ESG reporting and supply chain transparency. The Group will continue to respond in a measured and commercially disciplined manner, ensuring that its approach remains proportionate to the scale and complexity of its operations.

Environmental, Social and Governance Report

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

Victoria plc recognises that climate change presents a source of financial risk and opportunity to the broader economy and our business, with potential impacts arising through regulatory changes, market dynamics and operational disruption. We recognise the importance of providing accurate and timely disclosures to support informed and efficient capital-allocation decisions across financial markets.

This report represents our third year of disclosures in accordance with the Department for Business, Energy & Industrial Strategy (BEIS) Climate-related Financial Disclosures (CFD) requirements. We appreciate that responding effectively to climate-related issues is an evolving process and our approach will continue to develop as our understanding and data improves. We are committed to strengthening the integration of climate considerations into our governance, risk management, and strategic and financial planning processes. Alongside this, we aim to continuously report progress in a transparent and consistent manner through annual CFD-aligned reporting.

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

Section	Requirement	Disclosure
Governance	(a) Describe the board's oversight of climate-related risks and opportunities	The Board has overall responsibility for the oversight of climate-related risks and opportunities, recognising their potential impact on the Group's long-term performance, resilience and access to capital. Climate considerations are embedded within the Board's wider consideration of principal risks, strategic priorities, and investment decisions. The Board's oversight is supported by an ESG Committee, responsible for coordinating the development and delivery of the Group's ESG strategy, including climate-related matters. During FY26, the committee was chaired by the Chief Executive Officer and included the Chief Financial Officer, Group Finance Director, and Head of Risk and Compliance. The Committee Chair provides updates to the Board as required, summarising key 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 engages 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 identified and 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 the Group's existing ESG priorities, including climate-related risks and opportunities. The Group does not currently have climate-related targets in place. The appropriateness of introducing such targets is continuously considered as part of our ongoing governance and strategic review processes. Any future climate-related targets adopted by the Group would be subject to Board review and approval, with appropriate governance and oversight processes established at that time including the provision of 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.

Environmental, Social and Governance Report

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, with relevant matters reported to the Board to support its oversight and decision-making. 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 periodically in collaboration with subsidiary and divisional leadership. Divisional Risk Registers are maintained to capture more granular risks, which are consolidated into the Group-level register to support consistent prioritisation and escalation. Where appropriate, material 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 helps to inform the Group's assessment of emerging risks and supports the ongoing refinement of its risk management approach. 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 identifies climate-related risks and opportunities across three defined time horizons: short-, medium-, and long-term. These horizons are aligned with the Group's financial and strategic planning cycles, and reflect the expected useful life of key assets and operations. This approach supports the business to identify near-term transitional risks alongside longer-term physical risks that may emerge over extended periods. Structuring the assessment in this way, enables the Group to consider how evolving regulatory, market, technological, and environmental developments may affect the business over time. These considerations include potential changes in 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 analysis, stakeholder engagement, and external developments. Insights from this process support a consistent understanding of climate-related exposure across the business and inform wider risk management and strategic planning activities.

Table 1. Victoria's climate time horizons

Time Horizon	Description	Potential climate risks relevant to time horizon
Short-term	0-3 years (FY27 – FY30)	The short-term time horizon reflects climate-related risks that could give rise to near-term financial impacts on the business. This period primarily captures transition risks, including those arising from changing market, technology, policy and reputational demands. This time horizons extends to FY30 and has been defined to align with Victoria's shorter-term business and financial planning.
Medium-term	3-5 years (FY30 – FY32)	The medium-term time horizon considers climate related risks that may materialise beyond the Group's near-term planning cycle and includes both transition and physical risks across our global operations and supply chain. During this period, transition risks such as the introduction or tightening of carbon pricing mechanisms and other policy measures, may become more pronounced to support the transition to a low-carbon economy. These developments could result in increased costs or operational pressures across multiple regions in which the Group operates. The medium-term horizon extends to FY32, reflecting the growing number of government and corporate targets over this period.
Long-term	5+ years (FY32-FY40)	The long-term time horizon primarily considers physical climate-related risks associated with the increasing frequency and severity of extreme acute and chronic climate change events. Given Victoria's global operations and supply chain, these risks may include exposure to hazards such as storms and flooding, extreme heat, sea level rise and water stress. This timeline extends to FY40 and is intended to support the assessment of the Group's resilience to longer-term physical impacts of climate change and their potential implications for operations and supply-chain continuity.

Environmental, Social and Governance Report

TCFD Continued

Section	Requirement	Disclosure
Strategy continued		During FY2024, Victoria undertook a Group-wide qualitative assessment to identify climate-related risks and opportunities relevant to the business 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. The assessment was refreshed in FY2026, with a review of the previously identified risks and opportunities across relevant time horizons, taking into account developments in the political, regulatory, and physical climate environment. As a result of this process, a focused set of climate-related risks and opportunities were 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 with a global operational and supply-chain footprint. Three transition risks, one physical risk, and one climate-related opportunity were identified. 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. These include potential increases in energy costs (see R.02 on page 43) and the introduction of carbon pricing mechanisms (see R.03 on page 44) and reputational risks arising from evolving stakeholder expectations and climate-related disclosure requirements (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 availability, manufacturing operations, and distribution activities, with implications for both cost and revenue across the business. The assessment also identified a climate-related opportunity linked to responding to changing customer preferences and increasing demand for more 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 set out in the Strategy section on pages 39 to 49.

Section	Requirement	Disclosure
Strategy continued	(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Victoria undertook a qualitative assessment of five potentially material climate-related risks and opportunities during FY2024, supported by a third-party advisor. The purpose of this assessment was to evaluate how climate-related factors may affect the Group's operations, strategic priorities, and financial planning across different time horizons. The assessment considered the potential implications of each identified risk and opportunity over the short-, medium-, and long-term under two defined climate scenarios. These impacts were assessed qualitatively, with reference to possible effects on operating costs, supply chain resilience, market demand, capital allocations, and longer-term strategic positioning. Table 2 (below) summarises the potential impacts of each item on the Group's business activities, strategy, and financial considerations. This scenario analysis has informed management's understanding of relative exposure to climate-related risks and opportunities and has supported consideration of these factors within ongoing strategic discussions and business planning processes. **Climate scenarios considered** **'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 pathways and to identify areas where further analysis, mitigation or adaptation may be required to support long-term value creation.

Environmental, Social and Governance Report

TCFD Continued

Table 2. Victoria's impact analysis

		Relative financial impact							
			Net Zero 2050			Current Policies			
Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	FY30	FY32	FY40	FY30	FY32	FY40	Mitigation measures / Risk treatment plans
R.01: Acute/Chronic physical risks impacting upstream and downstream supply chain activities, including raw material availability and production inputs. **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, with the potential for persistent risks leading to sustained increases in input costs and requiring adaptation of sourcing strategies over time.	• Increased operational costs resulting from supplier delays and/or damages, including costs passed through from suppliers. • Decreased revenue due to delays from upstream and/or downstream supply chain activities. • Working capital impacts arising from increased inventory requirements to manage supply chain volatility. • Potential expenditure associated with reconfiguring supply chains, including supplier diversification initiatives.	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; • Where appropriate, integration of climate risk considerations into supplier selection and procurement processes, including supplier due diligence and risk mapping; • 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

Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	Relative financial impact: Net Zero 2050 FY30	Net Zero 2050 FY32	Net Zero 2050 FY40	Current Policies FY30	Current Policies FY32	Current Policies FY40	Mitigation measures / Risk treatment plans
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. • Increased capital expenditure requirements to improve energy efficiency and transition to lower-carbon manufacturing technologies.	Low	Medium	High	Low	Low	Low	• 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

Environmental, Social and Governance Report

TCFD Continued

			Relative financial impact						
			Net Zero 2050			Current Policies			
Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	FY30	FY32	FY40	FY30	FY32	FY40	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 and broader carbon pricing mechanisms are expected to be a key instrument in driving reductions in global GHG emissions. The Group may be exposed to direct and indirect carbon pricing mechanisms to our business activities, 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 increase in likelihood and impact 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 input costs as carbon taxes are indirectly passed through from suppliers (i.e., scope 3 emissions). • Margin pressure due to limited ability to pass through carbon-related cost increases in competitive markets. • Potential need for increased capital expenditure to reduce emissions intensity and exposure to carbon pricing over time.	○	●	●	○	○	○	• 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).

Relative financial impact

○ Low ◍ Medium ● High

Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	Relative financial impact: Net Zero 2050 FY30	Net Zero 2050 FY32	Net Zero 2050 FY40	Current Policies FY30	Current Policies FY32	Current Policies FY40	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 UK & Europe, 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.	○	○	◍	○	○	○	• 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 voluntarily meeting the requirements of the CSRD.

Relative financial impact

○ Low ◍ Medium ● High

Environmental, Social and Governance Report

TCFD Continued

			Relative financial impact						
			Net Zero 2050			Current Policies			
Climate-related risk / opportunity	Risk description and assessment	Potential financial impact	FY30	FY32	FY40	FY30	FY32	FY40	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.	Low	Low	Medium	Low	Low	Low	• 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.

Relative financial impact

Low Medium High

Section	Requirement	Disclosure
Strategy	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C 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 over 2% 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, which are expected to remain relevant over the near to medium-term. The climate-related risks and opportunities identified are broadly consistent with those faced by peers across the sector. Victoria's strategic focus on outperforming the wider market enhances its capacity to respond to emerging risks and capture opportunities arising from the transition to a lower-carbon economy. Scenario analysis indicates that the Group's exposure to climate-related risks increases over the medium to long term. Under the Net Zero scenario, the principal risks to strategic resilience relate to increased operating costs driven by carbon pricing mechanisms and heightened energy market volatility. Conversely, under a Current Policies scenario, physical climate risks are expected to become more material over time, particularly in relation to supply chain disruption and infrastructure resilience. Victoria will continue to evaluate the resilience of its business strategy to climate-related risks and opportunities under a range of plausible future scenarios. This includes identifying and integrating additional mitigation and adaptations measures into financial and strategic planning with the aim of strengthening resilience and supporting long-term value creation. The Group's focus remains on the robust qualitative assessment framework. This approach has enabled a comprehensive identification of climate-related risks and opportunities across the Group's diverse operations and geographies. Future reporting cycles will build on this foundation through the progressive incorporation of more detailed quantitative and financial impact analysis. Overall, the Group's strategy provides a strong and flexible platform from which to respond to climate-related developments. It is subject to regular review and refinement to ensure continued alignment with evolving climate-related risks and opportunities, supporting Victoria's ambition to remain resilient, competitive, and financially stable throughout the transition to a low-carbon economy.

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	Victoria undertook a structured process to identify and assess climate-related risks and opportunities relevant to the Group, considering its operational activities, geographic footprint, and global supply chain. This process, supported by a third-party advisor alongside extensive desktop research and peer benchmarking, was designed to support the Group's climate-related disclosures and to inform management's understanding of how climate-related factors may affect the business. The assessment considered a range of physical and transition climate-related drivers, including regulatory and policy developments, market and technology trends, and potential impacts on operations and supply chain resilience. Identified climate-related risks and opportunities were assessed on a qualitative basis, using consistent criteria to consider their relative likelihood and potential impact across short-, medium-, and long-term time horizons. The process was informed by cross-functional input from across the Group, including representatives from Risk, Finance, and divisional leadership, enabling climate-related considerations to be evaluated in the context of Victoria's broader operational and strategic priorities. This supported the identification and prioritisation of those climate-related risks and opportunities considered most relevant to the Group. The outputs of this assessment were used to inform scenario analysis and strategic resilience considerations, which are outlined in the Strategy section. Climate-related risks are considered alongside other ESG-related matters within the Group's existing governance and oversight arrangements, and specifically within the enterprise risk management framework. Victoria will continue to develop its approach to climate-related risk identification and assessment in support of ongoing evolution of climate-related governance and reporting in line with regulatory expectations and market practice.
	(b) Describe the organisation's processes for managing climate-related risks	Victoria manages climate-related risks through established management and governance processes that support the identification of appropriate responses to the most relevant risks and opportunities facing the Group. Climate-related considerations are addressed alongside other ESG-related matters in accordance with their relative impact on operational performance, supply chain resilience, and longer-term strategic outcomes. Once climate-related risks have been identified and assessed, management considers the most appropriate response based on the nature and potential significance of the risk. This may include actions to mitigate, adapt to, or accept specific risks, depending on their characteristics and the time horizons over which they may crystallise. Responses are intended to be proportionate and aligned with the Group's operational activities and strategic priorities. Where relevant, mitigation measures may include operational initiatives, investment in efficiency or resilience-enhancing technologies, adjustments to sourcing or logistics arrangements, or engagement with suppliers, customers, and other partners across the value chain. Management actions are informed by the evolving regulatory, market, and physical climate environment and are refined as necessary to reflect changing circumstances. Climate-related risks and related management actions are kept under review through existing governance and oversight arrangements. Relevant matters are considered by management and, where appropriate, discussed through the ESG Committee and escalated via established governance channels, including to the Board enabling ongoing oversight of material climate-related risks. Victoria will continue to evolve its approach to managing climate-related risks, recognising that practices will be further refined over time as methodologies, data availability, and governance arrangements mature in line with regulatory expectations and market practice.

Section	Requirement	Disclosure
Risk Management continued	(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 considered within Victoria's established risk governance and oversight framework, with assessment undertaken at both Group level and across the Group's four operating divisions: UK & Europe Soft Flooring, UK & Europe Ceramic Tiles, Australia, and North America. This divisional perspective enables visibility of climate-related considerations across different geographies, operating environments, and market contexts. The processes used to identify, assess, and manage climate-related risks are aligned with the Group's broader approach to risk oversight and draw on engagement with representatives from key functions and business units. This facilitates a consistent evaluation of climate-related risks alongside other strategic and operational risks, while recognising differences in exposure across the Group's business activities. At this stage, climate-related risks and opportunities are assessed primarily on a qualitative basis, reflecting current data availability and the nature of the Group's operations. The outputs of this assessment, including scenario analysis, inform management's understanding of potential exposures over short-, medium-, and long-term time horizons and support consideration of climate-related factors within broader risk discussions. Climate-related risks identified through this process are captured within the Group's ESG and Climate Risk Registers, which are reviewed on a periodic basis to reflect changes in the external environment, regulatory developments, and the Group's operating profile. These registers operate alongside the Group's principal risk framework and provide a mechanism for monitoring climate-related matters within existing governance arrangements. As Victoria's approach continues to evolve, the Group will consider strengthening the linkage between climate-related risk assessments and its overall risk management and decision-making processes, including through the progressive incorporation of more quantitative analysis where appropriate.
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 on an annual basis, with a focus on Scope 1 and Scope 2 emissions. 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, and provides transparency over the Group's operational carbon footprint. To support internal analysis and comparability across the business, Victoria calculates emissions intensity ratios for each of the Group's four reporting divisions. These ratios draw on a combination of sales volumes, energy consumption data, and GHG emissions. Year-on-year changes in both absolute emissions and emissions intensity are monitored to identify trends over time and to provide insight into reductions or increases in operational emissions. Further detail on these metrics is provided on page 26 of the SECR section of this report. These emissions-based metrics, including absolute levels, intensity ratios, and observed trends over time, form the Group's primary quantitative indicators in relation to climate-related transition considerations associated with energy use and emissions. As Victoria's climate-related reporting continues to evolve, the Group will consider the potential development of additional metrics over time to support enhanced monitoring of climate-related risks and opportunities identified in the Strategy section, subject to data availability.

Environmental, Social and Governance Report

TCFD Continued

Section	Requirement	Disclosure
Targets continued	(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 26.
	(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Victoria's current approach to managing climate-related risks and opportunities is focused on building a robust baseline of emissions data and deepening understanding of how climate-related factors may affect the business across different time horizons. This will provide a foundation that enables future target-setting in a manner that is proportionate, data-driven, and aligned with the Group's operational profile. At this stage, Victoria measures and discloses greenhouse gas (GHG) emissions in line with the Streamlined Energy and Carbon Reporting (SECR) Regulations 2018. These disclosures enable the Group to track emissions levels and year-on-year trends, providing transparency over performance and supporting the assessment of potential climate-related transition considerations. As the Group's climate-related analysis and data capabilities continue to develop, Victoria will consider the establishment of Group-wide GHG emissions reduction targets and, where appropriate, additional targets linked to priority climate-related risks and opportunities identified through scenario analysis. Any targets adopted will be designed to be meaningful, measurable, and aligned with the Group's evolving climate strategy and risk management priorities.

Victoria's climate-related disclosures reflect a disciplined approach to understanding how climate-related risks and opportunities may affect the Group's business, operations, and long-term performance. The work undertaken has strengthened visibility of climate-related considerations across the Group and supported informed oversight within existing governance, strategy, and risk management arrangements.

As regulatory expectations, market dynamics, and stakeholder requirements continue to evolve, Victoria remains focused on enhancing the quality, consistency, and decision-usefulness of its climate-related disclosures. The Group will continue to refine its approach to climate-related risk management over time, ensuring it remains proportionate to the nature and scale of its activities and aligned with emerging best practice.

Alec Pratt
Chief Financial Officer

23 July 2026

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 (until 30 June 2026)

Philippe Hamers was appointed to the Board on 20 March 2017 and resigned from the board on 30 June 2026. 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.

ALEC PRATT

Chief Financial Officer

Alec Pratt was appointed to the Board of Victoria PLC on 15 April 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.

STEVE CALLAGHAN

Non-executive Director

Steve Callaghan has over 25 years' experience as a growth-orientated and turnaround CEO. He is currently Non-Executive Chairman of private equity owned Marston Holdings Limited having been first appointed in 2021 following some Covid-related challenges. Steve led a series of improvement initiatives on both cost and revenue, and Marston maintained the confidence of the company's lenders throughout. Following nine months as Executive Chairman, a new CEO/CFO combination was established with a new leadership team, some promoted from within to continue the recovery. In the public domain he has previously served as CEO of Ceres Power Holdings Plc, CPP Plc and Card Clear Plc. At Ceres he was initially appointed as turnaround CEO, followed by undertaking the role of SID, with the market capitalisation growing from £3 million to over £2 billion in less than four years.

Steve was appointed to the Board in January 2026 and is a member of the Audit and Nominations Committees.

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 Audit and Remuneration Committees and a member of the 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 and is a member of the Remuneration Committee.

BRIAN MORGAN

Chief Financial Officer (until 23 July 2025)

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.

ANDREW HARRISON

Non-executive Director (until 7 January 2026)

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 and resigned from the Board on 7 January 2026.

Directors' Report

The Directors present their Annual Report and the audited financial statements for the Group for the 52 weeks ended 28 March 2026.

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's Statement on pages 04 to 09.

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 28 March 2026 and a description of the principal risks and uncertainties faced by the Group. The Strategic Report can be found on pages 10 to 13.

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 158.

	£m
Loss attributable to shareholders	326.3
Total dividend paid in the financial year	–
Retained loss	**326.3**

The Directors do not recommend the payment of a final dividend for the 52 weeks ended 28 March 2026.

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 28 March 2026 and through to the date of this report.

DIRECTORS

The directors who served during the year are set out in the Board of Directors on page 51.

DIRECTORS' REMUNERATION

The remuneration of all Directors for the 52 weeks ended 28 March 2026 were as follows:

	Salary/Fees £000	Benefits in kind £000	Bonus £000	**Total 2026 £000**	Total 2025 £000
Executive					
Geoffrey Wilding	1,200	–	–	**1,200**	1,200
Philippe Hamers	1,658	36	270	**1,964**	1,657
Alec Pratt (from appointment 15 April 2025)	397	6	100	**503**	–
Brian Morgan (until resignation on 23 July 2025)	247	4	–	**251**	746
	3,502	46	370	**3,918**	3,603
Non-executive					
Andrew Harrison (until resignation on 7 January 2026)	27	–	–	**27**	35
Gavin Petken	100	–	–	**100**	100
Steve Callaghan (from appointment on 8 January 2026)	23	–	–	**23**	–
	150	–	–	**150**	135
	3,652	46	370	**4,068**	3,738

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

REMUNERATION POLICY

Overview

The Directors' Remuneration Policy is to ensure that remuneration is sufficiently attractive to attract, retain and motivate Directors to achieve its performance against financial objectives and relevant competitors.

The table below sets out a summary of the key elements of the Remuneration Policy.

Remuneration element and link to strategy	Operation	Maximum opportunity	Performance measure
Executive Directors			
Base Salary To provide competitive fixed remuneration to support the recruitment and retention of Directors of sufficient calibre to deliver the Group's strategy and objectives	Reviewed annually by the Remuneration Committee with any changes taking effect following finalisation of the relevant financial year's Annual Report and Accounts. • In determining basic salary, consideration is given to factors such as: • Individual and group performance; • The individual's skills, experience and responsibilities; • External market data; • Pay at comparable companies; and • General pay increases across the wider workforce.	No prescribed maximum annual base salary or maximum increase in salary.	None; however, performance considered as part of annual review.
Pension Provides a competitive post-retirement benefit.	• Directors are eligible to participate in a salary sacrifice defined contribution pension plan with Company contributions set to a fixed percentage of basic salary.	Company contributions vary by individual role, ranging from 3% up to a maximum of 9% of salary, which is consistent with the wider UK workforce. Certain directors have elected to opt-out from pension entitlements.	A mixture of Group financial performance and personal objectives
Annual bonus Rewards and incentivises the achievement of financial and strategic targets over the financial year.	Performance measures, weightings and targets are set annually within a reasonable period following the end of the Financial Year of the Company. The performance criteria may include EBITDA growth, cash conversion percentage, key objectives and any other criteria as the Board may determine.	The annual bonus as a percentage of salary varies by individual role. The maximum bonus opportunity in FY2026 was 56% of salary.	A mixture of Group financial performance and personal objectives
Long-Term Incentive Plan (LTIP) To incentivise delivery of the Group's long-term objectives and the alignment of option holder interests with those of shareholders.	The Company operates share-based LTIP plans to incentivise executive directors and certain senior employees. The Committee will determine the award levels to be granted in respect of any financial year.	The size of opportunity is at the discretion of the Remuneration Committee, subject to any overall limits on total options that can be issued as set out under the LTIP plan rules.	The share options granted to Directors do not carry any performance conditions. Any vested options are exercisable provided the Director remains employed by the Group at the vesting date.
Non-Executive Directors			
Fees To ensure fees provide an appropriate incentive to attract individuals of the highest calibre with the experience and expertise required to deliver the Group's strategy.	Fees are set at a level that considers the time commitment, responsibility of the role and market practice. The Company reimburses any reasonable expenses incurred in carrying out their duties, including travel and accommodation. The Non-executive Directors do not receive any bonuses, benefits or share options.	Fees for the year ended 28 March 2026 are disclosed in the Directors' report on page 52.	None

Directors' Report

BOARD COMPOSITION AND EFFECTIVENESS

The Board considers that an externally facilitated board performance review has not been required in the past year. The Board will continue to review this position and may engage external support in the future should it become appropriate. The effectiveness of the Board and its composition are reviewed through the work of the Nomination Committee. The Nomination Committee is also responsible for succession planning and considers the skills, experience and diversity required to support the Group's strategy when reviewing potential requirements for Board and senior management appointments.

DIRECTORS' PENSION ENTITLEMENTS

Philippe Hamers who held office during the 52 weeks ended 28 March 2026 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 (2025: £19,129).

SHARES HELD IN TREASURY

During the year 1,059,818 shares were transferred out of treasury for settlement of certain employee share options that vested and were exercised in the period. The number of shares held in treasury at 28 March 2026 was 10,110,837 and represents 8.1% of the called-up share capital (2025: 11,170,655).

The total number of ordinary shares in issue in the Company at 28 March 2026 was 115,353,830 (2025: 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 24 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 half-year and full-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.

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 24 to 50.

STREAMLINED ENERGY AND CARBON REPORTING

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy & Carbon Report) Regulations 2018, 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 26.

FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies are set out within Note 24 of the financial statements. Note 24 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.

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.

AUDIT QUALITY REVIEW

Since the year end the FRC's Audit Quality Review ("AQR") team has completed a review of Grant Thornton's audit of our financial statements for the 52 week period ended 29 March 2025. The audit committee considered the report from the AQR and discussed the findings with Grant Thornton. There were no key findings arising from the review.

GOING CONCERN

The consolidated financial statements for the Group have been prepared on a going concern basis. The Financial Review on page 22 sets out the justification for this basis of preparation.

ANNUAL GENERAL MEETING

The Notice of the 2026 Annual General Meeting will be sent to shareholders separately in due course. The Company's approach to the re-election of Directors in relation to the recommendations of the QCA Corporate Governance Code is set out below.

Under the Corporate Governance Code, Principle 6 recommends that companies are expected to present all directors for re-election by shareholders on an annual basis. However, instead the Company operates in compliance with its Articles of Association which legally mandates that directors are required to retire by rotation and stand for re-election at least once every three years, rather than annually. The Board considers that a three-year cycle offers shareholders consistent scrutiny and the opportunities to vote at least once every three years while allowing directors an appropriate balance of commercial continuity and operational stability to focus on long-term strategy, which is highly beneficial for a Group of our current size and complexity. Furthermore, the Company also has a significant shareholder, KED Victoria, which retains the right to nominate and appoint specific directors directly to the Board pursuant to the Articles of Association. The Nomination Committee continually assesses the independence, skills and effectiveness of the overall Board to ensure it remains balanced.

REFINANCING OF PREFERRED EQUITY AND SENIOR SECURED DEBT

On 8 July 2026, the Company announced that it had entered into a transaction support agreement with KED Victoria Holdings LLC, Wood River Capital LLC and certain consenting holders of its Senior Secured Notes due in 2028.

Further details are set out in Note 27.

COMPLETION OF SALE AND LEASEBACK BELGIAN DISTRIBUTION CENTRE

On 14 July 2026 the Group completed the €34.4 million sale and lease back of its Belgian distribution centre to Avantage Property Holding BV.

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

By Order of the Board

David Cressman
Company Secretary

23 July 2026

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

23 July 2026

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 28 March 2026, 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 material accounting policy information. 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 28 March 2026 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with 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 28 March 2026 was £67.6m (2025: £56.6m) with circa £1,131m (2025: £955m) of financial debt, that it maintains additional liquidity through local financing lines and that the Group expects to generate positive operating cash flows in the forecast period to 31 July 2027.

Proposed refinancing transaction

The Basis of Preparation section within Significant Accounting Policies also refers to the following transactions within the forecast period to 31 July 2027:

- a proposed refinancing transaction to address the 2028 Senior Secured Notes ("2028 Notes") maturity (and springing covenant, which brings forward the maturity on the super senior credit facility and first priority senior secured notes to December 2027 if the 2028 Notes are outstanding at that time); and
- a proposed refinancing transaction to address the potential dilution impact of KED Victoria Holdings, LLC's ("KED Victoria") right to convert the preferred equity into ordinary equity as of November 2026.

Completion is reliant on the majority of ordinary equity holders voting in favour of certain resolutions and 2028 noteholders consenting to the proposed transaction (together the "Refinancing Transaction").

As at the date of this report, holders representing over 90% of the outstanding 2028 notes had acceded to the Transaction Support Agreement.

The components of the Refinancing Transaction are inter-conditional and will be implemented on a substantially simultaneous basis. Certain elements will also be implemented by way of a capital reduction that will require approval of the High Court of England and Wales.

Uncommitted assets sales and the renewal or replacement of local credit facilities

The Basis of Preparation section within Significant Accounting Policies also refers to the following dependencies within the forecast period to 31 July 2027:

- uncommitted asset sales totalling £63m; and
- the renewal or replacement of local credit facilities totalling £64m.

As stated in the Basis of Preparation section within Significant Accounting Policies, the Refinancing Transaction has not completed at the time of the approval of the annual report and accounts, and there is a reliance on asset sale proceeds and the renewal or replacement of uncommitted local credit facilities to maintain adequate levels of liquidity during the forecast period to 31 July 2027. 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.

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 Refinancing Transaction not having completed at the time of approval of the annual report and accounts and the reliance on both uncommitted asset sales totalling £63m and the renewal or replacement of local credit facilities totalling £64m to maintain adequate levels of liquidity within the forecast period to 31 July 2027.

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 2027, 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.
- tested the mathematical accuracy of management's forecasts, including agreeing the opening available liquidity position to the closing balances at 28 March 2026 and agreeing the latest available liquidity position at 30 June 2026 to underlying reporting;
- checked the minutes of management and board meetings up to the date of our report to assess whether there was any contradictory evidence in relation to management's covenant compliance models included in management's going concern scenarios
- 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;
- compared management's forecasting to historical financial information for the past three financial year-ends and post year-end for April to June 2026, to assess the accuracy of that forecasting;

- assessed the information obtained from our procedures described above against management's downside scenario and reverse stress test and evaluated whether this evidence indicated the reverse stress test as being implausible; 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.

OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £6,000,000, which represents approximately 0.57% of the group's total revenue.

Parent company: £11,500,000, which represents approximately 1.5% of the parent company's total assets.

The parent company materiality is for the purposes of the parent company only financial statements 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") (same as previous period);
  - North America – Cali Bamboo CGU (same as previous period);
  - UK & Europe – Ceramic Tiles (Italy) CGU (same as previous period);
  - UK & Europe – Balta Rugs CGU (same as previous period); and
  - UK & Europe – Artificial Grass CGU (new in current period).
- Valuation of investments and amounts owed by subsidiaries (Parent company only) (same as previous period); and
- Going concern (same as previous period).

We performed audit procedures on the entire financial information of 12 components (full-scope audit procedures) and audits of one or more classes of transactions including specified, risk focused audit procedures (specific scope procedures) on the financial information of a further 8 components.

The components which were subject to either a full scope audit or specific-scope audit procedures contributed 77% of the group's revenue and 83% of the group's absolute underlying profit before taxation.

We performed analytical procedures at group level (analytical procedures) on the financial information of all the remaining group components. This is consistent with the scope of the audit in the previous period.

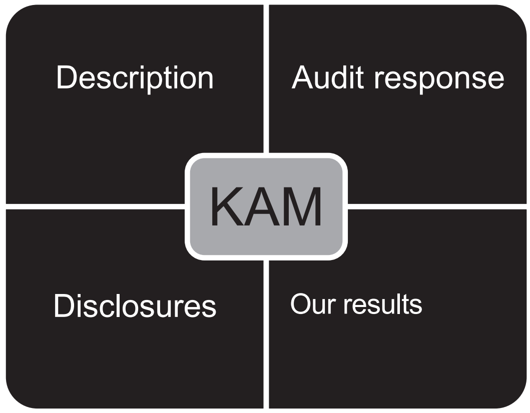
Independent Auditor's Report

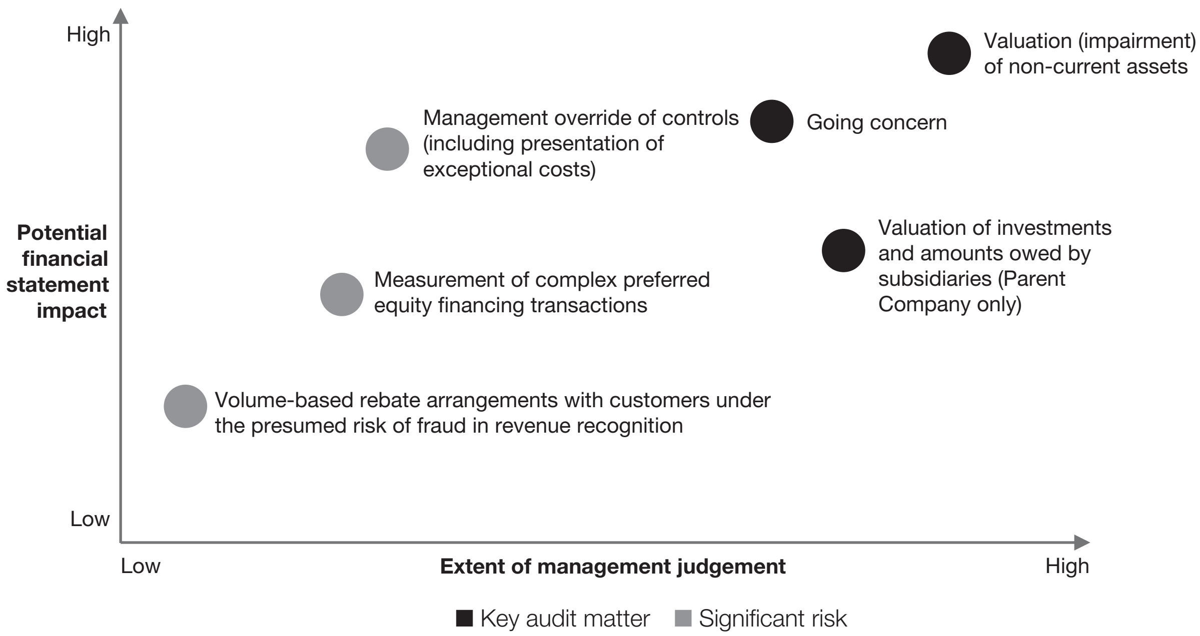
to the members of Victoria PLC

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.





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 – Ceramic Tiles (Italy) CGU, UK & Europe – Balta Rugs CGU and UK & Europe – Artificial Grass CGU We identified valuation (impairment) of non-current assets – specifically those relating to the CGUs identified above – 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 and subject to significant estimation uncertainty. When carrying out the impairment review, determining the recoverable amount for each CGU requires management to make judgements over several key inputs in their value-in-use discounted cash flow models. These include revenue growth, margin growth, discount rates, and long-term growth rates. 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 (impairment) of non-current assets in relation to the UK & Europe – Ceramic Tiles (Spain) CGU, North America – Cali Bamboo CGU, UK & Europe – Ceramic Tiles (Italy) CGU, UK & Europe – Balta Rugs CGU and UK & Europe – Artificial Grass 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 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, the calculation of the discount rate and the key underlying assumptions such as revenue, revenue growth, margin, margin trends, capital expenditure and working capital requirements for the period over which management has projected cash flows based on financial judgements / forecasts approved by management; • assessed management's medium and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate; • 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 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 competence, objectivity and capability 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), North America – Cali Bamboo, UK & Europe – Balta Rugs and UK & Europe – Artificial Grass CGUs; 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 2026	Our results
Financial statements: Note 9, Goodwill; Note 10, Intangible assets; and Note 25, Key sources of estimation uncertainty.	As a result of our audit procedures material errors were identified. Our challenge led to: i) a material impairment charge of £33m against intangible assets within the UK & Europe – Ceramic Tiles (Spain) CGU; and ii) a material impairment charge of £18m against goodwill within the UK & Europe – Artificial Grass CGU. We also identified that there are reasonably possible alternative scenarios which could lead to further impairment within the North America – Cali Bamboo and UK & Europe – Balta Rugs CGU. As a result of our challenge, additional disclosures were made in the financial statements in relation to both CGUs.

Key Audit Matter – parent company	How our scope addressed the matter – parent company
Valuation of investments and amounts owed by subsidiaries (Parent company only) We identified the valuation of investments in subsidiaries (2026: £340.5m; 2025: £379.5m) and amounts owed by subsidiaries (2026: £491.4m; 2025: £518.4m) as one of the most significant assessed risks of material misstatement due to error. There is substantial estimation uncertainty in determining whether these amounts are impaired at the period 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, 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 the group operates in, supply chain pressures, and accuracy of recent forecasting. We corroborated management's responses to relevant evidence such as new customers won, or external market data such as economic and industry forecasts to support key assumptions; • challenged management on the leverage multiples 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 2026	Our results
Financial statements: Note 12, Fixed asset investments; Note 14, Trade and other receivables; and Note 25, Key sources of estimation uncertainty.	As a result of our audit procedures a material error was identified in management's assessment in the valuation of investments in subsidiaries. Our challenge led to a material impairment charge of £145.7m against the investments in subsidiaries line item with the parent company balance sheet.

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 (2025: £6,000,000), which represents approximately 0.57% of the group's total revenue.	£11,500,000 (2025: £10,000,000), which represents approximately 1.5% of the parent company's total assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • revenue 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 in the prior periods (2025: 0.5%; 2024: 0.5%; 2023: 0.4%); and • in light of the decline in Group revenue, we consider that the implementation of strengthened internal controls, together with the successful refinancing of the bonds which has enhanced financial stability, sufficiently mitigates the associated risks. Accordingly, we do not consider a reduction in materiality to be necessary.	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 increased our materiality benchmark to 1.5% to reflect the reduced risk given that the company is no longer an Other Entity of Public Interest as its market capitalisation is less than €200m over the preceding three financial periods. Materiality for the current period is higher than the level that we determined for the period ended 29 March 2025, which reflects the increase in our benchmark measurement percentage as explained above. The parent company materiality is for the purposes of the parent company only financial statements audit. A lower component performance materiality has been used in respect of the parent company for the group financial statements audit.

Independent Auditor’s Report

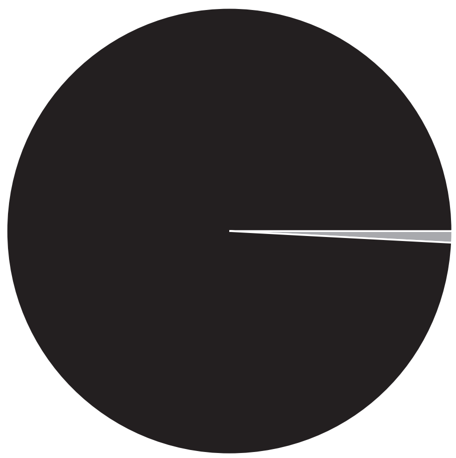
to the members of Victoria PLC

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 (2025: £4,200,000), which is 70% (2025: 70%) of financial statement materiality. The range of component performance materialities used across the group was £1,890,000 to £2,100,000.	£8,050,000 (2025: £7,000,000), which is 70% (2025: 70%) of financial statement materiality. Parent company component performance materiality has been capped at an amount less than group performance materiality for group audit purposes.
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 that there were no significant changes in business objectives or strategy, we determined a performance materiality threshold of 70% to be appropriate, which is the same as 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 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 a performance materiality threshold of 70% to be appropriate, which is the same as 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 (2025: £300,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative	£575,000 (2025: £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 statements audit. A lower threshold has been used in respect of the parent company for the Group financial statements audit.

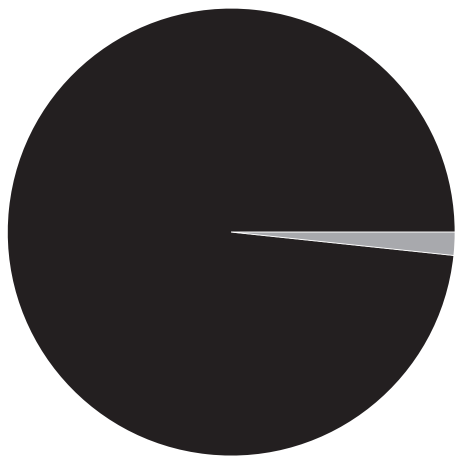
The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality – Group



■ Revenue £1,049m ■ FSM £6m

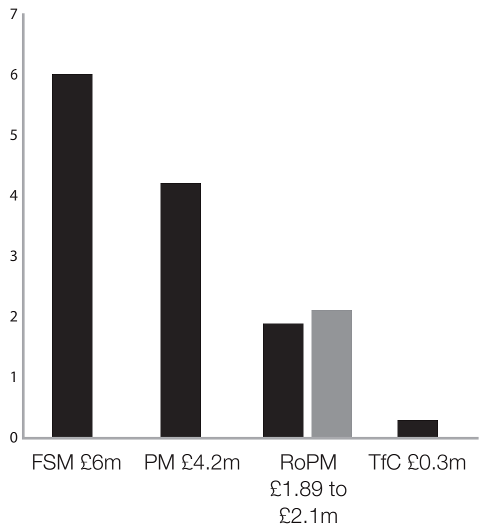
Overall materiality – Parent

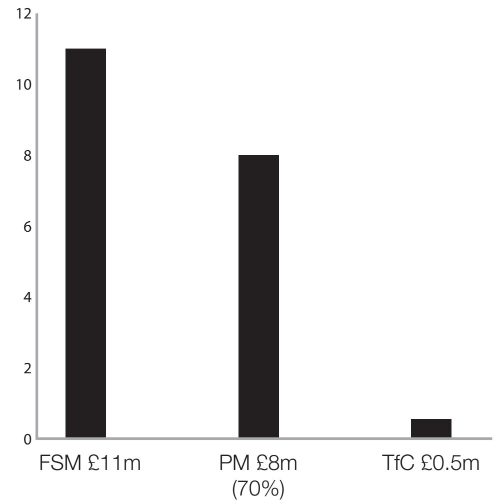


■ Total assets £844m ■ FSM £11.5m

Independent Auditor's Report

to the members of Victoria PLC





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

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

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, their environments, and its system of internal control including common 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 common 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 group components subject to 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 the Parent Company. This full-scope audit included work on both of the identified key audit matters described above;
- Specific-scope audit procedures on a financial statement line item in one component located in the United Kingdom to ensure we achieved sufficient coverage; and
- The financial information of the remaining operations of the group (after procedures by component auditors as set out below) were subject to analytical procedures.

Component auditors performed the following audit procedures:

- Full-scope audit procedures on the financial information of twelve components; namely 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 eight components; namely one in the United Kingdom, two located in Australia, one in Belgium, one in Italy, one in Spain, one in Turkey and one in the Netherlands; and

Performance of our audit

Specific-scope audit procedures performed on relevant components 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:

Audit approach	No. of components		% coverage - Revenue		% coverage - Absolute underlying PBT	
	FY26	FY25	FY26	FY25	FY26	FY25
Full-scope audit	12	12	66	63	60	62
Specific-scope audit	8	13	11	13	23	16
Full-scope and specific scope procedures coverage	**20**	**25**	**77**	**76**	**83**	**78**
Analytical procedures	64	59	23	24	17	22
Total	**84**	**84**	**100**	**100**	**100**	**100**

Communications with component auditors

As part of establishing the overall group audit strategy and plan, we conducted risk assessment and planning discussion meetings, including a two-day planning workshop in person 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 us as 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 reporting to us as 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, Turkey, Netherlands 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. We also 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

For an element of unpredictability, we instructed our component auditors to perform inventory procedures over a Dutch subsidiary, as in the previous period work was focused on revenue and debtors. In addition, due to the material balance of cash in a Spanish subsidiary, our component auditors were instructed to perform testing over this balance.

As a result of increased levels of inventories and trade receivables within the Group, we instructed our component auditors to perform testing over these areas in relation to the Spanish component. This was also expanded to an Italian subsidiary where component auditors were instructed to perform procedures over other receivables.

OTHER INFORMATION

The other information comprises the information included in the Annual Report and Accounts 2026, 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 2026. 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.

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 the 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.

Independent Auditor's Report

to the members of Victoria PLC

- 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 areas subject to estimation and judgemental areas with a risk of fraud, including potential management bias, volume-based rebate arrangements with customers and management override of controls.
- Our audit procedures included:
  - Evaluation of design and implementation 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, volume-based rebate arrangements with customers and 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

23 July 2026

Consolidated Income Statement

For the 52 weeks ended 28 March 2026

			52 weeks ended 28 March 2026			52 weeks ended 29 March 2025 (restated)*		
		Notes	Underlying performance £m	Non-underlying items £m	Reported numbers £m	Underlying performance £m	Non-underlying items £m	Reported numbers £m
Revenue		1	1,045.5	3.3	1,048.8	1,115.2	2.9	1,118.1
Cost of sales			(710.9)	(22.8)	(733.7)	(754.2)	(27.8)	(782.0)
Gross profit			334.6	(19.5)	315.1	361.0	(24.9)	336.1
Sales and Marketing			(107.3)	(0.2)	(107.5)	(109.6)	(1.4)	(111.0)
Distribution			(105.0)	(0.3)	(105.3)	(101.3)	(0.4)	(101.7)
Administrative expenses			(121.2)	(141.5)	(262.7)	(126.8)	(228.3)	(355.1)
Other operating income			6.2	0.9	7.1	6.2	0.1	6.3
Operating profit / (loss)		1	7.3	(160.6)	(153.3)	29.5	(254.9)	(225.4)
Comprising:								
Operating profit before non-underlying and exceptional items			7.3	–	7.3	29.5	–	29.5
Amortisation of acquired intangibles		2	–	(21.6)	(21.6)	–	(31.5)	(31.5)
Other non-underlying items		2	–	(5.7)	(5.7)	–	(15.3)	(15.3)
Exceptional impairment charge		2	–	(85.6)	(85.6)	–	(186.4)	(186.4)
Other exceptional items		2	–	(47.7)	(47.7)	–	(21.7)	(21.7)
Finance costs		3	(69.3)	(112.8)	(182.1)	(41.0)	(36.6)	(77.6)
Comprising:								
Interest on loans and notes			(58.7)	–	(58.7)	(30.7)	–	(30.7)
Amortisation of prepaid finance costs for bank loans			(2.1)	–	(2.1)	(2.2)	–	(2.2)
Unwinding of discount on right-of-use lease liabilities			(8.4)	–	(8.4)	(7.9)	–	(7.9)
Preferred equity items		3	–	(50.5)	(50.5)	–	(35.2)	(35.2)
Other finance items		3	(0.1)	(62.3)	(62.4)	(0.2)	(1.4)	(1.6)
Loss before tax		4	(62.0)	(273.4)	(335.4)	(11.5)	(291.5)	(303.0)
Taxation (charge) / credit		6	2.3	6.8	9.1	(0.6)	27.8	27.2
Loss from continuing operations for the period			(59.7)	(266.6)	(326.3)	(12.1)	(263.7)	(275.8)
Discontinued operations								
Loss from discontinued operations for the period			–	–	–	(6.3)	(18.5)	(24.8)
Total loss for the period			(59.7)	(266.6)	(326.3)	(18.4)	(282.2)	(300.6)
Loss per share from continuing operations - pence	basic	7			(284.12)			(242.03)
	diluted	7			(284.12)			(242.03)
Loss per share from total operations - pence	basic	7			(284.12)			(263.79)
	diluted	7			(284.12)			(263.79)

* *See note 17 for further details regarding the prior year restatement*

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 28 March 2026

	Note	52 weeks ended 28 March 2026 £m	52 weeks ended 29 March 2025 (restated) £m
Loss for the period		**(326.3)**	(300.6)
Other comprehensive income / (expense)			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit pension scheme	21	**1.2**	0.5
Items that will not be reclassified to profit or loss		**1.2**	0.5
Items that may be reclassified subsequently to profit or loss:			
Hyperinflation foreign exchange adjustments		**10.1**	34.6
Retranslation of overseas subsidiaries		**(3.2)**	(15.4)
Subsidiary disposal - reclassification of translation reserves		**–**	(8.6)
Items that may be reclassified subsequently to profit or loss		**6.9**	10.6
Other comprehensive income / (expense)		**8.1**	11.1
Total comprehensive expense for the period attributable to the owners of the parent		**(318.2)**	(289.5)
Total comprehensive expense for the period attributable to the owners of the parent arises from:			
Continuing operations		**(318.2)**	(271.7)
Discontinued operations		**–**	(17.8)
		(318.2)	(289.5)

Consolidated and Company Balance Sheets

As at 28 March 2026

		Group			Company		
	Notes	**28 March 2026 £m**	29 March 2025 (restated)* £m	30 March 2024 (restated)* £m	**28 March 2026 £m**	29 March 2025 (restated)* £m	30 March 2024 (restated)* £m
Non-current assets							
Goodwill	9	**70.2**	88.9	102.6	**–**	–	–
Intangible assets other than goodwill	10	**57.4**	111.5	250.7	**0.2**	0.3	0.4
Property, plant and equipment	11	**316.1**	344.4	447.8	**–**	–	–
Right-of-use lease assets	11	**157.5**	162.6	157.2	**0.7**	1.0	4.4
Investment property	12	**0.2**	0.2	0.2	**0.1**	0.1	0.1
Investments in subsidiaries	12	**–**	–	–	**340.5**	379.5	279.7
Other investments		**–**	3.2	–	**–**	–	–
Trade and other non-current receivables	14	**2.2**	–	–	**479.0**	511.3	767.6
Deferred tax assets	20	**11.2**	8.9	7.9	**6.4**	11.4	8.2
Total non-current assets		**614.8**	719.7	966.4	**826.9**	903.6	1,060.4
Current assets							
Inventories	13	**302.3**	303.7	326.1	**–**	–	–
Trade and other receivables	14	**217.3**	226.9	238.1	**13.4**	7.6	1.9
Current tax assets		**0.6**	2.1	4.1	**–**	–	1.4
Cash and cash equivalents	18	**68.4**	77.6	94.8	**4.0**	13.2	8.9
Assets classified as held for sale	14	**7.5**	–	–	**–**	–	–
Total current assets		**596.1**	610.3	663.1	**17.4**	20.8	12.2
Total assets		**1,210.9**	1,330.0	1,629.5	**844.3**	924.4	1,072.6
Current liabilities							
Trade and other current payables	15	**(256.5)**	(272.7)	(320.3)	**(6.1)**	(8.0)	(7.0)
Current tax liabilities		**(2.5)**	(6.2)	(4.7)	**–**	–	–
Obligations under right-of-use leases - current	17	**(30.8)**	(30.0)	(31.2)	**(0.6)**	(0.5)	(0.5)
Other financial liabilities	17	**(92.4)**	(135.4)	(94.3)	**(8.3)**	(44.2)	(0.9)
Provisions	16	**(29.3)**	(7.1)	(12.1)	**–**	–	–
Total current liabilities		**(411.5)**	(451.4)	(462.6)	**(15.0)**	(52.7)	(8.4)
Non-current liabilities							
Trade and other non-current payables	15	**(6.9)**	(8.1)	(7.2)	**–**	–	–
Obligations under right-of-use leases - non-current	17	**(158.5)**	(159.9)	(136.5)	**(4.2)**	(5.4)	(4.4)
Other non-current financial liabilities	17	**(849.6)**	(650.2)	(672.7)	**(827.4)**	(623.9)	(644.2)
Preferred equity	17	**(393.1)**	(339.9)	(295.4)	**(393.1)**	(339.9)	(295.4)
Preferred equity – contractually-linked warrants	17	**(0.4)**	(3.1)	(12.4)	**(0.4)**	(3.1)	(12.4)
Deferred tax liabilities	20	**(14.5)**	(24.3)	(56.7)	**(0.1)**	(1.1)	–
Retirement benefit obligations	21	**(2.6)**	(4.0)	(8.4)	**–**	–	–
Provisions	16	**(20.8)**	(19.6)	(21.0)	**(0.4)**	(0.4)	–
Total non-current liabilities		**(1,446.4)**	(1,209.1)	(1,210.3)	**(1,225.6)**	(973.8)	(956.4)
Total liabilities		**(1,857.9)**	(1,660.5)	(1,672.9)	**(1,240.6)**	(1,026.5)	(964.8)
Net (liabilities) / assets		**(647.0)**	(330.5)	(43.4)	**(396.3)**	(102.1)	107.8
Equity							
Share capital	22	**6.3**	6.3	6.3	**6.3**	6.3	6.3
Retained earnings	23	**(674.6)**	(349.6)	(48.6)	**(420.8)**	(123.9)	89.3
Foreign exchange reserve	23	**(41.6)**	(38.4)	(20.8)	**–**	–	–
Hyperinflation foreign exchange reserve	23	**45.8**	35.7	7.5	**–**	–	–
Other reserves	23	**17.1**	15.5	12.2	**18.2**	15.5	12.2
Total equity		**(647.0)**	(330.5)	(43.4)	**(396.3)**	(102.1)	107.8

* *See note 17 for further details regarding the prior year restatement*

The loss of the Company for the year was £296.9m (2025: loss of £212.1m (restated)).

Company Registered Number (England & Wales) 00282204.

The financial statements on pages 72 to 158 were approved by the Board of Directors and authorised for issue on 23 July 2026.

They were signed on its behalf by:

Alec Pratt
Chief Financial Officer

Consolidated Statement of Changes In Equity

For the 52 weeks ended 28 March 2026

	Share capital £m	Retained earnings £m	Foreign exchange reserve £m	Hyperinflation foreign exchange reserve £m	Other reserves £m	Total equity £m
At 30 Mar 2024 on previous basis	6.3	(27.4)	(20.8)	7.5	12.2	(22.2)
Impact of restatement (Note 17)	–	(21.2)	–	–	–	(21.2)
At 30 Mar 2024 (restated)	6.3	(48.6)	(20.8)	7.5	12.2	(43.4)
Loss for the period to 29 Mar 2025	–	(300.6)	–	–	–	(300.6)
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	–	(300.0)	(17.6)	28.2	–	(289.4)
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 (restated)	6.3	(349.6)	(38.4)	35.7	15.5	(330.6)
At 29 Mar 2025 on previous basis	6.3	(292.2)	(38.4)	35.7	15.5	(273.1)
Impact of restatement (Note 17)	–	(57.4)	–	–	–	(57.4)
At 29 Mar 2025 (restated)	6.3	(349.6)	(38.4)	35.7	15.5	(330.5)
Loss for the period to 28 Mar 2026	–	(326.2)	–	–	–	(326.2)
Other comprehensive expense for the period	–	1.2	–	–	–	1.2
Retranslation of overseas subsidiaries	–	–	(3.2)	10.1	–	6.9
Total comprehensive loss	–	(325.0)	(3.2)	10.1	–	(318.1)
Share-based payment charge	–	–	–	–	1.6	1.6
Transactions with owners	–	–	–	–	1.6	1.6
At 28 Mar 2026	**6.3**	**(674.6)**	**(41.6)**	**45.8**	**17.1**	**(647.0)**

Company Statement of Changes In Equity

For the 52 weeks ended 28 March 2026

	Share capital £m	Retained earnings £m	Other reserves £m	Total equity £m
At 30 Mar 2024 on previous basis	6.3	110.5	12.2	129.0
Impact of restatement (Note 17)	–	(21.2)	–	(21.2)
At 30 Mar 2024 (restated)	6.3	89.3	12.2	107.8
Loss for the period to 29 Mar 2025	–	(212.1)	–	(212.1)
Total comprehensive loss	–	(212.1)	–	(212.1)
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 (restated)	6.3	(123.9)	15.5	(102.1)
At 29 Mar 2025 on previous basis	6.3	(66.5)	15.5	(44.7)
Impact of restatement (Note 17)	–	(57.4)	–	(57.4)
At 29 Mar 2025 (restated)	6.3	(123.9)	15.5	(102.1)
Loss for the period to 28 Mar 2026	–	(296.9)	–	(296.9)
Total comprehensive loss	–	(296.9)	–	(296.9)
Share-based payment charge	–	–	2.7	2.7
Transactions with owners	–	–	2.7	2.7
At 28 Mar 2026	**6.3**	**(420.8)**	**18.2**	**(396.3)**

Consolidated and Company Statements Of Cash Flows

For the 52 weeks ended 28 March 2026

		Group		Company	
	Note	**52 weeks ended 28 March 2026 £m**	52 weeks ended 29 March 2025 £m	**52 weeks ended 28 March 2026 £m**	52 weeks ended 29 March 2025 £m
Cash flows from operating activities					
Operating profit / (loss)	1	**(153.3)**	(225.4)	**(154.0)**	(178.3)
Adjustments for:					
Depreciation and amortisation of IT software	1	**94.8**	95.7	**0.2**	0.7
Amortisation of acquired intangibles	1	**21.7**	31.6	**–**	–
Hyperinflation impact	2	**0.3**	(0.2)	**–**	–
Acquisition-related performance plan charge / (credit)	2	**(6.3)**	0.4	**–**	–
Acquisition-related performance plan payment		**(11.3)**	(6.8)	**–**	–
Amortisation of government grants		**(1.6)**	(1.9)	**–**	–
(Profit) / loss on disposal of investments, property, plant and equipment and acquired intangibles		**(4.5)**	3.9	**–**	2.1
Impairment charges	2	**85.6**	186.4	**148.9**	151.5
Share incentive plan charge	2	**1.9**	3.5	**1.9**	2.6
Defined benefit pension	21	**(0.2)**	(0.5)	**–**	–
Net cash flow from operating activities before movements in working capital, tax and interest payments		**27.1**	86.7	**(3.0)**	(21.4)
Change in inventories		**5.3**	(5.1)	**–**	–
Change in trade and other receivables		**16.6**	1.6	**(2.6)**	(2.2)
Change in trade and other payables		**(4.3)**	(21.8)	**(2.2)**	1.4
Change in provisions	16	**22.4**	(10.3)	**–**	–
Cash generated / (used) by continuing operations before tax and interest payments		**67.1**	51.1	**(7.8)**	(22.2)
Interest paid on loans and notes		**(32.9)**	(32.7)	**(24.9)**	(26.2)
Interest relating to right-of-use lease assets		**(8.3)**	(8.2)	**(0.2)**	(0.2)
Income taxes paid		**(8.1)**	(1.7)	**(0.1)**	1.9
Net cash inflow from continuing operating activities		**17.8**	8.5	**(33.0)**	(46.7)
Net cash flow from discontinued operations		**–**	(10.7)	**–**	–
Investing activities					
Purchases of property, plant and equipment		**(55.2)**	(74.9)	**–**	–
Purchases of intangible assets		**(1.0)**	(2.3)	**–**	(0.1)
Granting of and proceeds from subsidiary loans		**–**	–	**(38.9)**	17.9
Proceeds on disposal of property, plant and equipment		**6.5**	7.3	**–**	–
Deferred consideration and earn-out payments		**(0.8)**	(4.3)	**–**	–
Proceeds on disposal of real estate via sale and leaseback		**3.2**	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		**0.8**	1.1	**–**	0.2
Net cash generated / (used) in continuing investing activities		**(46.5)**	(40.7)	**(38.9)**	18.8
Investing activities cash flow from discontinued operations		**–**	8.7	**–**	–
Financing activities					
Proceeds from debt		**206.4**	89.2	**173.2**	63.0
Repayment of debt		**(125.1)**	(48.5)	**(90.6)**	(28.2)
Buy back of ordinary shares	22	**–**	(1.1)	**–**	(1.1)
Payments under right-of-use lease obligations		**(32.6)**	(31.4)	**(0.5)**	(0.5)
Bond refinancing		**(19.1)**	–	**(19.1)**	–
Payment of prepaid finance costs		**(3.2)**	(0.2)	**(2.8)**	(0.2)
Cash flow from other financing activities		**0.9**	1.7	**(0.2)**	0.1
Net cash generated in continuing financing activities		**27.3**	9.7	**60.0**	33.1
Financing activities cash flow from discontinued operations		**–**	7.2	**–**	–
Net increase / (decrease) in cash and cash equivalents		**(1.4)**	(17.3)	**(11.9)**	5.2
Cash and cash equivalents at beginning of period	18	**68.3**	87.2	**13.2**	8.0
Effect of foreign exchange rate changes	18	**0.7**	(1.6)	**–**	–
Cash and cash equivalents at end of period		**67.6**	68.3	**1.3**	13.2
Comprising:					
Cash and cash equivalents	18	**68.4**	77.6	**4.0**	13.2
Bank overdrafts		**(0.8)**	(9.3)	**(2.7)**	–
		67.6	68.3	**1.3**	13.2

Cash and cash equivalents presented above will differ to the balance sheet due to the reclassification of specific bank overdrafts reclassified to financing activities within the cashflow statement (no difference in FY26 and £11.7m in FY25).

Significant Accounting Policies

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with UK-adopted international accounting 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 revalued 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 financial statements have been prepared on a going concern-basis.

In determining the appropriate basis of preparation of the financial statements the Directors are required to consider whether the Group and Company can continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. The Directors have assessed the period to the end of July 2027.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 04 to 09. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 14 to 23. In addition, Note 24 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 at 28 March 2026, the Group had circa £67.6m of cash (net of overdraft) on balance sheet, and circa £1,131m of financial debt, comprising:

- £129m of super senior credit facility;
- £705m of senior secured notes; and
- £297m other local credit facilities and right-of-use lease liabilities (which were not fully drawn as at the year-end).

There are no maintenance covenants pertaining to the Group's senior debt and no material covenants on subsidiary-level borrowings around the Group.

Further details of the different elements of financial debt can be found in Note 17 to the Accounts.

The proposed refinancing transaction is anticipated to address the 2028 senior secured notes maturity (and springing covenant, which brings forward the maturity on the super senior credit facility and first priority senior secured notes to December 2027 if the 2028 notes are outstanding at that time). Further details of the anticipated transaction can be found in the Company's announcement on 8 July 2026. The transaction also addresses the potential dilution impact of KED's right to convert the preferred equity into ordinary equity as of November 2026. Completion is reliant on the majority of ordinary equity holders voting in favour of certain resolutions and 2028 senior secured noteholders consenting to the proposed transaction. On 23 July 2026, the Company announced holders representing over 90% of its bonds maturing in March 2028 have acceded to the Transaction Support Agreement, meeting the necessary threshold required to implement it by way of a consent solicitation.

The forecast cashflows for the going concern period are dependent on asset sale proceeds to fund reorganisation projects, principally the exceptional cash costs in Belgium, which are described within the Chairman's Statement. These asset sale processes, totalling circa £63m are diverse and cover a number of assets across the UK, Spain, Italy and Belgium. These are not yet contractually committed and therefore the timing of completion and precise disposal proceeds are not certain.

The Group operates a highly diversified set of financing arrangements across different geographies, which includes approximately 50 local lenders. These facilities include receivables financing, revolving credit facilities, capex or real estate loans and other cash borrowing facilities. Given the breadth of these arrangements, the Group is continually renewing or refinancing individual facilities as they fall due. Of the currently borrowed amounts, circa £18m are due to mature during the coming 12 months, and circa £64m are uncommitted. Therefore, although the Group expects to maintain its current borrowing capacity, a significant amount is not contractually committed and therefore not certain to be maintained.

As a result of the financing transactions not having completed at the time of the approval of the annual report and accounts, together with the reliance on asset sale proceeds and the renewal or replacement of uncommitted local credit facilities, which are not entirely in the Directors' control, 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

Significant Accounting Policies

believe that the proposed refinancing transactions represent an appropriate and achievable plan to address the Group's funding requirements, and is confident on securing proceeds from asset disposals in a timely manner and that uncommitted local borrowing facilities will be renewed or replaced in the ordinary course of business, although the successful completion and timing of these transactions cannot be guaranteed.

GOING CONCERN ASSESSMENT

The Group's cash position, net of overdrafts, as at 28 March 2026 was £67.6m (2025: £56.6m), and it maintains additional liquidity through local financing lines. The Group expects to generate positive operating cash flows in the forecast period to 31 July 2027.

In assessing the Group as a going concern, a cashflow forecast through to 31 July 2027 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 where accounting standards permit this. The capital structure factored into the going concern assessment is based on the successful completion of the anticipated refinancing transactions as the Directors are confident that the transactions will complete successfully.

To take into account the current uncertainty in consumer demand, a plausible downside scenario was modelled, sensitising revenues by circa £36m, resulting in a reduction in EBITDA of circa £12m across the forecast period, versus the base forecast to ensure that even in a downside scenario, sufficient liquidity was maintained through the forecast period. As a result of lower volumes, an inflow of working capital would be expected, largely offsetting the cash impact in the short term. This downside scenario did not result in a change in our view that the business remains a going concern.

In both cases, sufficient liquidity is forecast to be maintained through the period of assessment.

A reverse stress-test scenario was modelled, purely for the purposes of sensitising earnings such that liquidity is fully exhausted within the period of assessment. With all other assumptions held equal, the required sensitivity to arrive at the point where liquidity is exhausted would be a greater than £300m shortfall in revenue versus the base case over the period from 1 July 2026 to 31 July 2027, resulting in a reduction in EBITDA of circa £112m versus the base case and a reduction in operating cashflows by the same amount. The scenario maintains the capital structure assumptions as the base and downside cases, isolating the quantum of operating cashflow reduction in order to break liquidity. Further mitigating actions as set out below, 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 given the historical performance of the business, even during periods of significant market weakness, has not fallen to a point where losses are recognised at EBITDA level over a prolonged period.

Asset sale proceeds, predominantly relating to real estate assets, are anticipated to be circa £63m through the period. These assets and sale processes are diverse and covers a number of assets across the UK, Spain, Italy and Belgium.

The Group operates a highly diversified set of financing arrangements across different geographies, which includes approximately 50 lenders. These facilities include receivables financing, revolving credit facilities, capex or real estate loans and other cash borrowing facilities. Given the breadth of these arrangements, the Group is continually renewing or refinancing individual facilities as they fall due. The value of borrowed amounts due to mature during the assessment period is circa £18m, and circa £64m of the current borrowings relates to uncommitted credit lines.

There are additional mitigations available to the Group that have not been included in any of the scenario projections. Additional mitigations that are within the Group's control include:

- Further working capital optimisation
- Reduction of discretionary capex
- Additional cost reductions, via the use of temporary unemployment initiatives available
- Additional, or accelerated, asset disposals
- Increasing the level of borrowing capacity at either super senior or local facility level

Having considered the work undertaken as described above, while there is uncertainty relating to the refinancing transaction and asset disposals, which are not wholly in the Company's control, the Directors are of the view that the Group is well placed to manage its business and liquidity 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.

Significant Accounting Policies

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-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 depreciated on a straight-line basis over their remaining estimated useful lives. 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

Plant and machinery: 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.

If an asset is comprised of separate parts that are significant (in relation to the asset's total cost), then those parts should be depreciated separately based on their own useful lives.

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.

Internally generated and other separately acquired intangible assets

Internally generated and separately acquired intangible assets (those not acquired as part of a business combination) are recognised at historical cost. They are subsequently carried at cost less accumulated amortisation and any impairment losses. Their useful lives are defined in part (iii) below.

(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

IT Software: between 3 and 5 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.

Significant Accounting Policies

(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.

The Group acts as a lessor in a limited number of immaterial lease arrangements. Where the Group enters into a sublease, the sublease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease. Where substantially all the risks and rewards incidental to ownership of the right-of-use asset are transferred to the sublessee, the arrangement is classified as a finance lease.

For finance subleases, the Group derecognises the relevant portion of the right-of-use asset and recognises a net investment in the lease. Lease receipts are allocated between a reduction in the net investment and finance income, with finance income recognised over the lease term using the effective interest method.

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

During the previous 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 various receivables factoring agreements, whereby it may sell trade receivables arising from its normal course of business at face value less reserves and fees. The two main risks in relation to these factoring arrangements are credit and timing risk (i.e. risks arising from customer defaults and costs associated with late payments, respectively). For all factoring arrangements, the risks of ownership are deemed to be substantially retained by the Group. In particular, the timing risk for a material factoring arrangement that various UK entities are party to is clearly retained by the Group. This is due to the obligation of the Group to incur and pay fees which may accrue over time for unpaid debtors. Furthermore the credit risk is either retained by the Group, or minimal in impact due to various contextual factors. These factors include the timeliness of the Group’s relevant customer base when settling their debts. Therefore, it has been concluded that all relevant trade receivables will be remain on the Balance Sheet until the customers settle their debts and amounts advanced by the Group’s factors will be recognised correspondingly as a liability. Any fees will be recognised appropriately in the Group’s Income Statement as required.

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.

Significant Accounting Policies

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).

The share options issued under the LTIP 2020 scheme in 2025 comprise 90,000 options with performance conditions (EBITDA and working capital) and 90,000 options only subject to the individual remaining in employment by the Group at the time the options are exercisable. The fair value of these share options has been based off the share price of Victoria PLC at the date of issue less the exercise price payable by the participant. 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 in 2025 have no performance conditions and only subject to the individual remaining in employment by the Group at the time the options are exercisable. The fair value of these share options has been based off the share price of Victoria PLC at the date of issue less the exercise price payable by the participant. 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.

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.

SUPPLIER FINANCE ARRANGEMENTS

The Group periodically participates in supply chain financing arrangements with partner financial institutions. The Group continues to recognise the obligation as a trade payable upon receipt of goods / services. The trade payable is only derecognised when its settled directly with the financial institution. Qualitative information is disclosed in accordance with IFRS 7.

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, 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.

Significant Accounting Policies

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 derivate 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 is 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 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.

Significant Accounting Policies

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 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 along with inflation adjustments on intercompany balances / 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 28 March 2026 was 31% (year ended 29 March 2025: 38%). The index rate at the 28 March 2026 was 3,866.67.

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 OTHER NON-UNDERLYING ITEMS

EXCEPTIONAL ITEMS

Operating items which are not expected to be recurring, and are unusual in terms of size, incidence or other contextual factors 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, due to their nature, they are not expected to re-occur as part of the underlying business.

Significant Accounting Policies

(a) Acquisition and disposal related costs
Acquisition and disposal related costs, being third-party professional fees in connection with prospecting and completing acquisitions and disposals, 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 in relation to the same acquired or disposed business.

(b) Reorganisation and other costs
Significant investments to restructure the business are classified as integration and reorganisation costs. These mainly include the costs of reducing the footprint of the business and the relocation of production related capacity and business to other 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).

(c, d) Gain on disposal of assets and investments & loss on disposal of subsidiaries
These gains or losses relate to the sale of major assets, investments or business units. These gains or losses are presented as non-underlying as the nature of the transaction ensures the asset will no longer be used within the Group and the related cost of disposal will not recur. This also includes any gains or losses related to the disposal of a subsidiary in the year.

(e) Exceptional impairment charge - 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 Group.

An impairment of assets is required if the carrying amount exceeds either the higher of the market value (i.e. the fair value less costs to sell), or the "value in use" (i.e. the present value of future cashflows). 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.

(f) Exceptional provision charges
These are provisions which are mainly related to restructuring and reorganisations within the wider Group, and are therefore both non-recurring and unusual in nature.

OTHER NON-UNDERLYING OPERATING ITEMS

Non-underlying items are items which are not expected to be recurring, and are unusual in terms of size, incidence or other contextual factors. They are also not part of the specific categories set out above for exceptional items. In line with IAS 1 para 85, 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.

Other non-underlying items, excluding exceptional items, comprise:

Operating income and costs

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

NON-UNDERLYING FINANCE COSTS

(f) 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.

(g) 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.

(h) 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.

(i) Gain / (loss) on bond repurchase
Bonds issued in relation to the Group that are then subsequently repurchased may generate a gain or loss on disposal. Any gains or losses are measured as the difference between the bonds' nominal value and the purchase price paid. Gains or losses are recognised as non-underlying income or costs, on account of the fact that bond repurchases are clearly outside the normal course of the Group's operations, and are also infrequent in nature.

(j) Fair value adjustment to notes redemption option
On the new notes the embedded early repayment option was valued at £nil at period end. Attached to the 2026 senior notes was an early repayment option which, on inception, was recognised as an embedded derivative asset at a fair value. This asset was 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. This was recognised in Income Statement for the period up to extinguishment. The embedded derivatives were valued fair value at both period ends.

(k) 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.

(l) Fair value adjustment to hedge derivative
Any non-cash fair value adjustments to hedge derivatives are considered to be non-underlying if the context of such adjustments suggests an unusual or infrequent nature.

(m) Translation differences on foreign currency loans
The impact of exchange rate 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

Significant Accounting Policies

sheet of the Company or of its consolidated UK subsidiaries is treated as a non-underlying finance cost.

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.

(n) 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.

(o) 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.

(p) Costs related to the refinancing of long-term debt
Costs in relation to the refinancing of the following debt tranches are deemed to be non-underlying in nature: the Super Senior RCF (the “SSRCF”) and 3.625% Senior Secured Notes (the “2026 Notes”). Various costs were incurred during the financial year to facilitate the refinancing of the SSRCF and 2026 Notes. These include legal and professional fees as well as the loss on disposing of the 2026 Notes.

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.

FUTURE ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

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 reportable segments are made on an arm length's basis. The reportable 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 28 March 2026						52 weeks ended 29 March 2025					
	UK & Europe Soft Flooring	**UK & Europe Ceramic Tiles**	**Australia**	**North America**	**Unallocated central expenses**	**Total**	UK & Europe Soft Flooring	UK & Europe Ceramic Tiles	Australia	North America	Unallocated central expenses	Total (restated)
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m	£m
Revenue	**554.6**	**258.5**	**104.3**	**131.4**	**–**	**1,048.8**	584.2	280.2	103.7	150.0	–	1,118.1
Underlying operating profit / (loss)	**5.0**	**(1.9)**	**10.0**	**(2.6)**	**(3.2)**	**7.3**	18.9	7.7	8.6	2.1	(7.8)	29.5
Non-underlying operating items	**(15.4)**	**(4.7)**	**(1.1)**	**(4.2)**	**(1.9)**	**(27.3)**	(21.7)	(15.6)	(1.6)	(4.4)	(3.5)	(46.8)
Exceptional operating items	**(51.7)**	**(73.4)**	**–**	**(0.3)**	**(7.8)**	**(133.3)**	(92.4)	(105.8)	(0.2)	(0.8)	(8.9)	(208.1)
Operating (loss) / profit	**(62.1)**	**(80.0)**	**8.9**	**(7.1)**	**(12.9)**	**(153.3)**	(95.2)	(113.7)	6.8	(3.1)	(20.2)	(225.4)
Underlying net finance costs						**(69.3)**						(41.0)
Non-underlying net finance costs						**(112.8)**						(36.6)
Loss before tax						**(335.4)**						(303.0)
Tax credit						**9.1**						27.2
Loss after tax from continuing operations						**(326.3)**						(275.8)
Loss from discontinued operations						**–**						(24.8)
Loss for the period						**(326.3)**						(300.6)

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:

	2026 £m	2025 £m
Revenue		
United Kingdom	**281.1**	285.4
United States	**153.4**	181.8
Italy	**123.2**	139.6
Belgium	**136.3**	154.3
Spain	**124.1**	128.7
Australia	**104.3**	103.7
Netherlands	**82.5**	84.1
Turkey	**25.9**	22.6
France	**8.4**	9.3
Ireland	**8.0**	7.2
Portugal	**1.6**	1.4
	1,048.8	1,118.1

Balance sheet

	52 weeks ended 28 March 2026						52 weeks ended 29 March 2025					
	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	Central (restated) £m	Total (restated) £m
Total Assets	**610.0**	**385.7**	**82.2**	**103.7**	**29.3**	**1,210.9**	662.9	443.2	72.3	105.5	46.1	1,330.0
Total Liabilities	**(338.1)**	**(188.0)**	**(26.9)**	**(55.6)**	**(1,249.3)**	**(1,857.8)**	(354.2)	(209.1)	(23.8)	(47.8)	(1,025.6)	(1,660.5)
Net Assets / (liabilities)	**271.9**	**197.7**	**55.3**	**48.1**	**(1,220.0)**	**(647.0)**	308.7	234.1	48.5	57.7	(979.5)	(330.5)

The Group's non-current assets (net of deferred tax) as at 28 March 2026 were split geographically as follows:

	2026 £m	2025 £m
Non-current assets (net of deferred tax)		
Spain	**136.6**	163.3
Belgium	**61.1**	74.4
United Kingdom	**122.3**	132.2
Netherlands	**89.7**	100.5
Italy	**51.9**	95.4
Turkey	**67.5**	66.9
United States	**45.5**	49.1
Australia	**29.1**	29.0
	603.6	710.8

Other segmental information

	52 weeks ended 28 March 2026							52 weeks ended 29 March 2025						
	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	(34.1)	(21.6)	(2.8)	(3.9)	(0.1)	–	(62.5)	(35.6)	(20.8)	(2.9)	(3.3)	(0.1)	(0.7)	(63.4)
Depreciation of right-of-use lease assets	(20.9)	(6.4)	(2.7)	(2.1)	(0.1)	–	(32.2)	(21.1)	(6.6)	(2.5)	(2.1)	(0.6)	(1.0)	(33.9)
Amortisation of acquired intangibles	(5.5)	(10.7)	(1.1)	(4.3)	–	–	(21.6)	(10.2)	(15.4)	(1.6)	(4.4)	–	(1.2)	(32.8)
	(60.5)	(38.7)	(6.6)	(10.3)	(0.2)	–	(116.3)	(66.9)	(42.8)	(7.0)	(9.8)	(0.7)	(2.9)	(130.1)

	52 weeks ended 28 March 2026							52 weeks ended 29 March 2025						
	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Central £m	Discontinued operations £m	Total £m	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Central £m	Discontinued operations £m	Total £m
Intangible additions	0.2	0.7	–	–	–	–	0.9	0.2	2.0	–	–	0.1	–	2.3
Property, plant and equipment additions	23.7	25.7	2.8	3.2	–	–	55.4	34.3	25.4	2.9	6.1	–	0.7	69.4
Right of use additions	13.3	0.2	0.2	–	–	–	13.7	26.5	7.6	0.3	–	0.1	0.6	35.1
Total capital additions	37.2	26.6	3.0	3.2	–	–	70.0	61.0	35.0	3.2	6.1	0.2	1.3	106.8

	52 weeks ended 28 March 2026							52 weeks ended 29 March 2025						
	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Central £m	Discontinued operations £m	Total £m	UK & Europe Soft Flooring £m	UK & Europe Ceramic Tiles £m	Australia £m	North America £m	Central £m	Discontinued operations £m	Total £m
Staff costs	(128.3)	(55.3)	(21.9)	(20.1)	(10.4)	–	(236.0)	(133.8)	(61.9)	(19.0)	(19.5)	(11.1)	(5.0)	(250.3)
Cost of inventories recognised as an expense	(293.0)	(124.4)	(52.5)	(75.1)	–	–	(545.0)	(319.0)	(133.7)	(53.9)	(80.0)	–	(12.6)	(599.2)

Notes to the Accounts

2. EXCEPTIONAL AND NON-UNDERLYING ITEMS

		52 weeks ended 28 March 2026 £m	52 weeks ended 29 March 2025 £m
Exceptional items			
(a)	Acquisition and disposal related costs	**(0.4)**	(0.9)
(b)	Reorganisation and other costs	**(20.8)**	(15.8)
(c)	Gain on disposal of assets and investments	**3.7**	1.9
(d)	Loss on disposal of subsidiaries	**–**	(6.9)
(e)	Exceptional impairment charge	**(85.6)**	(186.4)
(f)	Exceptional provision charges	**(30.2)**	–
		(133.3)	(208.1)

		52 weeks ended 28 March 2026 £m	52 weeks ended 29 March 2025 £m
Non-underlying operating items			
(g)	Acquisition-related performance plans	**6.3**	(0.4)
(h)	Non-cash share incentive plan charge	**(1.9)**	(3.5)
(i)	Amortisation of acquired intangibles (excluding hyperinflation)	**(21.6)**	(31.5)
(j)	Depreciation of fair value uplift to acquisition property, plant and machinery	**(3.0)**	(5.7)
(k)	Hyperinflation depreciation adjustment	**(6.9)**	(5.8)
(l)	Hyperinflation monetary gain	**6.0**	12.8
(m)	Other hyperinflation adjustments (excluding depreciation and monetary gain)	**(6.2)**	(12.7)
		(27.3)	(46.8)
Total		**(160.6)**	(254.9)
Representing functional categorisation of:			
Revenue (see notes k,l,m)		**3.3**	2.9
Cost of sales (see notes i, j,k,l,m)		**(22.8)**	(27.8)
Distribution and administrative expenses		**(142.0)**	(230.1)
Other operating income (see notes k, l,m)		**0.9**	0.1
		(160.6)	(254.9)

(a) 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.

(c) Primarily relates to gains on the disposal of properties in the UK and Belgium. The prior year total 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) The prior year total related to a non-cash charge relating to the respective loss on disposal of Hanover Flooring during the prior year.

(e) An exceptional impairment charge of £6.9m was applied for specific assets no longer in use within 'UK & Europe - Ceramic Tiles (Italy)' CGU, split between £2.4m of fixed assets and £4.5m of other non-current assets. Furthermore, the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment. Given the goodwill has been fully impaired, a further impairment charge of £25.0m was applied against intangible fixed assets (£3.5m) and tangible fixed assets (£21.5m).

Within 'UK & Europe - Ceramic Tiles (Spain)' CGU, the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment. Given the goodwill has been fully impaired, a further impairment charge of £32.7m was applied against intangible fixed assets. The impairment recognised has been limited by reference to the CGU's fair value less costs to sell.

Within 'UK & Europe - Artificial Grass' CGU, the estimated recoverable amount of the CGU was below the carrying value due to the weak demand environment, as a result the goodwill has been impaired by £18.0m.

£3.0m impairment recognised on the goodwill relating to Ezi Floor (in the 'UK & Europe – Soft flooring (Carpets and Underlay)' CGU), following its integration within the broader UK underlay business.

In the prior year, an exceptional impairment charge was recognised in the 'UK & Europe – Soft flooring (Rugs)' CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets 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. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£50.3m) and tangible fixed assets (£29.7m). An exceptional impairment charge was recognised in the 'UK & Europe - Ceramic Tiles (Italy)' CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets due to the weak demand environment and the goodwill has been fully impaired. The prior period also included a £4.8m impairment of a right-of-use building which is mostly unoccupied.

(f) Of the total charge of £30.2m, the majority relates to an exceptional restructuring provision charge of £31.2m has been recognised in Balta Group, representing the relocation of manufacturing activities to Turkey. These liabilities include 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. Please see note 16 for a further breakdown of other restructuring provisions across the Group. This is partially offset by a £1.4m release which has also been recognised in Balta Group following a reassessment of an environmental provision.

(g) The credit relates to a release of an expected liability under acquisition-related performance plans.

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

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

(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 £3.3m (2025: £2.9m income), cost of sales was £16m charge (2025: £19.4m (charge)) and admin expenses was £5.4m income (2025: £10.8m income).

Notes to the Accounts

3. FINANCE COSTS

	52 weeks ended 28 March 2026 £m	52 weeks ended 29 March 2025 (restated) £m
Non-underlying finance items		
(a) Finance items related to preferred equity	(50.5)	(35.2)
(b) Unwinding of present value of deferred and contingent earn-out liabilities	–	(0.2)
(c) Fair value adjustment to deferred consideration and contingent earnout	0.1	1.7
Acquisitions related	0.1	1.5
(d) Gain on bond repurchase	5.3	–
(e) Fair value adjustment to notes redemption option / amortisation inception derivative	0.4	1.2
(f) Mark to market adjustments and gains on foreign exchange forward contracts	–	0.5
(g) Fair value adjustment to hedge derivative	4.6	–
(h) Translation difference on foreign currency loans and cash	(14.3)	(5.0)
(i) Hyperinflation - finance portion	(1.2)	0.4
(j) One-off refinancing costs	(57.2)	–
Other non-underlying	(62.4)	(2.9)
	(112.8)	(36.6)

(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) Prior year 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 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 held at the start of the period was 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 would reduce to par at maturity using an effective interest rate method. Given the impact of the refinancing undertaken in the year (please see note (j) below), this embedded derivative has now been fully amortised and is no longer on the Group's balance sheet.

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

(g) Non-cash fair value adjustments on hedge derivatives related to gas contracts.

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

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

(j) One-off transaction fees and exchange offer premia on new senior notes and super senior RCF, following a substantial modification under IFRS 9.

See Financial Review for further details of these items.

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Continuing operations	2026 £m	2025 £m
After (charging) / crediting:		
Net foreign exchange losses	**(0.6)**	(1.3)
Depreciation of property, plant and equipment	**(60.7)**	(61.2)
Depreciation of right-of-use lease assets (see Note 1)	**(32.2)**	(32.9)
Amortisation of intangible assets	**(23.4)**	(33.1)
Staff costs (see Note 5)	**(236.0)**	(245.3)
Cost of inventories recognised as an expense (see Note 1)	**(545.0)**	(586.7)
Loss on disposal of subsidiaries (see Note 2)	**–**	(6.9)
Profit on sale of assets	**4.6**	2.6
Government grants	**1.6**	1.9
Warehousing and transport costs	**(65.4)**	(65.2)
Exceptional acquisition, reorganisation and other costs (see Note 2)	**(51.4)**	(16.7)
Asset impairment and exceptional goodwill impairment (see Note 9)	**(85.6)**	(186.4)
Other SG&A costs	**(110.7)**	(115.9)
Hyperinflation adjustments (excluding depreciation)	**(3.5)**	(2.8)
Other income	**6.2**	6.3
	(1,202.1)	(1,343.5)

Representing functional costs of:		
Cost of sales	**(733.7)**	(782.0)
Sales and Marketing	**(107.5)**	(111.0)
Distribution	**(105.3)**	(101.7)
Administrative expenses	**(262.7)**	(355.1)
Other operating income	**7.1**	6.3
	(1,202.1)	(1,343.5)

Auditor's remuneration	2026 £m	2025 £m
Fees payable to the Company's Auditor in respect of audit services:		
The audit of the Group consolidated accounts	**(0.80)**	(0.88)
The audit of the Company's subsidiaries pursuant to legislation	**(1.29)**	(1.21)
Total audit fees	**(2.09)**	(2.09)
Audit-related assurance services*	**(0.04)**	(0.20)
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	**(0.04)**	(0.20)

* *Audit-related assurances services in 2026 include £36,000 of fees, of which £29,000 related to grant assurance (carried out by the auditor by statute) reporting services (2025: £11,000).*

Notes to the Accounts

5. STAFF COSTS

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Wages and salaries	**(194.7)**	(192.6)	**(7.9)**	(5.8)
Social security costs	**(36.4)**	(38.6)	**(0.6)**	(0.5)
Share-based employee remuneration	**(1.9)**	(3.4)	**(1.9)**	(2.5)
Other pension costs	**(9.2)**	(10.3)	**(0.2)**	(0.2)
Acquisition-related performance plans	**6.3**	(0.4)	**–**	–
Gross employment costs	**(236.0)**	(245.3)	**(10.6)**	(9.0)

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.

Average number employed (including executive directors of subsidiaries):

	Group		Company	
	2026	2025	**2026**	2025
Directors	**76**	76	**7**	7
Sales and marketing	**717**	716	**–**	–
Production, logistics and maintenance	**3,840**	4,204	**–**	–
Finance, IT and administration	**392**	359	**12**	13
	5,025	5,355	**19**	20

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 of was applied to the number of options awarded. The fair value was determined as £2.93m and this charge was recognised over the four year vesting period to June 2024. There was no charge to the income statement in the year (2025: £0.2m). As at 28 March 2026, 635,000 options have been exercised, 115,000 options lapsed or forfeited, and the remaining 500,000 options issued are still in place and exercisable.

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 share options 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 28 March 2026 was £0.0m (2025: £0.0m). As at 28 March 2026, 28,562 options have been exercised and the remaining 9,188 options lapsed.

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

In the year ended 1 April 2023, 380,000 share options 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 £0.2m (2025: £0.5m). As at 28 March 2026, 250,000 options have vested, of which 90,000 options have been exercised. The remaining 290,000 options issued are still in place.

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

In the year ended 30 March 2024, 250,000 share options 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 £0.2m (2025: £0.3m). As at 28 March 2026, 107,000 options have vested, of which 87,000 options have been exercised. The remaining 163,000 options issued are still in place.

(d) Share options issued in the year ended 28 March 2026

In the year ended 28 March 2026, 180,000 share options were issued to a senior employee under the 2020 LTIP Plan. 90,000 options will vest on 30 June 2026 provided the participant remains in employment with the Group at the vesting date, and the remaining 90,000 share options will vest subject to achievement of specific EBITDA and working capital targets.

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 £0.12m and this charge will be spread in accordance with the vesting profile. The charge to the income statement in the year was £0.1m. As at 28 March 2026, no options have vested and all options issued are still in place.

Notes to the Accounts

5. STAFF COSTS CONTINUED

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. There was a credit to the income statement for these options for the year ended 28 March 2026 of £0.2m (2025: a charge of £0.2m). The credit to the income statement reflects the forfeiture of 250,000 options and the reversal of associated costs for these options in previous periods.

In the year ended 1 April 2023, 669,500 shares were issued to certain senior employees under the 2022 LTIP Plan. As at 28 March 2026, 375,000 of the 2022 LTIP shares are exercisable and 250,000 were forfeited. There are 419,500 of the LTIP 2022 shares in place as at 28 March 2026 and none exercised.

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

Inputs and Assumptions	Philippe Hamers
Number of incentive shares	375,000
Exercise price (£)	7.00
Vesting profile:	
Apr-22	93,750
Apr-23	93,750
Apr-24	93,750
Apr-25	93,750

Follow-on share option issues under 2022 LTIP Plan

Share options issued in the year ended 28 March 2026

On 15 April 2025, options over 1,666,666 shares were granted to Alec Pratt, a Director of the Company, at an exercise price of 5 pence per option share. The options will vest on a straight line basis at 333,333 per annum over five years, beginning on the first anniversary of the grant date (15 April 2026).

To fair value the options, the share price at the date of issue of was applied to the number of options awarded. The fair value was determined as £1.33m and this charge will be spread in accordance with the vesting profile. The charge to the income statement in the year was £0.6m. As at 28 March 2026, no options have vested and all options issued are still in place.

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 initially determined as £1.0m. In June 2025 the contractual terms were modified to amend the exercise price to 74 pence, representing the market value price at the point of modification. A black scholes model was used to assess the valuation impact of the modification and resulted in an increase in fair value from £1.0m to £1.1m. The charge to the income statement for the year ended 28 March 2026 was £0.2m (2025: £0.1m).

As at 28 March 2026, all 495,000 of the 2022 warrants are exercisable. All of the warrants issued remained in place as at 28 March 2026 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	10-Jun-25
Victoria Plc share price at grant	£2.34	£0.74
Expected term	1.7 – 2.5 years	0.5 – 1.3 years
Risk free rate (continuously compounded)	4.02%	4.04%
Expected dividend yield	0.0%	0.0%
Expected volatility	61.24%	69.80%

5. STAFF COSTS CONTINUED

The fair value of the fair market value option issued was initially determined as £0.9m. In June 2025 the contractual terms were modified to amend the exercise price to 74 pence, representing the market value price at the point of modification. A black scholes model was used to assess the valuation impact of the modification and resulted in an increase in fair value from £0.9m to £1.0m.The charge to the income statement for the year ended 28 March 2026 was £0.3m (2025: £0.5m).

As at 28 March 2026, 800,610 of the fair market value options have vested. All of the fair market value options issued remained in place as at 28 March 2026 and none have been 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 28 March 2026 was £0.3m (2025: £1.0m).

As at 28 March 2026, 540,000 of the par value options were exercisable. As at 28 March 2026, 540,000 par value options have vested, of which 300,000 options have been exercised. The remaining 420,000 issued par value options are still in place as at 28 March 2026.

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 5-day average volume weighted average price ("VWAP") of the Ordinary Shares for the 5 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 2025, the charge to the income statement for the year ended 28 March 2026 was £0.73m (2025: £0.73m).

6. TAXATION

Continuing Operations	**52 weeks ended 28 March 2026 £m**	52 weeks ended 29 March 2025 £m
Current tax		
- Current year UK	**(0.1)**	(0.2)
- Current year non-UK	**(5.1)**	(5.6)
- Adjustments in respect of prior years	**(0.5)**	0.8
	(5.8)	(5.0)
Deferred tax		
- Credit recognised in the current year	**16.0**	33.9
- Adjustments in respect of prior years	**(1.2)**	(1.7)
- Effect of rate change	**–**	–
	14.8	32.2
Total tax credit	**9.1**	27.2

Discontinued Operations	**52 weeks ended 28 March 2026 £m**	52 weeks ended 29 March 2025 £m
Current tax		
- Current year UK	**–**	–
- Current year non-UK	**–**	–
- Adjustments in respect of prior years	**–**	–
	–	–
Deferred tax		
- Credit recognised in the current year	**–**	1.5
- Adjustments in respect of prior years	**–**	0.3
- Effect of rate change	**–**	–
	–	1.8
Total tax credit	**–**	1.8

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:

	2026		2025 (restated)	
	£m	**%**	£m	%
Loss before tax from total operations	**(335.4)**		(329.8)	
Tax credit at the UK corporation tax rate of 25% (2025: 25%)	**83.9**	**25.0**	82.4	25.0
Tax effect of items that are not deductible / non-taxable in determining taxable profit	**(22.3)**	**(6.7)**	(16.7)	(5.2)
Differences between UK and non-UK statutory tax rates	**3.0**	**0.9**	(1.1)	(0.3)
Effect of changes in future tax rates on deferred tax amounts	**(0.0)**	**(0.0)**	(0.1)	(0.0)
Deferred tax amounts not recognised	**(53.7)**	**(16.0)**	(33.1)	(10.0)
Pillar 2 (OECD Global Minimum Tax)	**–**	**–**	–	–
Hyperinflation	**–**	**–**	(1.8)	(0.6)
Adjustments to prior periods	**(1.7)**	**(0.5)**	(0.6)	(0.2)
Tax credit and effective tax rate	**9.1**	**2.7**	29.0	8.9
Reconciliation to underlying effective tax rate				
Deduct tax credit on non-underlying items (Total)	**(6.8)**		(25.1)	
Deduct tax credit/(charge) on underlying discontinued items	**–**		(1.5)	
Deduct prior year items	**1.6**		0.6	
Current year tax credit/(charge) on underlying items	**3.9**		3.0	
Underlying continuing loss before tax	**(62.1)**		(11.5)	
Adjusted effective tax rate excluding discontinued, prior year and non-underlying items		**6.3**		26.2

Notes to the Accounts

6. TAXATION CONTINUED

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

	2026		2025 (restated)	
	Profit/ (loss) before tax £m	Tax credit/ (charge) £m	Profit/ (loss) before tax £m	Tax credit/ (charge) £m
Acquisition and disposal related costs	(0.4)	–	(0.9)	–
Reorganisation and other costs	(25.0)	(3.3)	(15.7)	2.5
Gain on disposal of assets and investments	3.8	(1.0)	1.9	–
Loss on disposal of subsidiaries	–	–	(6.9)	–
Exceptional impairment charge	(81.5)	4.9	(186.4)	13.5
Exceptional provision charges	(30.2)	–	–	–
Acquisition-related performance plan	6.3	(1.8)	(0.4)	–
Non-cash share incentive plan charge	(1.9)	–	(3.5)	–
Amortisation of acquired intangibles (excluding Hyperinflation)	(21.6)	5.4	(31.5)	9.4
Depreciation of fair value uplift to acquisition property, plant and machinery	(3.0)	0.7	(5.7)	2.4
Hyperinflation depreciation adjustment	(6.9)	–	(5.8)	–
Hyperinflation monetary gain / (loss)	6.0	1.5	12.8	(1.3)
Other hyperinflation adjustments (excluding depreciation and monetary gain)	(6.2)	–	(12.7)	–
Finance items related to preferred equity	(50.4)	(0.7)	(35.3)	(2.3)
Unwinding of present value of deferred and contingent earn-out liabilities	–	–	(0.2)	0.1
Fair value adjustment to deferred consideration and contingent earnout	0.1	–	1.7	(0.4)
Gain on bond repurchase	5.3	(1.3)	–	–
Fair value adjustment to notes redemption option / amortisation inception derivative	0.4	–	1.2	(0.3)
Mark to market adjustments and gains on foreign exchange forward contracts	–	–	0.5	(0.1)
Fair value adjustment to hedge derivative	4.6	(1.2)	–	–
Translation difference on foreign currency loans and cash	(14.3)	3.6	(5.0)	1.6
Hyperinflation - finance portion	(1.2)	–	0.4	–
One-off refinancing costs	(57.2)	–	–	–
Loss before tax from non-underlying items	(273.3)	6.8	(291.5)	25.1

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 took 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 28 March 2026		52 weeks ended 29 March 2025	
	Basic £m	Adjusted £m	Basic (restated) £m	Adjusted (restated) £m
Loss attributable to ordinary equity holders of the parent entity	**(326.3)**	**(326.3)**	(275.8)	(275.8)
Exceptional and non-underlying items:				
Exceptional items	**–**	**133.3**	–	208.1
Non-underlying items	**–**	**140.1**	–	83.4
Tax effect on adjusted items where applicable	**–**	**(6.8)**	–	(27.8)
(Loss) / earnings for the purpose of basic and adjusted earnings per share from continuing operations	**(326.3)**	**(59.7)**	(275.8)	(12.1)
Loss attributable to ordinary equity holders of the parent entity from discontinued operations	**–**	**–**	(24.8)	(6.3)
(Loss) / earnings for the purpose of basic and adjusted earnings per share	**(326.3)**	**(59.7)**	(300.6)	(18.4)

Weighted average number of shares

	52 weeks ended 28 March 2026 Number of shares (000's)	52 weeks ended 29 March 2025 Number of shares (000's)
Weighted average number of shares for the purpose of basic and adjusted earnings per share	**114,846**	113,954
Effect of dilutive potential ordinary shares:		
Share options and warrants	**1,289**	1,350
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**116,135**	115,304
Preferred equity and contractually-linked warrants	**323,135**	118,394
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	**439,270**	233,698

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

7. EARNINGS PER SHARE CONTINUED

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

	52 weeks ended 28 March 2026 Pence	52 weeks ended 29 March 2025 (restated) Pence
Earnings / loss per share from continuing operations		
Basic loss per share	**(284.12)**	(242.03)
Diluted loss per share	**(284.12)**	(242.03)
Basic adjusted (loss) / earnings per share	**(51.98)**	(10.62)
Diluted adjusted (loss) / earnings per share	**(13.59)**	(5.18)
Loss per share from discontinued operations		
Basic loss per share	**–**	(21.76)
Diluted loss per share	**–**	(21.76)
Earnings / loss per share		
Basic loss per share	**(284.12)**	(263.79)
Diluted loss per share	**(284.12)**	(263.79)
Basic adjusted (loss) / earnings per share	**(51.98)**	(16.15)
Diluted adjusted (loss) / earnings per share	**(13.59)**	(7.87)

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

	2026		2025	
	Average	**Year end**	Average	Year end
Australia - AUD	**2.0259**	**1.9272**	1.9629	2.0545
Europe - EUR	**1.1539**	**1.1493**	1.1906	1.1903
United States - USD	**1.3440**	**1.3267**	1.2792	1.2946
Turkey - TRY	**55.9677**	**58.9590**	44.0275	49.1910

9. GOODWILL

	£m
Cost	
At 31 March 2024	295.0
Arising on acquisition	3.0
Exchange movements	(5.5)
At 29 March 2025	292.5
At 30 March 2025	292.5
Arising on acquisition	–
Exchange movements	7.1
At 28 March 2026	**299.6**
Accumulated impairment	
At 31 March 2024	(192.4)
Exceptional impairment in the year	(14.6)
Exchange movements	3.4
At 29 March 2025	(203.6)
At 30 March 2025	(203.6)
Exceptional impairment in the year	(21.0)
Exchange movements	(4.8)
At 28 March 2026	**(229.4)**
Net Book Value	
At 28 March 2026	**70.2**
At 29 March 2025	88.9

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	**2026 £m**	2025 £m
UK & Europe - Soft Flooring	UK & Europe - Soft Flooring (carpet and underlay)	**32.7**	35.6
	UK & Europe - Artificial Grass	**24.0**	40.6
UK & Europe - Ceramic Tiles	UK & Europe - Ceramic Tiles (Spain)	**–**	–
	UK & Europe - Ceramic Tiles (Italy)	**–**	–
Australia	Australia	**13.5**	12.7
North America	North America - Cali Bamboo	**–**	–
		70.2	88.9

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.

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.

Notes to the Accounts

9. GOODWILL CONTINUED

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

	2026			2025	
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)	**12.63%**	**16.83%**	**2.10%**	12.00%	16.00%
UK & Europe - Artificial Grass	**11.63%**	**15.67%**	**2.00%**	10.75%	14.49%
UK & Europe - Balta Rugs	**11.50%**	**15.33%**	**1.80%**	10.63%	14.17%
UK & Europe - Ceramic Tiles (Spain)	**11.88%**	**15.83%**	**2.00%**	11.50%	15.33%
UK & Europe - Ceramic Tiles (Italy)	**11.88%**	**16.47%**	**2.00%**	11.38%	15.78%
Australia	**12.25%**	**17.50%**	**2.30%**	11.50%	16.43%
North America - Cali Bamboo	**12.13%**	**16.19%**	**2.30%**	11.50%	15.36%
North America - International Wholesale Tiles (IWT)	**12.13%**	**16.19%**	**2.30%**	11.50%	15.36%

For UK & Europe - Balta Rugs CGU

For UK & Europe – Balta Rugs CGU the estimated recoverable amount of the CGU (£155.2m) was equal to the carrying value of assets, resulting in no further impairment. 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 already been implemented, and the process of relocating manufacturing operations to Turkey is underway, where the Company has two modern, certified and low-cost factories.

Additional sensitivity analysis has been undertaken on key assumptions to the value in use model as follows:
Medium-term (FY26-31) annual revenue growth (assumed 1.6%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (2.6%) growth rate would result in a c. £26m increase in value in use
- A 1% lower (0.6%) growth rate would result in a c. £24m reduction in value in use (but no impairment loss due to the fair value of assets within the CGU)

Discount rate (assumed 11.50%)

- 50bps higher (12.00%) discount rate would result in a c. £8m reduction in value in use (but no impairment loss due to the fair value of assets within the CGU)
- 50bps lower (11.00%) discount rate would result in a c. £8m increase in value in use

Long-term growth rate, the perpetuity assumption (assumed 1.80%)

- 50bps higher (2.30%) growth rate would result in a c. £5m increase in value in use
- 50bps lower (1.30%) growth rate would result in a c. £5m reduction in value in use (but no impairment loss due to the fair value of assets within the CGU)

Medium-term (FY26-31) annual EBITDA margin percentage growth (assumed 257.7%)

- A 0.25% higher (257.9%) growth rate would result in a c. £2m increase in value in use
- A 0.25% lower (257.4%) growth rate would result in a c. £2m reduction in value in use (but no impairment loss due to the fair value of assets within the CGU)

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 (£87.0m) was below the carrying value of assets and resulted in an impairment of intangibles of £3.5m and fixed assets of £21.5m, recognised through exceptional impairment charges included as part of 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 continued to be implemented during FY26, 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 (FY26-31) annual revenue growth (assumed 6.4%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (7.4%) growth rate would result in a c. £32m reduction of the impairment loss (and therefore no impairment loss being recognised)
- A 1% lower (5.4%) growth rate would result in a c. £29m increase of the impairment loss

Discount rate (assumed 11.88%)

- 50bps higher (12.38%) discount rate would result in a c. £5m increase of the impairment loss
- 50bps lower (11.38%) discount rate would result in a c. £6m 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. £4m reduction of the impairment loss
- 50bps lower (1.50%) growth rate would result in a c. £3m increase of the impairment loss

Medium-term (FY26-31) annual EBITDA margin percentage growth (assumed 31.57%)

- A 0.25% higher (31.82%) growth rate would result in a c. £3m reduction of the impairment loss
- A 0.25% lower (31.32%) growth rate would result in a c. £3m 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 (£166.1m) was below the carrying value of assets resulting in an impairment of intangible assets of £32.7m, recognised through exceptional impairment charges included as part of 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.

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

Medium-term (FY26-31) annual revenue growth (assumed 7.9%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (8.9%) growth rate would result in a c. £43m increase in value in use (and therefore no impairment loss being recognised)
- A 1% lower (6.9%) growth rate would result in a c. £48m reduction in value in use (but not increase the impairment loss due to the fair value of assets within the CGU)

9. GOODWILL CONTINUED

Discount rate (assumed 11.90%)

- 50bps higher (12.40%) discount rate would result in a c. £8m reduction in value in use (but not increase the impairment loss due to the fair value of assets within the CGU)
- 50bps lower (11.40%) discount rate would result in a c. £9m 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. £7m reduction of the impairment loss
- 50bps lower (1.50%) growth rate would result in a c. £6m reduction in value in use (but not increase the impairment loss due to the fair value of assets within the CGU)

Medium-term (FY26-31) annual EBITDA margin percentage growth (assumed 7.35%)

- A 0.25% higher (7.60%) growth rate would result in a c. £5m reduction of the impairment loss
- A 0.25% lower (7.10%) growth rate would result in a c. £5m reduction in value in use (but not increase the impairment loss due to the fair value of assets within the CGU)

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 - Artificial Grass CGU

For the UK & Europe - Artificial Grass CGU, the estimated recoverable amount of the CGU (£77.3m) was below the carrying value of assets resulting in an impairment of goodwill of £18.0m, recognised through exceptional impairment charges included as part of administrative expenses in the income statement. Revenues and margins have been under pressure across the artificial grass sector, due to a combination of market dynamics and short-term disruptions, however significant actions are underway to improve performance outlook. 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 (FY26-31) annual revenue growth (assumed 5.8%), with a flow-through effect on margin, based on operational leverage

- A 1% higher (6.8%) growth rate would result in a c. £21m reduction of the impairment loss (and therefore no impairment loss being recognised)
- A 1% lower (4.8%) growth rate would result in a c. £19m increase of the impairment loss

Discount rate (assumed 11.63%)

- 50bps higher (12.13%) discount rate would result in a c. £4m increase of the impairment loss
- 50bps lower (11.13%) discount rate would result in a c. £4m 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. £3m reduction of the impairment loss
- 50bps lower (1.50%) growth rate would result in a c. £3m increase of the impairment loss

Medium-term (FY26-31) annual EBITDA margin percentage growth (assumed 0.91%)

- A 0.25% higher (1.16%) growth rate would result in a c. £2m reduction of the impairment loss
- A 0.25% lower (0.66%) growth rate would result in a c. £2m 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 £31m 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 (FY26-31) annual revenue growth rate assumption was decreased from 7.00% growth to 4.63% (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.

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 – Soft flooring (Carpets and Underlay) CGU

£3.0m impairment has been recognised on the goodwill relating to Ezi Floor following its integration within the broader UK underlay business.

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, 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)	(3.0)	(3.0)	–	–
UK & Europe - Artificial Grass	(18.0)	(18.0)	–	–
UK & Europe - Rugs	–	–	–	–
UK & Europe - Ceramic Tiles (Spain)	(32.7)	–	(32.7)	–
UK & Europe - Ceramic Tiles (Italy)	(25.0)	–	(3.5)	(21.5)
Australia	–	–	–	–
North America - Cali Bamboo	–	–	–	–
North America - IWT	–	–	–	–
	(78.7)	(21.0)	(36.2)	(21.5)

Notes to the Accounts

10. INTANGIBLE ASSETS

Group		Customer Relationships £m	Brand Names £m	Other Acquired Intangibles £m	IT Software £m	Group Total £m
Cost	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
	At 30 Mar 2025	**336.8**	**80.7**	**4.9**	**13.5**	**435.9**
	Additions	**–**	**–**	**–**	**0.9**	**0.9**
	Disposals	**–**	**–**	**–**	**(0.1)**	**(0.1)**
	Hyperinflation	**–**	**–**	**–**	**–**	**–**
	Exchange difference	**9.2**	**2.2**	**0.2**	**0.4**	**12.0**
	Reclassifications	**–**	**–**	**–**	**1.1**	**1.1**
	At 28 Mar 2026	**346.0**	**82.9**	**5.1**	**15.8**	**449.8**
Amortisation	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)
	At 30 Mar 2025	**(269.2)**	**(43.1)**	**(4.7)**	**(7.4)**	**(324.4)**
	Charge for the period	**(17.1)**	**(4.5)**	**–**	**(1.8)**	**(23.4)**
	Impairment	**(15.8)**	**(19.2)**	**–**	**(1.3)**	**(36.3)**
	Disposals	**–**	**–**	**–**	**0.1**	**0.1**
	Hyperinflation	**–**	**–**	**–**	**–**	**–**
	Exchange difference	**(8.1)**	**(1.3)**	**(0.2)**	**(0.3)**	**(9.9)**
	Reclassifications	**–**	**–**	**–**	**1.5**	**1.5**
	At 28 Mar 2026	**(310.2)**	**(68.1)**	**(4.9)**	**(9.2)**	**(392.4)**
Net book value	At 28 Mar 2026	**35.8**	**14.8**	**0.2**	**6.6**	**57.4**
	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

Within intangible assets, a Keraben customer relationship asset with a carrying amount of £8.8m has been fully impaired in the year (2025 carrying amount: £10m, after a £36.2m impairment). A Saloni customer relationship asset with a carrying amount of £2.9m has also been fully impaired (2025 carrying amount: £3.4m, after an impairment of £12.6m). In the prior year a Balta customer relationship asset was impaired down to nil by an amount of £28.3m.

Company		Customer relationships £m	Brand names £m	Other Acquired Intangibles £m	IT Software £m	Group Total £m
Cost	At 30 Mar 2025	**–**	**–**	**–**	**1.0**	**1.0**
	Additions	**–**	**–**	**–**	**–**	**–**
	At 28 Mar 2026	**–**	**–**	**–**	**1.0**	**1.0**
Amortisation	At 30 Mar 2025	**–**	**–**	**–**	**(0.7)**	**(0.7)**
	Charge for the period	**–**	**–**	**–**	**(0.1)**	**(0.1)**
	At 28 Mar 2026	**–**	**–**	**–**	**(0.8)**	**(0.8)**
Net book value	At 28 Mar 2026	**–**	**–**	**–**	**0.2**	**0.2**
	At 29 Mar 2025	–	–	–	0.3	0.3
	At 30 Mar 2024	–	–	–	0.4	0.4

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 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 differences	(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
	At 30 Mar 2025	**165.5**	**232.4**	**66.2**	**43.6**	**507.7**
	Additions	**1.0**	**14.2**	**19.9**	**20.3**	**55.4**
	Transfers / reclassifications	**(12.5)**	**33.4**	**1.2**	**(39.1)**	**(17.0)**
	Disposals	**(0.8)**	**(39.7)**	**(22.6)**	**(0.2)**	**(63.3)**
	Business combinations	**–**	**–**	**–**	**–**	**–**
	Exchange difference	**(0.7)**	**(4.4)**	**0.6**	**1.1**	**(3.4)**
	Hyperinflation	**8.1**	**(1.2)**	**(0.2)**	**0.4**	**7.1**
	At 28 Mar 2026	**160.6**	**234.7**	**65.1**	**26.1**	**486.5**
Accumulated depreciation	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	0.1	3.1	(0.8)	–	2.4
	Disposals	21.9	36.4	10.8	–	69.1
	Exchange differences	(0.3)	5.3	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)
	At 30 Mar 2025	**(48.8)**	**(85.5)**	**(29.0)**	**–**	**(163.3)**
	Charge for the period	**(5.4)**	**(32.6)**	**(22.7)**	**–**	**(60.7)**
	Impairment	**(5.8)**	**(18.1)**	**–**	**–**	**(23.9)**
	Transfers / reclassifications	**5.4**	**0.7**	**1.4**	**–**	**7.5**
	Disposals	**0.3**	**38.2**	**22.3**	**–**	**60.8**
	Exchange differences	**(1.5)**	**1.8**	**(0.5)**	**–**	**(0.2)**
	Hyperinflation	**(0.9)**	**9.8**	**0.5**	**–**	**9.4**
	At 28 Mar 2026	**(56.7)**	**(85.7)**	**(28.0)**	**–**	**(170.4)**
Net book value	**At 28 Mar 2026**	**103.9**	**149.0**	**37.1**	**26.1**	**316.1**
	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

The Company holds no property, plant and equipment.

Notes to the Accounts

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 31 Mar 2024	176.7	21.6	41.9	0.3	240.5
	Additions	18.0	3.5	13.6	–	35.1
	Transfers / modifications	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 differences	(2.8)	(0.5)	(0.4)	–	(3.7)
	At 29 Mar 2025	203.4	23.1	48.6	0.3	275.4
	At 30 Mar 2025	**203.4**	**23.1**	**48.6**	**0.3**	**275.4**
	Additions	**1.6**	**0.5**	**11.6**	**–**	**13.7**
	Transfers / modifications / remeasurements	**17.8**	**(2.4)**	**(2.0)**	**–**	**13.4**
	Terminations	**(8.3)**	**(1.8)**	**(14.8)**	**–**	**(24.9)**
	Disposals	**–**	**–**	**–**	**–**	**–**
	Hyperinflation	**–**	**–**	**0.2**	**–**	**0.2**
	Exchange difference	**4.1**	**0.8**	**0.4**	**–**	**5.3**
	At 28 Mar 2026	**218.6**	**20.2**	**44.0**	**0.3**	**283.1**
Accumulated Depreciation	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	–	(0.6)	–	–	(0.6)
	Terminations	1.5	0.1	3.4	–	5.0
	Impairment	(4.8)	–	–	–	(4.8)
	Disposal	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)
	At 30 Mar 2025	**(78.5)**	**(10.4)**	**(23.8)**	**(0.1)**	**(112.8)**
	Charge for the period	**(20.9)**	**(3.1)**	**(8.2)**	**–**	**(32.2)**
	Transfers / modifications / remeasurements	**–**	**0.4**	**–**	**–**	**0.4**
	Terminations	**5.5**	**1.7**	**14.1**	**–**	**21.3**
	Impairment	**(0.1)**	**–**	**–**	**–**	**(0.1)**
	Disposals	**–**	**–**	**–**	**–**	**–**
	Hyperinflation	**–**	**–**	**–**	**–**	**–**
	Exchange differences	**(1.6)**	**(0.4)**	**(0.2)**	**–**	**(2.2)**
	At 28 Mar 2026	**(95.6)**	**(11.8)**	**(18.1)**	**(0.1)**	**(125.6)**
Net book value	**At 28 Mar 2026**	**123.0**	**8.4**	**25.9**	**0.2**	**157.5**
	At 29 Mar 2025	124.9	12.7	24.8	0.2	162.5
	At 30 Mar 2024	121.0	14.2	21.9	0.2	157.3

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 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 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
	At 30 Mar 2025	**8.4**	**–**	**0.2**	**–**	**8.6**
	Additions	**–**	**–**	**–**	**–**	**–**
	Transfers / modifications	**(0.7)**	**–**	**–**	**–**	**(0.7)**
	At 28 Mar 2026	**7.7**	**–**	**0.2**	**–**	**7.9**
Accumulated Depreciation	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)
	At 30 Mar 2025	**(7.5)**	**–**	**(0.1)**	**–**	**(7.6)**
	Charge for the period	**(0.1)**	**–**	**–**	**–**	**(0.1)**
	Impairment reversal	**0.5**	**–**	**–**	**–**	**0.5**
	At 28 Mar 2026	**(7.1)**	**–**	**(0.1)**	**–**	**(7.2)**
Net Book Value	**At 28 Mar 2026**	**0.6**	**–**	**0.1**	**–**	**0.7**
	At 29 Mar 2025	0.9	–	0.1	–	1.0
	At 31 Mar 2024	4.4	–	–	–	4.4

Group capital expenditure authorised and committed at the period end:

	2026 £m	2025 £m
Contracts placed	**(0.4)**	(1.4)

12. FIXED ASSET INVESTMENTS

		Group		Company	
	Note	**2026 £m**	2025 £m	**2026 £m**	2025 £m
Investment property	(a)	**0.2**	0.2	**0.1**	0.1
Investment in subsidiaries	(b)	**–**	–	**340.5**	379.5
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 28 March 2026 of the remaining properties is deemed to be materially unchanged from prior year.

(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 (£106.1m); and the allocation of share-based payment charges to the relevant subsidiaries (£0.6m).

Notes to the Accounts

12. FIXED ASSET INVESTMENTS CONTINUED

Company investments in subsidiaries

	£m
At 31 Mar 2024	279.7
Capital contribution	101.6
Share-based payment charges	1.1
Liquidation	(2.9)
At 29 Mar 2025	379.5
At 30 Mar 2025	379.5
Capital contribution	106.1
Share-based payment charges	0.6
Impairment	(145.7)
At 28 Mar 2026	**340.5**

As at 28 Mar 2026	Registered number	Country of incorporation and operation	Nature of business	Ownership
Great Southern Interiors Pty Limited		Australia	Holding Company	Indirect
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
View Logistics Limited*	06387995	England	Non–trading	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
Abingdon Flooring (Ireland) Ltd		Ireland	Carpet distributor	Indirect
Munster Carpets Limited		Ireland	Carpet distributor	Indirect
Royal Transport Limited		Ireland	Logistic Services	Indirect
Westex Carpets Ireland Limited		Ireland	Carpet distributor	Indirect
Ascot Gruppo Ceramiche SRL		Italy	Ceramic tile manufacturer	Indirect
Ceramiche Serra S.p.A		Italy	Ceramic tile manufacturer	Indirect
C.P & Partners S.r.l		Italy	Holding Company	Indirect
Keradom S.r.l		Italy	Ceramic tile manufacturer	Indirect
Victoria Ceramiche Italia Holdco 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
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 Grass Group Landscaping BV		The Netherlands	Holding Company	Indirect
Victoria Grass Group BV		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
International Wholesale Tile, LLC		USA	Flooring distributor	Indirect
Victoria US Holdings Inc.		USA	Holding Company	Indirect

Addresses of registered offices are shown on page 160.

* *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.*

12. FIXED ASSET INVESTMENTS CONTINUED

(c) Victoria PLC indirectly holds investments in the following associate companies.

As at 28 Mar 2026	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 tested for potential impairment due to operating losses within the year.

This was assessed by reference to the group value in use, from which net debt held outside of the Company was then deducted, to arrive at a net investment value in subsidiaries.

Applying this methodology the net investment value at the balance sheet date was below the cost of investment held and has resulted in impairment of £145.7m.

Additional sensitivity analysis has been undertaken on key assumptions to the group value in use as follows:
Medium-term (FY26-31) annual revenue growth (range between 1.6% and 7.9%), with a flow-through effect on margin, based on operational leverage

- A 1% higher growth rate per CGU would result in a c. £303m increase in the net investment value (which would reverse the impairment loss in full)
- A 1% lower growth rate per CGU would result in a c. £278m reduction in the net investment value and increase in impairment by the same amount

Discount rate (range between 11.5% and 12.6%)

- 50bps higher discount rate per CGU would result in a c. £60m reduction in the net investment value and increase in impairment by the same amount
- 50bps lower discount rate per CGU would result in a c. £66m increase in the net investment value (reducing the impairment loss to £79.7m)

Long-term growth rate, the perpetuity assumption (range between 1.8% and 2.3%)

- 50bps higher growth rate per CGU would result in a c. £48m increase in the net investment value (reducing the impairment loss to £97.7m)
- 50bps lower growth rate per CGU would result in a c. £44m reduction in the net investment value and increase in impairment by the same amount

13. INVENTORIES

Inventories held at year-end	**2026 £m**	2025 £m
Raw materials	**81.2**	83.0
Work-in-progress	**5.3**	5.1
Finished goods	**215.8**	215.6
	302.3	303.7

During the year to 28 March 2026, the total movement in stock provisions resulted in a charge to the income statement of £2.1m (2025 charge: £0.9m).

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	
	2026 £m	2025 £m	2026 £m	2025 £m
Trade debtors	**173.6**	184.8	**–**	–
Amounts owed by subsidiaries	**–**	–	**12.4**	7.1
Other debtors	**31.8**	32.1	**0.3**	–
Finance lease receivable – current	**0.9**	–	**–**	–
Prepayments and accrued income	**11.0**	10.0	**0.7**	0.5
	217.3	226.9	**13.4**	7.6

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Assets recognised as held for sale	**7.5**	–	**–**	–

Amounts falling due after one year:

	Group		Company	
	2026 £m	2025 £m	2026 £m	2025 £m
Other long term assets	**–**	–	**–**	–
Finance lease receivable – long term	**2.2**	–	**–**	–
Amounts owed by subsidiaries	**–**	–	**629.4**	658.0
Amounts owed by subsidiaries - impairment provision	**–**	–	**(150.4)**	(146.7)
	2.2	–	**479.0**	511.3

Other debtors include sales tax receivable of £11.8m (2025: £11.9m).

Where intercompany loans have been formally documented, interest is charged on amounts owed by subsidiaries to the Company at a rate between 0.25% - 10.0%. 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.

Regarding the assets held for sale, this pertains to two properties in Belgium (UK & Europe Soft Flooring), which, as at the year end, both met the criteria under IFRS 5 to be classified as held for sale. These sales are part of the wider Belgian restructuring and reorganisation projects which were ongoing during the year and remained ongoing at the year end. The properties are being actively marketed and management remains committed to the disposal plan. Based on the progress of the sale process and current expectations, the Group anticipates that both transactions will complete within the next 12 months.

Lessor Arrangements

The Group acts as a lessor in a limited number of immaterial lease arrangements. During the year, a subsidiary within the UK & Europe Soft Flooring segment entered into a sublease arrangement in respect of a property previously leased by the Group under a head lease. The sublease was assessed in accordance with IFRS 16 and classified as a finance lease, as substantially all of the risks and rewards incidental to the underlying right-of-use asset were transferred to the sublessee. This treatment is consistent with the Group's documented IFRS 16 accounting approach for finance subleases.

Accordingly, at the commencement date of the sublease, the relevant right-of-use asset relating to the subleased portion was derecognised and a net investment in the lease was recognised. Lease receipts are apportioned between a reduction in the net investment in the lease and finance income, which is recognised over the lease term using the effective interest method.

Notes to the Accounts

14. TRADE AND OTHER RECEIVABLES CONTINUED

At the reporting date, the Group recognised a net investment in the finance lease of £3.1 million, comprising £0.9 million due within one year and £2.2 million due after more than one year. The arrangement is not material to the Group's financial position or results of operations.

A maturity analysis of the undiscounted lease payments receivable associated with this finance lease has been included within Note 24.

The above amounts are stated net of a net settled customer rebates totalling £9.9m (2025: £3.4m) and a provision (net of VAT) of £8m (2025: £7.3m) made for doubtful debts and expected credit losses. The movement of the provision during the year is summarised below:

	£m	£m
Opening balance at 30 March 2025	**(7.3)**	(8.4)
Increase in provisions	**(2.5)**	(0.9)
Utilisation of provisions	**2.0**	1.5
Exchange differences	**(0.1)**	0.2
Disposals	**–**	0.3
Closing balance at 28 March 2026	**(8.0)**	(7.3)

There were no material arrangements in place in the prior year.

An analysis of the gross age of trade receivables can be seen in the table below:

	2026 £m	2025 £m
Current	**166.7**	162.5
1-30 days overdue	**12.8**	21.8
31-60 days overdue	**3.1**	2.8
> 60 days overdue	**8.7**	8.4
Total	**191.3**	195.5

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 24.

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 £3.7m (2025: £146.7m) has been recognised as an impairment loss in the parent company's financial statements for the year ended 28 March 2026.

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.

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) 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. £15m reduction of the impairment loss
   - A 10% decrease would result in a c. £15m increase in the impairment loss
2. A half turn change to the debt to EBITDA leverage ratio:
   - A 0.5x increase (4.5x) would result in a c. £19m reduction of the impairment loss
   - A 0.5x increase (3.5x) would result in a c. £19m increase in the impairment loss

15. TRADE AND OTHER PAYABLES

Amounts falling due within one year:

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Trade creditors	**(162.9)**	(161.9)	**(1.6)**	(1.2)
Amounts due to subsidiaries	**–**	–	**(0.2)**	(1.2)
Deferred consideration (non-contingent)	**(0.7)**	(0.7)	**–**	–
Contingent earn-out liabilities - current	**(0.2)**	(0.3)	**–**	–
Acquisition-related performance plan liabilities	**–**	(16.9)	**–**	–
Other creditors	**(51.0)**	(43.0)	**(1.9)**	(1.3)
Accruals	**(41.7)**	(49.9)	**(2.4)**	(4.3)
Deferred income	**–**	–	**–**	–
	(256.5)	(272.7)	**(6.1)**	(8.0)

The majority of current trade creditors are due within 120 days.

Other creditors include other taxes and social security payable of £12.1m (2025: £10.2m), purchase tax receivable of £8.3m (2025: £9.3m) and a fixed asset creditor of £13.2m (2025: £12.5m).

Total accruals include holiday pay accruals totalling £9.4m (2025:£10.4m).

Amounts falling due after one year:

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Deferred consideration (non-contingent)	**(0.1)**	(0.7)	**–**	–
Contingent earn–out liabilities – long–term	**(0.2)**	(0.4)	**–**	–
Deferred income	**(0.8)**	(1.1)	**–**	–
Other creditors	**(5.8)**	(5.9)	**–**	–
	(6.9)	(8.1)	**–**	–

Deferred earn-out liabilities are in connection with the acquisitions of BMC Freight, Foot Fall and Royal Transport. Earn out arrangements in respect of the acquisition of Royal Transport is accounted for as an acquisition related performance plan liability when the arrangement includes service conditions and as contingent consideration under IFRS 13 fair value measurement when no service conditions are present.
Deferred income relates to government grants.

Notes to the Accounts

Supplier finance arrangements

The Group participates in supplier finance arrangements with certain financial institutions in respect of a limited number of suppliers.

The table below provides information regarding the Group's supplier finance arrangements (related to a single group of subsidiaries in Spain) at the reporting date:

Supplier	Santander	Bankinter
Carrying amount of financial liabilities		
Presented in trade and other payables	£3,178,287	£1,560,050
Of which suppliers have received payment from the finance provider	£3,178,287	£1,560,050
Range of payment due dates		
Liabilities that are part of the arrangements	**Order issuance date**	**Order issuance date**
Comparable trade payables that are not part of the arrangements	Same day	Same day
Timing until the entity pays to the finance provider	Maximum 150 days from the order date	Maximum 150 days from the order date

There were no material arrangements in place in the prior year.

16. PROVISIONS

	Group					
	2026			2025		
	Current £m	**Non-current £m**	**Total £m**	Current £m	Non-current £m	Total £m
Environmental (a)	**–**	**(9.5)**	**(9.5)**	–	(10.6)	(10.6)
Restructuring (b)	**(25.3)**	**(2.0)**	**(27.3)**	(4.9)	–	(4.9)
Long-service award provision (c)	**(1.2)**	**(0.2)**	**(1.4)**	(1.1)	(0.2)	(1.3)
Dilapidation and restoration provisions (d)	**–**	**(8.4)**	**(8.4)**	–	(8.3)	(8.3)
Warranties (e)	**(1.3)**	**(0.5)**	**(1.8)**	–	–	–
Other provisions	**(1.5)**	**(0.2)**	**(1.7)**	(1.1)	(0.5)	(1.6)
	(29.3)	**(20.8)**	**(50.1)**	(7.1)	(19.6)	(26.7)

	Company					
	2026			2025		
	Current £m	**Non-current £m**	**Total £m**	Current £m	Non-current £m	Total £m
Dilapidation and restoration provisions	**–**	**(0.4)**	**(0.4)**	–	(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

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. Additionally, new provisions have been recognised representing the relocation of manufacturing activities to Turkey. These liabilities include 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.

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.

e) Warranty provisions

A warranty provision represents a contractual clause granted to various customers across the Group to guarantee the quality and condition of the Group's products. This is measured via a best estimate of the present value of replacing or restoring the Group's products.

The impact of warranties are closely monitored by management. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Movement in provisions	Environmental £m	Restructuring £m	Long-service award £m	Dilapidation and restoration provisions £m	Warranty provisions £m	Other provisions £m	Total £m
At 30 Mar 2025	(10.6)	(4.9)	(1.3)	(8.3)	–	(1.6)	(26.7)
Balance sheet reclassification	–	–	–	–	(1.5)	1.3	(0.2)
(Charged) / credited to profit or loss	1.4	(31.2)	–	0.1	(1.3)	(1.5)	(32.5)
Amounts utilised during the year	0.1	8.8	–	–	1.0	0.1	10.0
Exchange differences	(0.4)	–	(0.1)	(0.2)	–	–	(0.7)
At 28 Mar 2026	(9.5)	(27.3)	(1.4)	(8.4)	(1.8)	(1.7)	(50.1)

17. OTHER FINANCIAL LIABILITIES

Amounts falling due within one year:

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Bank overdrafts	**(0.8)**	(21.0)	**(2.7)**	–
Senior secured notes (net of prepaid finance costs)	**(6.2)**	–	**(6.2)**	–
Bank loans and other facilities (net of prepaid finance costs)	**(85.4)**	(114.4)	**0.6**	(44.2)
Obligations under right-of-use leases	**(30.8)**	(30.0)	**(0.6)**	(0.5)
	(123.2)	(165.4)	**(8.9)**	(44.7)

Notes to the Accounts

17. OTHER FINANCIAL LIABILITIES CONTINUED

Amounts falling due after one year:

	Group		Company	
	2026 **£m**	2025 (restated) £m	**2026** **£m**	2025 (restated) £m
Senior secured notes (net of prepaid finance costs):				
- due between one and two years	**(137.9)**	(413.7)	**(137.9)**	(413.7)
- due between two and five years	**(556.0)**	(210.2)	**(556.0)**	(210.2)
- due over five years	**(4.8)**	–	**(4.8)**	–
	(698.7)	(623.9)	**(698.7)**	(623.9)
Bank loans and other facilities (net of prepaid finance costs):				
- due between one and two years	**(4.9)**	(6.8)	**0.6**	–
- due between two and five years	**(146.0)**	(9.3)	**(129.3)**	–
- due over five years	**–**	(10.2)	**–**	–
	(150.9)	(26.3)	**(128.7)**	–
Preferred equity	**(393.1)**	(339.9)	**(393.1)**	(339.9)
Preferred equity – contractually-linked warrants	**(0.4)**	(3.1)	**(0.4)**	(3.1)
	(393.5)	(343.0)	**(393.5)**	(343.0)
Obligations under right-of-use leases:				
- due between one and two years	**(28.6)**	(29.4)	**(0.6)**	(0.5)
- due between two and five years	**(65.9)**	(58.8)	**(1.8)**	(1.8)
- due over five years	**(64.0)**	(71.7)	**(1.8)**	(3.1)
	(158.5)	(159.9)	**(4.2)**	(5.4)
	(1,401.6)	(1,153.1)	**(1,225.1)**	(972.3)

Other debt instruments, bank loans and other facilities:

	2026 **£m**	2025 £m	**Maturities** **£m**	**Applicable interest rate**
Term loans	**(114.8)**	(31.9)	**2026 to 2032**	**3.0% to 8.0%**
Revolving credit facilities	**(66.4)**	(63.6)	**2027 to 2030**	**6.0% to 8.1%**
Factoring and receivables financing facilities	**(57.5)**	(45.8)	**2026 to 2028**	**2.5% to 8.8%**
	(238.7)	(141.3)		

Certain loans are secured against fixed assets and receivables (accounts receivable factoring) and the others are all unsecured. The RCF balance includes £55.1m drawn down by the Company (2025: £44.8m) and terms loans include £75.3m held by the Company (2025: £nil).

Senior debt

Senior debt as at 28 March 2026 relates to €803m of senior secured notes, split between three tranches: €639m 9.875% First Priority notes maturing in 2029, €159m 3.75% notes maturing in 2028, and €5m 3.6251.0% notes maturing in 2031. The coupon on the notes will be paid bi-annually; however interest on the First Priority notes will not begin to be paid until February 2027.

The fair value of the liability as at 28 March 2026 was €421.6m (2025: €619.7m), which has been determined based on a quoted price in an active market. Consisting of:

2028 notes €380.9m
1PNs €35.2m
2031 notes €5.5m

The Group has historically financed its operations through a combination of listed senior secured notes and a super senior revolving credit facility.

During Q2 FY26, the Group successfully completed a refinancing transaction addressing its near term maturities. The debt prior to the refinancing being €489 million of notes with a fixed coupon of 3.625% and maturity of August 2026, and €250 million of notes with a fixed coupon of 3.75% and maturity of March 2028 along with a £150m Revolving Credit Facility with a maturity date of February 2026.

€480 million of the 2026 notes were exchanged into a new tranche of senior secured notes due 2029 (the “New 1PNs”) The residual balance of the 2026 notes had the maturity extended to 31 August 2031 and the coupon amended to 1%.

Of the €250m 2028 notes, €83 million was converted into 1PNs. The remaining €167 million 2028 Notes remain outstanding as at the balance sheet date.

The premium and fees associated with the new 1PNs totalled €47m (£41.4m non-cash premia rolled into new instrument as disclosed in Note 18).

In total, €609 million of New 1PNs were issued (from the 2026 and 2028 tranches combined). The new 1PNs carry a 9.875% coupon per annum. For the first two interest periods, the Group may elect to pay either the full coupon in cash or a combination of 1% in cash with the balance capitalised as PIK (the “PIK Toggle”). Thereafter, the coupon will be fully settled in cash. The first full cash coupon will be due in February 2027.

Prepaid legal and professional fees associated with the issue of the notes before the aforementioned refinancing totalled £12.9m (2.0% of gross debt raised), and was offset against the senior debt liability. They were amortised over their life by £2.6m in the year (2025: £2.7m). All remaining prepaid finance costs relating to the 2026 3.625% notes were fully amortised at the refinancing date. Only a portion of costs relating to the 2028 3.75% notes remain on the Balance Sheet at the end of the year. The net prepaid value as at 28 March 2026 is £0.4m. This balance remains offset against the senior debt liability.

Before the refinancing process, attached to the the Group’s senior debt were early repayment options, which were 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 was 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%.

These options were released from the Balance Sheet during the year as part of the refinancing process. No new embedded derivatives are recognised relating to the new senior notes.

Due to timings of the year end interest accrued totalled £6.4m at the period end (2025: £5.0m).

As at 28 March 2026 there is a total liability recognised of £705.3m (2025: £624.0m) in relation to notes with a par value of £698.9m (2025: £620.8m).

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, at the start of the year the Group had a variable rate £150m multi-currency revolving credit facility maturing in February 2026, which at that time was drawn by £44.8m. During the year, this facility was repaid in full and the Group entered into a new super-senior facilities agreement. This new agreement comprises a £75m Facility B Term Loan and a £55m Revolving Facility. Both mature in 2030.

Prepaid legal and professional fees associated with the arranging of this new super-senior facilities agreement of £2.7m was capitalised and offset against the liability. The net prepaid value at the 28 March 2026 is £2.3m.

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

17. OTHER FINANCIAL LIABILITIES CONTINUED

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:

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.

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 28 March 2026 totalled £393.5m (2025: £339.9m, restated - see below).

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 28 March 2026 was £Nil (2025: £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. The conversion formula works by dividing the outstanding preferred amount by the prevailing VWAP of Victoria's ordinary shares at the time of conversion. This means that at whatever share price conversion occurs, KED will receive ordinary shares with a market value equal to the outstanding preferred amount at that date. As a result, nil value has been attributed to this feature.

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 £0.4m as at 28 March 2026 (2025: £3.1m). 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 25, 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

	2026 £m	2025 (restated) £m
Host contract	(53.2)	(44.6)
Fair value warrants	2.7	9.4
Fair value redemption asset	–	–
Loan commitment	–	–
Ticking fee	–	–
Loss on substantial modification	–	–
Preferred equity	(50.5)	(35.2)
Preferred equity prepaid finance costs	–	–
Preferred equity including prepaid finance costs	(50.5)	(35.2)

Of the £50.5m (2025: £35.2m) preferred equity charge, all elements are non-cash in nature.

17. OTHER FINANCIAL LIABILITIES CONTINUED
PRIOR YEAR RESTATEMENT (GROUP AND COMPANY)

During the current financial year, an error was identified in the accounting treatment which dated back to FY21. On the host instrument terminal value calculation the equity risk premium and Victoria's credit spread were updated each period and should have been held constant. The terminal value has been revised to only update for the LIBOR/SONIA forward curve at each reporting date. This error resulted in the understatement of the preferred equity debt and the reported loss for both the Group and Company.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the comparative amounts for the prior period have been restated and the subsequent notes to the financial statements that have also been restated as a result. The error also affected the opening balance sheet as at 30 March 2024, and therefore, a third balance sheet as at that date has been presented for both the Group and Company as required by IAS 1.40A.

The effect of the restatement on the financial statements is summarised below:

	As at 29 March 2025			As at 30 March 2024		
Group	Previously reported £m	Impact of restatement £m	Restated £m	Previously reported £m	Impact of restatement £m	Restated £m
Preferred equity	(282.5)	(57.4)	(339.9)	(274.2)	(21.2)	(295.4)
Total non-current liabilities	(1,151.7)	(57.4)	(1,209.1)	(1,189.1)	(21.2)	(1,210.3)
Total liabilities	(1,603.1)	(57.4)	(1,660.5)	(1,651.7)	(21.2)	(1,672.9)
Net liabilities	(273.1)	(57.4)	(330.5)	(22.2)	(21.2)	(43.4)
Retained earnings	(292.2)	(57.4)	(349.6)	(27.4)	(21.2)	(48.6)
Total Equity	(273.1)	(57.4)	(330.5)	(22.2)	(21.2)	(43.4)
Reported loss for the year	(264.4)	(36.2)	(300.6)	(108.0)	(21.2)	(129.2)

	As at 29 March 2025			As at 30 March 2024		
Company	Previously reported £m	Impact of restatement £m	Restated £m	Previously reported £m	Impact of restatement £m	Restated £m
Preferred equity	(282.5)	(57.4)	(339.9)	(274.2)	(21.2)	(295.4)
Total non-current liabilities	(916.4)	(57.4)	(973.8)	(935.2)	(21.2)	(956.4)
Total liabilities	(969.1)	(57.4)	(1,026.5)	(943.6)	(21.2)	(964.8)
Net liabilities	(44.7)	(57.4)	(102.1)	129.0	(21.2)	107.8
Retained earnings	(66.5)	(57.4)	(123.9)	110.5	(21.2)	89.3
Total Equity	(44.7)	(57.4)	(102.1)	129.0	(21.2)	107.8
Reported loss for the year	(175.9)	(36.2)	(212.1)	(8.1)	(21.2)	(29.3)

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.

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 £76.3m and corresponding liabilities totalled £57.6m.

18. FINANCIAL ASSETS AND LIABILITIES

The financial assets of the Group comprised:

Group	At 28 Mar 2026 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	At 29 Mar 2025 Amortised cost £m	Financial assets held at fair value through profit and loss (restated) £m	Assets not within the scope of IFRS 9 £m	Total £m
Cash								
Sterling	23.0	–	–	23.0	31.3	–	–	31.3
US Dollars	7.5	–	–	7.5	5.3	–	–	5.3
Euros	29.4	–	–	29.4	36.0	–	–	36.0
Australian Dollars	8.0	–	–	8.0	4.8	–	–	4.8
New Zealand Dollars	0.1	–	–	0.1	–	–	–	–
Turkish Lira	0.4	–	–	0.4	0.2	–	–	0.2
Other	–	–	–	–	–	–	–	–
	68.4	–	–	68.4	77.6	–	–	77.6
Current assets								
Trade and other receivables (including current tax)	194.9	–	30.5	225.4	204.9	–	24.1	229.0
Current inventories	–	–	302.3	302.3	–	–	303.6	303.6
Current assets	263.3	–	332.8	596.1	282.5	–	327.7	610.2
Non-current assets								
Trade and other non-current receivables	2.2	–	–	2.2	–	–	–	–
Deferred tax assets	–	–	11.2	11.2	–	–	8.9	8.9
Non-current assets	2.2	–	11.2	13.4	–	–	8.9	8.9
Total assets	265.5	–	344.0	609.5	282.5	–	336.6	619.1

Notes to the Accounts

18. FINANCIAL ASSETS AND LIABILITIES CONTINUED

The financial liabilities of the Group comprised:

Group	At 28 Mar 2026 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 29 Mar 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
Overdraft								
Sterling	–	–	–	–	(17.1)	–	–	(17.1)
US Dollars	–	–	–	–	–	–	–	–
Euro	(0.8)	–	–	(0.8)	(3.8)	–	–	(3.8)
	(0.8)	–	–	(0.8)	(20.9)	–	–	(20.9)
Current liabilities								
Contingent & deferred earn-out liabilities - current	–	(0.9)	–	(0.9)	–	(1.0)	–	(1.0)
Trade and other payables	(239.8)	–	(14.8)	(254.6)	(234.5)	–	(19.5)	(254.0)
Provisions	–	–	(29.3)	(29.3)	–	–	(7.1)	(7.1)
Acquisition-related performance plan liability	–	–	–	–	(16.8)	–	(0.1)	(16.9)
Current tax liabilities (including current tax)	–	–	(2.5)	(2.5)	–	–	(6.2)	(6.2)
Forward foreign exchange contracts	–	(0.9)	–	(0.9)	–	(0.8)	–	(0.8)
Obligations under right-of-use leases	–	–	(30.8)	(30.8)	–	–	(30.0)	(30.0)
Bank loans and other facilities	(91.7)	–	–	(91.6)	(114.4)	–	–	(114.4)
Current liabilities	(332.3)	(1.8)	(77.4)	(411.4)	(386.6)	(1.8)	(62.9)	(451.4)
Non-current liabilities								
Contingent & deferred earn-out liabilities - long-term	–	(0.3)	–	(0.3)	–	(1.1)	–	(1.1)
Trade and other payables	(5.9)	–	(0.8)	(6.7)	(5.9)	–	(1.1)	(7.0)
Provisions	–	–	(20.8)	(20.8)	–	–	(19.6)	(19.6)
Deferred tax liabilities	–	–	(14.5)	(14.5)	–	–	(24.3)	(24.3)
Retirement benefit obligations	–	–	(2.6)	(2.6)	–	–	(4.0)	(4.0)
Obligations under right-of-use leases	–	–	(158.5)	(158.5)	–	–	(159.9)	(159.9)
Senior secured debt	(698.7)	–	–	(698.7)	(623.9)	–	–	(623.9)
Preferred Equity	(393.1)	–	–	(393.1)	(339.9)	–	–	(339.9)
Preferred Equity – contractually-linked warrants	–	(0.4)	–	(0.4)	–	(3.1)	–	(3.1)
Bank loans and other facilities	(150.9)	–	–	(150.9)	(26.2)	–	–	(26.2)
Non-current liabilities	(1,248.6)	(0.7)	(197.2)	(1,446.5)	(995.9)	(4.2)	(208.9)	(1,209.0)
Total liabilities	(1,580.9)	(2.5)	(274.6)	(1,857.9)	(1,382.5)	(6.0)	(271.8)	(1,660.4)

The financial assets of the Company comprised:

Company	At 28 Mar 2026 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	At 29 Mar 2025 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	–	–	–	–	8.3	–	–	8.3
US Dollars	0.1	–	–	0.1	0.3	–	–	0.3
Euros	3.7	–	–	3.7	4.5	–	–	4.5
Australian Dollars	0.2	–	–	0.2	0.1	–	–	0.1
	4.0	–	–	4.0	13.2	–	–	13.2
Current assets								
Trade and other receivables (including current tax)	12.7	–	0.7	13.4	7.1	–	0.5	7.6
Current assets	16.7	–	0.7	17.4	20.3	–	0.5	20.8
Non-current assets								
Investments in subsidiaries	–	–	340.5	340.5	–	–	379.5	379.5
Amounts owed by subsidiaries	479.0	–	–	479.0	511.3	–	–	511.3
Deferred tax assets	–	–	6.4	6.4	–	–	11.4	11.4
Non-current assets	479.0	–	346.9	825.9	511.3	–	390.9	902.2
Total financial assets	495.7	–	347.6	843.3	531.6	–	391.4	923.0

18. FINANCIAL ASSETS AND LIABILITIES CONTINUED

The financial liabilities of the Company comprised:

	At 28 Mar 2026				At 29 Mar 2025			
Company	**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**	Other financial liabilities at amortised cost (restated) £m	Financial liabilities held at fair value through profit and loss £m	Liabilities not within the scope of IFRS 9 £m	Total (restated) £m
Overdraft								
Sterling	**(2.7)**	**–**	**–**	**(2.7)**	–	–	–	–
	(2.7)	**–**	**–**	**(2.7)**	–	–	–	–
Current liabilities								
Trade and other payables (including current tax)	**(5.3)**	**–**	**–**	**(5.3)**	(7.1)	–	–	(7.1)
Forward foreign exchange contracts	**–**	**(0.9)**	**–**	**(0.9)**	–	(0.8)	–	(0.8)
Obligations under right-of-use leases	**(0.6)**	**–**	**–**	**(0.6)**	(0.5)	–	–	(0.5)
Senior loans	**(6.4)**	**–**	**–**	**(6.4)**				
Bank loans and other facilities	**0.8**	**–**	**–**	**0.8**	(44.2)	–	–	(44.2)
Current liabilities	**(14.1)**	**(0.9)**	**–**	**(15.0)**	(51.8)	(0.8)	–	(52.6)
Non-current liabilities								
Deferred tax liabilities	**–**	**–**	**(0.1)**	**(0.1)**	–	–	(1.1)	(1.1)
Provisions	**–**	**–**	**(0.4)**	**(0.4)**	–	–	(0.4)	(0.4)
Obligations under right-of-use leases	**–**	**–**	**(4.2)**	**(4.2)**	–	–	(5.4)	(5.4)
Senior secured debt	**(698.7)**	**–**	**–**	**(698.7)**	(623.9)	–	–	(623.9)
Preferred Equity	**(393.1)**	**–**	**–**	**(393.1)**	(339.9)	–	–	(339.9)
Preferred Equity – contractually-linked warrants	**–**	**(0.4)**	**–**	**(0.4)**	–	(3.1)	–	(3.1)
Bank loans and other facilities	**(128.7)**	**–**	**–**	**(128.7)**	–	–	–	–
Non-current liabilities	**(1,220.5)**	**(0.4)**	**(4.7)**	**(1,225.6)**	(963.8)	(3.1)	(6.9)	(973.8)
Total liabilities	**(1,234.6)**	**(1.3)**	**(4.7)**	**(1,240.6)**	(1,015.6)	(3.9)	(7.0)	(1,026.4)

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 contract

These are Level two financial assets / liabilities and all expire within 12 months from 28 March 2026.

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.

Contingent earn-out liabilities

These are Level three liabilities. The fair value of the contingent earn out liability as at 28 March 2026 totalled £0.4m (2025: £0.7m). The impact to the income statement in the period was £0.1m 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.

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 were Level three assets. The redemption option was valued at £nil at the opening 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. It was not possible to reliably estimate the expected value of the credit spread at the opening of the period, due to the lack of implied or historic volatilities and its correlation with interest rates. The 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 were not deemed to be materially sensitive.

Per note 17, during the year the embedded derivatives were released fully as part of the refinancing process. There are no embedded derivatives on the Balance Sheet at the year end.

Senior secured notes

Senior secured notes are held at amortised cost, the fair value at 28 March 2026 was €421.6m (2025: €619.7m). 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 28 March 2026 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 28 March 2026)
- Decreasing the ERP (assumed to be 30.33%) by 200 bps would result in no change to the redeem asset (£nil at 28 March 2026)
- Increasing the volatility (assumed to be 70.0%) by 5% would result in an increase in the value of the warrants liability of £0.1m
- Decreasing the volatility (assumed to be 70.0%) by 5% would result in a decrease in the value of the warrants liability of £0.1m

There were no transfers between Level one, Level two and Level three in 2026 or 2025.

Notes to the Accounts

18. FINANCIAL ASSETS AND LIABILITIES CONTINUED

Analysis of net debt

Reconciliation of movements in the Group's net debt position:

Group	At 30 Mar 2025 £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 28 Mar 2026 £m**
Cash and cash equivalents	77.6	(9.8)	–	–	–	–	**0.7**	**68.4**
Bank overdraft	(9.3)	8.5	–	–	–	–	**–**	**(0.8)**
Net cash and cash equivalents	68.3	(1.3)	–	–	–	–	**0.7**	**67.6**
Bank overdraft	(11.7)	11.7	–	–	–	–	**–**	**–**
Senior secured debt (gross of prepaid finance costs):								
- due in less than one year	–	–	–	–	–	(6.4)	**–**	**(6.4)**
- due in more than one year	(627.0)	1.6	–	–	–	(50.7)	**(22.8)**	**(698.9)**
Bank loans and other facilities (gross of prepaid finance costs):								
- Other bank loans and facilities due in less than one year	(115.0)	(94.6)	–	–	–	125.9	**(2.4)**	**(86.1)**
- Other bank loans and facilities due in more than one year	(26.2)	–	–	–	–	(126.2)	**(0.3)**	**(152.8)**
Obligations under right-of-use leases:								
- due in less than one year	(30.0)	40.9	(13.9)	–	–	(25.4)	**(2.4)**	**(30.8)**
- due in more than one year	(159.9)	–	–		–	2.7	**(1.2)**	**(158.5)**
Preferred equity (gross of prepaid finance costs)	(343.0)	–	–	–	–	(50.6)	**–**	**(393.5)**
Prepaid finance costs:								
In relation to senior debt								
- due in less than one year	0.6	0.9	–	–	–	(1.3)	**–**	**0.2**
- due in more than one year	3.0	–	–	–	–	(2.8)	**–**	**0.2**
In relation to RCF / term loans								
- due in less than one year	–	2.3	–	–	–	(1.8)	**–**	**0.5**
- due in more than one year	–	–	–	–	–	1.7	**–**	**1.7**
Financing liabilities	(1,309.1)	(37.1)	(13.9)	–	–	(134.9)	**(29.2)**	**(1,524.4)**
Net debt including right-of-use lease liabilities, issue premia, preferred equity and prepaid finance costs	(1,240.9)	(38.5)	(13.9)	–	–	(134.9)	**(28.5)**	**(1,456.7)**

As at 29 March 2025, overdrafts totalling £11.7m that are not an integral part of the Group's cash management have not been presented as cash in the Cash Flow Statement. As at 28 March 2026, there were no such overdrafts on the Group Balance Sheet.

Due to the refinancing within the current year, please see further breakdown of cash and non-cash Senior secured debt movements:

	Cash	Non cash
1PN Exchange offer premia		(41.4)
Fair value adjustment 2031 bonds		3.3
2028 bond repurchase gain / cash paid	1.6	5.3
Inception derivative release		(1.2)
PIK interest		(23.1)
Total	1.6	(57.1)

Bridge between financing activities on Cash Flow statement and cash flow on net debt above:

Financing activities cash inflow on cash flow statement	27.3
Include outflow of ROU interest (within operating activities on CFS)	(8.3)
Remove bond refinancing (does not impact opening or closing liability) - refinancing costs paid and expensed as part of substantial modification	19.1
Remove other financing activities (does not impact opening or closing liability)	(0.9)
Financing liability cash inflow as per net debt table above	37.1

Group	At 31 Mar 2024 (restated) £m	Cash flow £m	Non-cash movement on inception of leasing contract expenditure £m	Disposals £m	Acquisitions £m	Other non-cash changes (restated) £m	Exchange movement £m	At 29 Mar 2025 (restated) £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:								
- due in less than one year	(72.4)	(51.4)	–	20.0	(0.7)	(11.9)	1.2	(115.0)
- due in more than one year	(38.8)	–	–	–	–	12.0	0.7	(26.2)
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)	(307.8)	–	–	–	–	(35.2)	–	(343.0)
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	(1,235.0)	(8.8)	(46.1)	21.5	(0.7)	(55.5)	15.5	(1,309.2)
Net debt including right-of-use lease liabilities, issue premia and prepaid finance costs	(1,147.8)	(25.2)	(46.1)	19.8	0.1	(55.5)	13.9	(1,240.9)

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 24.

Notes to the Accounts

18. FINANCIAL ASSETS AND LIABILITIES CONTINUED

Reconciliation of movements in the Company's net debt position:

Company	At 30 Mar 2025 (restated) £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 28 Mar 2026 £m**
Cash and cash equivalents	13.2	(9.2)	–	–	–	–	–	**4.0**
Bank overdraft	–	(2.7)	–	–	–	–	–	**(2.7)**
Net cash and cash equivalents	13.2	(11.9)	–	–	–	–	–	**1.3**
Senior secured debt (gross of prepaid finance costs):								
- due in less than one year	–	–	–	–	–	(6.4)	–	**(6.4)**
- due in more than one year	(627.0)	1.6	–	–	–	(50.7)	(22.8)	**(698.9)**
Bank loans and other facilities (gross of prepaid finance costs):								
- Other bank loans and facilities due in less than one year	(44.8)	(84.2)	–	–	–	130.4	(1.5)	**–**
- Other bank loans and facilities due in more than one year	–	–	–	–	–	(130.4)	–	**(130.4)**
Obligations under right-of-use leases:								
- due in less than one year	(0.5)	0.7	–	–	–	(0.8)	–	**(0.6)**
- due in more than one year	(5.4)	–	–		–	1.2	–	**(4.2)**
Preferred equity (gross of prepaid finance costs)	(343.0)	–	–	–	–	(50.5)	–	**(393.4)**
Prepaid finance costs:								
In relation to senior debt	3.6	0.5	–		–	(3.7)	–	**0.4**
- due in less than one year	0.6	0.5	–		–	(0.9)	–	**0.2**
- due in more than one year	3.0	–	–		–	(2.8)	–	**0.2**
In relation to RCF / term loans	–	2.3	–		–	(0.0)	–	**2.3**
- due in less than one year	–	2.3	–		–	(1.7)	–	**0.6**
- due in more than one year	–	–	–		–	1.7	–	**1.7**
Financing liabilities	(1,017.0)	(79.1)	–	–	–	(110.8)	(24.3)	**(1,231.2)**
Net debt including right-of-use lease liabilities, issue premia, preferred equity and prepaid finance costs	(1,003.8)	(91.0)	–	–	–	(110.8)	(24.3)	**(1,229.9)**

Company	At 31 Mar 2024 (restated) £m	Cash flow £m	Non-cash movement on inception of leasing contract expenditure £m	Disposals £m	Acquisitions £m	Other non-cash changes (restated) £m	Exchange movement £m	At 29 Mar 2025 (restated) £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:								
- due in less than one year	–	(34.8)	–	–	–	(10.3)	0.3	(44.8)
- due in more than one year	(10.3)	–	–	–	–	10.3	–	–
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)	(307.8)	–	–	–	–	(35.2)	–	(343.0)
Prepaid finance costs:								
- In relation to preferred equity	–	–	–	–	–	–	–	–
- In relation to senior debt	5.7	0.2	–		–	(2.2)	–	3.6
Financing liabilities	(956.8)	(34.0)	(0.1)	–	–	(37.7)	11.6	(1,017.0)
Net debt including right-of-use lease liabilities, issue premia and prepaid finance costs	(948.7)	(28.8)	(0.1)	–	–	(37.7)	11.6	(1,003.8)

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	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Deferred consideration	**(0.7)**	(0.7)	**–**	–
Contingent earn-out liabilities	**(0.2)**	(0.3)	**–**	–
	(0.8)	(1.0)	**–**	–

Amounts falling due after one year:

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £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)**	(0.2)	**–**	–
- due between two and five years	**–**	(0.2)	**–**	–
	(0.2)	(1.1)	**–**	–

Notes to the Accounts

19. LOW VALUE AND SHORT TERM LEASE ARRANGEMENT

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	**2026 £m**	2025 £m	**2026 £m**	2025 £m
Within one year	**0.4**	0.2	**–**	–
In the second to fifth years inclusive	**–**	–	**–**	–
After five years	**–**	–	**–**	–
	0.4	0.2	**–**	–

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 31 Mar 2024	(48.7)	8.2
Credit to income statement (see Note 6)	34.0	2.1
Credit to SOCI	(0.4)	–
Exchange adjustment	(0.3)	–
At 29 Mar 2025	(15.4)	10.3
At 30 Mar 2025	**(15.4)**	**10.3**
Credit to income statement (see Note 6)	**14.9**	**(4.0)**
Debit to SOCI	**–**	**–**
Exchange adjustment	**(2.8)**	**–**
At 28 Mar 2026	**(3.3)**	**6.3**

Movement in deferred tax during the year

	30 March 2025	Reclassification	**30 March 2025 (restated*)**	Income statement	Statement of comprehensive income	Brought in on acquisition	Exchange adjustment	**28 Mar 2026**
Tangible fixed assets	(23.8)	10.0	(13.8)	5.0	–	**–**	**–**	**(8.8)**
IFRS 16 Right Of Use asset	(35.3)	13.4	(22.0)	1.1	–	**–**	**–**	**(20.9)**
IFRS 16 Right Of Use liability	41.3	(18.1)	23.3	(0.4)	–	**–**	**–**	**22.9**
Tax losses	22.1	1.7	23.8	(4.5)	–	**–**	**–**	**19.3**
Intangible fixed assets	(17.5)	(7.8)	(25.3)	14.4	–	**–**	**–**	**(11.0)**
Defined benefit pension	1.2		1.2	(0.2)	–	**–**	**–**	**1.0**
Hyperinflation	(7.6)	(3.2)	(10.9)	0.9	–	**–**	**(1.7)**	**(11.7)**
Other temporary differences	4.4	4.0	8.4	(1.3)	–	**–**	**(1.1)**	**6.0**
	(15.4)	–	(15.4)	14.9	–	**–**	**(2.8)**	**(3.3)**

* During the year, the Group reviewed the presentation of deferred tax disclosures and reclassified certain opening and comparative deferred tax balances between categories of temporary differences to improve the usefulness and transparency of the disclosure.
The reclassification of opening balances affects presentation only and does not impact the total net deferred tax position, profit or loss, comprehensive income, cash flows, or equity previously reported.

The reclassification of opening balances affects presentation only and does not impact the total net deferred tax position, profit or loss, comprehensive income, cash flows, or equity previously reported.

Movement in deferred tax during the prior year

	31 Mar 2024	Income statement	Statement of comprehensive income	Brought in on acquisition	Exchange adjustment	**29 Mar 2025 (on previous basis)**
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)**

The provision for deferred taxation is as follows:

	Group		Company	
	2026	2025 (restated*)	**2026**	2025
	£m	£m	**£m**	£m
Tangible fixed assets	**(8.8)**	(13.8)	**0.0**	–
IFRS 16 Right Of Use asset	**(20.9)**	(22.0)	**(0.0)**	(0.2)
IFRS 16 Right Of Use liability	**22.9**	23.3	**0.0**	0.3
Tax losses	**19.3**	23.8	**6.2**	9.5
Intangible fixed assets	**(11.0)**	(25.3)	**–**	–
Defined benefit pension	**1.0**	1.2	**–**	–
Hyperinflation	**(11.7)**	(10.9)	**–**	–
Other temporary differences	**6.0**	8.4	**0.1**	0.7
	(3.3)	(15.4)	**6.3**	10.3

Notes to the Accounts

20. DEFERRED TAX CONTINUED

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 28 March 2026 was £456.1m (2025: £224.8m), comprising tax losses of £227.8m (2025: £164.1m), Other temporary differences of £128m (2025: £41.9m) and Corporate Interest Restriction of £100.3m (2025: £18.8m). 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 28 March 2026 was £113.7m (2025: £56.3m), comprising tax losses of £57.0m (2025: £41m), Other temporary differences of £31.6m (2025: £10.5m) and Corporate Interest Restriction of £25.1m (2025: £4.8m).

The amount of Company unrecognised deferred tax items (tax value) at 28 March 2026 was £27.6m (2025: £4.8m, comprising tax losses of £2.5m (2025: £0m) and Corporate Interest Restriction of £25.1m (2025: £4.8m).

Deferred tax assets and liabilities

The deferred tax balances shown on the balance sheet are:

	Group		Company	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Deferred tax liabilities	**(14.5)**	(24.3)	**(0.1)**	(1.1)
Deferred tax assets	**11.2**	8.9	**6.4**	11.4
	(3.3)	(15.4)	**6.3**	10.3

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 £9,223,000 (2025: £10,311,000), of which £2,900,000 (2025: £3,260,000) relates to the UK schemes. The total contributions outstanding at the year-end were £nil (2025: £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 prior 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:

	2026 £m	2025 £m
Net interest expense	0.2	0.2
Loss on settlements	–	–
Current / Past service cost	0.3	0.4
Components of defined benefit costs recognised in profit or loss	0.5	0.6

Amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2026 £m	2025 £m
The return on plan assets (excluding amounts included in net interest expense)	0.2	(1.2)
Actuarial gains/(losses) arising from changes in demographic assumptions	0.5	2.1
Actuarial gains arising from changes in financial assumptions	0.3	0.0
Remeasurement gains/(losses) on defined benefit obligation	0.4	0.1
Actuarial gains/(losses) arising from experience adjustments	–	–
Remeasurement of the net defined benefit liability	1.3	1.0

The amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of all schemes is as follows:

	2026 £m	2025 £m
Present value of defined benefit obligations	(26.9)	(27.9)
Fair value of plan assets	24.3	23.9
Net liability arising from defined benefit obligation	(2.6)	(4.0)
Deferred tax applied to net obligation	0.7	0.9

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:

	2026 £m	At disposal £m
Present value of defined benefit obligations	–	(3.5)
Fair value of plan assets	–	–
Net liability arising from defined benefit obligation	–	(3.5)

(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 £220,000 (2025: £213,000) in respect of the Main Scheme and £nil (2025: £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 £480,000 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.

21. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

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 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:

	2026	2025
Discount rate	**6.1%**	5.5%
Revaluation rate of deferred pensioners of CPI (5% p.a. as a maximum)	**2.9%**	2.7%
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)	**3.4%**	3.3%
Inflation (CPI)	**2.9%**	2.7%

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 retiree (aged 45) upon reaching 65: 21.6 years (male), 24.2 years (female).

Amounts recognised in the consolidated income statement in respect of these defined benefit schemes are as follows:

	2026 £m	2025 £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:

	2026 £m	2025 £m
The return on plan assets (excluding amounts included in net interest expense)	**0.4**	(1.0)
Actuarial losses arising from changes in demographic assumptions	**0.5**	2.1
Actuarial gains arising from changes in financial assumptions	**0.3**	0.0
Actuarial gains arising from experience adjustments	**–**	–
Remeasurement of the net defined benefit liability	**1.1**	1.1

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:

	2026 £m	2025 £m
Present value of defined benefit obligations	**(17.6)**	(18.6)
Fair value of plan assets	**15.9**	15.7
Net liability arising from defined benefit obligation	**(1.7)**	(2.9)
Deferred tax applied to net obligation	**0.4**	0.7

Movements in the present value of defined benefit obligations in the period were as follows:

	2026 £m	2025 £m
Opening defined benefit obligation	**(18.6)**	(20.9)
Interest cost	**(1.0)**	(0.9)
Remeasurement gains/(losses):		
Arising from changes in demographic assumptions	**0.5**	2.1
Arising from changes in financial assumptions	**0.3**	0.0
Arising from experience adjustments	**–**	–
Benefits paid and expenses	**1.2**	1.1
Closing defined benefit obligation	**(17.6)**	(18.6)

21. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Movements in the fair value of plan assets in the period were as follows:

	2026 £m	2025 £m
Opening fair value of plan assets	15.7	16.8
Interest income	0.8	0.8
Remeasurement gains/(losses):		
The return on plan assets (excluding amounts included in net interest expense)	0.4	(1.0)
Contributions from the employer	0.2	0.2
Benefits paid and expenses	(1.2)	(1.1)
Closing fair value of plan assets	**15.9**	15.7

The major categories and fair values of plan assets at the end of the reporting period for each category are as follows:

	2026 £m	2025 £m
Cash and cash equivalents	0.4	0.4
LDI (Liability driven investment)	4.5	3.7
Equities	1.4	3.1
Property	0.8	1.4
Corporate Bonds	1.5	0.1
Multi-Asset Credit Funds	2.9	2.9
Diversified Growth Funds	2.5	2.3
Infrastructure	1.9	1.7
Closing fair value of plan assets	**15.9**	15.7

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 gain of £1,192,000 (2025: loss £251,000).

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 5.6%.

If the rate of inflation increases by 0.5% per annum, the defined benefit obligation would increase by 3.9%.

If the life expectancy increases by one year for both men and women, the defined benefit obligation would increase by 3.2%.

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 2026.

The contributions made by the employer over the financial period were £327,000 (2025: £415,000).

Contributions to the Scheme are made in accordance with the Schedule of Contributions. The expected service cost for the next financial year is expected to be £290,000 (2025: £342,000).

The defined benefit schemes typically expose the Company to actuarial risks such as: investment risk, interest rate risk and longevity risk.

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:

	2026	2025
Discount rate	**3.3%**	3.2%
Discount rate (§113)	**3.7%**	3.5%
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:

	2026 £m	2025 £m
Net interest expense	**–**	–
Current/ Past service cost	**0.3**	0.4
Components of defined benefit costs recognised in profit or loss	**0.3**	0.4

Notes to the Accounts

21. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

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:

	2026 £m	2025 £m
The return on plan assets (excluding amounts included in net interest expense)	(0.2)	(0.2)
Remeasurement gains/(losses) on defined benefit obligation	0.4	0.1
Remeasurement of the net defined benefit liability	0.2	(0.1)

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:

	2026 £m	2025 £m
Present value of defined benefit obligations	(9.3)	(9.3)
Fair value of plan assets	8.4	8.2
Net liability arising from defined benefit obligation	(0.9)	(1.1)
Deferred tax applied to net obligation	0.2	0.3

Movements in the present value of defined benefit obligations in the period were as follows:

	2026 £m	2025 £m
Opening defined benefit obligation	(9.3)	(9.8)
Acquired as part of business combinations	–	–
Current service costs	(0.3)	(0.4)
Interest cost	(0.3)	(0.3)
Remeasurement gains/(losses)	0.4	0.1
Benefits paid and expenses	0.4	1.0
Tax on contributions	0.1	0.1
Effect of foreign exchange rate changes	(0.3)	–
Closing defined benefit obligation	(9.3)	(9.3)

Movements in the fair value of plan assets in the period were as follows:

	2026 £m	2025 £m
Opening fair value of plan assets	8.2	8.9
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)	(0.2)
Contributions from the employer	0.3	0.3
Benefits paid and expenses	(0.4)	(1.0)
Effect of foreign exchange rate changes	0.2	(0.1)
Closing fair value of plan assets	8.4	8.2

The actual return on plan assets was a loss of £200,000 (2025: loss of £200,000).

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 4.4%.

If the rate of inflation and salary changes increases by 0.5% per annum, the defined benefit obligation would increase by 0.3%.

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.

22. SHARE CAPITAL

	2026 £m	2025 £m
Allotted, called-up and fully paid:		
5p ordinary shares	**6.3**	6.3

	2026 Number of shares (000's)	2025 Number of shares (000's)
5p ordinary shares:		
Number of shares issued and fully paid (excluding shares held in treasury)	**115,354**	114,294
Number of shares issued and fully paid, held in treasury	**10,111**	11,171

During the year 1,059,818 shares were transferred out of treasury for settlement of certain employee share options that vested and were exercised in the period. The number of shares held in treasury at 28 March 2026 was 10,110,837 and represents 8.1% of the called-up share capital (2025: 11,170,655).

The total number of ordinary shares in issue in the Company at 28 March 2026 was 115,353,830 (excluding the shares held in treasury).

At the year end there were no shares issued but not fully paid (2025: nil).

At the year end, no shares were reserved for issue under options and there were no contracts for sale of shares (2025: 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 capital growth.

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.

Notes to the Accounts

23. RESERVES

Retained earnings

Retained earnings for the Group as at 28 March 2026 was a deficit of £674.6m (deficit 2025: £ 349.6 m (restated)).

The loss of the Company for the year determined in accordance with the Companies Act 2006 was £296.9m (2025: loss of £212.1m (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 28 March 2026 was a deficit £41.6m (deficit 2025: £38.4m), 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 28 March 2026 was £45.8m (2025: £35.7m), in respect of hyperinflation currency translation adjustments on consolidation of Turkish subsidiaries.

Other reserves

Other reserves for the Group as at 28 March 2026 were £17.1m (2025: £15.5m) and relate to share-based payment charges (see further details in Note 5).

24. 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.

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.

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 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

Notes to the Accounts

24. FINANCIAL INSTRUMENTS CONTINUED

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 £875,000 (2025: decrease in post-tax loss of £470,000). 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 28 March 2026						As at 29 March 2025					
	%	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%	68.4	68.4	–	–	–	0.00%	77.6	77.6	–	–	–
Finance lease receivable	4.50%	3.4	0.8	1.0	1.6	–	–	–	–	–	–	–
Trade and other payables	0.00%	(261.3)	(254.6)	(6.7)	–	–	0.00%	(261.0)	(254.0)	(7.0)	–	–
Senior secured debt	8.45%	(1,078.6)	(70.9)	(215.6)	(784.5)	(7.5)	3.67%	(672.2)	(22.6)	(431.9)	(217.6)	–
Bank loans and other facilities	4.62%	(111.4)	(45.3)	(19.4)	(42.3)	(4.4)	7.16%	(104.5)	(67.3)	(10.0)	(20.3)	(6.8)
Right-of-use leases	6.52%	(225.7)	(38.2)	(37.1)	(75.7)	(74.7)	4.83%	(210.3)	(38.0)	(32.6)	(69.2)	(70.5)
		(1,605.1)	(339.8)	(277.8)	(900.9)	(86.6)		(1,170.4)	(304.3)	(481.6)	(307.1)	(77.3)
Company												
Cash and cash equivalents	0.00%	4.0	4.0	–	–	–	0.00%	13.2	13.2	–	–	–
Trade and other payables	0.00%	(5.3)	(5.3)	–	–	–	0.00%	(7.1)	(7.1)	–	–	–
Senior secured debt	8.45%	(1,078.6)	(70.9)	(215.6)	(784.5)	(7.5)	3.67%	(672.2)	(22.6)	(431.9)	(217.6)	–
Right-of-use leases	3.87%	(5.6)	(0.7)	(0.7)	(2.1)	(2.1)	4.05%	(5.8)	(0.6)	(0.6)	(1.7)	(2.9)
		(1,085.4)	(72.9)	(216.3)	(786.6)	(9.6)		(716.7)	(62.0)	(432.5)	(219.3)	(2.9)

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 28 March 2026				As at 29 March 2025			
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	(0.7)	(0.7)	–	–	(1.4)	(0.7)	(0.6)	(0.1)
Contingent earn-out liabilities	(0.4)	(0.2)	(0.2)	–	(0.7)	(0.3)	(0.2)	(0.2)
	(1.0)	(0.8)	(0.2)	–	(2.1)	(1.0)	(0.8)	(0.3)

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 pre-tax loss for the year of £58.0m as the net result of the translation impact on Euro denominated net 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 pre-tax loss for the year of £58.0m as the net result of the translation impact on Euro denominated net 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 pre-tax loss for the year of £2.1m as the net result of the translation impact on Australian dollar assets. A 10% weakening of the Australian dollar against Sterling closing rate would, all other variables held constant, have resulted in a increase in Group pre-tax loss for the year of £2.1m as the net result of the translation impact on Australian dollar denominated assets.

A 10% strengthening of the US dollar against Sterling closing rate would, all other variables held constant, have resulted in an decrease in Group pre-tax loss for the year of £6.3m as the net result of the translation impact on US dollar assets. A 10% weakening of the US dollar against Sterling closing rate would, all other variables held constant, have resulted in a increase in Group pre-tax loss for the year of £6.3m as the net result of the translation impact on US dollar denominated assets.

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	
	2026 £m	2025 £m	**2026 £m**	2025 £m
Euro	**(907.7)**	(738.9)	**28.0**	7.6
Australian dollar	**–**	–	**8.0**	45.0
US dollar	**(19.9)**	–	**7.5**	95.1

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.

Notes to the Accounts

25. 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 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 an indication of impairment, management is required to perform an impairment review to assess whether the carrying value of the company's investment in subsidiaries is in excess of its recoverable amount. As there was an indication of impairment at the year end, management performed an impairment review and the recoverable amount was estimated with reference to the value in use of the Group, from which net debt held outside of the company was deducted.

Applying this methodology, the carrying value of the company's investment in subsidiaries exceeded its recoverable amount. As a result, an impairment loss of £145.7m has been recognised, but this is sensitive to inputs to the value in use of the Group. See Note 12.

Intercompany loan impairment (Note 14)

On an annual basis the Company 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 Company 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.

Environmental 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.

Going concern

As a result of the financing transactions not having completed at the time of the approval of the annual report and accounts, together with the reliance on asset sale proceeds and the renewal or replacement of uncommitted local credit facilities, which are not entirely in the Directors' control, 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 refinancing transactions represent an appropriate and achievable plan to address the Group's funding requirements, and is confident on securing proceeds from asset disposals in a timely manner and that uncommitted local borrowing facilities will be renewed or replaced in the ordinary course of business, although the successful completion and timing of these transactions cannot be guaranteed.

Notes to the Accounts

26. 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 28 March 2026, the key management personnel, and their immediate relatives, controlled 20.67% 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.

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.

	2026 £m	2025 £m
Short-term employee benefits	**4.47**	3.92
Post-employment benefits	**0.02**	0.02
Other-long term benefits	**–**	–
Termination benefits	**–**	0.12
Share-based payment charge	**0.35**	0.11
	4.84	4.17

Transactions with subsidiary undertakings:	2026 £m	2025 £m
Expense / (income)		
Management fees - Victoria Bidco B.V	1.04	0.75
Management fees - Victoria Carpets Ltd	(0.25)	(0.17)
Management fees - Westex (Carpets) Ltd	(0.13)	(0.12)
Management fees - Abingdon Flooring Ltd	(0.51)	(0.54)
Management fees - Alliance Flooring Distribution Ltd	(0.09)	(0.03)
Management fees - View Logistics Ltd	–	(0.17)
Management fees - Interfloor Group	(0.33)	(0.40)
Management fees - Ezi Floor Ltd	(0.05)	(0.09)
Management fees - Hanover Flooring Ltd*	–	(0.01)
Management fees - Millennium Weavers Ltd	–	–
Management fees - Estillon BV	(0.09)	(0.14)
Management fees - Victoria Holdco BV	(0.42)	(0.51)
Management fees - The Victoria Carpet Company Pty Ltd	(0.19)	(0.24)
Management fees - Quest Flooring Pty Ltd	(0.14)	(0.19)
Management fees - Primary Flooring Pty Limited	(0.16)	(0.20)
Management fees - Keraben Grupo S.A.	(0.64)	(1.11)
Management fees - Ceramiche Serra S.p.A	(0.28)	(0.63)
Management fees - Ascot Gruppo Ceramiche SRL	(0.45)	(0.73)
Management fees - Keradom SRL	(0.15)	(0.35)
Management fees - Santa Maria SRL	–	(0.26)
Management fees - Ceramica Colli di Sassuolo S.p.A	–	–
Management fees - Ceramica Saloni, S.A.	(0.44)	(0.73)
Management fees - Graniser*	–	(0.13)
Management fees - Balta Rugs	(3.43)	(1.53)
Management fees - Ragolle	(0.18)	–
Management fees - Victoria US Holdings Inc - Cali	(0.42)	(0.66)
Interest received - Victoria Midco Holdings Ltd	(0.97)	(1.78)
Interest received - Victoria Bidco B.V	(2.10)	(3.14)
Interest received - Victoria Carpets Ltd	(0.54)	(0.58)
Interest received - Abingdon Flooring Ltd	(0.24)	–
Interest received - Alliance Flooring Distribution Ltd	(0.42)	(0.48)
Interest received - Distinctive Flooring Ltd	–	(0.22)
Interest received - Whitestone Carpets Holdings Ltd	–	(0.97)
Interest received - Interfloor Group Ltd	(0.23)	(0.47)
Interest received - Ezi Floor Ltd	(0.28)	(0.57)
Interest received - G-tuft Ltd	(0.11)	(0.13)
Interest received - Hanover Flooring Ltd*	–	(0.13)
Interest received - Millennium Weavers Ltd	–	(0.22)
Interest received - The Victoria Carpet Company Pty Ltd	(0.02)	–
Interest received - Victoria Holdco BV	(0.80)	(1.29)
Interest received - Primary Flooring Pty Limited	(0.77)	(0.83)
Interest received - Keraben Grupo S.A.	(3.39)	(3.64)
Interest received - Kinsan Trade, S.L.	(0.69)	(3.82)
Interest received - Victoria Ceramiche Italia Holdco S.r.l	(2.10)	–
Interest received - Ceramica Saloni, S.A.	(1.79)	(2.00)
Interest received - Victoria US Holdings Inc.	(3.10)	(3.10)
Interest received - Balta	(4.70)	(4.07)

* *Companies disposed of during the prior financial year*

Notes to the Accounts

26. RELATED PARTIES CONTINUED

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 28 March 2026 Koch Equity Development have invested £225m of preferred equity in Victoria. See Note 17 for further details.

27. POST BALANCE SHEET EVENTS

Refinancing of Preferred Equity and Senior Secured Debt

On 8 July 2026, the Company announced that it had entered into a transaction support agreement with KED Victoria Holdings LLC, Wood River Capital LLC and certain consenting holders of its Senior Secured Notes due in 2028.

The agreement provides for a comprehensive recapitalisation of the Group's balance sheet, comprising two inter-conditional elements. Under the notes transaction, Victoria's outstanding 2028 Notes will be written down to zero and released and cancelled, in consideration for which noteholders that consent to the transaction will receive second priority notes, new ordinary shares and accrued interest. Under the equity transaction, a substantial portion of the existing preferred equity held by KED Victoria will be released, cancelled, redesignated or exchanged for new ordinary shares, second priority notes and a contingent value right, with KED Victoria retaining a reduced amount of amended preferred equity. It is intended that the notes transaction will be implemented primarily by way of a consent solicitation, with a scheme of arrangement under Part 26 of the Companies Act 2006 available as a fallback mechanism if the requisite level of noteholder consent is not obtained. On 23 July 2026, the Company announced holders representing over 90% of its bonds maturing in March 2028 have acceded to the Transaction Support Agreement, meeting the necessary threshold required to implement it by way of a consent solicitation.

The transaction is expected to materially simplify the Group's capital structure, extend debt maturities and align stakeholders in support of the Group's long-term strategy.

As the transaction support agreement was entered into after the reporting date, it represents a non-adjusting event for the Company at 28 March 2026 and, accordingly, no adjustments have been made to the amounts recognised in these financial statements.

Completion of Sale and Leaseback Belgian Distribution centre

On 14 July 2026 the Group completed the €34.4 million sale and lease back of its Belgian distribution centre ('UK & Europe Rugs CGU') to Avantage Property Holding BV.

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.

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)

282204

Advisers

Auditor:	**Grant Thornton UK LLP** – 17th Floor, 103 Colmore Row, Birmingham, B3 3AG
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:	**Edelman Smithfield** – 11 Francis Street, London, SW1P 1DE

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
Westex Carpets Ireland Limited	7 Woodlands Manor, Ratoath Meath, A85 DR72, 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
Great Southern Interiors Pty Limited	Level 7, 333 Collins Street, Melbourne, VIC 3000, Australia
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
Edel Grass BV	Prinses Beatrixstraat 3, 8281 CA, Genemuiden, The Netherlands

Company	Registered Office Address
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
Victoria Grass Group Landscaping 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
C.P & Partners S.r.l	Via Francesco Melzi D'Eril 26, 20154 Milan, Italy
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
FY2025	The 52 weeks ended 29 March 2025
FY2026	The 52 weeks ended 28 March 2026
FCF	Free cash flow
FTE	Full Time Equivalent
GHG	Greenhouse Gases
H1	The 26 weeks ended 27 September 2025
H2	The 26 weeks ended 28 March 2026
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

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:

		52 weeks ended 28 March 2026	52 weeks ended 29 March 2025
Reported operating (loss)	(per Income statement)	**(£153.3m)**	(£225.4m)
Exceptional items	(per note 2)	**£133.3m**	£208.1m
Non-underlying items	(per note 2)	**£27.3m**	£46.8m
Underlying operating profit	(per Income statement)	**£7.3m**	£29.5m
Depreciation and amortisation of IT software (including depreciation of right-of-use lease assets)	(per note 1)	**£94.9m**	£95.7m
Exclude non underlying depreciation	(per note 2)	**(£9.9m)**	(£11.5m)
Underlying EBITDA		**£92.3m**	£113.7m

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 28 March 2026	52 weeks ended 29 March 2025
Underlying EBITDA	(as reconciled above)		**£92.3m**	£113.7m
Less lease costs associated with IFRS 16 (on an IAS 17 basis)			**(£34.0m)**	(£32.8m)
Adjusted EBITDA (Pre-IFRS 16)		A	**£58.4m**	£81.0m
Weighted average number of ordinary shares (000s) for the purposes of diluted earnings per share	(per note 7)	B	**439,270**	233,698
EBITDA (Pre-IFRS 16) per share		(A/ (B/1000))	**£0.13**	£0.35

Appendix

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 28 March 2026	52 weeks ended 29 March 2025
Reported net cash flow from operating activities before movements in working capital, tax and interest payments	(per cash flow statement)	**£27.1m**	£86.7m
Movement in working capital (per cash flow change in inventories, receivables and payables)	(per cash flow statement)	**£17.6m**	(£25.3m)
Payments under ROU	(per cash flow statement)	**(£40.9m)**	(£39.6m)
Acquisition-related performance plan payments	(per cash flow statement)	**£11.3m**	£6.8m
Adjust for exceptional P&L items	(per note 2)	**£51.4m**	£16.7m
Operating cash flow before interest, tax and exceptional items	N2	**£66.4m**	£45.2m
Interest paid on loans and notes	(per cash flow statement)	**(£32.9m)**	(£32.7m)
Corporation tax paid	(per cash flow statement)	**(£8.1m)**	(£1.7m)
Capital expenditure - replacement / maintenance net of disposals	N1	**(£40.1m)**	(£46.9m)
Free cash flow before exceptional items		**(£14.8m)**	(£36.2m)
Exceptional costs		**(£22.2m)**	(£15.5m)
Refinancing cash costs		**(£22.3m)**	–
Expansionary capital expenditure		**(£16.0m)**	(£30.3m)
Exceptional cash proceeds on property sale		**£3.3m**	£30.4m
Free cash flow after exceptional items		**(£72.0m)**	(£51.6m)

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 £32.6m (2025: £31.4m) 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 28 March 2026	52 weeks ended 29 March 2025
Operating cash flow before interest, tax and exceptional items	(reconciled above)	A	**£66.4m**	£45.2m
Weighted average number of ordinary shares (000s) for the purposes of basic and adjusted earnings per share	(per note 7)	B	**114,846**	113,954
Underlying (operating) cash flow per share		(A/B)*1000	**£0.58**	£0.40

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