



ANNUAL REPORT

for the financial year ended
31 December 2024

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Birmingham Business Park, Solihull,
B37 7WN

TABLE OF CONTENTS AND HIGHLIGHTS

FINANCIAL HIGHLIGHTS

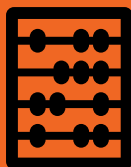
Revenue
£149.8m
(2023: £139.5m)



Gross Margin %
30.7%
(2023: 30.3%)



Underlying
Operating Profit
£2,006,853
(2023 :£2,327,321)

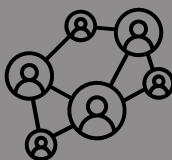


OPERATIONAL HIGHLIGHTS

Average Employees
507
(2023: 467)



Network expansion
12 branches*
144 trucks



Launch of Likewise
Wales - Jan 2024



* Including Plymouth, acquired February 2025

CONTENTS

COMPANY INFORMATION	3
CHIEF EXECUTIVE’S REPORT	5
STRATEGIC REPORT	9
- OUR PURPOSE AND BUSINESS MODEL	12
- RISK MANAGEMENT	16
- NON-FINANCIAL AND SUSTAINABILITY INFORMATION	18
- GOING CONCERN	23
DIRECTORS’ REPORT	24
ENERGY AND CARBON REPORTING	27
STATEMENT OF DIRECTORS’ RESPONSIBILITIES	28
CORPORATE GOVERNANCE REPORT	29
INDEPENDENT AUDITOR REPORT	35
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	40
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	42
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	45
CONSOLIDATED STATEMENT OF CASH FLOWS	48
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	50

COMPANY INFORMATION

Our Board of Directors



Paul Bassi CBE Chair independent non-executive director	Tony Brewer Chief Executive	Andrew Simpson non-executive director	Mike Steventon independent non-executive director
<ul style="list-style-type: none"> Paul is also CEO of Real Estate Investors PLC. Founder and Chairman of Bond Wolfe and formerly Non-Executive Chairman of CP Bigwood Chartered Surveyors. Past President of the Birmingham Chamber of Commerce. Former Regional Chairman and Strategy Advisor to Coutts Bank (West Midlands). Awarded a CBE in 2010 for services to business and the community. 	<ul style="list-style-type: none"> 48 years' experience within flooring, gaining extensive industry knowledge and supplier relationships. Joined Headlam in 1991 as Managing Director of their Flooring Division and Main Board Director. Headlam Chief Executive from 2000 until 2016. Chief Executive of Likewise Group plc, principally responsible for Strategy, Acquisitions, Supplier and Investor Relations. 	<ul style="list-style-type: none"> Significant experience in the flooring industry. Joined Headlam in 1991. Retired in 2010 after 37 years gaining immense knowledge and experience working with suppliers, customers and employees. Resigned as Chair of Remuneration Committee in November 2024. 	<ul style="list-style-type: none"> 34 years' experience in the professional services industry at KPMG, rising to partner in 1998 with a focus on auditing international listed groups. Appointed Head of Automotive for KPMG UK in 2006. Appointed Regional Chairman for KPMG Midlands in 2010. Appointed Head of KPMG's Public Sector Business in 2016. Chair of Likewise Audit Committee. Chair of Remuneration Committee (from November 2024).



Ben Baker-Ashforth
Company Secretary and
Head of Financial Accounting & Reporting

9 years' experience as a Chartered Accountant working in Audit, Reporting and Control Roles.

Qualified at PwC with extensive experience of working with large international group clients as well as working as Group Internal Auditor for a FTSE 250 manufacturer.

Joined Likewise Group plc in 2020, responsible for the development of the Group's Financial Reporting and Controls, progressing to Head of Financial Accounting & Reporting in 2023.

Recently appointed Company Secretary of the Group in March 2024.

Company Secretary

Ben Baker-Ashforth (appointed 26 March 2024)

Registered Company Number

08010067

Registered Office

Unit 4 Radial Park
Radial Way
Birmingham Business Park
Solihull
Birmingham
B37 7WN

Auditor

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

CHIEF EXECUTIVE'S REPORT

For the year ended 31st December 2024



Tony Brewer
Chief Executive

Introduction

Group Sales Revenue for FY24 was £149.8 million an increase of 7.4% over the previous year. Sales in Likewise Floors increased by 15.5%.

Adjusted Profit Before Tax was £2.0 million reflecting additional investment, particularly in H1 2024.

More importantly is the progress the Group has made in H2 2024 which has continued strongly into H1 2025.

Group Sales Revenue in the first four months of 2025 has progressively increased each month from January to April culminating in a total increase of 10.2% against the corresponding period last year. However, with one less working day in 2025 versus 2024, the like for like growth is actually 11.5%.

Whilst Group Sales Revenue for 2024 was £149.8 million, the Group is now consistently

producing individual months that annualised would approach £170 million. Months with sales in excess of £13 million to £14 million create operational gearing and subsequently a much higher level of profitability than previously achieved.

This provides the Board with confidence to achieve the current market forecasts for FY25 with Sales Revenue progressing quickly towards £200 million over the next few years.

The Group owns the freehold of five of its twelve Operating Centres valued at £23.5 million* with only £2.3 million of fixed debt against the one property.

*Including Plymouth, acquired February 2025



CHIEF EXECUTIVE'S REPORT (continued)

Investment

This performance has been achieved through the strategic decisions to increase operating capacity by investing since 2021 in new Distribution Hubs in Birmingham, Leeds and Glasgow, plus new Logistics Centres in London, Newbury, Manchester and Newcastle. This combined with the acquisition of Valley Wholesale Carpets Limited ("Valley") in January 2022 with Distribution Centres in London, Derby and Newport has transformed the Group's operating capability in the last four years. More recently the Plymouth Logistics Centre purchased earlier in 2025 completes the Group's geographical coverage of the UK.

Combined with the Logistics investment, the Group through its two principal sales and marketing activities, Likewise Floors and Valley, are continually developing new products with the leading UK, European, Turkish and Far East flooring producers to ensure our customers, Independent Flooring Retailers and Contractors have a daily offering of the latest flooring products. This is further enhanced by a three way investment between the manufacturer, retailer and ourselves to position extensive new Point of Sale Displays.

The Group also increases its market presence through A&A, Delta, H&V, Floors by Lewis Abbott Premium Carpet, plus the activities of Likewise Rugs and Matting including the Dura and Dandy brands.

Our Sales Team of now 96 Executives are absolutely focused on providing the best customer service having developed excellent relationships with our customers over many years.

The Group prides itself on having an outstanding Management Team who have developed their skills through learning the business encompassing, IT and Logistics, Product knowledge and most importantly Supplier and Customer relationships. This includes management in their 20s, 30s and 40s who have exciting careers ahead notwithstanding the vast experience of some of our more senior management. It is vitally important that all management have a thorough understanding of each aspect of the business.

Operations

The Glasgow Distribution Hub, established in the Spring 2023 is becoming increasingly important to the Likewise Logistics Network. During April 2025 we have doubled the cutting and processing capability which will accelerate the business growth in Scotland in addition to providing extra capacity for England and Wales.

Likewise North East in Newcastle is very much established as the leading distributor of residential and commercial flooring in its geographical area. Similarly Likewise North based in Leeds has taken advantage of the many opportunities to become a prominent flooring distributor in the North of England.

A&A moved into a new Logistics Centre in Manchester in July 2024. It now has every opportunity to maximise residential business in North West England in addition to the new opportunity presented by investing in a Sales Team to capitalise on the commercial flooring opportunities in the North West. Furthermore the A&A trade brand has extended its presence into the Midlands.

Likewise Midlands in Birmingham was only created in 2022, but is now a very important part of the Group. Both the scale of the sales revenue produced in just a few years plus given its location in the centre of the UK it is obviously a key component as the epicentre of the Likewise Logistics Network.

In Newport, Likewise Wales, established in January 2024 has quickly become an important source of residential and commercial flooring. We are currently in the later stages of being granted planning permission to extend the current Freehold Distribution Centre by 60% which will provide the Likewise Wales business with significant opportunities for growth but also enlarge the capabilities for both Valley and Likewise.

In Plymouth, the recently acquired Freehold Logistics Centre is now operational, providing scope for both Likewise South West and Valley to take advantage of many opportunities in Devon and Cornwall.

Likewise South located in Newbury has become an established provider of particularly residential flooring to retailers across the South of England and Likewise London an important source of residential and commercial flooring within the M25 and Southern counties.

Likewise South East from its Sudbury base has made excellent progress over the last two years.

Delta Carpets has consistently achieved its objectives since the late Autumn last year. In H&V Carpets the product range has been restructured and with four further products to be launched in the late Spring is poised for a successful year and a much improved base for the future. Floors by Lewis Abbott launched seven new products and one important revamp late last year. Further new products are being developed to enable Floors by Lewis Abbott to take increased share of the Premium Carpet market.

The acquisition of Valley in 2022 was a particularly important strategic step for the Group. The market position of Valley complements the Group as a whole. Valley has extended its core Carpet and Residential Vinyl product range to include Laminate and in the future other resilient flooring. Furthermore, significantly increasing market presence in retailers through numerous Display Stand initiatives and exciting plans for innovative new products in H2 2025.

Valley has also meaningfully enlarged its geographical reach to include South Wales, Bristol and South West England. Valley is a very important contributor to profitability during the Group's formative years and the free cash flow generated assists in the various capital projects, particularly in Derby, Newport and Plymouth.

Likewise Rugs & Matting continues to develop its product range in DIY, Garden Centres, Hardware Stores and Independent Retailers. The unique Dura woven in Sudbury for the Marquee industry plus the established Dandy brand provides the business with distinct differentiation.

Infrastructure

The investment made to establish the comprehensive infrastructure combined with the commitments over the next 12 months can certainly take the Group through £200 million



sales revenue and will benefit from further operational gearing. Therefore the Board is considering the next 3 to 5 year investments to provide the capacity to take advantage of the extensive opportunities before us.

As previously stated, the capital projects during 2025 in Plymouth and Newport will be funded from internal cash flow. The Group has support from its principal bankers and continues to operate well within the facilities provided. The confidence is reflected in the Board's commitment to purchase capital equipment and trucks whenever possible which is more cost effective and continues to strengthen the Group Balance Sheet.

CHIEF EXECUTIVE'S REPORT (continued)

Share Buyback

Following the successful implementation earlier in the year, the Group will launch a further Share Buyback Programme of up to £250,000 with further details to be announced in due course. The Board will continue to review the Share Buyback programme to ensure it serves the best interests of shareholders.

Dividend and Capital

The Group continues to follow its progressive policy and the Board is therefore proposing a Final Dividend payment of 0.25 pence per ordinary share (FY23: 0.25 pence per ordinary share).

This makes the total dividend paid in respect of the year 0.375 pence per ordinary share (2023: 0.35 pence per ordinary share). This is a 7.1% increase on the Total Dividend in respect of FY23, an encouraging reflection of the financial performance in 2024. The final dividend, if approved by shareholders at the AGM, will be paid on 11 July 2025 to shareholders on the register at the close of business on 6 June 2025, the ex-dividend date being 5 June 2025.

Shareholders can also take advantage of the Dividend Reinvestment Plan ("DRIP") by registering their intentions with the Company's registrar by 20 June 2025.

"The Group really has made significant progress over the last four years. The logistics infrastructure has been transformed from that which originally initiated the business in 2020."

Outlook

The Group has made a strong start to 2025. The trajectory gives the Board confidence in achieving the objectives before us, including the current market forecasts. There are many opportunities to continue to gain market share and it is very encouraging that increased profitability and subsequent improved return on investment is beginning to be achieved.

Tony Brewer, Chief Executive of Likewise Group plc, said

"The Group really has made significant progress over the last four years. The logistics infrastructure has been transformed from that which originally initiated the business in 2020.

The quality of the Management, Sales Teams and Staff throughout the business is extremely important to the future aspirations of the Group.

We have had a clear focus on creating the best flooring distribution business and whilst only part way along that journey we have certainly created the structure to achieve our current goals.

The next one, three, five years are really exciting as we are absolutely committed to investing in our people, infrastructure and market presence to deliver that ambition.

The Board extend their thanks to all employees for their contributions in addition to the support from suppliers and customers. We appreciate the contribution from all stakeholders to the ongoing development of the Group."



Tony Brewer
Chief Executive

Date: 9 May 2025

STRATEGIC REPORT

Introduction

The directors present their Strategic Report and the audited financial statements of the Group for the financial year ended 31 December 2024.

Business Overview

Likewise Group plc is a leading wholesale distributor of floorcoverings, rugs and matting products serving customers throughout the UK. Having established the business in 2018, the Group has continued its growth strategy through accretive acquisitions of regional wholesale distribution businesses as well as establishing new distribution centres and hubs throughout the UK.

With a management team that has significant experience and knowledge of the sector, the Group has been able to successfully develop an extensive distribution network and leverage the trade brand name to rapidly grow the business over the past number of years.

From one site in 2018, the Group now operates from 12 locations servicing the entire UK Flooring market. For more information with regards the Group's trading locations, please visit www.likewiseplc.com

- **96 experienced Sales Representatives and Management**
- **144 Commercial Vehicles offering a next day service**
- **Dedicated B2B websites offering 24/7 ordering**
- **Continued Investment in Point of Sale to drive future growth**



STRATEGIC REPORT (continued)

Group strategy

The Group continues to focus on its strategic plan to realise value creation for suppliers, customers and shareholders by creating a National Supplier and Distributor of Floorcovering products in the UK. As the Group continues on its plan to realise a £200m turnover business, the Board is looking ahead to outline its strategic objectives to achieve a £250m business in the medium term.



Organic Growth

Continued growth of existing channels via experienced sales teams and fostering long-standing relationships with customers



Geographical Expansion

Further investment in new distribution centres and sales teams creates opportunities to increase market share in these regions



Targeted Acquisitions

Accretive acquisition opportunities will always be considered where they offer the potential to increase operational gearing through combined synergies

Whilst acquisitions helped realise meaningful growth opportunities for the Group in the formative investment phase, the Board have focused more recently on organic growth of existing businesses and expanding the geographic footprint of the Group via new start-up locations.

Benefitting from the wider logistics network, leveraging the Group trade brand names and investing in experienced, knowledgeable sales personnel have all contributed to the Group's ability to rapidly grow meaningful businesses in these new territories. Following the recent purchase of a Freehold Distribution Centre in February 2025 near Plymouth, the Group has completed the initial footprint required to service the whole of the UK floorcovering market. Whilst acquisitions were no doubt integral to the rapid establishment of the Group's logistics network and growth in the formative phase, it is now committed to increasing its operational gearing and continues to consider opportunities where they are accretive to the Group, achieving

synergistic savings by delivering the incremental turnover via the Group's current infrastructure. The Board is committed to realising benefits for shareholders and does not believe significant payments for goodwill are in the interest of the Group, nor its investors.

2024 marked the completion of the final planned site relocations, with A&A moving from an 1980's industrial unit that was no longer fit for purpose to a brand-new facility, benefitting operations and more importantly, A&A's employees. Site moves are costly and disruptive to the business and aside from costs associated with the establishment of the new South West facility, 2025 brings about the first year where all current operations will be in newly built or refurbished sites leading to both operational and logistical efficiencies. As a result, the major phase of capital investment is largely complete, and the business is well-positioned to benefit from improved profitability and enhanced operational gearing going forward.

Our trading businesses and brands



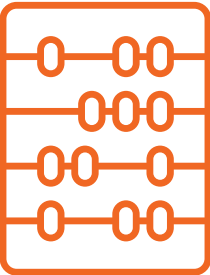
Key performance indicators

The Board consider the following as financial key performance indicators (KPIs) for the Group: revenue, adjusted profit before tax and operating cash flow. These are the key metrics used by the Board to assess the Group’s performance and to ensure realisation of the Group strategic objectives.

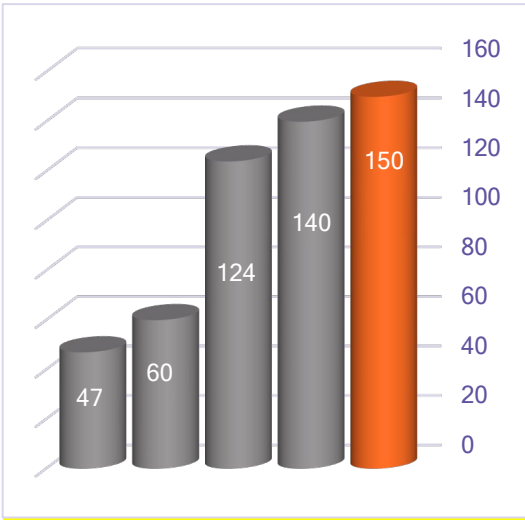
Underlying PBT

Revenue £m

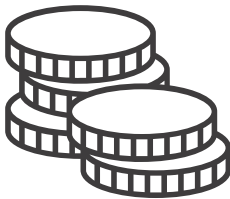
Operating Cash Flow



2024: £2,006,853
 (2023: 2,327,321)



2021 2022 2023 2024 2025



2024: £7,216,861
 (2023: £6,043,888)

STRATEGIC REPORT (continued)

OUR PURPOSE AND BUSINESS MODEL

Product development, market presence and efficient service

Our purpose is to provide quality flooring to **independent** retailers and contractors, supported by an extensive business model, providing quality service to our customers, underpinned by **product development**, first class flooring marketing and professional **distribution**, as well as, **sales excellence**, by building and developing **long-term relationships**.



*As of 8 May 2025

Underlying Results

Underlying Results

For the year ended 31 December 2024

	Underlying performance (adjusted)	Loss from new operation/ acquisition related costs	Investment in point of sale	Strategic relocation & restructuring cost	Amort'n of intangibles	Share related costs/ (credit)	Exceptional bad debt and customers exit costs	Reported
	£	£	£	£	£	£	£	£
Revenue	149,793,661							149,793,661
Cost of sales	(103,777,804)							(103,777,804)
Gross profit	46,015,857							46,015,857
Distribution costs	(19,054,217)			(57,812)				(19,112,029)
Admin costs	(23,173,462)	(133,993)	(349,050)	(716,246)	(464,121)	26,034	(223,054)	(25,033,892)
Profit/(loss) from operations	3,788,178	(133,993)	(349,050)	(774,058)	(464,121)	26,034	(223,054)	1,869,936
Finance income	24,027							24,027
Finance costs	(1,805,352)			(44,259)				(1,849,611)
Loss on revaluation	-	(18,885)						(18,885)
Profit/(loss) before tax	2,006,853	(152,878)	(349,050)	(818,317)	(464,121)	26,034	(223,054)	25,467

Underlying Results

For the year ended 31 December 2023

	Underlying performance (adjusted)	Loss from new operation/ Acq. Related costs	Investment in point of sale	Strategic relocation costs	Amort'n of intangibles	Share related costs	Reported
	£	£	£	£	£	£	£
Revenue	139,538,014						139,538,014
Cost of sales	(97,306,471)						(97,306,471)
Gross profit	42,231,543						42,231,543
Distribution costs	(17,799,967)			(189,442)			(17,989,409)
Admin costs	(20,881,874)	(95,446)	(283,933)	(807,603)	(404,370)	(274,841)	(22,748,067)
Profit/(loss) from operations	3,549,702	(95,446)	(283,933)	(997,045)	(404,370)	(274,841)	1,494,067
Finance income	52,330						52,330
Finance costs	(1,274,711)			(213,005)			(1,487,716)
Gain on revaluation	-	129,750					129,750
Profit/(loss) before tax	2,327,321	34,304	(283,933)	(1,210,050)	(404,370)	(274,841)	188,431

STRATEGIC REPORT (continued)

Adjusted Results

The adjusted results summary, presents a detailed comparison between underlying and non-underlying profit, highlighting exceptional items that management has identified as non-recurring costs. These items are separated to provide a clearer understanding of the company's financial performance, excluding these exceptional expenses that do not reflect the ongoing operational efficiency of the business that should be used as the basis for expected future performance. This approach ensures a more accurate representation of the company's underlying profitability and more importantly its potential in the future.

These costs include:

Loss from New Operations & Acquisition Related Costs

As the Group looks ahead to its medium-term aspirations, there has inherently been further investments to be made to establish new businesses in new geographies in line with the Group's strategic model. 2024 losses included the establishment losses incurred in respect of the new division in Wales for both Likewise and Valley Wholesale Carpets, and in 2023 Likewise South. The high-up front investment required, particularly with regards sales personnel, take time to establish in order to generate the Group's expected returns which will be accretive to the Group's bottom line in future years, but inherently are loss making enterprises in the first 12 months of inception.

Acquisition related costs includes costs relating to the final contingent consideration payment made in respect of the Delta Carpets acquisition paid in April 2024. Following settlement of all deferred and contingent consideration payments in respect of both the Valley and Delta acquisitions in 2024, all acquisition related obligations have now been fulfilled.

Exceptional Investment in Point of Sale

These costs relate to expenses incurred in increasing the Group's market presence by providing heavily discounted in-store retail displays to retailers to accelerate the Group's growth in market share. This amount relates to specific strategic stand placements over and above what is incurred in the ordinary course of business recognised in the Consolidated Statement of Profit or Loss. These display units are used for sales and marketing purposes. Accordingly, the Board has adopted a prudent approach by recognising the cost as an expense in the profit or loss statement, rather than capitalising these displays as assets and incurring depreciation charges in future periods.

Strategic Relocation & Restructuring Costs

Strategic relocation and restructuring costs incurred relate to non-recurring expenses recognised to realise the Group's strategic plan to streamline operations and strengthen organisational efficiency while positioning the Group for further growth.

In July 2024, the Group successfully completed the relocation and consolidation of the A&A business into new, significantly improved premises as part of the strategic investment to support future growth. This move resulted in exceptional relocation and restructuring costs, including the settlement of dilapidations associated with the exited property. In addition, dual running costs were incurred due to the continued operation of the former Scotland facility until the lease expiry at the end of 2024. These costs reflect the Group's proactive approach to securing a modern, larger site for the growing Scotland business whilst aligning to the business's long-term capacity needs. With the expiry of the original Scotland lease and the closure of the last of the old acquired sites there will be no such recurring costs in 2025.

Bad Debt & Customer Transition Cost

While the Group acknowledges that bad debt costs are a normal aspect of trading, 2024 included exceptional circumstances that led to significant exit costs. These arose from the administration of a larger customer within the Rugs and Matting division, as well as the strategic withdrawal of a retailer from the floorcovering market. The administration resulted in an exceptional bad debt write-off, whilst the market exit led to additional exceptional costs, with significantly reduced trade in the first half of the year and no trade in the second half, limiting the Group's ability to offset the financial impact.

Non-financial KPIs

The Board additionally monitors the square footage of available warehouse space as a non-financial KPI. The warehouse capacity as at 31 December 2024 was **474,995** square feet (2023 - 499,250).

The reduction in 2024 was due to the strategic relocation of A&A Carpets into a new facility in Manchester. Whilst smaller, the new site provides greater operational efficiency while leveraging the wider Likewise network to realise cost synergies.



STRATEGIC REPORT (continued)

RISK MANAGEMENT

The Board continually assess and monitor the key risks in the business. Below describes the principal risks and uncertainties that could have a material impact on the Group's performance and prospects and the mitigating actions which are aimed at reducing the impact or likelihood of a major risk materialising. The Board does recognise however, that it will not always be possible to eliminate risk.

The rapid growth of the Group brings about governance challenges as the legislation applicable to the Group quickly evolves. 2024 observed the Group exceed 500 average employees and as such the Board acknowledge its responsibilities to adhere to recently introduced Climate-Related Financial Disclosure Regulations and the narration of specific risks climate change presents to the business. Management's formative assessment of specific Climate Change risks is included within the Non-Financial and Sustainability Information on pages 18 to 22.

In light of the change in legislation, and as the Group continues to Grow the Board is committed to continuing to improve governance practices including a more structured framework around risk management in general as well as specifically in respect of climate change.

Principal Risks

RISK	CONTROLS	ONGOING ACTION
Business Disruption Major incidents such as fire or floods pose significant risks to operations, financial stability and the safety of employees. These events can lead to costly repairs and downtime at key sites impeding the Group from delivery to customers adversely affecting its financial performance.	<ul style="list-style-type: none"> Growth of the Group to 12 sites improves resilience with the ability to fulfil operations from other sites Common IT platform across all trading divisions of Likewise Floors completed in 2023 allows rapid migration of orders to other facilities Business Continuity plans in place including back-up of key business critical information Appropriate insurance to mitigate risk of any such loss with increased cover in respect of key sites 	<ul style="list-style-type: none"> Further investment planned in Newport facility in Q4 2025 to increase Group cutting capacity and increase resilience Formally compiling documented Business Continuity plans for all divisions to improve awareness of all staff of what to do during major incidents
Economic Conditions & Impact on Input Prices The Group is naturally impacted by levels of activity in the UK market as well as those more widely given the level of overseas suppliers across the Group. The war in Ukraine, tensions in the Middle East and the recent impact of tariffs implemented by the Trump administration can have vast implications on economic activity, inflation and interest rates impacting the level of discretionary spending available to end-consumers in residential markets. This could result in lower sales and adverse impact on profitability.	<ul style="list-style-type: none"> The Board continually monitors economic conditions as well as daily trading data to ensure early identification of key trends and financial performance versus budget reviewed monthly The Group maintains close relationships with customers, suppliers and manufacturers to identify key issues at an early stage Where prices from suppliers increase, the Group may amend its pricing structure to ensure margins can be maintained. In addition, the Group maintains sufficient levels of stock so any short-term increases can be negated 	<ul style="list-style-type: none"> Continued investment in organic growth helps negate any localised downward trends within UK markets or specific product segments The continued growth of the Group results in improved buying power in key markets to ensure the Group continues to source and supply competitively priced products to its UK customers

RISK	CONTROLS	ONGOING ACTION
<p>Market Competition</p> <p>The Floorcovering Distribution market consists of a small number of larger distributors as well as smaller regional distribution wholesalers. The Group has demonstrated its ability to drive market share growth but is cognisant not to be complacent to ensure we retain our competitive advantage in the sector.</p>	<ul style="list-style-type: none">• The Group continues to ensure it can service the needs of the customer with market leading products at great prices supported by knowledgeable sales personnel and a robust distribution network capable of providing a next day service• Feedback from customers via our sales teams ensure we remain responsive to the changing needs of the customer to improve our service offering	<ul style="list-style-type: none">• The Board remains focussed on responding to the needs of the customers and adjusting the Group's strategy accordingly• The Board monitors the significant changes to the UK floorcovering market as a whole and whilst predominantly focussed on the delivery of the Group strategy, remain cognisant of the risks and opportunities available to the Group by competitors in the marketplace• Continued focus on developing long-term relationships with customers whilst maintaining price competitiveness and improving service proposition



STRATEGIC REPORT (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION

As a company listed on the AIM market and experiencing significant growth, our regulatory landscape is continually evolving. This dynamic environment brings increased scrutiny and new compliance requirements, particularly as we surpass key thresholds. The continued investment in the growth of the business led to the workforce now exceeding 500 employees, bringing the Group into scope of the recently introduced Climate Related Financial Disclosure (“CRFD”) Regulations.

This development demonstrates the importance of adapting our governance and reporting practices to meet emerging regulatory expectations and ensure continued transparency and accountability.

This is the first year of CRFD compliance with the following outlining the Group’s formative climate risk assessment in accordance with the ‘four pillars’ of the regime: governance, strategy, metrics and targets and risk management. The Board is committed to continual improvement in embedding climate into wider risk management practices of the Group as it navigates the ever-changing legislative requirements as well as looking ahead to delivering a sustainable reduction of carbon emissions.

Governance

The Board is responsible for risk management including risks related to sustainability and climate change. Given the nature of the Group, risks are considered relevant to most divisions of the business and as such risks are reviewed at the Group level on an annual basis. The Board consider current and emerging risks faced by the Group. Any detailed recommendations or actions taken are subsequently monitored through to completion. Given the relative infancy of the Company and its requirement to meet CRFD compliance, the Board is committed to establishing a more thorough plan of:

- improving data collation and reporting,
- developing a deeper understanding of the impacts of climate change to the Group
- formally developing an outline plan of long-term climate-related ambitions of the Group.

Overall identification and management of climate-related risks will be reliant on the wider governance practices around general risk management with the below formative assessment outlining the key climate risks applicable to the Group today. As part of the ongoing development of our risk management practices these risks will be formally captured in the Group Risk Register with an ongoing discussion to develop our understanding of climate risks and the potential impacts to the Group.

Strategy

The strategic element of the legislation outlines the principal risks and opportunities presented by climate change, when they are likely to impact the Group and how they are perceived to impact the business.

The areas considered to be of greater impact to the Group today pertain to greenhouse gas emissions, waste, waste packaging and energy consumption. In the longer term it is considered that there may need to assess the vulnerability of the upstream supply chain to climate events and potential cost increases due to regulatory shifts. As a wholesaler, product sourcing, warehousing and transportation are key operational areas for future review.

The Board have conducted a high-level review to identify potential climate-related risks and opportunities considering each of the classifications below:

- (i) Short (0-3 years), medium (3-10 years) and long-term (>10 years)
- (ii) Transition risks associated with adapting to a net zero economy, categorised as financial impacts due to changes in either policy and legal, technology, market or reputation factors.
- (iii) Physical risks of climate change such as increased frequency and impact of extreme weather events, sustained impact of rising sea levels or increased temperatures.

The Board are in the very early stages of assessing strategic resilience under various climate scenarios. They will rely on qualitative analysis in the short term, with more quantitative scenario planning considered for future assessment as we develop internal capabilities and frameworks for climate modelling.

A summary of the key climate-related risks and opportunities identified have been outlined below:

Transitional Risks

TERM	TYPE	CLASSIFICATION	DESCRIPTION
Short	Risk	Market	Market fluctuations in key fuel and energy markets impact supplier pricing and direct operational costs of transportation and warehouse facilities.
Short	Risk	Policy & Legal	Increasing regulatory costs of new legislation introduced to drive waste reductions generated by businesses. Namely increased costs of Simpler Recycling, Extended Producer Responsibilities and further plans expected to be introduced to specifically target bulky waste including carpets.
Medium	Risk & Opportunity	Market	Changes in consumer trends and preferences move away from non-sustainable products to more sustainable floorcovering products. If current suppliers do not adapt to meet the changing needs of the UK consumer, it could lead to a reduction in sales. Equally, identification of suitable new sustainable products could create competitive advantage and lead to revenues in new market segments.

Physical Risks

TERM	TYPE	CLASSIFICATION	DESCRIPTION
Long	Risk	Extreme weather events – Business disruption	Increasing frequency and severity of extreme weather events could lead to business interruption and increased costs due to failing to adequately prepare for such events. Increased flooding could impact the operation of our distribution centre or cause costly damage to low-lying inventories.
Long	Risk	Extreme weather events – Impacts on wider supply chain	Extreme weather events could also impact our supply chain partners impacting the ability of the Group to source goods in a timely manner. In addition, such events could also affect the scarcity of raw materials adversely affecting manufacturer's ability to meet market demand.

Scenario Analysis

Scenario Analysis has been completed internally under two different scenarios peers are commonly modelling, being a temperature increase of 1.5°C and 4.0°C by 2100 respectively based on the Intergovernmental Panel on Climate Change (IPCC) assessment of climate change impacts and risks.

Given the Group's infancy in CRFD reporting, the two scenarios are considered to provide stakeholders sufficient understanding of the potential impacts on the business of rising temperatures. As reporting develops the Group will review the scenarios modelled for reasonableness and consider whether further analysis is required.

The below considers the transitional risks expected under the 1.5°C scenario and physical risks more likely to be apparent at the greater 4.0°C scenario.

STRATEGIC REPORT (continued)

NON-FINANCIAL SUSTAINABILITY INFORMATION (cont)

Scenario Analysis (cont)

Transition	Potential impacts to the Group	Response	Mitigating Actions
Increasing fuel & energy prices	Fluctuations in electricity, fuel and gas markets increase the operational costs of the business	<p>The Group continues to work with brokers to establish long-term cost-effective energy tariffs for all key sites and continue to review renewable tariffs</p> <p>Three new electric merchandising vans received in 2024 and continued investment in new vehicles ensures the Group maximises the efficiency of the fleet to mitigate rising fuel costs. In addition, the Group continues to promote the use of electric/hybrid vehicles for company car drivers</p>	<p>Continued investment in the new efficient commercial vehicles to reduce diesel usage and continued trial of electric commercial vehicles along with the promotion of electric/hybrid company car options</p> <p>Investment in renewable energy sources includes two sites now benefitting from solar panels to reduce grid reliance with benefits continuing to be assessed for potential future investments elsewhere</p> <p>A route optimisation project is scheduled to commence in Q4 2025 which will drive efficiency in logistics and route planning reducing our diesel usage</p>
Increasing legal and regulatory compliance	Increase in compliance costs as the rapidly evolving environmental and sustainability regulation increases	The rapid growth of the Group has created an evolving landscape of regulation applicable to the business as we reach the relevant size criteria applicable to each regulation. The Group is committed to formalising governance practices particularly with regards risk management which will include horizon scanning to ensure new legislation and upcoming regulatory changes are identified at an early stage to allow the Group to adapt and prepare to align to latest developments	<p>Internal monitoring by the Secretariat team will ensure the Group keeps abreast of key topics related to potential changes in legislation applicable to the business</p> <p>Work with key suppliers in areas such as waste to improve data collation to both drive waste reduction and meet compliance obligations</p> <p>Knowledge sharing amongst key individuals at a local level to share new guidance, upcoming changes and drive adherence to new legislation</p>

Transition	Potential impacts to the Group	Response	Mitigating Actions
Market and product development	Increasing focus on sustainable products could increase demand for more sustainable alternative flooring.	<p>Close working relationships with customers ensures feedback from end-consumers is received via the sales teams to identify any long-term changing demands</p> <p>Close working relationships with suppliers and manufacturers provides opportunity to identify new sustainable product developments at an early stage</p>	<p>Mixed portfolio of product types across our residential and commercial offering provides a natural balance of options available to customers to help negate any gradual changes to consumer preferences.</p> <p>Strength of relationships with key suppliers helps identify new opportunities to distribute new more sustainable floorcovering products. Ultimately as a distributor, suppliers are critical in driving product development to meet changing consumer demand.</p>
Physical	Potential impacts to the Group	Response	Mitigating Actions
Extreme weather events – Business disruption & impacts on supply chain	<p>Increased extreme weather events impacting the operation of distribution depots across the UK. Likely to relate to localised flooding of depots as a key physical risk</p> <p>Disruption to wider supply chain impacting availability of manufactured products (directly) or raw materials scarcity (indirectly) resulting in fulfilment issues or rising prices</p>	<p>The main Distribution Hub and Head Office for the Group is based in our Midlands facility which is in a very low flood risk location. Other key network hubs are in Leeds and Scotland which are also low risk.</p> <p>Regular communication is maintained with key suppliers to understand the effects climate change may have on their operations</p>	<p>Complete a full flood risk mapping exercise to identify specific flood risks at all key depots and explore local mitigating actions that may be taken</p> <p>Continue working with suppliers to understand their risk outlook in respect of climate change and any continuity issues expected within their operations</p> <p>Formally document business continuity plans at key site locations to ensure all key personnel are aware of how to respond to extreme weather events rather than relying on centralised informal plans</p>

Metrics & Targets

The Group is in very early stages of its climate journey and acknowledges that an improvement in data collation in this area is required as a necessary first step to develop long-term targets that fit the growing nature of the Group. Given it would be remiss to commit to a specific timeline on meeting net zero ambitions without a more detailed understanding of the impacts of climate change the initial metrics used focus on developing this knowledge in the short-term. This will be revisited as the business continues to develop in this area.

STRATEGIC REPORT (continued)

Formative targets in the current year include:

- Reporting of energy consumption and carbon emissions reporting annually by 31 December 2025
- Establish carbon reduction plans initially for the Group's main distribution hub in Birmingham before developing a wider rollout to other sites within the network (plan developed for Birmingham by 31 December 2025 along with a further indicative timeline developed for remaining sites).

The Group will review and assess the relevance of the suggested cross-industry metrics outlined under the Taskforce on Climate-related Financial Disclosures (TCFD) regulation that underpins the new CRFD regulation and consider these metrics for future disclosures when appropriate to do so.

The Group commenced tracking scope 1 and 2 emissions as part of its Streamlined Energy & Carbon Reporting (SECR) requirements in previous years. The current year's reporting is included within the Directors' Report on page 27 which outlines the Group's energy consumption and related emissions.

Further work is required to begin to understand scope 3 emissions of the Group's wider supply chain. This will commence in 2025 with a view of reporting for the year ended 31 December 2026.

Carbon Reduction Plans

Whilst the business needs to work to derive key metrics and targets applicable to the Group, it is important to note that significant steps have already been taken to establish carbon reductions across the Group. These namely include:

- Continued investment in newer, more efficient commercial vehicles and phasing out of older Euro 5 vehicles. All new commercial vehicles are Euro 6 rated.
- Initial order of three all electric commercial merchandising vans delivered in 2024 with a commitment to continue to explore all-electric options for the fleet as and when appropriate.
- Company car policy focussed on encouraging employees to opt for hybrid or electric vehicle options. At the end of 2024, 95.2% (2023: 91.6%) of the fleet are electric or hybrid vehicles.
- Along with our strategy of improving facilities, 2024 saw the relocation of A&A Carpets to a brand-new facility with a BREEAM rating of "Very Good" complete with solar panels, electric vehicle charging points and LED lighting throughout.
- In line with our commitment to the use of electric vehicles, provision of electric vehicle chargers has been installed at 9 sites with installations scheduled at a further two sites in 2025.
- A waste review project is currently underway in 2025 to identify opportunities for waste reduction whilst also aligning to latest legislation in respect of Simpler Recycling and Extender Producer Responsibilities (EPR).



STRATEGIC REPORT (continued)

GOING CONCERN

The Directors have undertaken a comprehensive review of the Group's financial position and future prospects in order to assess the reasonableness of preparing the financial statements on a going concern basis. This assessment has considered the Group's profit and cash flow forecast through to December 2026, which incorporate current trading performance, market conditions and prudent expectations of future trading.

Furthermore, the Group continues to operate within the headroom available under current finance facilities, and has access to further unutilised facilities if required. In addition, there are no specific covenants requiring consideration throughout the forecast period. Liquidity remains strong, supported by positive operating cash flows and prudent financial management.

The Directors have also identified a range of mitigating actions that could be implemented if required such as the deferral or reduction of discretionary capital expenditure currently included as cash purchases in the forecasts, as well as the option to access further financing facilities if necessary. For example, the strong balance sheet is underpinned by largely unencumbered property assets that could be leveraged if necessary.

Having considered all relevant factors, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Approved by the Board and signed on its behalf.



B Baker-Ashforth
Company Secretary

Date: 9 May 2025

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 2024.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, Directors' Report, Non-financial and Sustainability Information and the consolidated financial statements, in accordance with applicable law.

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with UK adopted international accounting standards. The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework', as issued by the Financial Reporting Council.

Under Company law the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Principal activities

The principal activity of the Group is the wholesale distribution of floorcoverings and associated products.

The Group is required by the Companies Act 2006 to prepare a Strategic Report that includes an overview of the business, a review of trading performance of the Group and its position as at the end of the financial year to 31 December 2024 and the principal risks faced by the Group. The Strategic Report can be found on pages 9 to 23.

Results and dividends

Revenue for the year amounted to £149,793,661 (2023 - £139,538,014). Profit before taxation was £25,467 (2023 - £188,431) after recognition of exceptional expenses. Management have included a full reconciliation to the underlying adjusted profit before tax of £2,006,853 (2023 - £2,327,321) within the Strategic Report.

2024 observed the Group achieve further significant growth, underpinned by the strategic investments and operational expansion of the network implemented over the past few years. The continued investment in growth and continued enhancement of the Group's infrastructure contributes to the continued momentum of the Group as we head on the trajectory towards the £200 million revenue aspirations.

Major investments since 2021, including new distribution and logistics hubs across the UK and the strategic acquisition of Valley Wholesale Carpets among others, have expanded the Group's reach and capabilities. With Likewise' comprehensive product range and a capable and experienced sales team the Group continues to drive product innovations and improvements to our service offering.

2024 saw the relocation of the A&A Carpets in the North West of England to benefit from local operational efficiencies, improved working environment for employees as well as benefitting the wider UK logistics network. Further improvements planned for 2025 include the purchase of a new logistics hub in Plymouth and proposed expansion of the Newport facility which will further support future growth.

The Group remains financially robust, funding capital projects through internal cash flow and maintaining low levels of debt. With strong market positioning and operational gearing in place, the Board is confident in delivering 2025 market forecasts and sustainable long-term profitability.

More information on the 2024 trading performance can be found in the Strategic Report on pages 9 to 23.

On 15 November 2024, the Company paid an interim dividend of £305,969, being 0.125 pence per share, for the year to 31 December 2024 (2023 - £243,964).

The Directors recommend a final dividend of 0.25 pence per ordinary share be paid. The final dividend will be paid, subject to shareholders' approval at the Annual General Meeting. This dividend has not been included as a liability in these financial statements.

If approved the total dividend in respect of 2024 will be 0.375 pence per ordinary share.

The final dividend, if approved by shareholders at the AGM will be paid on 11 July 2025 to shareholders on the register at the close of business on Wednesday, 6 June 2025, the ex-dividend date being 5 June 2025.

The last day for investors to elect for the Dividend Re-Investment Plan (DRIP) will be 20 June 2025.

Principal Risks

The principal risks faced by the Group are outlined within the Strategic Report on pages 9 to 23.

Directors

The Directors who served during the year and to the date of this report were as follows:

P P S Bassi

A J Brewer

A J W Simpson

M A Steventon

DIRECTORS' REPORT (continued)

Directors' remuneration

The remuneration of all Directors for the financial year ended 31 December 2024 were as follows:

	Salary/fees £	Benefits in kind £	Bonus £	Total 2024 £	Total 2023 £
EXECUTIVE					
Tony Brewer	282,000	22,973	-	304,973	292,368
Roy Povey*	-	-	-	-	171,157
NON-EXECUTIVE					
Paul Bassi	50,000	-	-	50,000	50,000
Andrew Simpson	75,000	3,334	-	78,334	91,447
Mike Steventon	45,000	-	-	45,000	45,000
TOTAL	452,000	26,307	-	478,307	649,972

*Roy Povey resigned on 31 December 2023.

Directors' pension entitlements

No directors who held office during the year ended 31 December 2024 were members of a pension scheme. Nil contributions were therefore paid by the Group during the year (2023 - £25,600).

Political contributions

The Group made no political contributions during the year ended 31 December 2024 (2023 - Nil).

Charitable donations

The Group made no charitable donations during the year ended 31 December 2024 (2023 - Nil).

Employee engagement

The Group consults and discusses with employees all matters likely to affect employees' interests. Information is provided via information bulletins and updates which seek to achieve common awareness of factors affecting the Group's performance.

The Group has a number of employee share option schemes and encourages engagement with employees in order to all benefit from the future success of the Group. More information on employee engagement is included within the ESG Report on pages 33 to 34.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

ENERGY AND CARBON REPORTING

The below outlines the UK energy usage of the Group. Energy consumed is as a result of gas and electricity purchased and fuel used in powering the Group's sales force and distribution fleet.

The methodology used in calculating the below figures follows the GHG Reporting Protocol and uses the 2024 government emission conversion factors for greenhouse gas company reporting.

	2024	2023
UK energy use (kWh)	22,870,792	20,440,215
Associated Greenhouse gas emissions (tonnes CO ₂ equivalent)	5,389	4,781
Intensity ratio: tonnes CO ₂ per £m of revenue	36.0	34.3

The continued growth of the Group's distribution network and sales teams inevitably increases the energy usage, and resultant greenhouse gas emissions generated by the Group. In addition, as new sites are launched there is a delay in the timing of revenues as the business develops resulting in short-term increases in the CO₂ per £m revenue. As each division continues to mature and revenue generation increases, there is expected to be an improvement in the intensity ratio metric reported.

Energy efficiency action

The below summarises some of the key actions taken in 2024 in order to reduce the carbon emissions of the Group:

- Continued investment in replacement commercial vehicles phasing out older less efficient vehicles for newer Euro 6 emission vehicles.
- The Group has focussed on promoting the benefits of electric and hybrid vehicles to all company car drivers over the past number of years with excellent results. This initiative has continued in 2024 with 95.2% (2023: 91.6%) of the fleet either electric or petrol-electric hybrid vehicles as of the end of the year.
- 2024 observed the Group relocate the A&A Carpets business to a brand new facility in the North West of England from the 1980's industrial unit that was home to the business at acquisition. The new site has a 'BREEAM' rating of "Very Good" and is equipped with solar panels, electric vehicle charging points and LED lighting throughout the property.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

s172 Statement

Section 172(1)(a) to (f) of the Companies Act 2006 requires Directors to act in good faith, in a way that will promote the success of the Company for the benefit of its members as a whole, as well as having the regard to the specific matters below, some of which are also described on pages 29 to 32 of the Governance Report.

A. The likely consequences of any decision in the long term

Likewise Group plc's continued strategy is to seek to capitalise on meaningful gains in market share, transforming the business on its journey to deliver in excess of £200m group sales in the mid-term and beyond in the long-term. Day-to-day management of our subsidiary businesses is undertaken by the senior management team.

B. The interests of the company's employees

A broad span of the workforce is experienced in the market in which the company operates. The Board believes that its employees are key stakeholders and as such welcomes any feedback via the head of each business unit or via the Company Secretary. It relaunched a new SAYE scheme in the year and offers all employees membership of the life assurance scheme.

C. The need to foster the company's business relationships with suppliers, customers and others

Fairness and integrity are core to our ethics, and we work with our supply chain to develop a working relationship which benefits all parties. The Board recognises that the success of the Company is reliant upon all stakeholders in its business. Our CEO and senior management team monitor and record feedback from suppliers and customers.

D. The impact of the company's operations on the community and environment

The Board considers the impact of operations and impact on the environment and the wider challenges faced by the flooring industry as a whole in addressing environmental protection. Likewise is a core member and funder of Carpet Recycling UK, who repurpose carpets to minimise waste. Other initiatives include recycling of polythene and cardboard tubes, and transitioning its car fleet to greener alternatives. The Company fosters a strong sense of team spirit and presence throughout its 530+ employees across 12 local branches providing local communities with employment opportunities throughout Scotland, England and Wales.

E. The desirability of the company maintaining a reputation for high standards of business conduct

The Board aims to lead by example and do what is in the best interests of the Company, its stakeholders and shareholders. The Directors strive to act in a manner which is professional and approachable, in order to maintain a reputation for high standards of business conduct.

F. The need to act fairly as between members of the company

The Company communicates with shareholders through the Annual Report and Financial Statements, full-year and half-year announcements, AGM, release of news via LSE channels and by occasional podcasts and webinars. All members privy to any price sensitive information are subject to the Group's Dealing Policy. The Group has three non-executive directors including the Chair and one executive director to ensure best practice corporate governance.

Equal opportunities: we offer equal opportunities regardless of gender, ethnicity, disability, religion or sexual orientation.

Key Board decisions made in the year:

Significant events / decisions	Key s172 matter(s)	Actions and impact
Employee Handbook	Employees	<ul style="list-style-type: none"> Establishment of Employee Handbook: align policy and practice across all businesses
Strategic: expansion of Newport operations and restructure of A&A Manchester	Shareholders, employees, customers, suppliers	<ul style="list-style-type: none"> Newport extension: to increase operational capacity by 60% A&A new site: transform business to transshipping model
Share buyback	Shareholders	<ul style="list-style-type: none"> c.1.35m shares purchased into treasury: non-dilutive effect
Appointment of new external auditor	Shareholders, employees, customers, supplier	<ul style="list-style-type: none"> Cooper Parry Group Limited appointed: refreshed financial independence and scrutiny

A J Brewer
Chief Executive
9 May 2025



CORPORATE GOVERNANCE REPORT

Paul Bassi
Chair



The Board of Directors ('the Board') for Likewise Group plc is committed to good corporate governance and all Board members are fully aware of their duties and responsibilities.

Compliance Approach

In accordance with Rule 26 of the AIM Rules for Companies, the Board confirms that it has voluntarily adopted the QCA Code and believes that a framework of sound corporate governance and an ethical culture, is conducive to long-term value creation for shareholders.

Principle 1

Establish a purpose, strategy and business model which promotes long-term value for shareholders

Principle 6

Establish and maintain the board as a well-balanced, functioning team led by the Chair

Principle 2

Promote a corporate culture that is based on ethical values and behaviours

Principle 7

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

Principle 3

Seek to understand and meet shareholder needs and expectations

Principle 8

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Principle 4

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

Principle 9

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

Principle 5

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

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

Board Effectiveness

Principle 6

All members of the Board believe in the importance of good corporate governance to assist in delivering value and achieving objectives over the medium to long-term, in its accountability to stakeholders and maintaining a reputation for high standards of business conduct. The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of Matters Reserved for the Board.

The Chief Executive Officer leads the development of business strategies within the Group's operations.

The Board has considered mechanisms by which the business and the financial risks facing the Group are managed and reported to the Board. It is committed to developing a risk register for the principal business and financial risks with further work planned in 2025 to best ensure risk identification and implementation of control procedures. The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk and to provide reasonable safeguarding of the Group's assets against misstatement.

Principle 5



The key elements of the system of Internal control are:

- clear definition of delegated authorities has been established;
- preparation of annual budgets for Board approval;
- close involvement of senior management in the day-to-day business of the Group; and
- regular reporting of business performance to the Board and the review of results against budget.

The collective Board act as the Nomination Committee. During the year, the Nomination Committee have monitored the effectiveness of the succession plan of the executive and management teams which was implemented in the prior year. The changes to the structure of the finance and secretariat teams which were implemented have been positive and evidence best practice being embedded across the Group, in order to promote the success and long-term sustainability of the company. The restructured operational management team has been key in future-proofing, strengthening, expanding and supporting our IT and logistics capabilities, as the Group continues its journey of organic growth.

Board Composition

In the year, the Board comprised two independent non-executive directors, a non-executive director and one executive director. Paul Bassi CBE, Mike Steventon, Andrew Simpson, and Anthony Brewer.

Principle 7

Ben Baker-Ashforth, Head of Financial Reporting & Accounting, was appointed as Company Secretary in March 2024. The Board considers that there is an appropriate balance between executive and non-executive office and no individual or group dominates the decision making.

The members have a wide range of experience, and the expertise needed to inform and oversee the execution and delivery of the group strategic plan over the medium to long-term. The executive director commits his full-time attention to the day-to-day needs of the business. The biographies of all Board members and the Company Secretary are included on Page 3 and are available on the company's website. The non-executive directors prepare for and attend Board meetings in person on a regular basis, as well as, committing their time to regular contact with the chief executive and management team. In addition, they serve on the three Board sub-committees, as required and necessary. No restrictions are imposed on the non-executive directors in assuming other external roles.





The Committees each have delegated authorities with formal terms of reference.

Board sub-Committees

Audit Committee

The Audit Committee meets bi-annually to consider the scope of the audit of the annual and interim financial statements, as well as, reviewing the Group's internal control systems. It oversees the appointment of and relationship with the independent external auditor, reviews the results of the external audit, its cost effectiveness and the objectives of the auditor. The Audit Committee considers an internal audit function is not currently justified due to the current stage of development and size of the Group. The Audit Committee is chaired by Mike Steventon and is comprised of two other non-executive directors and attended by the Head of Financial Accounting & Reporting.

Nomination Committee

The Nomination Committee is comprised of the Chief Executive and non-executive directors. It is responsible for the appointment of any new directors to the Board, and other duties include reviewing the structure, size and composition (including the skills, knowledge and experience) required of the board and its sub-committees, succession planning for directors and senior executives, reviewing the leadership needs of Likewise, reviewing the results of the Board performance evaluation process as and when appropriate, and policies relating to diversity and gender.

Remuneration Committee

The Remuneration Committee is comprised of non-executive directors only, meeting at least annually to determine Policy on Senior Executive remuneration, to make detailed recommendations to the Board regarding the remuneration packages of the Executive Director and to consider awards under the Group's option schemes. The Chief Executive Officer is consulted on remuneration packages and policy but does not attend discussions regarding his own package. Andrew Simpson stepped down as Chair of the Committee in November 2024 and it is now chaired by Mike Steventon. The Committee would like to record its thanks to Andrew Simpson for his service to the committee.

Number of Board Meetings and Record of Attendance

There were ten Board Meetings in the year, which were attended as follows:

	P Bassi	A Simpson	M Steventon	A Brewer
08/03/2024	✓	✓	✓	✓
08/05/2024	✓	✓	✓	✓
11/05/2024	✓	✓	✓	✓
17/05/2024	✓	✓	✓	✓
20/06/2024	✓	✓	✓	✓
13/08/2024	✓	✓	✓	✓
23/09/2024	✓	✓	✓	✓
21/10/2024	✓	✓	✓	✓
15/11/2024	✓	✓	✓	✓
20/12/2024	✓	✓	✓	✓
Total attended	10/10	10/10	10/10	10/10

Principle 8

Future Disclosures The Board considered its approach to Board Performance Evaluation in December 2024 and determined that this matter would be reviewed again in 2025.

Shareholder and stakeholder engagement [The Board takes seriously its duty to act in a way that promotes the long-term success of the company and meet its s172 CA2006 responsibilities to all of the company's shareholders and stakeholders.

As Likewise has progressed through the early stage in its journey of growth, the Board reflected on both leadership changes made and challenges faced in the prior year and considered what this means in relation to how they conduct their decision-making and the development and evolution of its governance frameworks. Both the internal restructuring and commercial development changes were considered to be effective in helping to future-proof the business, as well as strengthening best practice and internal controls across the Group in respect of IT, operations, and health and safety.

The restructuring of the Finance team had been effective, providing continued confidence in the strong succession pipeline in place and a commitment to recognise and reward the skills, experience and dedication of its employees, and ensured that appropriate financial oversight and sound internal financial controls were being established and embedded. The dedicated Secretariat resource had been effective in serving and supporting the Board to further develop good governance practices.

Principle 2

In the year, investment was made into a new Employment Portal, which is hosted and serviced by NatWest Mentor. The new facility is currently available to all Likewise Floors employees and provides our people with a dedicated HR resource, with centralised access to the new Employee Handbook, including employment policies and procedures, as well as access to training modules to provide educational and personal development opportunities, to improve and embed compliance across the Group. In addition, this resource will provide management with integrated data to order to improve oversight of holiday entitlement and wellbeing information. The launch of the portal was completed in February 25.

The Group has continued to balance the needs of all shareholders and stakeholders in its approach to sustainability, carefully considering the need to deliver profitability and returns, whilst minimising its operational impact upon the environment and community, wherever practicably possible. Likewise is a core funder and member of Carpet Recycling UK, a community which has boosted the proportion of carpets being repurposed as a resource rather than waste.

Other environmental initiatives which were championed and continued in the year included recycling of polythene waste and a reward scheme for recycling of cardboard poles. Ongoing investment into the transition of the Group's company car fleet resulted in an increased take-up of 95.2% (2023: 91.6%) for electric or hybrid vehicles.



Paul Bassi CBE
Chair

Date: 9 May 2025

Principle 10

Principle 1

Principle 4

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental

Greenhouse gas emissions, energy consumption and energy efficiency actions are set out on page 27 of the Directors' Report.

The Board recognises its wider stakeholder group responsibilities and the need to appropriately manage the environmental performance of the Group. The Board regularly reviews ESG as part of its business agenda, in order to both meet reporting requirements and to holistically consider environmental and sustainability matters, to support the long-term success of Likewise and future generations.



In 2024, a review was carried out of the Group's energy consumption assessment at each of its four largest facilities. Each of the premises occupied are modern building facilities and comply with building regulations and standards, which maximise energy efficiency in the workplace. Energy consumption at various locations would continue to be monitored on a cyclical basis.

In the financial year, the Group relocated its operations in Manchester, moving to a new site in Towngate Business Centre with an EPC rating of A+ and a BREEAM rating of 'Very Good'.



In line with our ongoing commitment to reinvest in the fleet and promote the adoption of more efficient vehicles, the Group took delivery of 10 new trucks in 2024 (2023: 17), along with 3 fully electric merchandising vans. The Group continues to evaluate electric alternatives for commercial vehicles as the technology advances..

Principle 3



The Group continues to promote the benefits of electric and hybrid vehicles to employees with company cars and is pleased to state that 95.2% (2023: 91.6%) of the company fleet are now electric or petrol-electric hybrids as at the end of the year, including 28 fully electric vehicles (2023: 27). 9 sites are now equipped with rapid charging facilities with installations scheduled at a further two sites in 2025.



Our commercial vehicle drivers are both encouraged and rewarded for their contribution in tackling waste reduction by affirmative action - the recycling of our packaging tubes. These are returned to the network and re-used. This initiative positively aligns social responsibility with financial wellbeing by paying bonuses in proportion to the number of poles returned.



The Group is a core funding partner of Carpet Recycling UK, whose mission is to promote the diversion from landfill of textile flooring in the UK to generate resources for sustainable use. This is achieved by working with businesses in the supply chain, government and academia to foster collaborations and networks to achieve viable market-based solutions, encouraging design for recyclability.



Dialogue was opened up with several waste management operators to explore our future partnership options to drive a reduction in waste production whilst maintaining compliance with changing waste legislation. Discussions will continue with a view to agreeing a working partnership in 2025.

Our people are at the heart of our business and are fundamental to our growth and long-term success.

Social

Our people are at the heart of our business and are fundamental to our growth and long-term success. We support a culture of excellence, by rewarding excellent performance.



530+
staff

We now employ more than 530 people across 12 locations north to south: Glasgow, Newcastle, Leeds, Manchester, Birmingham, Sudbury, Sidcup, Newbury, Erith, Derby, Newport, and Plymouth.



12
locations



New web
and app

Following the changes made in 2023 to the structure of the operational management team, important and steady progress has been made in the year with initiatives undertaken to strengthen and reinforce our IT, logistics and finance capabilities to best support the evolution of the business - these three crucial areas are key in capitalising on, managing risk and future-proofing the Group's continuing success.

Gender Pay Gap Reporting was established in the prior year - the updated narrative report for 2024/25 can be viewed on our website and the statutory report can be viewed on the Group's website www.likewiseplc.com. The Board recognises the importance of equal pay for equal roles and is satisfied that this important standard is met. At the same time, it acknowledges the challenges faced by the predominantly male occupied industry in which it operates.

Meaningful engagement with our people has also resulted in support for our local communities, such as several youth sporting groups.

Governance

The Board has set out its full Governance Report on pages 29 to 32.

INDEPENDENT AUDITOR REPORT

Report of the Independent Auditor to the members of Likewise Group plc

Opinion

We have audited the financial statements of Likewise Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated income statement and Statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2024 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

An overview of the scope of our audit

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

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

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

We performed a full-scope audit of the financial statements of the parent company, Likewise Group plc, and its UK trading subsidiaries, Likewise Floors Limited and Valley Carpets Limited. The operations that were subject to full-scope audit procedures made up 99.9% of consolidated revenues and 99.9% of consolidated net assets. Analytical procedures were applied over the remaining group entities.

INDEPENDENT AUDITOR REPORT (continued)

Key audit matters

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

Carrying value and impairment of goodwill and other intangible assets

Matter

The Group's intangible assets comprise of goodwill arising on various business acquisitions made historically, customer relationship and brand assets. The Group's assessment of carrying value requires significant judgement, in particular regarding the identification of appropriate cash generating units, future cash flows, growth rates and discount rates. The carrying value of goodwill and other intangible assets at 31 December 2024 was £9.4m (31 December 2023: £9.56m).

Response

In line with the requirements of IAS 36, we have evaluated the assessment prepared by management as to whether goodwill and/or other intangible assets were impaired:

- We assessed the appropriateness of CGU ('Cash Generating Unit') identification.
- We challenged the key assumptions used in the discounted cashflow models, which are described in note 14.
- We considered historical trading performance by comparing recent growth rates of both revenue and gross profit.
- We assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations.
- We performed sensitivity and breakeven analysis on growth rates and the discount rate.

In conducting our audit testing, we concluded that reasonably possible changes to the value in use of the CGU models would not be expected to result in a material impairment.

Our application of materiality

The materiality for the Group financial statements as a whole was set at £748,000. This has been determined with reference to the benchmark of the Group's revenue and represents 0.5% of Group revenue as presented in the Group income statement. In determining the level of testing to be performed during our audit work, we applied performance materiality of £561,000.

The materiality for the parent Company financial statements as a whole was set at £200,000. This has been determined with reference to the parent Company's total assets and represents 0.6% of total assets as presented on the face of the parent Company's Balance sheet. In determining the level of testing to be performed during our audit work, we applied performance materiality of £150,000.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- reviewing management's cash flow forecasts for a period of 12 months from the date of approval of these financial statements and challenging the underlying assumptions;
- assessing the numerical accuracy of management's cash flow forecasts;
- performing a retrospective review of prior year forecasts to actual results in order to assess management's budgeting accuracy;

- reviewing the terms of bank loans and other finance agreements in order to assess available funds and future repayments;
- applying reasonable “worst case” sensitivities to management’s forecasts and assessing remaining cash headroom within those scenarios;
- reviewing results post year end to the date of approval of these financial statements and assessment against original budgets; and
- assessing the completeness and accuracy of disclosures made in respect of managements assessment of going concern in Note 1.3.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors’ report.

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

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

INDEPENDENT AUDITOR REPORT (continued)

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

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



Melanie Hopwell (Senior Statutory Auditor)

for and on behalf of Cooper Parry Group Limited

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

9 May 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 £	2023 £
Revenue	3	149,793,661	139,538,014
Cost of sales		(103,777,804)	(97,306,471)
Gross profit		46,015,857	42,231,543
Distribution costs		(19,112,029)	(17,989,409)
Administrative expenses		(25,033,892)	(22,748,067)
Operating profit	4	1,869,936	1,494,067
Interest income	8	24,027	52,330
Finance costs	9	(1,849,611)	(1,487,716)
Revaluation of deferred consideration	10	(18,885)	129,750
Profit before taxation		25,467	188,431
Income tax (charge)/credit	11	749,135	655,594
Profit for the year	35	774,602	844,025
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment	16	308,659	24,389
Actuarial gain on defined benefit pension scheme	26	450,000	-
Tax relating to items not reclassified	11	(220,924)	(6,097)
Total items that will not be reclassified to profit or loss		537,735	18,292
Items that may be reclassified to profit or loss			
Currency translation differences:			
- Exchange losses arising on translation of foreign operations		(11,936)	(7,015)
Total items that may be reclassified to profit or loss		(11,936)	(7,015)
Total other comprehensive income for the year		525,799	11,277
Total comprehensive income for the year		1,300,401	855,302

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2024

	Note	2024 Pence per share	2023 Pence per share
Earnings per share	13		
Basic		0.3	0.3
Diluted		0.3	0.3

The notes on pages 50 to 83 form part of these group financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £	2023 £
Non-current assets			
Goodwill	15	5,624,284	5,624,284
Intangible assets	15	3,776,896	3,938,497
Property, plant and equipment	16	48,601,857	48,385,689
Retirement benefit obligations	26	450,000	-
		58,453,037	57,948,470
Current assets			
Inventories	18	20,042,078	20,253,799
Trade and other receivables	19	19,235,903	17,679,986
Cash and cash equivalents		2,199,078	5,709,229
		41,477,059	43,643,014
Current liabilities			
Trade and other payables	22	26,773,525	29,765,971
Current tax liabilities	11	15,107	-
Borrowings	21	7,108,326	5,273,300
Lease liabilities	23	4,642,269	4,373,760
Provisions	25	-	45,103
		38,539,227	39,458,134
Net current assets		2,937,832	4,184,880
Non-current liabilities			
Borrowings	21	2,235,997	2,342,222
Lease liabilities	23	18,140,677	18,401,597
Deferred tax liabilities	24	1,337,048	1,866,950
		21,713,722	22,610,769
Net assets		39,677,147	39,522,581
Equity			
Called up share capital	27	2,474,835	2,439,645
Share premium account	28	17,677,390	17,396,190
Revaluation reserve	29	2,777,172	2,626,976
Treasury shares	31	(58,584)	-
Share option reserve	32	610,698	903,295
Warrant reserve	33	128,170	128,170
Foreign exchange reserve	34	(59,438)	(47,502)
EBT reserve	30	(375,060)	-
Retained earnings	35	16,501,964	16,075,807
Total equity		39,677,147	39,522,581

The notes on pages 50 to 83 form part of these consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:



A J Brewer
Chief Executive

Company registration number 08010067 (England and Wales)

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £	2023 £
Non-current assets			
Intangible assets	15	353,746	122,480
Property, plant and equipment	16	4,894,020	5,249,063
Investments	17	42,240,552	42,309,385
Deferred tax assets	24	-	903,116
		47,488,318	48,584,044
Current assets			
Trade and other receivables	19	4,436,932	6,949,853
Cash and cash equivalents		131,676	182,420
		4,568,608	7,132,273
Current liabilities			
Trade and other payables	22	10,576,604	15,044,263
Borrowings	21	105,816	118,168
Lease liabilities	23	500,193	376,067
		11,182,613	15,538,498
Net current assets		(6,614,005)	(8,406,225)
Non-current liabilities			
Borrowings	21	2,235,997	2,342,222
Lease liabilities	23	5,034,804	5,187,733
		7,270,801	7,529,955
Net assets		33,603,512	32,647,864
Equity			
Called up share capital	27	2,474,835	2,439,645
Share premium account	28	17,707,900	17,396,190
Treasury shares	31	(58,584)	-
Share option reserve	32	610,698	903,295
Warrant reserve	33	128,170	128,170
Foreign exchange reserve	34	(78,224)	(38,124)
Retained earnings	35	12,818,717	11,818,688
Total equity		33,603,512	32,647,864

The notes on pages 50 to 83 form part of these parent financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £1,767,354 (2023 - £1,512,570 loss).

The financial statements were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:



A J Brewer
Chief Executive

Company registration number 08010067 (England and Wales)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital £	Share premium account £	Revaluation Reserve £	EBT reserve £	Treasury Shares £	Share option reserve £	Warrant reserve £	Foreign exchange reserve £	Retained earnings £	Total attributable to equity holders of parent £
Balance at 1 January 2024		2,439,645	17,396,190	2,626,976	-	-	903,295	128,170	(47,502)	16,075,807	39,522,581
Year ended 31 December 2024											
Profit for the year		-	-	-	-	-	-	-	-	774,602	774,602
Other comprehensive income for the year:											
Revaluation of property, plant and equipment		-	-	308,659	-	-	-	-	-	-	308,659
Actuarial gains on pensions scheme		-	-	-	-	-	-	-	-	450,000	450,000
Currency translation differences		-	-	-	-	-	-	-	(11,936)	-	(11,936)
Tax relating to other comprehensive income		-	-	(108,424)	-	-	-	-	-	(112,500)	(220,924)
Total comprehensive income for the year		-	-	200,235	-	-	-	-	(11,936)	1,112,102	1,300,401
Dividends	12	-	-	-	-	-	-	-	-	(916,688)	(916,688)
Share options exercised	27	35,190	311,710	-	-	-	-	-	-	-	346,900
Transfer to retained earnings		-	-	(50,039)	-	-	(180,704)	-	-	230,743	-
Share options issued		-	-	-	-	-	(26,035)	-	-	-	(26,035)
Cash settlement in lieu of share exercise		-	-	-	-	-	(85,858)	-	-	-	(85,858)
Purchase of own shares		-	(30,510)	-	(375,060)	(58,584)	-	-	-	-	(464,154)
Total contributions by and distributions to owners		35,190	281,200	(50,039)	(375,060)	(58,584)	(292,597)	-	-	(685,945)	(1,145,835)
Balance as at 31 December 2024		2,474,835	17,677,390	2,777,172	(375,060)	(58,584)	610,698	128,170	(59,438)	16,501,964	39,677,147

The notes on pages 50 to 83 form part of these group financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Share capital £	Share premium account £	Revaluation Reserve £	EBT reserve £	Treasury Shares £	Share option reserve £	Warrant reserve £	Foreign exchange reserve £	Retained earnings £	Total attributable to equity holders of parent £
Balance at 1 January 2023		2,438,360	17,384,625	2,662,384	-	-	628,454	128,170	(40,487)	15,909,763	39,111,269
Year ended 31 December 2023											
Profit for the year		-	-	-	-	-	-	-	-	844,025	844,025
Other comprehensive income for the year		-	-	(35,408)	-	-	-	-	(7,015)	53,700	11,277
Total comprehensive income for the year		-	-	(35,408)	-	-	-	-	(7,015)	897,725	855,302
Dividends	12	-	-	-	-	-	-	-	-	(731,681)	(731,681)
Share options exercised		1,285	11,565	-	-	-	-	-	-	-	12,850
Share options and warrants issued		-	-	-	-	-	274,841	-	-	-	274,841
Total contributions by and distributions to owners		1,285	11,565	-	-	-	274,841	-	-	(731,681)	(443,990)
Balance as at 31 December 2023		2,439,645	17,396,190	2,626,976	-	-	903,295	128,170	(47,502)	16,075,807	39,522,581

The notes on pages 50 to 83 form part of these group financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Note	Share capital £	Share premium account £	Treasury shares £	Share option reserve £	Warrant reserve £	Foreign exchange reserve £	Retained earnings £	Total equity £
Balance at 1 January 2024	2,439,645	17,396,190	-	903,295	128,170	(38,124)	11,818,688	32,647,864
Year ended 31 December 2024								
Profit for the year	-	-	-	-	-	-	1,767,354	1,767,354
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Translation in relation to foreign subsidiary	-	-	-	-	-	(40,100)	-	(40,100)
Total comprehensive income for the year	-	-	-	-	-	(40,100)	1,767,354	1,727,254
Transactions with owners:								
Share options exercised	27	35,190	311,710	-	-	-	-	346,900
Dividends	-	-	-	-	-	-	(916,689)	(916,689)
Share options issued	-	-	-	(26,035)	-	-	-	(26,035)
Cash settlement in lieu of share exercise	-	-	-	(85,858)	-	-	-	(85,858)
Own shares acquired	-	-	(58,584)	-	-	-	-	(58,584)
Released to retained earnings*	-	-	-	(180,704)	-	-	149,364	(31,340)
Balance as at 31 December 2024	2,474,835	17,707,900	(58,584)	610,698	128,170	(78,224)	12,818,717	33,603,512

The notes on pages 50 to 83 form part of these group financial statements.

*Share option charges released to retained earnings represent the cumulative charges recognised up to the relevant option holders vesting period that have subsequently lapsed, been exercised or have since expired. Once crystallised the balance held within the share based payment reserve has been transferred to retained earnings with no impact on equity reserves. An amount of £31,340 was released from the share-based payment reserve during the period, in respect of options in the Company's shares held by employees of subsidiary companies. These options have been exercised by these employees and as such released from the Share Based Payment Reserve. The corresponding reduction is recognised within investment in subsidiaries.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Share capital £	Share premium account £	Treasury shares £	Share option reserve £	Warrant reserve £	Foreign exchange reserve £	Retained earnings £	Total Equity £
Balance at 1 January 2023		2,438,360	17,384,625	-	628,454	128,170	(17,962)	14,062,939	34,624,586
Year ended 31 December 2023									
Loss for the year		-	-	-	-	-	-	(1,512,570)	(1,512,570)
Other comprehensive income for the year:									(20,162)
Translation in relation to foreign subsidiary		-	-	-	-	-	(20,162)	-	
Total comprehensive income for the year		-	-	-	-	-	(20,162)	(1,512,570)	(1,532,732)
Transactions with owners:									
Dividends		-	-	-	-	-	-	(731,681)	(731,681)
Share options		-	-	-	274,841	-	-	-	274,841
Share options exercised		1,285	11,565	-	-	-	-	-	12,850
Balance as at 31 December 2023		2,439,645	17,396,190	-	903,295	128,170	(38,124)	11,818,688	32,647,864

The notes on pages 50 to 83 form part of these group financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024		2023	
		£	£	£	£
Profit for the year before taxation			25,467		188,431
Adjustments for:					
Finance costs		1,849,611		1,487,716	
Finance income		(24,027)		(52,330)	
Gain on disposal of property, plant and equipment		(20,634)		(110,898)	
Amendments of property, plant and equipment		-		(107,072)	
Amortisation and impairment of intangible assets		464,121		404,370	
Depreciation and impairment of property, plant and equipment		5,050,181		4,520,577	
Foreign exchange gains on cash equivalents		10,522		-	
Revaluation of consideration		18,885		(129,750)	
Equity settled share based payment expense/(credit)		(26,034)		274,841	
Decrease in provisions		(45,103)		(4,972)	
Movements in working capital:					
Decrease/(increase) in inventories		211,721		(1,865,272)	
Increase in trade and other receivables		(1,555,918)		(2,106,683)	
Increase in trade and other payables		1,258,069		3,544,930	
Cash generated from operations	40		7,216,861		6,043,888
Income taxes refunded			13,416		19,770
Net cash inflow from operating activities			7,230,277		6,063,658
Investing activities					
Purchase of intangible assets		(302,520)		(133,983)	
Purchase of property, plant and equipment		(1,392,423)		(1,895,323)	
Proceeds from disposal of property, plant and equipment		117,898		206,965	
Interest received		24,027		52,330	
Cash settlement in lieu of share exercise		(85,858)		-	
Deferred consideration paid		(4,269,400)		(1,000,000)	
Net cash used in investing activities			(5,908,276)		(2,770,011)
Financing activities					
Proceeds from issue of shares		346,900		12,850	
Purchase of treasury shares		(58,584)		-	
Purchase of shares via EBT		(405,570)		-	
Increase in invoice discounting		1,847,378		766,116	
Proceeds from new bank loans		-		2,495,000	
Repayment of bank loans		(118,577)		(1,826,801)	
Payment of lease liabilities		(4,718,625)		(3,886,917)	
Interest paid		(785,928)		(319,125)	
Dividends paid to equity shareholders		(916,688)		(731,681)	
Net cash used in financing activities			(4,809,694)		(3,490,558)
Net decrease in cash and cash equivalents			(3,487,693)		(196,911)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024 (cont)

Cash and cash equivalents at beginning of year	5,709,229	5,913,155
Effect of foreign exchange rates	(22,458)	(7,015)
Cash and cash equivalents at end of year	2,199,078	5,709,229

The notes on pages 50 to 83 form part of these group financial statements.

The movement in trade in other payables included within cash generated from operations excludes movements in deferred and contingent consideration of £4,250,515 disclosed within cash used in investing activities within the Consolidated Statement of Cash Flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1 Accounting policies

Company information

Likewise Group PLC is a public company limited by shares incorporated in England and Wales and listed on the Alternative Investment Market (AIM). The registered office is Unit 4 Radial Park, Radial Way, Birmingham Business Park, Solihull, Birmingham, B37 7WN. The principal activity of the Group is the wholesale distribution of floorcoverings and associated products. Further information on the nature of its operations are disclosed in the strategic and directors' report.

The group consists of Likewise Group PLC and all of its subsidiaries.

1.1 Accounting convention

Both the Company and consolidated financial statements have been prepared in accordance with UK adopted international accounting standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, except for properties held under the revaluation model. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Likewise Group PLC together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances 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 asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

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

The Group continues to utilise invoice financing arrangements in some subsidiaries and has the option to draw on additional authorised facilities to support working capital requirements. The Group has operated within these facilities throughout the year and continues to do so in 2025. The directors are confident that the Group will be able to operate within the finance facilities available to us.

The Board have also undertaken assessments of going concern by building a cash flow model through to December 2026, based on 2024 actuals, 2025 budget and forecast performance for 2026. These cashflows indicate that the business has adequate resources to continue to operate for the foreseeable future and within the current financing arrangements in place.

Overall, given the strength of the Group's Consolidated Statement of Financial Position, significant cash reserves on hand, availability of financing arrangements and the strong forecast performance of the Group, this provides the directors with sufficient assurance on the Group's ability to continue as a going concern, and therefore adopt the going concern basis of accounting in preparing the financial statements.

1.4 Revenue

Revenue comprises sales of goods to customers outside the Group, less an appropriate deduction for discounts, and is stated at the fair value of the consideration net of value added tax and other sales taxes.

Revenue and receivables are recognised when performance obligations are satisfied and the goods are delivered to customers as this is the point in time that the consideration is unconditional, control of goods has passed and only the passage of time is required before the payment is due.

1.5 Goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

Any gain on a bargain purchase is recognised in profit or loss in the period of the acquisition where the fair value of assets acquired is in excess of the consideration paid.

Goodwill is not amortised but is reviewed for impairment at least annually.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. In accordance with IAS 36, an impairment loss recognised for goodwill is not reversed in subsequent periods, even if the recoverable amount of the cash-generating unit increases in a later period.

1.6 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Brand name 10 - 15 years straight line
- Customer base 10 - 15 years straight line
- Software 3 years straight line

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Long Leasehold land and buildings	2% straight line
Leasehold improvements	10% straight line
Fixtures, fittings and computer equipment	10% - 33% straight line
Plant and equipment	10% - 33% straight line
Motor vehicles	16% - 33% straight line
Right of use assets - Leasehold property	Over the term of the lease
Right of use assets - Other	Over the term of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Profit or Loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.8 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of tangible and intangible assets

At each reporting end 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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 for which the estimates of future cash flows have not been adjusted.

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 (or 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 (or 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 (or 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.

1.10 Inventories

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

At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Profit or Loss.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets are not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the Statement of Comprehensive Income for the reporting period in which it arises.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables are recorded initially at transaction price and subsequently measured at amortised cost. This results in their recognition at nominal value less an allowance for any doubtful debts. This allowance for expected credit losses (ECL) may be established where evidence of credit deterioration is observed. In order to assess credit deterioration, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on its historical experience and informed credit assessment, that includes forward-looking information. An additional reserve is established, where required, when a loss is both probable and the amount is known.

ECLs are a probability-weighted estimate of lifetime credit losses. Under the ECL model, the Group calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Group expects to receive) with a discount factor applied to such overdue amounts.

The discount matrix ("ECL Matrix") below is applied to derive an ECL for overdue amounts:

31 - 60 days overdue 0% discount
61 - 90 days overdue 0% discount
91 - 120 days overdue 5% discount
Over 120 days overdue 50% discount

The Group reserves the right to exercise its discretion in the application of discounts outside of the ECL Matrix based on extenuating circumstances that may apply from time to time to the Company's trade debtors. An example of such an extenuating circumstance may occur when an overdue amount has been collected post a reporting or measurement date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.14 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

1.15 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Profit or Loss 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 reporting end date.

Deferred tax

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 is 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 of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 is realised. Deferred tax is charged or credited in the Statement of Profit or Loss except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event and 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.19 Share-based payments

The fair value of equity instruments granted to employees is charged to the Statement of Comprehensive Income, with a corresponding increase in equity. The fair value of share options is measured at grant date using the Black-Scholes pricing model and spread over the period during which the employee becomes unconditionally entitled to the award. The charge is adjusted to reflect the number of shares or options that vest.

When the share-based payment awards vest, the Company issues new equity instruments to employees in settlement of the granted awards. The amount equal to the employees fair value of share options vested and issued is released to retained earnings.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.20 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart

from those that meet the definition of investment property.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.21 Invoice discounting

The Group has an invoice discounting arrangement. The amount owed by customers to the Group are included within trade receivables and the amount owed to the invoice discounting company is included within borrowings. The amount owed to the invoice discounting company represents the difference between the amounts advanced by the invoice discounting company and the invoices discounted. The interest element of the invoice discounting charges and other related costs are recognised as they accrue and are included in the Statement of Profit or Loss with other finance costs.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Deferred Tax

The recognition of deferred tax assets, particularly those arising from unused tax losses, requires significant management judgement. Deferred tax assets are only recognised to the extent that it is

probable that future taxable profits will be available against which the losses can be utilised. This assessment involves evaluating both the timing and the likelihood of future profitability, taking into account factors such as historical performance, forecasted earnings, industry trends, and the impact of any planned strategic initiatives.

In making this judgement, the Group has prudently only considered its two-year financial forecasts, the nature and timing of expected income streams, and any expiry limitations associated with the tax losses. A deferred tax asset will be recognised up to the total of the forecast taxable profits for the two-year period of assessment as well as any deferred tax liabilities that these losses could be offset against at the date of the Statement of Financial Position. Changes in these assumptions or in the tax environment may result in adjustments to the amount of deferred tax assets recognised. At the reporting date, deferred tax assets have been recognised only where the Group considers it probable that sufficient taxable profits will arise to allow the benefit of the losses to be utilised.

Intangible assets

The Group recognises identifiable intangible assets, such as brands and customer relationships, at fair value on acquisition of the relevant subsidiaries. Any excess paid over the value of net assets acquired is recognised as Goodwill in the Consolidated Statement of Financial Position and is allocated to the appropriate business.

The annual amortisation charge and useful life is based on the period over which management expects to benefit from the intangible assets, based on past experience and knowledge of the business acquired.

Goodwill

Goodwill is recognised on acquisition of subsidiaries. This value is the excess paid over the net assets acquired which cannot be separately identified as an intangible asset. Goodwill is not amortised but is subject to an annual impairment review.

The impairment assessment compares the carrying value of Goodwill with its recoverable amount. The recoverable amount is determined by performing a discounted cash flow (DCF) analysis of the Cash Generating Unit (CGU) with reference to divisional budgets prepared by management. To prepare the DCF, management are required to use estimates and judgement for the parameters applied to the model of growth and termination growth rate percentages along with the discount factor. The percentages used to calculate the growth rates are based on prior performance along with budgets for the coming year. The discount factor is based on the proportion of the company's cost of capital weighted between the use of debt and equity finance.

Inventory valuation

Inventories are stated at the lower of cost and the estimated selling price less costs to complete and sell. Inventory provisions are recognised to provide for short length stock dependant on its length and using the directors judgement of likely future sale to calculate its likely realisable value. In addition, a provision is recognised for any aged stock, on an increasing basis, once it's been held in inventory for at least one year.

A significant shift in consumer market or customer demand may result in the directors inclusion of an additional specific provision based on their assessment of likely future sale.

Valuation of land and buildings

The Group carries its land and buildings at fair value, with changes in fair value being recognised in Other Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Income Statement. The Group engaged independent valuation specialists to determine fair value. Significant changes in the commercial property market may impact the valuation of the Group's property. See note 16 for further information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 Revenue

Revenue arises entirely through the wholesale and distribution of floor coverings and associated products. Segmental analysis is therefore not presented. The Group is not reliant on any one customer and no customer exceeds 10% of total annual turnover. The following is an analysis of the Group's revenue for the year from continuing operations:

	2024 £	2023 £
Revenue analysed by class of business		
Sale of goods	149,793,661	139,538,014
	2024 £	2023 £
Revenue analysed by geographical market		
United Kingdom	149,671,433	139,297,993
Rest of Europe	122,228	229,533
Rest of the World	-	10,488
	149,793,661	139,538,014

4 Operating profit

	2024 £	2023 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	10,522	(331)
Depreciation of property, plant and equipment	5,050,181	4,520,577
Profit on disposal of property, plant and equipment	(20,634)	(110,898)
Amortisation of intangible assets (included within administrative expenses)	464,121	404,370
Cost of inventories recognised as an expense	103,777,804	97,306,471
Share-based payments/(credit)	(26,034)	274,841
Loss from new operations	133,993	95,466
Exceptional investment in point of sale	349,050	283,933
Strategic relocation and restructuring costs*	686,090	852,500
Exceptional bad debt and customer exit costs	223,054	-

Losses from new operations

Losses from new operations relate to costs incurred in the initial start-up phase of new business divisions as the Group continues to expand in line with its strategic model. These operations require significant upfront investment, particularly in relation to sales personnel, and are not expected to generate meaningful returns during their first 12 months of trading.

Exceptional investment in point of sale

Exceptional investment in point of sale relates to accelerated expenses incurred in increasing the Group's market presence through the provision of heavily discounted in-store display stands to key retail partners. These costs were targeted at expanding brand visibility and accelerating market share growth, and relate specifically to strategic stand placements made over and above those typically incurred in the normal course of business. These amounts have been recognised in the Consolidated Statement of Profit or Loss.

Strategic relocation and restructuring costs

Strategic relocation and restructuring costs incurred relate to non-recurring expenses recognised to realise the Group's strategic plan to streamline operations and strengthen organisational efficiency while positioning the Group for further growth.

In July 2024, the Group successfully completed the relocation and consolidation of the A&A business into new, significantly improved premises as part of the strategic investment to support future growth. This move resulted in exceptional relocation and restructuring costs, including the settlement of dilapidations associated with the exited property. In addition, dual running costs were incurred due to the continued operation of the former Scotland facility until the lease expiry at the end of 2024.

*The difference between the figure disclosed in the operating profit note above and the adjusted results on page 13, relating to strategic relocation and restructuring costs, is due to the exclusion of depreciation under IFRS 16, which is already included within the depreciation of right-of-use assets line.

Exceptional bad debt and customer transition costs

While the Group acknowledges that bad debt costs are a normal aspect of trading, 2024 include exceptional circumstances that led to significant exit costs. These arose from the administration of a larger customer within the Rugs and Matting division, as well as the strategic withdrawal of a retailer from the floorcovering market. The administration resulted in an exceptional bad debt write-off, whilst the market exit led to additional exceptional costs, with significantly reduced trade in the first half of the year and no trade in the second half, limited the Group's ability to offset the financial impact.

5 Auditor's remuneration

	2024 £	2023 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	150,000	150,000

No non-audit services were provided by the company's auditor in the year ended 31 December 2024 (2023: nil).

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2024 Number	2023 Number
Directors	4	5
Other employees	503	462
Total	507	467
Their aggregate remuneration comprised:	2024 £	2023 £
Wages and salaries	20,581,935	18,215,855
Social security costs	2,156,661	1,946,475
Pension costs	567,015	513,550
Share based payments	(26,034)	274,841
	23,279,577	20,950,721

The average monthly number of persons (including directors) employed by the company during the year was 11 (2023 – 8).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	521,644	649,972
Social security costs	63,329	79,465
Company pension contributions to defined contribution schemes	6,400	25,600
Share based payments	9,406	12,869
	600,779	767,906

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2024 £	2023 £
Remuneration for qualifying services	304,974	292,368

There were no fees paid to non-executive directors in the current or preceding year.

The number of directors accruing benefits under money purchase pension schemes during the year amounts to nil (2023 – 1).

8 Interest income

	2024 £	2023 £
Financial instruments measured at amortised cost:		
Bank deposits	24,027	52,330

9 Finance costs

	2024 £	2023 £
Interest on bank overdrafts and loans	184,466	164,269
Interest on lease liabilities	1,201,163	1,038,548
Interest on invoice discount facilities	463,982	284,595
Other interest payable	-	304
Total interest expense	1,849,611	1,487,716

10 Revaluation of deferred consideration

	2024 £	2023 £
Gain/(Loss) on revaluation of deferred consideration	(18,885)	129,750

11 Income tax expense

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	9,377	-
Adjustments in respect of prior periods	(7,686)	(19,770)
Total UK current tax	1,691	(19,770)
Deferred tax		
Origination and reversal of temporary differences	(750,826)	(635,824)
Total tax (credit)	(749,135)	(655,594)

The current year's tax charge is based on the main rate of 25%.

The main rate of corporation tax changed on 1 April 2023 from 19% to 25% (with marginal rate relief available for companies with small profits). As the previous financial year includes periods before and after the change in tax rate, the effective rate applicable to profits generated in the year ended 31 December 2023 is 23.5%.

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

	2024 £	2023 £
Profit before taxation	25,467	188,431
Expected tax charge based on a corporation tax rate of 25.00% (2023: 23.50%)	6,367	44,281
Effect of expenses not deductible in determining taxable profit	40,534	(19,092)
Movement in deferred tax not recognised	(678,509)	(767,116)
Adjustment in respect of prior years	(7,686)	(19,770)
Effect of change in UK corporate tax rate	-	12,383
Other non-reversing timing differences	-	3,774
Fixed asset differences	53,188	86,308
Deferred tax (charge)/credited directly to OCI	(108,424)	-
Other tax adjustments, reliefs and transfers	(54,605)	-
Chargeable losses	-	(18,245)
Other differences leading to an increase/(decrease) in tax charge	-	21,883
Taxation credit for the year	(749,135)	(655,594)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2024 £	2023 £
Deferred tax liability arising on:		
Revaluation of property	108,424	6,097
Actuarial gain on defined benefit pension scheme	112,500	-
	220,924	6,097

As at 31 December 2024, the Group has tax losses of £13,893,692 (31 December 2023 - £13,955,031) which are available for offset against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Dividends

	2024 per share Pence	2023 per share Pence	2024 Total £	2023 Total £
Amounts recognised as distributions:				
Final dividend paid	0.250	0.200	610,720	487,717
Interim dividend paid	0.125	0.100	305,969	243,964
	0.375	0.300	916,689	731,681

13 Earnings per share

Number of shares	2024 Number	2023 Number
Weighted average number of ordinary shares for basic earnings per share	245,580,592	243,884,066
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	4,034,800	4,413,734
- Warrants	2,800,000	2,900,000
Weighted average number of ordinary shares for diluted earnings per share	252,415,392	251,197,800
Earnings	2024 £	2023 £
Continuing operations		
Profit for the period from continued operations	774,602	844,025
	2024 Pence per share	2023 Pence per share
Earnings per share for continuing operations		
Basic earnings per share	0.3	0.3
Diluted earnings per share	0.3	0.3

The diluted profit per share attributable to the ordinary equity holders of the Company has been restated for the prior year (formerly - 0.1 pence per share).

14 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2024 £	2023 £
In respect of:		
Financial assets - Trade and other receivables	393,128	252,534
Recognised in administrative expenses	393,128	252,534

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 (continued)

15 Goodwill and other intangible assets

	Goodwill	Software modifications	Likewise Floors Brandname	Likewise Floors Customer base	Delta Carpets Brandname	Delta Carpets Customer base	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2023	5,624,284	-	2,189,075	2,122,349	540,710	513,684	10,990,102
Additions	-	133,983	-	-	-	-	133,983
At 31 December 2023	5,624,284	133,983	2,189,075	2,122,349	540,710	513,684	11,124,085
Additions	-	302,520	-	-	-	-	302,520
At 31 December 2024	5,624,284	436,503	2,189,075	2,122,349	540,710	513,684	11,426,605
Amortisation and impairment							
At 1 January 2023	-	-	547,268	530,587	40,553	38,526	1,156,934
Amortisation charge for the year	-	11,503	145,938	141,490	54,071	51,368	404,370
At 31 December 2023	-	11,503	693,206	672,077	94,624	89,894	1,561,304
Amortisation charge for the year	-	71,254	145,938	141,490	54,071	51,368	464,121
At 31 December 2024	-	82,757	839,144	813,567	148,695	141,262	2,025,425
Carrying amount							
At 31 December 2024	5,624,284	353,746	1,349,931	1,308,782	392,015	372,422	9,401,180
At 31 December 2023	5,624,284	122,480	1,495,869	1,450,272	446,086	423,790	9,562,781
At 1 January 2023	5,624,284	-	1,641,807	1,591,762	500,157	475,158	9,833,168

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Intangible assets (continued)

Impairment tests for cash generating units

Goodwill is tested annually for impairment. It is allocated to cash generating units as follows:

	2024 £	2023 £
Likewise Floors Limited	3,253,210	3,253,210
Lewis Abbott Limited	467,847	467,847
H&V Carpets BVBA	307,230	307,230
A. & A. Carpets Limited	188,441	188,441
Valley Wholesale Carpets Limited	234,864	234,864
Delta Carpets Limited	1,172,692	1,172,692
	5,624,284	5,624,284

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

The goodwill is a reflection of the benefit the acquisitions of subsidiaries will have on the Group by offering greater geographic coverage and providing the opportunity to expand this further than is currently the case. The acquisitions will benefit from the collective marketing and the enhanced product range available to all Group companies. Ultimately this will enable the acquired businesses and the existing Group members to provide an improved customer service, across a wider geographic area, with a greater product portfolio designed to help the Group to continue its development.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used in the supporting five year forecasts being a discount rate of 10% and growth rates ranging from 1 - 5% dependent on the specific CGU.

Likewise Floors Limited

The break even point of goodwill for Likewise Floors Limited is at a growth level of -174% with terminal growth factor of 2%.

Lewis Abbott Limited

The break even point of goodwill for Lewis Abbott Limited is at a growth level of -23% with terminal growth factor of 2%.

H&V Carpets BVBA

The break even point of goodwill for H&V Carpets BVBA is at a growth level of -32% with terminal growth factor of 1%.

A. & A. Carpets Limited

The break even point of goodwill for A. & A. Carpets Limited is at a growth level of -4% with terminal growth factor of 1%.

Valley Wholesale Carpets Limited

The break even point of goodwill for Valley Wholesale Carpets Limited is at a growth level of -11% with terminal growth factor of 1%.

Delta Carpets Limited

The break even point of goodwill for Delta Carpets Limited is at a growth level of -18% with terminal growth factor of 1%.

15 Intangible assets (continued) - Company

	Computer software £
Cost	
At 31 December 2023	133,983
Additions	302,520
At 31 December 2024	436,503
Amortisation and impairment	
At 31 December 2023	11,503
Charge for the year	71,254
At 31 December 2024	82,757
Carrying amount	
At 31 December 2024	353,746
At 31 December 2023	122,480

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 Property, plant and equipment

	Freehold land and buildings	Long Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures, fittings and computer equipment	Motor vehicles	Right of use assets Leasehold property	Right of use - assets - Other	Total
	£	£	£	£	£	£	£	£	£
Cost or valuation									
At 1 January 2023	11,174,936	11,094,728	307,192	3,574,885	2,146,340	1,565,450	16,714,470	6,147,646	52,725,647
Additions	31,338	6,870	-	1,339,637	500,083	1,119,665	-	2,702,800	5,700,393
Disposals	-	-	(1,502)	(48,319)	(3,034)	(293,093)	(324,440)	(148,766)	(819,154)
Revaluations	(183,043)	-	-	-	-	-	-	-	(183,043)
Transfers between classes	-	-	-	7,739	(7,739)	-	-	-	-
At 31 December 2023	11,023,231	11,101,598	305,690	4,873,942	2,635,650	2,392,022	16,390,030	8,701,680	57,423,843
Additions	25,466	25,845	-	181,438	499,371	660,303	1,759,354	1,922,459	5,074,236
Disposals	-	-	-	(160,059)	(130,000)	(228,920)	-	(268,594)	(787,573)
At 31 December 2024	11,048,697	11,127,443	305,690	4,895,321	3,005,021	2,823,405	18,149,384	10,355,545	61,710,506
Accumulated depreciation and impairment									
At 1 January 2023	-	-	50,596	550,867	558,581	699,678	1,813,753	1,751,951	5,425,426
Depreciation charge for the year	164,389	145,000	30,719	438,768	315,264	402,058	1,224,103	1,800,276	4,520,577
Eliminated on disposal	-	-	-	(40,158)	(11,515)	(206,689)	(324,440)	(117,615)	(700,417)
Eliminated on revaluation	(62,432)	(145,000)	-	-	-	-	-	-	(207,432)
At 31 December 2023	101,957	-	81,315	949,477	862,330	895,047	2,713,416	3,434,612	9,038,154
Depreciation charge for the year	163,059	145,600	30,569	505,428	352,992	498,463	1,274,222	2,079,848	5,050,181
Eliminated on disposal	-	-	-	(140,646)	(89,145)	(190,531)	-	(250,705)	(671,027)
Eliminated on revaluation	(163,059)	(145,600)	-	-	-	-	-	-	(308,659)
At 31 December 2024	101,957	-	111,884	1,314,259	1,126,177	1,202,979	3,987,638	5,263,755	13,108,649

16 Property, plant and equipment (continued)

	Freehold land and buildings	Long Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures, fittings and computer equipment	Motor vehicles	Right of use assets - Leasehold property	Right of use assets - Other	Total
	£	£	£	£	£	£	£	£	£
Carrying amount At 31 December 2024	10,946,740	11,127,443	193,806	3,581,062	1,878,844	1,620,426	14,161,746	5,091,790	48,601,857
At 31 December 2023	10,921,274	11,101,598	224,375	3,924,465	1,773,320	1,496,975	13,676,614	5,267,068	48,385,689
At 1 January 2023	11,174,936	11,094,728	256,596	3,024,018	1,587,759	865,772	14,900,717	4,395,695	47,300,221

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Property, plant and equipment (continued)

Property, plant and equipment includes right of use assets, as follows:

Right-of-use assets	2024 £	2023 £
Net values at the year end		
Right of use assets - Leasehold property	14,161,746	13,676,614
Right of use assets - Other	5,091,790	5,267,068
	19,253,536	18,943,682
Total additions in the year	3,681,813	2,702,800
Depreciation charge for the year		
Right of use assets - Leasehold property	1,274,222	1,224,103
Right of use assets - Other	2,079,848	1,800,276
	3,354,070	3,024,379

Assets pledged as security

There is a floating charge against the assets of the subsidiary Likewise Floors Limited, from NatWest Bank PLC.

There is a fixed charge over the freehold land and buildings held by the Group in respect of bank loans in place for the Group.

Fair Value Measurement

Included in land and buildings is land with a cost of £6,254,057 (2023 - £6,254,057) which is not depreciated. The Group's freehold and long leasehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The Group obtained valuations on these freehold and leasehold properties during the financial year from Gerald Eve LLP. In addition, a separate valuation was obtained in January 2025, for the freehold Sudbury property owned by Likewise Holdings Limited from Nicholas Percival, independent valuers not related to the Group.

Management have assessed the valuation and consider that the book values are not materially different to the valuations obtained. The directors have therefore decided to revalue both the freehold and long-leasehold properties to these valuations, adjusted for improvements made in the current financial year.

Gerald Eve LLP and Nicholas Percival are chartered surveyors and property consultants that have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation reports have been prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards (incorporating the IVSC International Valuation Standards) issued November 2021 and effective from 31 January 2022 together, where applicable, with the UK National Supplement effective from 14 January 2019, together the "Red Book".

Property valuations are complex, require a degree of judgement and are based on data that may or may not be publicly available. Valuation of investment property and the respective inputs have been classified as level 3 inputs as defined by IFRS Fair Value Measurement. Level 3 means that the valuation model cannot rely on inputs that are directly available from an active market; however, there are related inputs from recent property sales that can be used as a basis.

16 Property, plant and equipment (continued)

The freehold property in Sudbury has been valued using the market (comparative) method of valuation, multiplying the capital value per square foot by the size of the respective buildings. In determining the capital value, the valuers have utilised observable capital values from recent sales in similar locations, condition and size to the respective sites.

The properties acquired as part of the acquisition of Valley Wholesale Carpets, consisting of two freehold units and a long-leasehold site have also been valued using the market (comparative) method of valuation.

The revaluation gain on land and buildings for 2024 of £308,659 (2023 – gain of £24,389) has been recognised within Other Comprehensive Income.

The revaluation surplus is disclosed in note 29.

Property, plant and equipment - Company

	Fixtures and fittings	Motor vehicles	Right of use assets – leasehold property	Right of use assets – other	Total
	£	£	£	£	£
Cost					
At 1 January 2023	50,394	-	5,513,875	39,248	5,603,517
Additions	14,887	96,995	-	-	111,882
At 31 December 2023	65,281	96,995	5,513,875	39,248	5,715,399
Additions	11,068	-	-	-	11,068
At 31 December 2024	76,349	96,995	5,513,875	39,248	5,726,467
Accumulated depreciation and impairment					
At 1 January 2023	23,415	-	90,531	2,186	116,132
Charge for the year	11,255	6,466	319,400	13,083	350,204
At 31 December 2023	34,670	6,466	409,931	15,269	466,336
Charge for the year	14,229	19,399	319,400	13,083	366,111
At 31 December 2024	48,899	25,865	729,331	28,352	832,447
Carrying amount					
At 31 December 2024	27,450	71,130	4,784,544	10,896	4,894,020
At 31 December 2023	30,611	90,529	5,103,944	23,979	5,249,063
At 1 January 2023	26,979	-	5,423,344	37,062	5,487,385

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Address	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Likewise Floors Limited	1	Wholesale distribution of floor coverings and associated products	Ordinary	100.00	-
Valley Wholesale Carpets Limited (100% subsidiary of Valley Wholesale Carpets (2004) Limited)	1	Wholesale distribution of floor coverings and associated products	Ordinary	-	100.00
Likewise Holdings Limited	1	Holding company	Ordinary	100.00-	-
H&V Carpets BVBA	2	Wholesale distribution of floor coverings and associated products	Ordinary	100.00	-
Likewise Trading Limited	1	Holding company	Ordinary	100.00	-
Valley Wholesale Carpets (2004) Limited	1	Holding company	Ordinary	100.00	-
Delta Carpets (Holdings) Limited (100% subsidiary of Likewise Floors Limited)	1	Holding company	Ordinary	-	100.00
Delta Carpets Limited (100% subsidiary of Delta Carpets (Holdings) Limited)	1	Dormant company	Ordinary	-	100.00
William Armes Limited (100% subsidiary of Likewise Holdings Limited)	1	Dormant company	Ordinary	-	100.00
A. & A. Carpets Limited	1	Dormant company	Ordinary	100.00	-
Likewise Limited	1	Dormant company	Ordinary	100.00	-
Lewis Abbott Limited (100% subsidiary of Likewise Trading Limited)	1	Dormant company	Ordinary	-	100.00
Factory Flooring Outlet Ltd (100% subsidiary of Likewise Floors Limited)	1	Dormant company	Ordinary	-	100.00

Registered office addresses:

1. Unit 4 Radial Park, Radial Way, Birmingham Business Park, Solihull, England, B37 7WN

2. Nijverheidsstraat 26, 8760 Meulebeke, Belgium

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 (continued)

18 Inventories

	2024 £	2023 £
Finished goods	20,042,078	20,253,799
The amount of inventories impaired during the year was as follows:	970,085	1,123,021

19 Trade and other receivables - Group

	2024 £	2023 £
Trade receivables	14,518,173	12,802,078
Provision for impairment of trade receivables	(403,392)	(369,399)
	14,114,781	12,432,679
Other receivables	3,421,566	2,938,182
Prepayments	1,699,557	2,309,125
	19,235,904	17,679,986

Fair value of trade receivables

The directors consider the carrying value of Group trade and other receivables is approximate to its fair value, after incorporating an impairment provision of £403,392 (2023 - £369,399).

Trade receivables comprise amounts due from customers for goods sold. The Group's normal trade credit terms range from 30 to 60 days and therefore all are classified as current. There are a limited number of customers who are granted extended credit terms but these are not considered material to the financial statements. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

The carrying amounts of the trade receivables include receivables which are subject to a factoring agreement. Under this arrangement, the subsidiary trading companies have transferred the relevant receivables to the factor in exchange for cash and are prevented from selling or pledging the receivables. However, the subsidiaries retain the late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its Consolidated Statement of Financial Position. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are:

	2024 £	ECL
Factored receivables	9,336,680	6,873,509
Associated secured borrowing	(7,002,510)	(5,155,132)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 Trade and other receivables (continued) – Company

	2024 £	2023 £
Amount owed by fellow group undertaking	3,690,288	6,543,832
Other receivables	409,663	50,121
Prepayments	336,980	355,900
	4,436,932	6,949,853

20 Allowances for doubtful debts

Expected credit loss assessment

	Balance £	2024 Rate %	Loss allowance £	Balance £	2023 Rate %	Loss allowance £
Trade receivables						
Not more than 30 days	8,097,391	-	-	7,060,259	-	-
More than 30 days but not more than 60 days	4,386,456	-	-	3,957,155	-	-
More than 60 days but not more than 90 days	916,716	-	-	773,893	-	-
More than 90 days but not more than 120 days	262,879	5	13,144	126,006	5	6,300
More than 120 days	854,729	50	427,365	884,765	50	442,383
Adjustments*	-	-	(37,117)	-	-	(79,284)
	14,518,173		403,392	12,802,078		369,399

*The debtors balance to which ECL has been applied has been adjusted where there are specific payment plans in place:

Adjusted ECL calculation:

	2024 £	ECL £
More than 90 days but not more than 120 days - 5%	262,879	13,144
More than 120 days - 50% (adjusted)	579,962	289,981
Additional loss allowance		100,267
	842,841	403,392

Movement in the allowance for doubtful debts

	2024 £	2023 £
Balance at 1 January 2024	369,399	302,989
Additional allowance recognised	33,993	66,410
Balance at 31 December	403,392	369,399

21 Borrowings

	Current		Non-current	
	2024 £	2023 £	2024 £	2023 £
Borrowings held at amortised cost				
Bank loans	105,816	118,168	2,235,997	2,342,222
Invoice discounting	7,002,510	5,155,132	-	-
	7,108,326	5,273,300	2,235,997	2,342,222

The directors consider that the carrying amount of the invoice discounting facility and bank loan approximates their fair value.

The invoice discounting facility is secured against the related trade receivable balances and by a floating charge over the assets of the Group. The facility is denominated in Sterling.

The invoice discounting facility is held by Likewise Floors Limited and has a fixed service charge of £18,000 per annum.

During 2023 the Company restructured their bank loans resulting in a principal loan value of £2,495,000 drawn down in July 2023. Repayments commenced in September 2023 and will continue until July 2038. The loan is secured by a fixed and floating charge over the Group's assets. The loan carries interest at on a floating rate basis with interest at Bank of England rate plus a margin of 2.35%.

This loan is at a floating interest rate and exposes the Group to interest rate risk.

On 7 June 2024, the subsidiary company, Valley Wholesale Carpets Limited, renewed a trade loan facility with Barclays Bank PLC. The renewed agreement provides the company with the facility to drawdown up to a maximum of £1,750,000 available at their request.

No funds were drawn down at 31 December 2024.

Drawdowns carry interest at a floating rate basis with interest at the Bank of England rate plus a margin of 2.2%. The facility also carries a quarterly fixed management arrangement fee.

21 Borrowings (continued) - Company

	Current		Non-current	
	2024 £	2023 £	2024 £	2023 £
Borrowings held at amortised cost				
Bank loans	105,816	118,168	2,235,997	2,342,222

There is a fixed charge over the freehold land and buildings held by the Group in respect of the bank loan.

22 Trade and other payables

	2024 £	2023 £
Trade payables	23,080,542	21,638,744
Accruals	1,517,149	1,462,027
Deferred consideration	-	4,250,515
Social security and other taxation	1,819,793	1,880,688
Other payables	356,041	533,997
	26,773,525	29,765,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Trade payables and accruals principally comprise amounts outstanding in relation to trade purchases and ongoing costs. Trade payables are unsecured and the Group has financial risk management procedures in place to ensure that all payables are paid within pre-agreed credit terms.

The directors consider the carrying value of trade and other payables is approximate to its fair value due to their short term nature.

22 Trade and other payables (continued) - Company

	2024 £	2023 £
Trade payables	288,114	258,587
Amounts owed to fellow group undertakings	10,026,317	10,564,144
Accruals	168,567	254,491
Deferred consideration	-	3,855,000
Social security and other taxation	88,406	110,700
Other payables	5,200	1,350
	10,576,604	15,044,263

23 Lease liabilities

	2024 £	2023 £
Maturity analysis		
Within one year	5,099,219	4,613,653
In two to five years	11,902,627	11,812,220
In over five years	12,408,443	13,109,026
Total undiscounted liabilities	29,410,289	29,534,899
Future finance charges	(6,627,343)	(6,759,542)
Lease liabilities in the financial statements	22,782,946	22,775,357

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024 £	2023 £
Current liabilities	4,642,269	4,373,760
Non-current liabilities	18,140,677	18,401,597
	22,782,946	22,775,357

23 Lease liabilities (continued)

	2024 £	2023 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	1,201,163	1,038,548
Depreciation on lease liabilities	3,354,070	3,024,379
Profit on termination of lease liabilities	(1,393)	(18,358)
Expense relating to short-term leases	426,942	360,946
	4,980,782	4,405,515

Lease liabilities - Company

	2024 £	2023 £
Maturity analysis		
Within one year	582,645	376,067
In two to five years	2,283,452	2,295,234
In over five years	6,139,034	6,709,897
Total undiscounted liabilities	9,005,131	9,381,198
Future finance charges	(3,470,134)	(3,817,398)
Lease liabilities in the financial statements	5,534,997	5,563,800

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2024 £	2023 £
Current liabilities	500,193	376,067
Non-current liabilities	5,034,804	5,187,733
	5,534,997	5,563,800

24 Deferred taxation

	2024 £	2023 £
Deferred tax balances	1,337,048	1,866,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Fixed asset timing difference £	Arising from business combination £	Capital gains £	Short term timing differences £	Losses and other deduction £	Total £
Asset/(Liability) at 1 January 2023	(1,303,975)	(1,052,221)	(1,569,838)	122,548	1,306,809	(2,496,677)
Deferred tax movements in prior year						
Charge/(credit) to profit or loss	(267,323)	98,217	25,489	(84,213)	863,654	635,824
Charge/(credit) to other comprehensive income	-	-	(6,097)	-	-	(6,097)
Asset/(Liability) at 1 January 2024	(1,571,298)	(954,004)	(1,550,446)	38,335	2,170,463	(1,866,950)
Deferred tax movements in current year						
Charge/(credit) to profit or loss	(92,396)	98,217	52,592	(27,096)	719,509	750,826
Charge/(credit) to other comprehensive income	-	-	(108,424)	(112,500)	-	(220,924)
Asset/(Liability) at 31 December 2024	(1,663,694)	(855,787)	(1,606,278)	(101,261)	2,889,972	(1,337,048)

Deferred taxation (continued) - Company

	Liabilities 2024 £	2023 £	Assets 2024 £	2023 £
Deferred tax balances	-	-	-	903,116

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Fixed asset timing difference £	Short term timing differences £	Losses and other deduction £	Total £
Asset at 1 January 2023	(3,321)	84,726	267,388	348,793
Deferred tax movements in prior year				
Charge/(credit) to profit or loss	(32,581)	(80,991)	667,895	554,323
Asset at 1 January 2024	(35,902)	3,735	935,283	903,116
Deferred tax movements in current year				
Charge/(credit) to profit or loss	(53,677)	(1,774)	(847,665)	(903,116)
Asset at 31 December 2024	(89,579)-	1,961	87,618	-

25 Provisions for liabilities

	2024 £	2023 £
Dilapidation provision	-	45,103

All provisions are expected to be settled within 12 months from the reporting date.

Movements on provisions:

	Dilapidation provision £
At 1 January 2024	45,103
Utilisation of provision	(45,103)
At 31 December 2024	-

26 Retirement benefit schemes

Defined contribution schemes	2024 £	2023 £
Charge to profit or loss in respect of defined contribution schemes	567,015	513,550

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions made by the Group to the scheme are disclosed above.

The amount outstanding at the reported date in respect of contributions to the scheme were £78,003 (2023 - £98,970).

Defined benefit scheme

Likewise Floors Limited, a subsidiary of the Group, operates a pension scheme providing benefits based on final pensionable pay. The Scheme originated in William Armes Limited and Likewise Floors Limited became the sponsoring employer upon hive up of the trade and assets of the Matting business at the end of financial year 2021. The Scheme is closed to new members and is closed to future accrual. For pensions earned after 5 April 1997 and for Guaranteed Minimum Pensions earned between 6 April 1998 and 5 April 1997, increases in payment will be in line with CPI rather than RPI. Revaluations of pensions in deferment are linked to RPI.

The assets of the Scheme are held separately from those of the Group in trustee-administered funds. The level of contributions is determined by a qualified actuary on the basis of triennial valuations. The liabilities have been rolled forward based on data at 31 December 2023.

The contributions paid for the current and preceding financial year amounted to £Nil. The Group expects to contribute £Nil to the scheme in the coming financial year but will continue to pay any administrative expenses in respect of the Scheme.

Given that the defined benefit pension scheme is in surplus at 31 December 2024, there is expected to be no adverse material impact on the Group's future cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reconciliation of defined benefit obligation and fair value of scheme assets

	2024 %	2023 %
Key assumptions		
Discount rate:	5.50	4.50
Salary growth rate	2.50	2.30
Mortality rates – for male/female aged 65 now	1.00	1.00
Inflation assumption (RPI)	3.10	3.00
Mortality assumptions		
Assumed life expectations on retirement at age 65:		
Retiring today:		
- Males	85.6	86.2
- Females	88.1	88.6
Aged 45 now:		
- Males	86.6	87.3
- Females	89.3	89.7

The amounts included in the statement of financial position arising from the group's obligations in respect of defined benefit plans are as follows:

	2024 £	2023 £
Present value of defined benefit obligations	1,151,000	1,231,000
Fair value of plan assets	(1,601,000)	(1,555,000)
Surplus in scheme	(450,000)	(324,000)
Asset not recognised due to asset ceiling	-	324,000
Asset recognised in statement of financial position	(450,000)	-

The retirement benefit obligation recognised in the consolidated statement of financial position represents the surplus in the defined benefit scheme. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The Trust Deed provides Likewise Floors Limited, the subsidiary whom operates the scheme, with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of, the plan. Based on these rights, any material net surplus in the plan is recognised in full.

Movements in the present value of defined benefit obligations:

	2024 £	2023 £
At 1 January	1,231,000	1,266,000
Benefits paid	(101,000)	(98,000)
Actuarial (gains) and losses	(32,000)	5,000
Interest cost	53,000	58,000
At 31 December	1,151,000	1,231,000

The defined benefit obligations arise from plans which are wholly unfunded

Movements in the fair value of plan assets

	2024 £	2023 £
At 1 January	1,555,000	1,577,000
Interest income	53,000	58,000
Return on plan assets (excluding amounts included in net interest)	94,000	18,000
Benefits paid	(101,000)	(98,000)
At 31 December	1,601,000	1,555,000

Retirement benefit schemes (Continued)

Amounts recognised in other comprehensive income:

	2024 £	2023 £
Amounts recognised in other comprehensive income		
Costs/(income):		
Actuarial changes related to plan assets	(450,000)	-

Scheme obligations would have been affected by changes in assumptions as follows:

	2024 %	2023 %
A decrease in the interest rates of 0.05% would – increase	4.4	6.3
A decrease in inflation of 0.05% would – decrease	5.0	5.0
An increase in the long term rate of mortality improvement of 0.5% would - increase	1.5	1.5

27 Share capital

Consolidated and company

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 1p each	247,483,480	243,964,480	2,474,835	2,439,645

The Company has one class of ordinary share which carry no right to fixed income.

On 18 March 2024, the Company allotted 1,044,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totaling £104,400. These shares were issued under the Company's SAYE scheme.

On 10 May 2024, the Company allotted 275,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totaling £27,500. These shares were issued under the Company's SAYE scheme.

On 8 July 2024, the Company allotted 300,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totaling £30,000. These shares were issued under the Company's SAYE scheme.

On 30 August 2024, the Company allotted 100,000 new £0.01 Ordinary Shares for consideration of £0.05 per share, totaling £5,000. These shares were issued in accordance with the exercise of warrant options granted to the broker WH Ireland.

On 6 September 2024, the Company allotted 900,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totaling £90,000. These shares were issued under the Company's EMI scheme.

On 28 October 2024, the Company allotted 900,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totaling £90,000. These shares were issued under the Company's EMI scheme.

28 Share premium account

	2024 £	2023 £
At the beginning of the year	17,396,190	17,384,625
Issue of new shares	311,710	11,565
Revaluation of shares held in Trust	(30,510)	-
At the end of the year	17,677,390	17,396,190

This reflects proceeds generated on issue of shares in excess of their nominal value and is a non-distributable reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 Revaluation reserve

	2024 £	2023 £
At the beginning of the year	2,626,976	2,662,384
Property revaluation	308,659	24,389
Deferred tax on property revaluation	(108,425)	(6,097)
Transfer to retained earnings	(50,039)	(53,700)
At the end of the year	2,777,171	2,626,976

This is used to record increases in the fair value of fixed assets and decreases to the extent that the decrease relates to a previous increase on the same asset. The revaluation reserve is a non-distributable reserve. The gain will transfer to retained earnings upon crystallisation of the gain upon disposal of the property. The excess depreciation on revalued assets in comparison to historical cost depreciation is transferred from the revaluation reserve to retained earnings.

30 EBT reserve

	2024 £	2023 £
At the beginning of the year	-	-
Share buyback	(375,060)	-
At the end of the year	(375,060)	-

The Group has established an Employee Benefit Trust (EBT) to facilitate the purchase and holding of the Company's shares. The EBT is legally independent from the Group but it is consolidated into the Group's financial statements due to the Group's deemed control over the trust. The shares held by the EBT may be cancelled or used to satisfy employee share option plans in the future.

31 Treasury shares

	2024 £	2023 £
At the beginning of the year	-	-
Purchase of own shares	(58,584)	-
At the end of the year	(58,584)	-

On 16 July 2024, the group undertook a share buyback programme of £0.01 ordinary shares of the company. This resulted in the repurchase of 326,352 shares.

32 Share option reserve

	2024 £	2023 £
At the beginning of the year	903,295	628,454
Share options issued	(26,035)	274,841
Cash settlement in lieu of share exercise	(85,858)	-
Transfer to retained earnings	(180,704)	-
At the end of the year	610,698	903,295

This represents the cumulative fair value of options granted.

32 Share option reserve (cont)

Equity settled share option plans

The Group has a number of Savings-Related Share Option Plans ("SAYE") available to all employees of the Group. In accordance with the terms of the plan as approved by shareholders, employees of the Group may be granted options to purchase ordinary shares. There are no performance criteria for the SAYE and option are issued to participants in accordance with HMRC rules. Vesting is conditional on continuity of service.

As at 31 December 2023, 9,584,334 options remained active. During the financial year 8,237,413 new options were issued and 6,200,122 options lapsed on employees leaving the Company. 1,619,000 options were exercised in the year with a weighted average option price of £0.10 per share. The contractual life of the remaining 10,002,625 options is approximately 3 years.

As at 31 December 2023, 10,800,000 share options remained active which were granted to management under Enterprise Management Incentives (EMIs). During the current year no new options were issued and 75,000 options lapsed on employees leaving the Group. 1,800,000 options were exercised in the year and 2,000,000 were cancelled in lieu of a cash settlement. The contractual life of the remaining 6,925,000 options is due to expire during 2025.

As at 31 December 2023, 4,900,000 share options remained active which were granted to management under a Company Share Option Plan (CSOP). During the current year no new options were issued and 200,000 options lapsed on employees leaving the Group. No options were exercised in the year. The contractual life of the remaining 4,700,000 options is approximately 1.75 years.

Share options are valued using the Black-Scholes model. The inputs to the model are the option price and share price at the date of grant, expected volatility (20% / 45%, dependant on the scheme), expected dividend rate (0%) and risk-free rate of return (4%-5%). The model has been adjusted for expected behavioural considerations.

*Share option charges released to retained earnings represent the cumulative charges recognised up to the relevant option holders vesting period that have subsequently lapsed, been exercised or have since expired. Once crystallised, the balance held within the share based payment reserve has been transferred to retained earnings with no impact on equity reserves. An amount of £31,340 was released from the share-based payment reserve during the period, in respect of options in the Company's shares held by employees of subsidiary companies. These options have been exercised by these employees and as such released from the Share Based Payment Reserve. The corresponding reduction is recognised within investment in subsidiaries.

33 Warrant reserve

	2024 £	2023 £
At the beginning and end of the year	128,170	128,170

This represents the cumulative fair value of warrants granted.

34 Foreign exchange reserve

	2024 £	2023 £
At the beginning of the year	(47,502)	(40,487)
Translation loss arising in the year	(11,936)	(7,015)
At the end of the year	(59,438)	(47,502)

This reflects the exchange differences on the translation of the foreign subsidiary.

35 Retained earnings

This includes all current and prior period gains and losses

36 Capital risk management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide long term returns to shareholders.

The Group defines and monitors capital on the basis of the carrying amount of equity plus its outstanding borrowings, less cash and cash equivalents as presented on the face of the Consolidated Statement of Financial Position as detailed below:

	2024 £	2023 £
Equity	39,677,147	39,552,581
Borrowings	32,127,269	30,390,879
Cash and cash equivalents	(2,199,078)	(5,709,229)
	69,605,338	64,204,231

The Board of Directors monitors the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares or adjusting the level of debt.

The Group is not subject to any externally imposed capital requirements.

37 Changes in liabilities arising from financing activities

	Cash and cash equivalents £	Borrowing due within one year £	Borrowing due after one year £	Lease liabilities £	Total £
At 1 January 2023	5,913,155	(4,595,139)	(1,456,025)	(21,948,398)	22,086,407
Cash flows	(196,910)	-	-	-	(196,910)
Effect of foreign exchange rates	(7,015)	-	-	-	(7,015)
Repayment of bank loans	-	206,123	1,620,678	-	1,826,801
New bank loan	-	(118,168)	(2,376,832)	-	(2,495,000)
Interest accrued in period	-	-	(130,043)	(1,017,499)	(1,147,542)
Increase in invoice discounting facility	-	(766,116)	-	-	(766,116)
New/amended lease liabilities	-	-	-	(3,696,377)	(3,696,377)
Repayment of lease liabilities	-	-	-	3,886,917	3,886,917
At 31 December 2023	5,709,230	(5,273,300)	(2,342,222)	(22,775,357)	(24,681,649)
Cash flows	(3,487,693)	-	-	-	(3,487,693)
Effect of foreign exchange rates	(22,458)	-	-	-	(22,458)
Repayment of bank loans	-	12,352	106,225	-	118,577
Interest accrued in period	-	-	-	(1,063,683)	(1,063,683)
Increase in invoice discounting facility	-	(1,847,378)	-	-	(1,847,378)
New/amended lease liabilities	-	-	-	(3,662,531)	(3,662,531)
Repayment of lease liabilities	-	-	-	4,718,625	4,718,625
At 31 December 2024	2,199,079	(7,108,326)	(2,235,997)	(22,782,946)	(29,928,190)

38 Events after the reporting date

The subsidiary, Valley Wholesale Carpets Limited, purchased a freehold Logistics Centre in Ivybridge, near Plymouth, for consideration of £1.15m on 6th February 2025. This was funded from internal cash reserves.

The new logistics centre will enable the Group to develop business in the South West region of the UK not currently serviced with both Valley and Likewise operating from the site. This will provide a significant opportunity for growth in 2025 and beyond.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2024 £	2023 £
Short-term employee benefits	974,254	1,306,877
Post-employment benefits	119,290	61,350
Share-based payments	18,105	68,462
	1,111,649	1,436,689

During the financial year, the active 1,285,714 share options brought forward under the Group's SAYE scheme vested. 860,000 of the options were exercised and 125,714 lapsed. A remaining 300,000 remained under option as at the year-end date. Options over this remaining 300,000 shares were exercised post year-end.

During the financial year, the active 5,900,000 share options brought forward under the Group's EMI scheme vested. 1,800,000 of the options were exercised and 2,000,000 were cancelled in lieu of a cash settlement. The remaining 2,100,000 options can be exercised within 10 years of the grant date of the option.

No further share options were granted to key management personnel during the financial year.

Other Information

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

All transactions between the Group were conducted in the ordinary course of business and on normal commercial terms.

No material related party transactions outside the Group occurred during the reporting period.