



JAMES HALSTEAD plc

COVERING THE WORLD



Polyflor Geotone Quicklay PUR | Manufactured at Radcliffe, UK

Report & Accounts 2025

# Directors and Advisers

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James Halstead

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# Chairman's Statement

## Results

Revenue for the year at £262.0 million (2024: £274.9 million) was 4.7% behind the comparative year largely driven by headwinds in the European and APAC regions. The year was satisfactory with a solid performance in the UK, good growth in North America and continued forward momentum in Malaysia but offsetting this were the challenges that the Group faced in several major markets most particularly Europe, Australia and New Zealand.

A key pillar of our home and export strategy is differentiation from our competitors through the company ethos comprising the technical support, sustainability and availability of focused product ranges, whether a simple corridor floor in a high use facility or a highly specialised conductive floor for server rooms. This is a key reason for the geographic spread and diverse sectors to which we supply flooring and why our sales in the year were to more than 60 countries.

I think it worthy of note that our recently revamped "Expona Flow" range was honoured by an international jury with the "Plus X Award" for high quality, design, ease of use and functionality.

The reported profit before tax for the year of £55.1 million (2024: £56.2 million) was 1.9% behind the prior year comparative, a good result against a challenging array of market conditions.

Gross margins held up well in all our major markets. Overall, the margins improved from 44.1% to 44.5%. Principally this increase was driven by our manufacturing efficiencies and product mix.

Selling and distribution costs at £48.8 million (2024: £52.9 million) were 7.8% below last year and reflect the partly lower volume of sales (particularly in Europe and Australasia) and control of discretionary overheads such as restricted marketing and sales staff vacancies.

Administration overheads at £14.9 million (2024: £14.3 million) are some 4.5% higher than last year, largely reflecting inflationary costs.

## Investment

Over many years our strategy has also included a policy of continual investment in both process improvement and product development to improve output efficiency and our product offering. To maintain our competitiveness as

manufacturers supplying global markets, we continue to commit to capital investment in the upgrading of plant for efficiency, flexibility, durability and to reduce energy usage.

Electrostatic dissipative (ESD) floorings have been a part of our ranges for many years particularly SD (static dissipative) and EC (electro conductive) flooring. During the year we have invested in our plant in Radcliffe to upgrade these ranges to add focus to these products as they are used in server rooms and areas of high-end electronic equipment, and this is a fast growing area as the world of cloud computing moves into the age of AI. We are already supplying this sector with the same flooring that has been used in hospitals for many years. The recent announcement of investments such as "Stargate UAE" and the "AI growth Zone" for the North East we will see continued growth in these products. This bodes well for sales and ongoing work by our development teams.

Plans for new production at our Teesside facility continue to be frustrated by the deficiencies in the ageing national grid infrastructure in the area. Notwithstanding these difficulties, the year saw the completion of our upgrade to fume extraction and product curing that has improved efficiency, reduced energy use and increased throughput. Additionally, the year saw the completion of a £1 million project to upgrade the mixing of materials and of printed logic circuit equipment, again at our Teesside factory.

## Sustainability, social responsibility and the environment

We recently published our 20th sustainability report that details our actions and ambitions in the areas of the environment, sustainability and social responsibility.

The sustainability report covers in detail the standards we achieve in many areas with environmental accreditations beyond the minimums of the industry (independently verified) as well as details of our recycling initiatives and employment practices.

Training for the future remains a core focus of the Group and is a key part of our social responsibility commitment. The Objectflor training campus for example hosted 1,350 visitors with around 40 events offering training, professional development conferences and seminars each having between 10 – 120 participants. These courses not only offer flooring contractors advanced skills and techniques but offer training on sales and marketing to small businesses.

James Halcrow

## Cash position

Cash balances reduced 7.9% but remain strong at £68.4 million (2024: £74.3 million). The inventory at the year end is £80.4 million (2024: £82.3 million) which is 2.3% lower than the prior year comparative.

During the year taxation paid was £14.3 million (2024: £15.5million), fixed asset additions of £3.9 million (2024: £3.3 million) and equity dividends paid of £36.5 million (2024: £34.4 million).

## Dividend

The interim dividend of 2.75p (2024: 2.50p) was paid in June 2025. The Board is proposing a final dividend of 6.05p (2024: 6.0p) which will mean a total dividend for the year of 8.80p (2024: 8.50p) an increase of 3.5%. This is a record level of dividend and marks our 49th consecutive year of increased dividend. The final dividend will be paid on 12 December 2025.

## Outlook

There is no doubt that we have faced challenges in the year but there is ongoing positive sentiment in North America, and in the UK we continue to see good growth prospects.

The malaise in Central Europe due to low customer confidence continues to affect shop-fitting and retail premises with cuts to renewal and roll-out programmes. We shall approach the short term with caution, tight cost control and a conservative approach to customer credit. The latter being particularly important as competitors in thin markets chase volume.

I remain confident that our portfolio of products is appropriate to the marketplace and of continued overseas growth backed by a robust market share in our home territory.

Once again, I would like to thank all our colleagues across the globe for their continued efforts in achieving this year's result.

Mark Halstead  
Chairman

30 September 2025



## Chief Executive's Review

Our business is, in essence, simple. Our model is to manufacture in volume, high quality flooring that we sell to distributors and stockists to satisfy local demand whether this is via third parties (as in the UK), via our own businesses across the globe or into direct export markets. Underpinning ongoing success of this model is to understand, support, train, motivate and persuade these stockists to service the true customer – end users and contractors within a wide range of sectors.

Our various sales teams have secured many prestigious projects during the year as in previous years, but the true driver of the business is day-to-day projects supplied from stock and largely our order book is today's order intake – delivered next day.

Looking at our businesses:

### Polyflor and Riverside Flooring, based in UK

Our UK manufacturing plants continue to produce the flooring that is distributed across the world in part by our own subsidiaries but in the main via third party distribution. Our UK sales are via third party distribution with our wholesaler customers taking in the bulk deliveries that are regionally distributed.

Our Radcliffe produced flooring has been installed in countries across Africa where examples such as the new Onandjokwe State Hospital in Namibia and the Hospital dos Queimados de Luanda, Angola showcase our long history in healthcare. Our Teesside produced flooring has been fitted in the "Star of the Seas", the largest cruise ship ever. In Manati, Puerto Rico we have supplied Bristol Myers Squibb further products for their 33 acre manufacturing facility producing medicines.

Within the UK the installations are as diverse as the Millwall FC recently renovated hospitality "No.11 Lounge", NCR Dundee famous for its ATM business and the recent major refurbishment of Butlins Bognor Regis. Our flooring has been installed in Cyprus, Lithuania, Singapore, Indonesia - the list is very extensive from high tech manufacturing facilities to children's play areas.

The Polyflor business reported a 3.9% reduction in turnover driven largely by reduced sales to our Australian and New Zealand businesses.

UK sales were £111.7m (2024: £110.7m) a 1.0% growth. The gross margin within the Polyflor business increased to 43.4% (2024: 42.5%) because of positive product mix with specialist flooring (such as the SD / EC ranges) being a larger part of sales and balanced production scheduling. Notwithstanding the margin improvement on sales the loss of sales volume to our international subsidiaries inevitably affected profitability.

Riverside sells exclusively through the Polyflor business and saw its product sales in the UK and export markets (excluding our own subsidiaries) increase.

Overheads, at all levels, were targeted throughout the year. The decision was taken to delay the recruitment of replacements for leavers across all departments and there was a key reduction at the board level of the business with three director/executive level people leaving and a resultant restructure within the existing teams. Marketing spend was refocused to target grass root demand by a series of promotions targeted at the independent contractor to push demand to the distributors and a series of promotions to the end buyers of our products to encourage larger deliveries of key product lines to stockists.

The core UK business held firm and grew against difficult market conditions, but the savings noted earlier were essential given the volume declines (principally from the APAC region) that the factory faced.

As a consequence, profits at Polyflor increased by 7.7% which is a good result in the current trading environment.

### Objectflor/Karndean and James Halstead France, our European operations

The climate for our German and Central European business remains highly competitive with activity subdued. Overall revenue declined 7% in like for like currency. The core German sales held up well (with Germany being by far the largest country serviced by Objectflor) but were 3.2% down year on year with the French market facing the brunt of sales decline just over 20%.

The French economy remains weak with the government deficit being amongst the highest in the developed world, and they are struggling to bring down public spending. With

James Halstead

this backdrop, the general sentiment from the public is to either save cash or prioritise holidays over major renovations.

Distributors are reporting revenue down 15-20% which inevitably is leading to price discounting, and with independents struggling there has been an element of consolidation in the market. We are mindful of the potential impact on credit and are increasingly vigilant.

Recovery will be slow but focus on new product launches along with extending CSTB approval on a greater number of products should provide a boost to sales. In particular, Centre Scientifique et Technique du Bâtiment (Scientific and Technical Center for Building) approval is important for healthcare educational and institutional projects.

Gross margins across the region were maintained (with a modest increase). The fall off in sales necessitated a focus on overhead control throughout the year but it was inevitable that profits declined by c 30%.

## Polyflor APAC – encompassing Australia, New Zealand and Asia

The APAC region, which includes our businesses in Australia, New Zealand, South and North Asia, again had a difficult year.

The APAC region's production and delivery problems noted last year were resolved during the period. In our largest market, Australia, sales were down 9.3%. The Australian economy remains weak with low economic growth and a continued cost of living crisis on the back of high inflation. It has struggled since the pandemic and whilst interest rates have started to move downwards, real wage growth has remained negative. This has dampened consumer sentiment and impacted the housing market with new builds and approvals subdued. On the back of this, sales of products in domestic and retail markets, much like European markets, have struggled. Government expenditure has been focused on infrastructure, roads and airports, although on a positive note, in the 2025 government budget there is proposed boosted funding for Medicare and funding for social and affordable housing initiatives.

Given the lower demand across the market, sales prices have remained static with a small fall in gross margin. Whilst Australia remains profitable, it has been a disappointing year

and going forward there will be an increased focus on commercial products. As noted above, the UK factories depend on volume demand from overseas and in the financial year the level of exports to the region, and particularly Australia have been poor (albeit third party sourced product has performed comparatively well). We have partially addressed this by refocusing our UK teams on this market and expect that this will continue to be addressed in the coming months.

Similarly in New Zealand, demand has been weak. We have benefited over the past number of years from the government policy of building new social housing, but this has come to an end. Whilst there will be some remedial or refitting work, it will not be on the same scale and over the past 12 months we have restructured the business, closing the Christchurch warehouse, reducing staff numbers, subletting unused areas of our Auckland warehouse and refining territories. The changes we have implemented should move New Zealand back to profitability over the coming year.

The one positive in the region was our South Asia business based in Malaysia. Revenue in local currency grew by 38% with sales growth across all but one territory. Margins have improved in the second half of the year and this should continue into 2025/26 as the full effect of the free trade agreement works its way through the stocks. The investment in the region has seen steady sales growth, the business is now profitable, and we remain positive for further growth in the coming year.

Our North Asia business, now relocated to Shanghai with a satellite office in Hong Kong, remains subdued. The slowdown in the construction market has left all flooring manufacturers that supply these markets short of volume demand resulting in very competitive pressures in the region. Whilst our pipeline of orders is improving, we have lacked the larger volume projects that were prevalent pre Covid. Rebuilding our market share continues and whilst not as fast a recovery as we had hoped there is definite progress.

## Polyflor Nordic comprising Polyflor Norway based in Oslo and Polyflor Sweden based in Gothenburg

A disappointing performance from our Norwegian division with overall sales in this region down 7%. Profitability has

*James Halstead*



## Chief Executive's Review

continued

been supported by adding delivery charges for transport of goods, particularly to remoter areas. Sweden achieved a record turnover 11.3% ahead of the comparative and secured a major new account and key projects that delivered volume increases in Polyflor UK manufactured vinyl.

Norway was more subdued but collected design awards for their work in the region most noteworthy was Winner of SBID International Design Awards 2024 Regional (Public Space – Rest of the World) for Svalbard Folkehøgskole – the world's northernmost high school. Awards such as this add to the ability to sell in other countries.

### Polyflor Canada, based in Toronto

Another solid performance from our Canadian business which saw a 7.4% increase in revenue in local currency. Whilst recently the residential sector has experienced a slowdown, reflecting broader market conditions, significant government investment in the education and healthcare sectors has been beneficial. This presents opportunities moving forward as we look to capitalise on the next wave of tenders following successful projects in those sectors this year.

The opening of our new Vancouver office and warehouse is a key step forward in our long term growth strategy for the country and once fully operational, will enhance our logistical capabilities, reduce delivery times and strengthen our regional customer support, factors that should drive further sales growth and market reach.

### Rest of the World

Polyflor continues to expand across the globe selling direct to over 60 countries during the year other than those mentioned above.

In the USA, increased interest in commercial products within the market along with our homogeneous and heterogeneous ranges, has seen good traction for our safety floor ranges. As noted at the half year, despite tariffs increasing on goods from the United Kingdom, these remain lower than for imported goods from elsewhere and our US customers remain positive for the year ahead.

In South America, we have seen a drop off in sales and as this remains a project driven business, the timing of

shipments is particularly important. There was an uplift towards the end of the year and this has continued into the new year with improved sales into Brazil and Mexico. In recent years we have seen good sales in the Middle East and like our South American sales are largely project based (i.e. larger volume but more irregular sales) that fluctuate in terms of timing but with a pipeline that is visible and secure save as to exact timing of the sale. We have a third-party logistics warehouse in place in Mexico to secure regular day-to-day business and this should not only support larger projects that await full container orders but give confidence locally to our ongoing commitment.

Our Indian business, which has struggled to gain any momentum in the day to day contract business is in the process of being closed. The closure costs are not significant. Local stock is being sold off and we will resort to our historic project business controlled from the UK with senior salespeople on the ground.

### Sustainability, social responsibility and the environment

As highlighted in the Chairman's Statement, we recently published our 20th sustainability report for the Company. In this we detail the actions and ambitions that we have taken to addressing environment impact, sustainability and social responsibility.

### In conclusion

Plant efficiency and manufacturing output are crucial to the performance of our UK business and more so to the overall group performance. With overheads such as energy continuing to exceed those of our international competitors, Radcliffe and Teesside production lines have continued to seek process improvements and increase machine utilisation to reduce the costs per unit of output. We are, in the coming year, looking to address manufactured volume sales in the Australian market by investment in the grass roots areas of education and healthcare.

In the UK there has been a focus on wholesalers to reduce stocks as the domestic carpet market has been difficult and the Group has felt the effects of declines in third party distributors stock levels. The level of UK orders processed

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has increased over the year as a result with our services departments working hard to fulfil short notice requirements.

There have been some hard yards covered by the fragility of UK and European markets in the past 18 months and in short term these challenges persist. The fall off in sheet vinyl sales in Australia is being addressed and whilst there are short term challenges with significant stock in the region, I believe we are on track to rebalance our business. Many markets and key markets are moving forward very positively and we look ahead with confidence.

Gordon Oliver  
Chief Executive

30 September 2025

A handwritten signature in dark blue ink, reading "James Halstead". The signature is written in a cursive, flowing style.

## Financial Director's Review

As is usual, we have prepared these accounts by the consistent application of accounting standards with due appraisal and judicious accrual for known probable liabilities with as yet uncertain outcome at the year end. As in previous years we, as a board, look to be prudent.

The group operates through separate legal entities in certain areas of the world and though these are discussed in the Chief Executive's Review we, as a board, have concluded that these operations are one segment for the purposes of IFRS 8.

### Key performance indicators

**Revenue** – £262.0 million (2024: £274.9 million).

A fall of 4.7% in revenue, and as detailed in note 5 of the financial statements, it was our European and our Australasia markets that fell short, a combined reduction of 10.6% in those markets. The UK and the rest of the world remained robust with growth of 1.1%. More detail on the individual entities and markets is given in the Chief Executive's report.

**Profit before tax** – £55.1 million (2024: £56.2 million) a decrease of 1.9%.

The drop in sales impacted the final profit figure, although we saw our return on sales (measured against operating profit) increase to 20.2% (2024: 19.6%) on the back of tight cost control. The profit before tax in 2024 had been a record result having increased 8% over 2023. (£52.1 million).

**Selling and distribution costs** – 7.8% lower at £48.8 million (2024: £52.9 million).

Combination of items impacted expenditure, largely brought about by the fall in revenue impacting rebates, commissions, freight costs and the reduced need for temporary labour. Marketing expenditure was also tightly controlled.

**Administration expenses** – 4.5% higher than last year at £14.9 million (2024: £14.3 million).

General inflationary increases plus higher legal fees to cover the costs of protecting our Intellectual Property rights in China. Increases in employer National Insurance contributions introduced by the government for the current fiscal tax year only impacted quarter four.

**Taxation charge** of £14.5 million (2024: £14.7 million), an effective tax rate of 26% (2024: 26%)

#### Working capital

- Inventory levels stand at £80.4 million (2024: £82.3 million).
- Trade receivables at a similar level to last year at £39.9 million (2024: £40.0 million).
- Trade payables decreased to £29.6 million (2024: £36.5 million).

A further small reduction in stock levels this year as we continue to closely monitor inventories across the group with subsidiaries reporting monthly on stock holding against sales volumes and with further stock orders reviewed at group level. Decrease in trade payables largely a result of timing of orders and reduced purchases of factored products.

Subsidiaries present their key performance indicators on debtor days, stock turn and creditor days but the consolidation of these for the whole group offers no extra benefit as the component of mix can mask underlying effects.

**Cash and cash equivalents** stand at £68.4 million (2024: £74.3 million)

The group's cash inflow generated from operations remained strong at £50.0 million (2024: £64.8 million) the lower figure this year a reflection of the movements in working capital versus comparatives. The net cash position also includes payments of £36.5 million in dividends (2024: £34.4 million), £14.3 million in tax (2024: £15.5 million) and £3.9 million of capital expenditure (2024: £3.3 million).

Interest of £2.6 million (2024: £ 2.6 million) was received in the year as the group continue to benefit from their cash balances and higher rates of interest currently available.

**Dividend** – final dividend of 6.05p (2024: 6.00p) is proposed by the board.

Taking the interim dividend into account, this takes the total dividend for the year to 8.8p (2024: 8.5p) an increase of 3.5%. Whilst this reduces dividend cover to 1.10 (2024: 1.18), the board does not believe liquidity will be impacted given the level of cash reserves and free cash flow generated.

The final dividend will be a record payout and increased for the 49th consecutive year.

The board continues to consider growth in profit before tax and growth in dividend key targets in line with the task of delivering shareholder value. Control of working capital and cashflow are important and the level of cash is monitored.

No individual key performance indicator, or group or summary thereof, is regarded as more important than informed, in-depth knowledge of the underlying businesses. The board are informed of all significant issues directly by subsidiary management by means of monthly reports on the key decisions and influences on working capital.

The group comprises two major manufacturing plants and a number of overseas importer and distribution businesses and given the differences in operations, no overall KPI seems appropriate. Obviously, sales, profit and cash generation are monitored against budgets and more so against prior year comparatives. To look at group level ratios would be misleading as the disparate types of business require review in isolation.

James Halstead

Appropriate summaries of statistics are collated into monthly group reports and these accounts contain analysis and more importantly, we require each director to undertake a written report on their area. These will include key indicators (obvious examples, debtor days, sales and margin by product line, stock turn) but these are backed up with detail of the key drivers of these ratios. Functional directors of the subsidiaries report on the KPIs appropriate to their area of control – for example manufacturing will report on the key drivers such as utilisation of plant, conversion efficiencies of raw materials into finished goods and volume output.

In terms of non-financial KPIs each subsidiary will focus on numerous areas and these will be reported in monthly management reports. Whilst not financial in their nature or calculation, by their very nature they can have varying effects on the performance of the company. Examples of non-financial KPI's used would be:

- Market data – where available, market information on flooring industry volumes, competitor information, market share etc. To the extent that they are collated by various trade bodies these are important independent evidence for the group executive team.
- Monitoring fleet logistics – telematic reports on our fleet monitoring distance travelled, fuel consumed and carbon emissions. These reports also provide details on driver efficiencies and where necessary, training will be provided for improvement.
- Health and safety – including accidents, days lost to injury, whistleblowing incidents.
- Absenteeism rates across the workforce based on location and job description.
- Staff retention rates.
- Customer interaction – sales office response time and calls received, number of visits by salesperson.
- Quality – nonconforming product complaints.

Each of these are company or department specific and reported by directors in their monthly reports to the group executive directors. The executive directors comment on these on a case specific bases and the non-executives have sight of the major reports.

## Principal decisions

The strategic report notes our approach to Section 172 of the Companies Act 2006 and we have faced many decisions in the year. We define principal decisions as those that have a significant impact on the company and/or group and/or our stakeholders. Principal decisions that are currently confidential to the group are not included in the list below. Any such decision would be included in future report and accounts if and when confidentiality is no longer a factor.

The potential impact of principal decisions on stakeholders is assessed in detail by the board. The executive directors kept the board apprised of their actions and these are described in the strategic review and in our interim reporting. To the extent that these decisions affect employees there is a bi-annual update on group performance. Each of the principal decisions has a potential effect on employment and hence employees as a whole so this high level update is important to provide context for the individuals.

During the year the following were considered by the board.

### Payment of dividends

The Board considered shareholder expectations in setting these dividends, along with the cash position of the company. Cash flow projections are an important part of this, particularly in the current economic environment and with the year end cash balance below last year. The executive directors were tasked with keeping the board apprised of the working capital position.

### Approval of group budget

A key process each year is to agree budgets with our trading subsidiaries and these are presented to the board towards the end of each trading year. As ever, continued uncertainties in the global market from tariffs, geo-political tensions, energy and cost inflation do not help this process. Nevertheless, it remains a key task to assess our manufacturing capacity and manage shift patterns and associated expenditure.

Budgets and prior year results are then used to incentivise local management as part of their remuneration package.

### Board changes

In December 2024, Mr Anthony Wild stepped down as chairman having served as a director for 23 years, the last seven as chairman. The board would like to express its appreciation for his contribution to the successful growth of the company during this period.

As a consequence of his departure, Mr Mark Halstead who held the role of Chief Executive took up the position of executive chairman. Mr Gordon Oliver was promoted from finance director to the role of chief executive and I was appointed to the role of finance director.

### Technical division

The board took the decision to reintegrate the technical division back within Polyflor Limited, its main manufacturing company. The intention, in part to lower costs, is to provide a clearer picture for new product development, sustainability, recycling and climate change initiatives across the group.

### Brand protection

In February 2024 we were made aware of one of our trade names being used to sell products by a Chinese distributor. The decision was taken to rigorously defend our position.

*James Halstead*

# Financial Director's Review

continued

## Third party warehouse

As part of our support to the growing South American market, an agreement was reached to open a third party warehouse in Mexico. This will allow a faster response for smaller projects in the region without having to wait for trans-Atlantic shipping times.

A similar arrangement is under consideration for the west coast of Canada.

## Introduction of new Long Term Incentive-Plan (LTIP)

The issue of share options in the holding company as ongoing participation in the company's success has long been used for as an incentive for our management teams. To date these options have always been issued at market price and last year we reported this was under review.

The board agreed and finalised the new LTIP rules which were put to a shareholder vote and approved at the annual general meeting in December 2024.

The remuneration committee has not yet granted any share options under this new arrangement.

## Subsidiary issues

The Board discusses and ratifies subsidiaries investments of which the key items this year include:

- Review the possibility of building a new warehouse in Germany. Currently a potential site has been identified, although we are in the preliminary stages of negotiations and no commitments are in place. This would be to replace the current leased warehouse.
- Relocating the management of our North Asia company to China from Hong Kong.
- Subletting part of our Auckland warehouse to help control costs within our New Zealand operation.

## Risk management

The board recognise that an important part of their responsibility and achieving their long term objectives is their approach to risk management, whether existing or emerging. The board constantly assess risks and discuss business issues regularly and those risks that are considered to have the highest potential impact, together with the mitigating actions, are set out in detail below.

To the extent risk is insurable the board is risk averse, and the group is widely insured.

A comprehensive insurance appraisal takes place annually to mitigate exposure to risk but other key risks fall outside any insurable event. Inevitably the unexpected cannot be anticipated but given the depth of understanding of our principal businesses by senior management, and the board, risk is mitigated but not eliminated. A register of risks and opportunities are maintained by our core businesses and updated regularly as part of ISO audits.

Risks associated with climate change, which are not, currently, deemed to be principal risks and uncertainties to our businesses are noted elsewhere under our Climate-related Financial Disclosures (CFD).

## Principal risks and uncertainties

### Cost of production

Description: Increased wage costs, energy costs, raw material prices or other costs of production.

Impact: Without any mitigating increase in productivity or prices, result would be lower margins and subsequently profits.

Mitigation: We will continue to invest in more efficient and productive working practices, invest in lowering energy consumption with increased use of renewable energy (solar panels) and investment in low energy alternatives (e.g. LED lighting). Energy costs are hedged over varying periods based on advice from our third party broker.

Raw materials are sourced from a number of suppliers and each case we have alternative suppliers or products that could be used. Currently there is excess capacity in the market that has reduced the risk of any shortages.

Risk rating: no change.

### IT systems

Description: The group are dependent on IT systems and processes, and specifically on our ability to process orders. The UK manufacturing processes is also heavily reliant on functioning software.

Impact: Operational disruption, disruption on availability of products leading to revenue reduction.

Mitigation: We have consistently invested in our systems and controls to reduce this risk. We have full data and application replication between our two core sites with two way fail over to ensure availability of systems. Our overseas subsidiaries have in the main moved to cloud based systems hosted by third parties. Over the past 18 months we have also upgraded the software of our mix room operation at our Teesside plant.

Risk rating: no change.

### Data security

Description: Protecting data from unauthorised access or loss of access is a key priority. As highlighted in many media reports, ransomware is increasingly used in attacks by cyber criminals on commercial organisations, the high profile attack on Marks and Spencer this year being one such example.

Impact: Operational disruption leading to reduced revenue and increased costs.

Mitigation: as well as the mitigating factors listed in IT systems above, we have invested heavily in upgrades to

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firewalls, anti-virus protection and a managed incident recovery and response service. Our staff are regularly updated with the latest threats and cyber security training is being rolled out across the business.

Risk rating: no change.

#### Loss of major customer account or key partner

Description: We operate in a competitive market sector and our focus is on offering first class service to our customers through marketing, stock availability, product quality and value for money. We sell through distribution in the UK and via our subsidiaries and key partners overseas.

Impact: The loss of one of these distributors, any key partner or customer, would impact revenue and reduction in profitability.

Mitigation: We devote time and energy in maintaining strong relationships with our customers. In a number of countries, we have insurance in place and where there is no insurance we often require letters of credit or bills of exchange. Fundamentally however, credit control and market awareness are important, and overdue balances are reported monthly by management.

Risk rating: increase.

#### Liquidity risk

Description: The group needs to ensure it has the funds available to pay its financial obligations as they fall due.

Impact: Disruption to operations, weakening of supplier relations and reputational damage.

Mitigation: Our cash balances are buffers against liquidity risk. We ensure cash forecasts are updated monthly by subsidiaries and any material changes raised with group immediately.

Risk rating: no change.

#### Legal and regulatory risk

Description: The group has two manufacturing sites in the UK, multiple office and warehouse locations around the globe and various field based teams. We are required to meet a range of compliance, regulatory and health and safety obligations. A health and safety incident for example could lead to fines, reputational damage, physical injury and/or loss of life.

Impact: Profits could therefore be affected by fines increasing costs, production being halted, reputational damage affecting sales.

Mitigation: We have training programmes, policies, processes and audits in place designed to achieve compliance. Insurance cover is in place to help with any financial compensation and our insurance broker works alongside our health and safety manager to make

improvements if necessary. Legislation changes are monitored and technical managers' will report on potential impact and any changes required in their monthly reports to the board.

Risk rating: no change.

#### Competition risk

Description: The activity and progress of our competitors is a significant risk. Whether there is a new innovation or a gain in competitive advantage by a new process.

Impact: The loss of market share will lead to revenue reduction subsequently lower profitability.

Mitigation: The board looks for market intelligence and devotes considerable time to understanding the strategy of our competitors.

Risk rating: no change.

#### Foreign currency risk

Description: The group operates internationally with overseas subsidiaries as well as exporting across the world. A significant part of its costs base is also purchased in foreign currency.

Impact: Potential increase in costs and reduction in profitability.

Mitigation: Whilst there is a natural hedge in terms of sales and purchases in the same currency, the group adopts a hedging policy to mitigate risks associated with exchange rate fluctuations. Its policy is to hedge known and forecast transactions, with at least 25% and on occasion, albeit rarely, 100% of next year's anticipated exposure.

Risk Rating: no change.

### Defined benefit pension scheme

In common with other long established businesses, we have the complications and uncertainty associated with having a "final salary" pension scheme. The scheme was closed to active members on 31 January 2023, with no added service to the defined benefit scheme from that date.

Accounting for this defined benefit scheme is prescribed by IAS 19 and the quantum of the deficit or surplus is ever volatile due to the nature of using gilt yields, at a point in time, and to a lesser extent a myriad of assumptions determined by the actuarial profession.

The scheme comprises deferred members (existing and past employees not yet in retirement) and pensioners.

David Drillingcourt  
Finance Director

30 September 2025



## Section 172 Statement

The directors and the board as a collective consider that they acted in a way that would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1) (a) to (f) of the Act) in the decisions taken during the year ended 30 June 2025.

The group comprises business units in various locations worldwide, all of which have engagement with their local stakeholders and other companies within the group structure. The group's governance delegation of authority allows decisions to be made at business unit level up to defined limits, which allows them to take account of the needs of their local stakeholders through their decisions implemented locally. The board routinely monitors these decisions and ultimately takes responsibility for the interaction with all stakeholders.

In consideration of major matters discussed at board level, the likely impact on all stakeholders is carefully considered and where possible, decisions are carefully explained and discussed with affected stakeholders before actions are implemented to ensure they understand and have any necessary support.

The group's key stakeholders and how we engage with them are set out below.

Stakeholder group	How do we engage with them?	How has the board considered their interests?
Shareholders	<p>Members of the board have regular dialogue with institutional Investors and individual shareholders in order to develop an understanding of their views.</p> <p>The AGM is an important forum for shareholders to meet the board and ask any questions they may have, directly.</p> <p>The company's website has an investors section which gives investors direct access to reports, press releases and business information. There is also a contact mailbox facility.</p>	<p>The board understands that shareholders require sustainable growth and value creation. In recognising this, it has implemented a policy which has resulted in increasing dividend returns and incremental shareholder returns over a sustained period.</p> <p>Shareholder views, together with movements in the shareholder base, are regularly reported to and discussed by the board and their views are considered.</p> <p>Our NOMAD's views on market sentiment are fed back on a regular basis, and are considered by the board where it impacts strategy.</p>
Customers	<p>We interact with our customers through:</p> <ul style="list-style-type: none"> <li>■ Regular visits and meetings</li> <li>■ Industry exhibitions</li> <li>■ Customer site tours and presentations</li> <li>■ Business unit websites</li> <li>■ Supplying extensive samples and supporting literature</li> <li>■ Delivering a high standard of technical support</li> <li>■ Providing enhanced digital design services and support</li> </ul>	<p>Our strategy of attaining sustainable growth in profit and building goodwill in our brands will only be achieved through an understanding of the needs of our customers and the markets we serve.</p> <p>The board regularly considers the impact on customers when considering strategic decisions.</p>

James Halstead

Suppliers	Engagement with suppliers and business partners is achieved by holding regular meetings, regular evaluation reviews and through audits of the supplier base.	The board recognises that relationships with the supplier base is important to the reputation and long term success of the group. There is regular dialogue between our management team and our suppliers, where quality, price, sustainability and health and safety are key to the discussions. Any matters which the board needs to be aware of are reported back as appropriate.
Employees	We engage with our employees through site communications, briefings, performance reviews, newsletters and notice boards. Employees are also written to individually on matters which are deemed important.	The board is aware that our employees are critical to the successful achievement of the strategic aims. The group prides itself on providing a friendly and safe working environment for all employees, and given the nature of our manufacturing process, health and safety is taken extremely seriously. There are a number of employees who have achieved thirty, forty and even fifty years' service. The group has operated a share scheme which enabled employees to build up personal shareholding in James Halstead plc and participate in its expansion and success.
Communities	We operate from multiple sites and seek to be a good neighbour with the local communities. Where possible we create opportunities to recruit and develop local people, which helps support the local economy and look after the environment. We also support local charities through fundraising and donations.	The board has a full understanding of the importance of good community relations with both internal and external stakeholders. The impact of our operations from an environmental perspective is recognised on a local and global level. Capital expenditure projects, for example, focus on improving energy efficiency and reducing environmental emissions.

The corporate social responsibility section of the latest Polyflor Sustainability Report outlines in further detail, the group's commitment to its stakeholders, including the supply chain, employees and the communities.

The principal decisions in the year are included in the Financial Director's Review.





# Climate-related Financial Disclosures

## Non-financial and sustainability information

In 2022 the UK Government introduced the Climate-related Financial Disclosure Regulations. These regulations have been introduced to support informed decisions by investors and to encourage companies to embed climate-change considerations into the management of businesses. These disclosures were largely based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and are a requirement for accounting periods starting on or after 6 April 2022.

Separately within the Report of the Directors we have disclosed our streamlined energy and carbon reporting (SECR) and in addition the Chairman's Statement, the Chief Executive's Review and the Report of the Directors refer to environmental, social responsibility and sustainability considerations and initiatives. It should be noted that our SECR is reported on a location-based approach.

Sustainability and environmental considerations have been key considerations for our businesses for over a generation and we see these as a differentiation against competitors. A key consideration is to dispel the myth of PVC as being a 'bad' choice because of its derivation from fossil fuels. PVC is widely used in products and applications and brings sustainability benefits whether they are cars (to make them lighter and thus more economic) or in buildings (windows, floors, piping and cabling) to perform effectively for much longer than alternative materials. Life spans of 30 to 100 years with minimal maintenance (hence limited additional consumption of energy and raw materials). At end-of-life PVC can be recycled and has the longest history of recycling amongst plastic with the most advanced level of material recycling (i.e. lower energy input). The volume of PVC that we process each year is less than one tenth of one percent of global annual production. In terms of safety PVC has a very good long term record and is one of only a few materials trusted and approved for use for the storage of live human blood cells.

Our annual ESG reports are part of our manufacturing ethos.

There is an assumption that investors and regulators have an appreciation of climate reporting, but in reality there is a myriad of 'green claims' and much of it inconsistent with a consumer society. For our part, we focus on durability and life span of products since an extended life span reflects lower energy usage.

Within the context of the regulations we, and others, have responsibilities to assess and manage climate-related risks and opportunities. Whilst our business has always assessed

risks these regulations seek to add separate focus to climate-related issues. Noted below are specific risks that we have assessed together with a degree of background and the related mitigation.

## Governance and time

In terms of collating and undertaking these responsibilities, the board has delegated the role to the finance director to assess and enquire. This in no way negates the board's primary focus and involvement in climate-related risks and the FD will, as a matter of course, update the board on climate-related risks. Indeed, this is not different to assessing risk management. It is a matter for the board as a whole to determine further actions. The initial assessment in the short term is that climate change related risk to our business is low and not material. Nevertheless, the board wishes this to be an open item on the agenda for subsidiary boards to have further meetings and risk assessment. Subsidiary board meetings are held 6-8 times a year and Group board meetings 5-6 times. Risks identified, usually by discussion and enquiry are reported to the main board and mitigating actions assessed.

The subject of climate change and associated risks in the medium term will require greater time and involvement with 3rd parties including suppliers, trade bodies and potentially consultants. The risks surrounding climate change often do not fit with other risk management areas as they are, in the medium to long term, largely imprecise and mitigation tends, therefore, to be hypothetical in the short term. The subject matter and risk perception may well change over time and hence to board's decision to seek input, and to make the subject an ongoing agenda subject.

It is to be envisioned that larger risks may be recognised in future years and that more resource may be needed to assess the, as yet, indeterminate effects on our small business as a result of climate change.

There follows a number of areas where risks have been assessed and whilst the reporting is not tabled and boxed the board believe the context of these areas warrants a degree of background.

These are the current risks associated with climate related changes but these may potentially have increased severity in the medium term (4-8 years). The risks identified currently are, to the belief of the board, sufficient to gain an understanding of our business. Currently, the board believe, the following points outline the perceived risks but will consider the impact of these risks to our business model and may undertake resilience modelling in the fullness of time.

In referencing the past, the board is no way distancing the need to look at the future, and the long term and past

James Halcrow

events can and do have relevance to preparedness. At the moment our current targets in relation to managing climate related risks are to increase awareness of the risks, to engage with stakeholders and to continue to assess both risks and opportunities. If it is to be envisaged that, in due course over the next 2-5 years performance indicators / key metrics may be identified. However, data sets on the effects of climate change and the geographic location of potential effects are incomplete and speculative.

## Risk management

The main board has made climate-related risks an agenda item at subsidiary level and in the initial phase asked subsidiary directors to consider a wide range of issues to assess risks. Quarterly these will be discussed in detail for board presentation. The process is aimed at allowing the board to identify and determine relative significance to the business of the risks (and opportunities).

The board believes it important to note that environmental considerations and sustainability are key considerations and nothing in the statutory climate related disclosure statements alters that view. As manufacturers this has been both good practice and good stewardship, as well as progress to a low carbon footprint. In reality this means using less energy, fewer resources, greater recycling and preserving air quality, all of which are reported in our annual sustainability report, with constant focus and to strive to improve. Our 20th annual sustainability report (issued September 2025) is available on our website or as a printed copy and this offers a far more detailed review of the group's activities, albeit with a heavy focus on our manufacturing activities.

Given that our manufacturing is based within the UK, it perhaps does not go without saying that legislation is significant with regard to environmental issues, air quality, and water use and that the vast majority of raw materials and all energy used are subject to the same standards. These are not insignificant and it is to be hoped that greater focus on climate change might add to greater scrutiny of sustainability and environmental good practice that compares favourably against imported products from less highly controlled regions.

Our manufacturing bases are Radcliffe in Manchester and Thornaby on Teesside. Neither of these locations are at high risk for flooding and both are near to, or part of, significant main roads and infrastructure. At this time and in the medium term we see low risk of anything other than short term disruption from climate related weather events. This average increase may lead to increased severity in weather events and more extremes (hotter, colder, rainier, and longer drought). We have already experienced some of these extremes over the last few years and arguably some actions that we took during the pandemic also assist with our

preparedness (in regard to delays in raw material input deliveries).

The risks of climate change are by their nature as yet unknown. The board recognise the need for ongoing assessment and asks all management to input into the process. In looking for a key performance indicator or indicators the nature of the subject makes this, as yet, difficult and nebulous. However, the structure we have adopted is for the senior finance team to consider the financial effects in line with other risk assessments. The review relates to all the group's subsidiary activities but outside the UK our activities are sales and distribution with relevant warehouse facilities. Outside the UK no significant risks were noted other than potential disruption by an extreme weather event within a territory, or affecting a particular warehouse and this would be assessed as temporary and insured. Examples of extreme events that our businesses have faced in recent years (which may or may not be climate-change related):

- extreme flooding in Queensland, Australia;
- extended drought and wildfires in Australia;
- earthquake damage in Christchurch, New Zealand.

In considering various scenarios, it is almost impossible to assess risk without attaching probabilities but notwithstanding our teams will meet and review perceived risks. However, even though risk mitigation plans may be difficult that does not mean that the risk of complacency is high merely that retaining speed of reaction and flexibility is important and no amount of "speculation" or boilerplate can obviate this.

## Strategy

Looking at the risks across several areas where we have identified risks associated with climate change with background detail and / or mitigation actions (where relevant). It should be noted that there can be envisaged opportunities as and when competitors face the adverse effects of climate and offer opportunities for market share gain by our own UK based production facilities (either by the availability of cheaper raw materials due to excess supply and/or lack of finished goods often at short notice) and which we are capable of supplying (whether by use of our large stock holdings or easily flexed production). The time frame for this could be short term and immediate with the incidence of climate related changes that may be infrequent or recurring.

### Raw materials

Around 50% of our raw materials (by mass) are sourced from the UK, from less 40 miles away and up to about 95% from Europe. Delays in these shipments would seem not to be affected by most weather events other than heavy snow

*James Halstead*

# Climate-related Financial Disclosures

continued

which can close local and main roads (dependent on severity) but over a relatively short time period. As a site we carry over 500 tonnes in reserve at any one time so are well placed to last circa a week without any deliveries. We also hold around 40-50 tonnes of bag stock which can be added into the production lines manually for an extra day's production.

Most polymers and plasticisers are sourced from outside the UK. Polymers are sourced from the large European petrochemical producers (as do our European flooring competitors) and the biggest negative impact we have seen in recent years is when there are low water levels in the main French / German rivers that are used heavily to transport goods and materials. Chemicals and raw materials are often transported between sites by barge and these barges are unable to operate if the river is too low (or too high) and/or loading limits are lowered when the rivers run low. In addition, various parts of the Rhine have in the last year become impassable (due to droughts / prolonged periods without rain) which has resulted in delays and inefficiencies from these suppliers. The same can be said during prolonged rainfall (extreme events) that the rivers become too high to be navigated. Climate change could exacerbate the situation, however, mitigating any adverse impact there are alternate supplies from the USA, and Asia and there are several global buying agents that facilitate such alternatives.

Further to local delays as a result of extreme events we do also see shipping delays due to rough seas (high winds / extreme events) that can also lead to delays and ships being unable to dock and/or miss ports / unloading.

Since the pandemic our manufacturing sites now hold higher reserves of raw materials than before and have increased storage capacity by 100 tonnes of bulk liquids. We have also sought to increase the number of approved suppliers from further afield and in 2022 purchased over 600 tonnes of US or Asian sourced PVC which assists during any delays in Europe. Of course, these extreme weather events can also affect US or Asian suppliers and we have witnessed the impact of the extreme weather event ice storm in Texas, which impacted at least one chemical producer for which we were reliant for a speciality chemical. In this case alternative sources were found, and there was no material effect on supply.

Diversifying and increasing sources of approved materials can reduce the direct impact to the site and on-going production.

For all other (non-major) ingredients, on balance, many of these are either sourced locally and/or we carry large inventories to provide protection. We also, as one of the largest accounts in the UK, enjoy excellent relationships with our long-standing key material suppliers and interact with other organisations operating in similar fields / ingredients. A reflection of this being the problems we have endured during

the global pandemic when despite all the issues raw materials sourcing was disrupted but supply maintained.

## *Production facilities - extreme weather events*

In prior years extremes in weather have been experienced in the UK, albeit of short duration. In the summer of 2022 UK air temperatures increased to over 42°C. The UK Met Office issued an Amber and Red warning for extreme heat. This affected those that are most vulnerable to extreme heat and needed some changes to working practices and daily routines. The extreme heat event also led to a higher risk of failure of heat sensitive systems and equipment. This is a known issue and summer time heat waves are not uncommon in the UK. During this event there were increased electrical component failures and losses in efficiency. Given our history as a manufacturer we have well established spares policies to react to these types of problem. In higher ambient temperatures the line speeds of some of our production are lessened. Provisions for all employees to mitigate the impact from these events needed to be considered and actions implemented.

Another prior year example was the winter of 2022 the site also observed the opposite extreme temperatures with minus 12°C being recorded overnight. These extremes potentially lead to pipes freezing, valves failing and issues with other engineering equipment. In addition, it involves also keeping the site operating safely with gritting and snow clearing and providing employees with winter work wear. An increase in such events may well affect output but are not expected to preclude ongoing UK based manufacturing.

The sites can at times also suffer from heavy sustained periods of extreme high rainfall and with climate change these kind of events may increase in frequency. This can lead to localised flooding on local roads, flooding of production halls from back-up from the drains or off the roofing areas. We have the necessary equipment on site to remediate these short term travails. During the course of this year (2024/25) there was a slightly drier and warmer winter, punctuated by periods of severe storm warnings. The summer, while not experiencing the extreme temperatures of 2022, was the hottest on record with mean temperatures surpassing the 2018 record year. These conditions were on balance, beneficial to the production facilities, with less power needed in winter and greater line speeds achieved in summer.

## *Stock shortage*

Ultimately, to protect the on-going business and any such impacts from extreme weather events, as a business, on the whole, we carry large inventories of finished product stocks at separate locations. So, in the unlikely event of impact from a severe weather event on the manufacturing

James Halstead

capabilities these stock reserves enable the business to continue to supply the market with goods. This was tested in 2019 when one production line endured a mechanical failure and was shut for 12 weeks. Obviously this is only a mitigation to short term climate related events which we consider appropriate.

### *PVC use and regulation*

There is increasing activity by activists who protest against anything plastic or derived from oil. As users of PVC, we are of course arguably on that list but it is generally accepted as an essential polymer in the building sector. PVC is a low energy polymer and has many advantages.

We strive to underline the benefits of vinyl as a building product and most especially as flooring. We have many environmental accreditations, and present the benefits of thermoplastic materials, recycling, and our stewardship through the Recofloor take-back scheme. We have been recycling PVC for over 60 years and it is a fact that vinyl flooring is less energy intensive and more efficient to make than many alternatives.

PVC brings important benefits to products and applications in areas as diverse as construction, automobile manufacturing, medical devices, electronics and electrical equipment, packaging and fashion. Whether it is rigid or flexible, PVC helps to make cars lighter and resistant against corrosion, it enables windows to last longer, allows fresh water delivery through the use of durable piping, and stores blood to save and improve people's lives.

Vinyl applications can perform effectively for much longer than alternative materials. Their lifespan can range from 30 to 100 years in the case of cables, pipes and window profiles. In addition, PVC products need minimal maintenance, and hence very limited additional consumption of energy, raw materials and chemicals is necessary to ensure their continued functionality. As a result, PVC has the advantage of remaining in use for a long period before it enters into the waste chain and we continue to work with various agencies to divert such waste back into the manufacturing process.

When it reaches its end of life, PVC can be recycled. In fact, PVC has the longest history of recycling amongst plastics and the most advanced level of mechanical recycling. We have been using recycled PVC for over 50 years.

One major mitigation of these risks has been the focus on healthcare around the world during and since the pandemic. Vinyl flooring produced in long wide rolls and used as an impervious layer in extremely long lasting and extremely easy to disinfect. Demand may well increase but the use of textile flooring in healthcare appears to be diminishing.

One risk that remains is that as legislators increase the demands on business so that manufacturing within the UK (and indeed Europe) becomes difficult or uneconomic. It cannot be correct that all manufacturing moves out of the UK as costs of energy and targeting of specific initiatives makes importers more competitive. To mitigate this we sit on trade bodies and work with industry initiatives to explain our processes and present a fairer presentation of facts.

### *Reputational risk*

As the general public and the customers become more environmentally aware there are risks and opportunities. As already noted, the majority of our flooring products have some oil derived content (PVC polymers). This can and has been replaced by alternative polymer sources though there is an added energy cost to such polymers that offset the perceived benefit of non-fossil fuel sources. On a more basic level the fossil-fuel source is derived as a by-product of the oil cracking process so it will continue to be made as long as petrol is produced.

Durability and reason for use are huge benefits. As an impervious layer on a hospital floor that can be easily cleaned / disinfected a vinyl floor is not easily replaced. Already up to 85% of that vinyl flooring is from sustainable and/or recycled product.

Our ongoing challenge to mitigate objections to vinyl flooring is to present facts. Our sustainability credentials are literally an open book with an annual sustainability report it is not "green-washing" and is independently audited with independently verified facts.

It should be noted that many climate related disasters lead to an increase in demand for vinyl flooring. The use of temporary buildings for the homeless and the rescue efforts associated with weather based events has a long association with the use of vinyl flooring.

### *Metrics and targets*

We have not as an entity set targets or key performance indicators. Within our industry we are working with many trade bodies and authorities to increase the take up of recycled material. Our sustainability and environmental considerations are wider than simple numbers such as carbon neutrality. As a factory making flooring, we inevitably have a carbon footprint and as we grow this may increase but unlike competitors outside Europe we are in a community that looks to recycle waste, improve air quality and reduce the impact of our actions.

The one tangible metric in place is our targets under our climate change agreement with the Environment Agency (an agreement as defined in paragraph 46 of Schedule 6 to



# Climate-related Financial Disclosures

continued

the Finance Act 2000). The UK factories are set a specific energy consumption target which is expressed in tonnes of CO2 equivalent. The agreement requires improvement in energy used over each target period for use to achieve maximum reductions is the government climate change levy. Our current agreement was renewed 1 January 2024 with our targets met.

In addition, we have instigated several initiatives to further improve our energy efficiency, lower our energy consumption and reduce our CO2 emissions.

For example:

- We have conducted thermographic surveys of electrical equipment to identify abnormally high temperatures within our electrical distribution systems, leading to investigating equipment that may be operating incorrectly and consuming high amounts of energy so that they may be replaced/optimised.
- We have carried out surveys to build a profile of the energy wasted through air leakage within compressed air systems. Identifying leaks has allowed for the prioritisation of remedial works which will reduce energy consumption.
- We have installed thermal insulation for heated mixing equipment to minimise wasted heat and ensure equipment is operating within its optimum performance range.
- We are currently undertaking ESOS Phase 3 to identify and better understand patterns of energy consumption and increase overall energy efficiency with the aim of decreasing Scopes 1 & 2 emissions. Polyflor has completed the survey to identify the energy saving opportunities and an action plan has been agreed and submitted the Environment Agency. The progress of the energy saving actions implemented under ESOS Phase 3 are now being monitored.
- We have implemented a system that monitors energy consumption and identifies hotspots of abnormal consumption across our estate. This allows for the optimisation of energy consumption and reduction of Scope 1 & 2 emissions associated with unwarranted energy usage.

We have, to date, not considered climate change projection scenario projections. Our production sites are UK based and in a temperate climate where production can continue to take place after a wide range of temperatures and weather conditions. The facilities are not flood risk areas. To the extent that some products are sourced from third parties there are many alternative suppliers globally and though a change might cause short term (6-8 months) disruption the risk is manageable.

Over and above our energy costs we have multiple add on costs levied by government for many varied projects (feed-in tariff, renewable obligations, climate change levy or Elexon).

Polyflor (our manufacturing facility), is member of VinylPlus which was founded in 2011 by the European Council of Vinyl Manufacturers (ECVM), the European Stabiliser Producers Association (ESPA), European Plasticisers and the European Plastics Converters (EuPC) when the PVC industry renewed a previous initiative called Vinyl 2010. It currently recycles c 800,000 tonnes of PVC annually.

In addition, as detailed within the SECR in the Report of the Directors, we use the Greenhouse Gas (GHG) Protocol to calculate our emissions and measure performance against these. We use natural gas as energy supply, principally to our Teesside facility, but are unable to move this to electricity because the national grid infrastructure can supply no more electricity to the industrial estate where our business is based without upgrades to underground connections.

The group is committed to improvements in operational energy efficiency with the efficiency measures that were undertaken during the year explained within our SECR. The group are undertaking the Energy Savings Opportunity Scheme Phase 3 to identify further energy savings opportunities, and better understand patterns of energy consumption. The implementation of the findings of these surveys will enable further energy savings to be made in the future.

James Halstead

## Sustainability and the environment

James Halstead plc is the parent company that trades and manufactures under the Polyflor brand. Recently Polyflor has published its 20th annual sustainability report, covering the company's environmental, social and governance (ESG) performance for 2024. The data for this report has been independently verified for BES 6001 v3.1 to provide our stakeholders with complete transparency.

As a responsible manufacturer, Polyflor endeavours to reduce and minimise the environmental impact across all operations. Whilst reporting this and highlighting our focused objectives and guiding policies, integrity is important: Reporting remains impartial, and indications are made regarding future improvements.

Sustainability at Polyflor is not the responsibility of just one person: It is very much a team effort throughout the entire company and involves listening to our customers and other external driving forces. Sustainability is driven by our board of directors across all areas of the business and includes our environmental objectives and processes or quite simply, encouraging employees to 'do their bit' at home, in the community and in the workplace.

Polyflor has always been industry leading with regards to its products and sustainability. We have used harvested rainwater for production since 1915 and have been recycling vinyl since we pioneered it in 1950. Polyflor was an early adopter of BRE with products first assessed on a Life Cycle Analysis in 2005 and we were the first commercial flooring manufacturer to achieve the BRE's standard for

Responsible Sourcing, BES 6001, for many of our products. Other firsts as a flooring manufacturer included achieving GreenTag's LCARate certification and rolling out a recycling initiative inclusive of site collections and distributor drop-off sites to suit all customer and waste volume requirements.

Undoubtedly, recent years have presented significant challenges to our businesses, however, Polyflor has continued to perform well and has maintained a full focus on its sustainability objectives. Our investment in sustainability initiatives has continued throughout, including our Recofloor recycling scheme which is widely regarded as one of the best examples of its type. Co-founded by Polyflor in 2009, Recofloor continues to significantly reduce the environmental impact of Polyflor and its customers and is a scheme we are very proud of.

In 2024, Polyflor made further progress across a broad range of its objectives and was able to reduce carbon footprint across a number of key areas of the business, not least production and logistics. Of course, the business remains committed to continual improvement with sustainability at the heart of our operations and we look forward to reporting further significant progress next year.

The strategic report was approved by the board of directors and signed on behalf of the board.

D N Fletcher  
Secretary

30 September 2025





# Report of the Directors

The directors are pleased to present their report, together with the audited accounts for the year ended 30 June 2025.

## Results and dividends

The group results for the year and the financial position at 30 June 2025 are shown in the consolidated income statement on page 39 and the consolidated balance sheet on page 41.

The directors are recommending a final dividend of 6.05p (2024: 6.00p) per share on the ordinary share capital for payment on 12 December 2025 to those shareholders on the register at 14 November 2025. This final dividend together with the interim dividend of 2.75p (2024: 2.50p) per share paid on 6 June 2025 makes a total dividend of 8.80p (2024: 8.50p) per share for the year.

## Directors

The directors who held office during the year, and up to the date of signing this report, were as follows:

J A Wild (resigned 6 December 2024)  
M Halstead  
G R Oliver  
D W Drillingcourt  
R P Whiting  
M J Halstead  
D A Harrison

From the annual general meeting on 5 December 2025, all the directors will be standing for re-election annually, in line with the best practice in corporate governance.

The interests of the directors and their families in the share capital of the company were as follows:

	30 June 2025		30 June 2024	
	Beneficial	As Trustee	Beneficial	As Trustee
M Halstead	26,523,406	22,242,824	26,523,406	22,244,704
G R Oliver	463,770	250,668	455,570	252,548
D W Drillingcourt	7,170	250,668	7,170	252,548
R P Whiting	14,363	–	–	–
M J Halstead	1,454,434	–	1,376,234	–
D A Harrison	–	–	–	–

The directors consider that the board of directors include key management for all areas of the business and that there are no other key management which require disclosure.

Details of the directors' options under the terms of the executive share option scheme are set out in note 27.

## Substantial interests

As at 15 September 2025 the company had been notified of the following interests which represent 3% or more of the existing issued share capital:

	Number	%
John Halstead Settlement	70,894,436	17.0
Ruleagle Nominees	49,580,706	11.9
St Annes Square Nominees	32,140,147	7.7
Octopus Investment Nominees	23,727,062	5.7
HSBC Global Custody Nominee (UK)	15,399,914	3.7
Rathbone Nominees	12,773,591	3.1

## Share capital

Full details of the company's share capital and movements during the year are set out in note 12 to the company's financial statements.

## Special business at the annual general meeting

Resolution 10 renews the directors' authority to offer ordinary shareholders the opportunity to take ordinary shares in lieu of any cash dividends which may be payable prior to the Annual General Meeting in 2026.

Resolution 11 authorises the directors to allot relevant securities pursuant to section 551 of the Companies Act 2006 up to a maximum nominal amount of £6,946,440 representing approximately 33.33% of the total ordinary share capital. The authority will expire at the next Annual General Meeting of the company to be held in 2026 or six months after the next accounting reference date of the company (whichever is the earlier).

Except for the issue of shares to satisfy the exercise of share options granted under the share schemes, the board has no present intention of issuing any ordinary share capital of the company. As at the date of this document, the company holds no treasury shares.

Resolution 12 invites shareholders to renew the board's authority to issue shares for cash without first being required to offer them *pro rata* to existing shareholders. The proposed authority will terminate at the next Annual General Meeting of the company to be held in 2026 or six months after the next accounting reference date of the company (whichever is earlier). The authority is limited to equity securities up to an aggregate nominal amount of 5.0% of the company's issued ordinary share capital. The

James Halstead



resolution also contains provisions to enable the directors to deal with fractional entitlements and other practical difficulties which could arise in the event of a rights issue or similar pre-emptive offer.

Resolution 13 seeks to renew the authority of shareholders to allow the company to purchase its own shares in respect of up to 10% of the issued capital at prices not exceeding 5% above the average of the middle market quotations for the five business days preceding the purchase. The directors undertake that the authority would only be exercised if the directors were satisfied that a purchase would result in an increase in expected earnings per share and was in the best interests of the company at that time. The directors may choose to hold shares purchased under such authority in the form of treasury shares (subject to a maximum of 10% of the issued ordinary share capital at any one time).

## Going concern

The directors have reviewed current performance and forecasts, combined with capital investment and expenditure commitments, and a range of trading scenarios. The forecasts cover the next two financial years. The group has no net borrowings and owns the freeholds on many of its premises (the most significant being four UK operating sites and two sites in Germany).

After considering current trading, forward forecasts and scenario planning the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least one year from when the financial statements are authorised and approved for issue. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

## Employee involvement

Within the UK we have both 25 year clubs and 40 year clubs for all employees. Many employees have worked their entire career for the group, and retaining an experienced workforce is important to our long term success. Our workforce retention rate is very high. Recruitment is biased to the local area, and we have a number of graduate recruits and offer internships to support younger people looking to develop their employment skills. We look to pass on knowledge and we are involved in

skills training to the flooring industry, technical knowledge to the industry in general and involvement in the Chartered Institute of Human Resource Management's "Skills Ahead Mentoring Project". We have a floor fitting school for the industry and this is accessible to employees allowing them to gain skills for use in their own homes.

Promotion or opportunities in different departments are often recruited from within the business and is preferred to external candidates. The senior management and the directors having, in the main, come from lower positions within the business, including the executive directors of the main company. Our recycling partnership presents to senior management and staff on a regular basis to promote a better understanding of achievements and goals to involve more of our staff in sustainability.

We have a firm belief in equality and our main subsidiaries are SA8000 accredited (an independent standard for decent working environments). Also BS OHAS 18001 accredits our occupational and safety management protocols.

All our UK employees are offered pension scheme benefits with company contribution and many UK employees are shareholders in the company by virtue of a long standing employee participation scheme. This is currently being reviewed to make it even more relevant to the group today. On the more personal level we operate a company supported social club for employees, we have outdoor seating, we offer bike sheds and there are shower facilities at most sites. Also there are break out zones and facilities to either buy or prepare food at all our sites. The company looks favourably on providing time for employees to undertake voluntary work.

Across our sites there are regular consultation meetings with employee representatives (some with trade union representatives). Our employees are an important asset and are kept abreast of group performance at least twice a year. In terms of decisions directly affecting employees, communication is by line managers in the first instance, but the directors will discuss overall matters with designated representatives. In regard to the principal decisions of the business the board has considered the employees as a group and their wellbeing as a whole.

## Health and safety

The health and safety of the group's employees, customers and members of the general public who may be affected by the group's activities continue to be matters of primary concern. It is therefore the group's policy to manage its activities so far as to avoid causing any unnecessary or unacceptable risk to the



# Report of the Directors

## continued

health and safety of all those affected by its activities. In order to ensure that the group's high standards in this area are maintained, a substantial programme of training and retraining of employees took place throughout the year.

## Research and development

We remain totally committed to the continuing development of our processes and our products to both satisfy the needs of our customers and ensure that we remain at the forefront of our industry.

## Environmental policy

A policy has been issued and implemented on safeguarding against air, water, noise and land pollution. The management team constantly reviews and implements at every opportunity the most effective use of materials and energy. A number of control measures have been introduced and these, combined with materials storage and handling methods, together with training, form the basis of the environmental programme. The policy is fully endorsed by the directors and is under constant review to ensure full compliance with the UK Environmental Protection Act 1990. All employees, suppliers and contractors are made aware of the environmental policy which is also freely available to the general public and regulatory authorities.

## Emissions and energy consumption

Scope 1 and 2 consumption and carbon dioxide emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. Emissions Factor Database 2021 version 1 has been used, utilising the published kWh gross calorific volume and kgCO<sub>2</sub>e emissions factors relevant for the reporting period.

	Year ended 30 June	
	2025	2024
	Tonnes of CO <sub>2</sub> e	Tonnes of CO <sub>2</sub> e
Scope 1 - direct emissions (UK facilities and vehicles)	8,577	9,180
Scope 2 - indirect emissions (UK purchased electricity)	4,182	5,594
Total Scope 1 and Scope 2 emissions	12,759	14,774
Intensity metric – total scope 1 & 2 emissions per metric tonne produced	0.26	0.25
Total UK energy consumption (kWh)	68,606,951	75,299,464

The group is committed to improvements in operational energy efficiency. The energy efficiency measures that were undertaken during the year were:

- A major investment to install a filter-based fume abatement system at Riverside. This replaces the current thermal oxidiser system with significant reductions in natural gas consumption and CO<sub>2</sub> emissions.
- Initiating Phase 1 of a project to install new generation solar panels on the roof of the safety floor production facility at Radcliffe. Future phases will see the installation of solar panels on other production facilities and warehouses.
- The ongoing installation of LED lighting to replace old inefficient lighting.
- Thermographic surveys of electrical equipment to identify abnormally high temperatures within our electrical distribution systems. This equipment may be operating incorrectly and consuming high amounts of energy. The equipment may be replaced or performance optimised.
- A database system that monitors energy consumption and identifies areas of abnormal consumption for measures to reduce consumption.
- Surveys of compressed air systems to identify and repair leakages to reduce wasted energy.
- Replacement of various motors with variable speed drives. This will improve energy efficiency and optimise performance.
- Quarterly energy performance review meetings to consider and initiate improvements.

The group are in the process of completing the Energy Savings Opportunity Scheme Phase 3 compliance. The group is taking necessary measures to ensure all requirements are met efficiently. This compliance effort demonstrates the group's commitment to sustainability and regulatory adherence. All the energy saving opportunities have been identified and implemented. These are now being monitored to assess the progress of the actions take.

## Risk management

Information in relation to risk management and future developments can be found in the financial director's review in the strategic report.

## Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the group financial statements in accordance with UK adopted international accounting standards. The directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the group financial statements have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

The directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements which may vary from legislation in other jurisdictions.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. The directors' responsibilities also extend to the ongoing integrity of the financial statements contained therein.

## Auditor

A resolution to re-appoint BDO LLP as auditor will be proposed at the forthcoming annual general meeting.

## Directors' statement as to the disclosure of information to the auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

Approved by the board of directors and signed on behalf of the board.

D N Fletcher  
Secretary

30 September 2025



# Board Report on Remuneration

## Remuneration committee

The remuneration committee comprises the non-executive directors, with Mr M J Halstead, as chairman. The committee meets at least once a year, although usually more frequently, to determine the remuneration packages of the executive directors of the group.

The remuneration policy for the non-executive directors is determined by the board as a whole by reference to market rates. They do not participate in the group bonus scheme, pension scheme or share option scheme. No director can vote in regard to his own remuneration.

## Remuneration policy

The remuneration policy is to provide terms of employment such that the recruitment, motivation and retention of high calibre personnel is achieved and maintained to the mutual benefit of shareholders and employees. The committee is assisted from time to time by data supplied by independent professional remuneration consultants as to comparable companies, although identical circumstances are rarely found.

## Basic salary and bonus payments

The directors' salaries and fees for the year are disclosed in note 14. Annual bonus schemes are in place which reward the executive directors on achieving performance objectives. Performance is determined by index-linked profit improvements through a trend of earnings per share growth. UK based executives are eligible members of the employee share scheme. Performance bonuses were paid during the year to the executive chairman £578,000, chief executive £578,000 and finance director £100,000. These related to the 2024 financial year.

## Share option schemes

The remuneration committee believes that share option plans are an important long term incentive to executive directors and other senior employees. They are intended to link the exercise of the option to a sustained and significant improvement in the underlying financial performance of the group.

The committee undertook a review of long-term incentives which focused on market practice, alternative long-term incentive approaches and the structure of the current company share option plan ("CSOP") which was approved by shareholders in 2020. Following careful consideration, the committee approved the introduction of a new long-term incentive plan (the "LTIP") which replaced share option awards that would have previously been granted under Part B of the current CSOP.

The rules of the scheme follow market practice and include an individual grant limit based on a percentage of annual salary, performance conditions, malus and clawback provisions and the total number of shares subject to all employee incentive arrangements will not exceed 10% of the company's issued share capital. The plan was approved by shareholders in 2024. No grants were awarded during the year.

## Pensions

The company operates a defined contribution pension scheme for employees. The finance director is the only director who is a member of the defined contribution pension scheme. His employer pension contributions for the year were £39,000. There is also a defined benefit pension scheme which was closed to new members in 2002 and to future accrual in 2023. The chief executive and finance director are deferred members of this scheme. Death in service life assurance and permanent health insurance are also provided.

## Service agreements

The executive chairman does not have a service agreement. The chief executive and the finance director each has a service agreement which terminates within or is terminable by the company and the executive on not more than one year's notice. The remuneration committee has taken the view that notice periods of one year are reasonable and in the interests of both the company and its executive directors having regard to prevailing market conditions and current practice. Mr R P Whiting, Mr M J Halstead and Mrs D A Harrison each has a service contract for an initial term of two years from the date of appointment, which can be terminated by either party by one month's written notice.

M J Halstead  
Chairman of the Remuneration Committee  
30 September 2025

James Halstead

# Corporate Governance

## Chairman's introduction to governance

The board has over many years recognised its responsibility towards good corporate governance. It is part of our character and, I believe, contributes to our ability to deliver long-term shareholder value. The Financial Reporting Council and the Quoted Company Alliance have both issued guidance on governance and having assessed these codes we have aligned our approach to the latter. In many ways this is a continuing process but in the following paragraphs we outline how we effect this code and I trust our shareholders will take the time to review our comments.

It is my belief that good governance is accountability to shareholders as a whole over time rather than being swayed by current short term objectives of individual holders. For many companies some shareholders are transient and focus short term, looking for ambitious acquisitions or risky strategies and yet quick to exit at the first sign of problems. Management need to be focused on the medium to long term goal as much as current issues.

Mark Halstead  
Executive Chairman  
30 September 2025

## Directors and committees

The company is controlled by the board of directors. The board consists of an executive chairman, two executive directors, a senior independent director and two non-executive directors.

The board has three sub committees: a remuneration committee an audit committee and a nomination committee.

The directors are named below along with their membership of board committees.

Director	Remuneration Committee	Audit Committee	Nomination Committee
Mr Mark Halstead			X
Mr Gordon Oliver			X
Mr David Drillingcourt			X
Mr Russell Whiting	X	X	X
Mr Michael Halstead	X	X	X
Mrs Deborah Harrison	X	X	X

## The board

The role of the board is summarised as follows:

- To establish and maintain the group's vision, mission and values
- Decide on the current and future strategy to ensure the group's longevity
- To delegate to management the implementation of policies, strategies and business plans while ensuring the framework of internal controls is effective
- Account to shareholders and stakeholders to promote their interests and the goodwill to the group

The board comprises three executive directors and three non-executive directors. The roles of chairman and chief executive are separated.

## Directors

### Mr Mark Halstead – Executive Chairman

Mr Halstead has over 30 years' experience in the group holding senior management positions within Polyflor prior to his appointment as group chief executive in 2002. Having gained his grounding in many aspects of the group's flooring activities Mr Halstead focused on exports and founded our operations in Europe. He brings unparalleled knowledge of the group's activities, the products and positioning in markets and experience to allow for the assessment of future opportunities for the group both in commercial terms and product related. He was appointed executive chairman in December 2024 and is responsible for the effective running of the board. The chairman works with the other executive directors to ensure delivery of the strategy agreed by the board.

### Mr Gordon Oliver – Chief Executive

Mr Oliver is a Chartered Accountant. He trained with KPMG and held a number of financial positions in industry prior to joining James Halstead in 1987 as group financial controller. He was instrumental in the disposal of non-core businesses in the UK and overseas and became finance director of the group in 1999. He brings knowledge of financial management and control, corporate governance and business acumen to the business as well as development of future strategy arising from a long period as a member of the board. During his time with the company Mr Oliver's standing has been recognised by several awards from his peers and the financial press. He was appointed chief executive in December 2024 and is charged with the delivery of the business model within the strategy set by the board. He is ultimately responsible for all operational matters and day to day management of the group.

*James Halstead*

# Corporate Governance

continued

## Mr David Drillingcourt – Finance Director

Mr Drillingcourt is a Chartered Accountant and trained with KPMG before joining the company in 1996 as group accountant. He has a strong background in finance, IT and management and served as finance director at two of the company's subsidiaries, Phoenix Distribution (NW) Limited (1999-2005) and Polyflor Limited (2005 – 2013). He served as company secretary (2013 – 2021) and as corporate development director (2019 – 2024) supporting the board in its strategic aim of growing the global footprint of the business. Mr Drillingcourt was appointed to the board in January 2024 and appointed finance director in December 2024. He has primary responsibility for all finance related activities and is tasked with working closely with the chief executive to progress the business and to have regard to mitigation of risk.

## Mr Russell Whiting – senior independent director

Mr Whiting was appointed to the board in 2017. He was appointed senior independent director in 2024. He is a local businessman and is director of a company involved in leasing of assets, Associated Credits Holdings Ltd. As well as general business acumen he brings specific understanding of business and asset financing to a broad range of commercial enterprises. He has known the group for a number of years through his business. Mr Whiting possesses the critical skills that are relevant to modern companies, which includes both technical experience and the ability to positively challenge and to listen in equal measure.

## Mr Michael Halstead – non-executive director

Mr Halstead was appointed to the board in 2017. He has many years' experience in the advertising industry having been an account director for Saatchi and Saatchi and more recently running his own company HH&S Group Limited. He brings general business acumen to the board along with specifics relating to marketing and public relations arising from his background. Mr Halstead provides oversight and scrutiny of the performance of the executive directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates and executes the agreed strategy and operates with reference to the risk management framework. Mr Halstead is in the 4th generation after the founder and has never worked within the business but is passionate to preserve the principles of the company and to contribute to its continued success. Mr Halstead is chairman of the remuneration committee.

## Mrs Deborah Harrison – non-executive director

Mrs Harrison was appointed to the board in 2024. She is a Chartered Accountant. She has over thirty years of experience, with PKF and BDO, providing auditing and accounting services to both public and private companies. She has significant experience of dealing with international groups of companies. Her knowledge of both UK and International Financial Reporting Standards and corporate reporting requirements will further enhance the board's financial expertise. Mrs Harrison is chairman of the audit committee.

## Board meetings and attendance

The meetings held and those attending are listed below. M J Halstead, while unable to attend one meeting on 25 March 2025 received all board papers in advance of the meeting. Any comments were passed to the chairman.

	Board	Remuneration Committee	Audit Committee
M Halstead	6/6	–	–
G R Oliver	6/6	–	–
DW Drillingcourt	6/6	–	–
R P Whiting	6/6	2/2	2/2
M J Halstead	5/6	2/2	2/2
D A Harrison	6/6	2/2	2/2
J A Wild	3/3	–	–

Mr J A Wild stood down from the board on 6 December 2024.

Executive directors who are not members of the audit committee can attend by invitation.

The company secretary attends all board and audit committee meetings

## Internal control

The board has ultimate responsibility for the system of internal control operating throughout the group and for reviewing its effectiveness. Internal control systems in any group are designed to meet the particular needs of that group and the risks to which it is exposed. No system of internal control can provide absolute assurance against material misstatement or loss. The group's system is designed to manage rather than eliminate the risk of failure in order to achieve business objectives and to provide the board with reasonable assurance that potential problems will normally be prevented or will be detected in a manner which will enable appropriate action to be taken.

James Halstead



The key procedures which the directors have established with a view to providing effective internal control are as follows:

- the group directors are responsible for establishing, maintaining and reviewing the group's system of internal control and meet regularly to consider group financial performance, business development and management issues, and to review these against predetermined objectives;
- the group board establishes corporate strategy and business objectives. Management of subsidiary companies integrate these objectives into their business strategies for presentation to the group board with supporting financial objectives;
- subsidiary company budgets, containing financial and operating targets, capital expenditure proposals and performance/profitability indicators, are presented to and reviewed by the group executive directors. The consolidated group budget is approved by the group board;
- there is an ongoing process for identifying, evaluating and managing the significant risks faced by the group. These risks are appraised and evaluated by responsible executives and endorsed by subsidiary and group management. This process has been in place throughout the year and up to the date of approval of the annual accounts;
- as part of the regular monitoring and review, the group executive directors hold regular meetings with the management of the subsidiary companies at which reports covering such areas as forecasts, business development, strategic planning, risk exposure and performance against budget, are presented and discussed. These are then reported to the group board, on a quarterly basis;
- the group board reviews and considers any major problem which may have occurred and assesses how the risks have changed in the period under review;
- there is a group-wide policy governing appraisal and approval of capital expenditure and asset disposals;
- to underpin the effectiveness of controls, it is the group's policy to recruit management and staff of high calibre, integrity and appropriate disciplines. High standards of integrity, business ethics and compliance with laws, regulations and internal policies are demanded from staff at all levels;
- the audit committee keeps under review the effectiveness of the system of internal control and reports its conclusions to the full board;
- the board also conducts an assessment of the effectiveness of the internal control system. This assessment consists of a review of all the significant areas of internal control, including risk assessment, the control environment, control activities, information and communication, and monitoring.

## The Quoted Company Alliance Code ("QCA code")

The directors recognise the importance of good corporate governance and have chosen to apply the QCA code as their framework to do so. The QCA code was developed by the Quoted Company Alliance in consultation with a number of institutional small company investors as an alternative code applicable to AIM companies. The new QCA code was introduced in November 2023, and which became effective for the Company to report against in this financial year.

The QCA code sets out ten principles which seek to ensure that the overall framework for corporate governance is robust. The directors believe that this framework is appropriate to the size and operations of the business and each of the principles is commented on below. Many of the disclosures relevant to the code are already made in our annual report and accounts.

The chairman has the responsibility for corporate governance and has taken a lead on this matter. The executive team are directed with day-to-day management and are accountable to the rest of the board. The chairman expects and demands open discussion of issues facing the business and in the application of this code has sought input from the auditors, the company's advisors and a review by the company lawyer. The board is tasked with continuing the success of the business over time and through successive generations of management and the importance of corporate governance is to oversee the division of ownership and stewardship. The executive directors have the day-to-day responsibility of stewardship, and the chairman and non-executives monitor and evaluate this on behalf of the owners.

James Halstead plc has been listed on the London stock exchange for over 75 years and continues to look for growth in sales and profit to continue its strong record of reward to shareholders in the form of dividend. Whilst this is a primary

*James Halstead*



# Corporate Governance

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role, the board is proud of its reputation within its industry, and the financial markets and corporate control is central to the ethos.

The disclosures below were last reviewed and approved by the board on 30 September 2025.

**Below are the QCA Code 10 Principles and explains how James Halstead plc has complied with each:**

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

James Halstead plc's strategy is explained fully within the Strategic Report section in the Annual Report and Accounts.

Our strategy is focussed on stable profitable growth from building the goodwill in our brands and products and is intended to deliver shareholder value in the medium to long-term.

The identification of key risks and the mitigating factors to our business are also detailed in the Strategic Report section of the Annual Report and Accounts.

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

The board expects the highest ethical standards of its members and management across the group.

The group has documented procedures with respect to its responsibilities regarding ethical behaviour, including code of conduct, bribery and corrupt practices, equal opportunities, diversity, responsible sourcing, whistleblowing, and modern slavery. These are applicable across its operations including supply and customer chains.

The board also takes seriously its responsibilities towards sustainability of its operations and the impact of our operations on the environment. This is documented and reported on annually in Polyflor's Sustainability Report.

As an employer, and member of many communities throughout the world, the board consider that strong ethical values are important in order to be a good member of these communities, and this is a mindset not one underpinned by rules and procedures. Ensuring, via recruitment processes and cultural values, that these values cascade through the business is critical to ensuring the group is a "good member of the community". All directors of the group's companies are expected to comply and are well acquainted in the

procedures and expectations. This covers authority levels and gives guidance on appropriate behaviour.

Ultimately service contracts underpin this by indicating behaviour that can be deemed a breach of contract, and the directors are clear about their statutory duties as formally set out in sections 171 – 177 of the Companies Act 2006.

3. Seek to understand and meet shareholder needs and expectations

The board has a track record of increasing dividends over many years. Where the business has generated funds in excess of its medium-term requirements and no specific investment requirements exist, the board has also encouraged the payment of special dividends over the years.

Members of the board talk regularly to both institutional and private investors and the financial press to ensure that company's strategy and objectives are communicated. The group has a large number of shareholders and regular broker updates are published.

The company regularly hosts institutions and broker site visits to update of progress. In addition, the executive directors host meetings electronically and personally, at their place of business, with investors and brokers. The executive directors are in ongoing contact with the nominated advisors who communicate more closely with the market.

Shareholders can contact the company secretary with questions which may be referred to the directors. The senior independent director is available to shareholders, if they have concerns that have not been resolved through the normal channels of contact with the chairman or chief executive.

In addition, the AGM acts as a forum for all shareholders to meet with the board personally and raise any questions they may have.

4. Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The board recognises that the group has responsibilities to many stakeholders other than its shareholders, and these include employees, customers, suppliers and the wider societies in which we operate.

In terms of communications with stakeholders, this is done in ways appropriate to the stakeholder and may take the

James Halstead

form of formal announcements, individual meetings (for example appraisals with employees) and negotiations with other stakeholders.

The environmental impact of our manufacturing and our output is of significant importance to our medium-term prospects, not only to demonstrate our commitment to the community at large, but also to customers who increasingly, and rightly, look for suppliers with strong ethical values.

As a member of the communities in which we operate, the board takes seriously the positive impact the business has, in terms of being an employer and seeking continuous improvement with respect to the impact on the environment and communities. This is illustrated in our annual "Sustainability Report", copies of which are available at [www.polyflor.com](http://www.polyflor.com). The report outlines the impact of our manufacturing operations on the wider environment and improvements over time and has been published for nearly two decades, making it now an annual report. Feedback from the local community is received directly to the head office and is notified to the board if appropriate.

We understand continuous development of our products also contributes to our responsibilities as well as the success of the business. This is illustrated, for example, by development of "dementia friendly" flooring and the increased use of post-consumer recycled material in the production process in recent years.

The operating businesses encourage feedback from customers through their relationship managers in the business and customer service teams.

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

Risk management is reported annually in our Annual Report and Accounts along with how those risks are mitigated and how they change over time.

The board meets six times a year during which business and other risks are assessed. Key subsidiaries have their own management boards which meet regularly and assess the risks relevant to that specific business and relevant responses. These are communicated to the main board either by direct representation or via group management structures that are in place. There are also formal and informal communication routes that allow for risks to be communicated to board members in a timely manner from all operational entities.

**6. Establish and maintain the board as a well-functioning, balanced team led by the chair**

The board has an appropriate balance between executive and non-executive directors and is made up of a good mix of skills, including strategic management, business development, financial management, industry experience and corporate governance. All directors are now subject to annual re-election at the company's annual general meeting.

The current composition of the board is three independent non-executive directors, one of which is the senior independent director, and three executive directors, one of which is the chairman of the board. All appointments to the board are made on merit, but with due consideration to the need for diversity and are made to complement the existing balance of skills and experience on the board.

The board is supported by three sub-committees which have specific remits, specifically the remuneration committee, the audit committee and the nomination committee. Details of the number of meetings and attendance by each director is noted in the Annual Report.

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

The board evaluates consistently those skills that are required and whether they are adequately provided for. In doing so and where relevant it will consider guidance available on appointment and training of board members. The company secretary has the responsibility to make the board aware of legal changes and will advise on the company's approach. Directors also keep their skill sets up to date through individual reading and study and by governance updates by the NOMAD. Directors are able to take independent advice in furtherance of their duties, if necessary, at the company's expense.

The company secretary supports the chairman in addressing the training and development needs of the directors. In the case of new directors there is an induction process to ensure they become aware of the operations of the group.

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

The chairman is responsible for the evaluation of the board's composition and its performance of individual members and sub-committees. The company carries an annual internal evaluation of the performance of the board, and the results of the assessment are discussed by the remuneration

*James Halstead*

# Corporate Governance

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committee and then the board, and improvement and rectification actions are implemented where appropriate.

The board recognises the importance of effective succession planning to ensure the long-term success of the company and is an ongoing topic of discussion.

The company is committed to evolve its governance practices to align with best practices and the requirements of the QCA code.

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

The company has a formal remuneration benchmarking process for employees and directors to ensure current compensation aligns with the market rates. The purpose of the process is to ensure employees and directors are adequately rewarded to retain talent and maintain commitment to the company.

Directors' remuneration is reviewed on an annual basis by the remuneration committee. The review considers such factors the company's performance in the previous the year, especially when benchmarked against the market condition, individual responsibilities and performance, and rates of pay of other similarly sized companies operating in comparable sectors.

The Annual Report and Accounts outline the remuneration committee's approach and includes disclosures on directors' remuneration.

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

The company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, and various trading updates, which are released using the Regulatory News Service platform and the company website ([www.jameshalstead.com](http://www.jameshalstead.com)).

As mentioned in 3. above, the executive directors regularly host meetings and site visits with investors and broker to update them on performance, governance and culture.

The AGM is a key forum for communications with any shareholders who wish to attend, and the directors are available here to listen to views expressed both formally and informally. The outcome of resolutions put to the AGM are published and are available on the company website.

James Halstead

# Independent Auditor's Report to the Members of James Halstead plc

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of James Halstead plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the Company Statement of Changes in Equity and notes to the financial statements, including material accounting policy information.

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).

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

## Independence

We remain 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.

## Conclusions relating to going concern

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

- Examining the Directors' business plan covering the period through to June 2027. We examined the forecasts for key judgements, verifying to source data as appropriate, as well as considering downside sensitivities to these;
- Testing the mechanical accuracy of the forecast and assessing historical forecast accuracy by comparing the prior year forecast to the actual results in the current year;
- We considered the reasonableness of key assumptions and mitigating actions used by the Directors in their assessment of adverse scenarios based on our knowledge of the business; and
- Assessing the adequacy of the disclosures within the financial statements relating to the Directors' assessment of the going concern basis of preparation against the requirements of the applicable accounting standards.

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

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



# Independent Auditor's Report to the Members of James Halstead plc continued

## Overview

### Key audit matters

	2025	2024
Inventory provisioning	✓	✓
Valuation of pension liability; assumptions and judgements	✓	✓

### Materiality

Group financial statements as a whole: £2.76m (2024: £2.81m) based on 5% (2024: 5%) of profit before tax.

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

### Components in scope

There are 21 separate entities across the Group making it a disaggregated Group. The control environment is disaggregated as different IT systems, process, controls and finance teams are used across the components in the Group.

As part of performing our Group audit, we determined components as business units based on geographical location, which consist of legal entities and/or branches, each with its own discrete financial information. These components were selected following a detailed risk assessment. We considered the size of the component, the control environment, and other qualitative factors, including adding an element of unpredictability.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures;
- procedures on one or more classes of transactions, account balances or disclosures; and
- specific audit procedures over certain balances

### Procedures performed at the component level

We performed procedures to respond to Group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	Parent	James Halstead plc	Statutory audit and procedures on the entire financial information of the component
2	Polyflor	Polyflor Limited	Procedures on the entire financial information of the component
3	Riverside	Riverside Flooring Limited	Procedures on the entire financial information of the component
4	Objectflor	Objectflor Art un Design Belags GmBH	Procedures on the entire financial information of the component
5	Karndean	Karndean International GmBH	Procedures on the entire financial information of the component
6	Australia	Polyflor Australia Pty Ltd., Colonia Flooring Limited, and HFC Pty Ltd.	Specific Audit Procedures over certain balances
7	Norway	Polyflor Limited (Norway branch)	Risk assessment procedures
8	Canada	Polyflor Canada Inc	Risk assessment procedures
9	France	James Halstead France SAS	Risk assessment procedures
10	India	Polyflor India Pvt Ltd.	Risk assessment procedures
11	Sweden	Polyflor Nordic Sweden AB	Risk assessment procedures
12	UK Dormant	Halstead Flooring International Limited, Expona Limited, J H L Limited and Titan Leisure Group Limited.	Risk assessment procedures
13	APAC	Polyflor New Zealand Ltd Polyflor (M) SDn BHD, and Polyflor North Asia Limited	Risk assessment procedures

### Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls for significant estimates and judgements. This is applicable for the valuation of retirement benefit asset and obligation, share based payments, leases, procedures on consolidation, going concern, goodwill impairment review and recognition of deferred and current taxation. These are all evaluated by Group management. We therefore designed and performed procedures centrally in these areas.

The Group operates a combination of a centralised and decentralised IT function that supports IT processes across the components in the Group. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

### *Locations*

The Group's operations are spread over a number of different geographical locations. We visited 3 out of a total of 12 locations. Our teams (including component teams) conducted procedures in locations in the UK and Germany.

In addition, our teams worked remotely, holding calls and video conferences with local management, and with digital information obtained from James Halstead plc.

### *Changes from the prior year*

As a result of the first time implementation of International Standard on Auditing (UK) 600 (Revised), there have been changes in the scope of procedures over certain components. The changes in Group audit scope from the prior year audit is the addition of Polyflor Australia for specified audit procedures on leases in order to obtain sufficient coverage of our testing in response to the current year Group risk assessment, and identifying Riverside Flooring Limited as a component where we performed procedures on the entire financial information of the component as opposed to specific audit procedures in the prior year. This change in scope is as a result of a more risk-based audit approach being taken.

### *Working with other auditors*

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the Group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the Group audit relevant to the components based on our assessment of the Group risks of material misstatement. We issued our Group audit instructions to component auditors on the nature and extent of their participation and role in the Group audit, and on the Group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, and reviewing component auditor documentation in person and evaluating the appropriateness of the audit procedures performed and the results thereof.

### *Climate change*

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Climate-related Financial Disclosures may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of management's disclosures included as Statutory Other Information with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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.





# Independent Auditor's Report to the Members of James Halstead plc continued

## Key audit matter – Inventory provisioning

As described in Note 2 (accounting policies), Note 4 (Critical accounting estimates and judgements) and Note 19 (inventories), the Group carries inventory at the lower of cost and net realisable value.

Provision is made against slow moving, obsolete and damaged inventories.

This area represented a key audit matter as significant management judgement is required to assess the appropriate level of provisioning for items which may be sold below cost or written off as a result of a reduction in consumer demand, particularly in light of changing consumer tastes and new products being developed. Such judgements include management's expectations for future sales.

### *How the scope of our audit addressed the key audit matter*

We obtained evidence concerning management's assumptions applied in calculating the value of inventory provisions by:

Challenging the Group's inventory provisioning policy with specific consideration given to slow moving or obsolete inventory lines. This involved using a weighted average of sales records for the current and prior period to develop an alternative estimate of the provision, which was compared to management's calculation to assess whether inventory had been appropriately provided for;

Assessing the appropriateness of the percentages applied within the provision calculated by management with reference to post year end selling data; and

•Testing of a sample of inventory to check it is held at the lower of cost and net realisable value, through comparison to invoices for cost and latest sales prices less cost to sell.

We also assessed the basis of inventory provisioning applied and considered whether these were being applied consistently and reflected the nature of the inventory held in the respective location.

**Key observation:** Our work did not highlight evidence that the method of inventory provision was inappropriate.

## Valuation of pension liability; assumptions and judgements

As described in Note 2 (accounting policies), Note 4 (Critical accounting estimates and judgements) and Note 26 (retirement benefit obligations), the Group has a defined benefit pension plan in the UK.

At 30 June 2025, the Group recorded a net retirement benefit asset of £0.56m (2024: £0.01m obligation), comprising Scheme assets of £53.3m (2024: £57.3m) and scheme liability of £52.7m (2024: £57.4m).

We consider there to be a significant risk concerning the appropriateness of the actuarial assumptions applied in calculating the group's defined benefit pension scheme liability.

The valuation of the Group's pension scheme liability was performed by management's external actuary and involves significant judgement from the directors and the actuary in the choice of discount rate used and in the key sources of estimation uncertainty, particularly in relation to the inflation assumptions and mortality rates, as described in the Group's accounting policies.

This area and the related disclosures represented a key audit matter given that the setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third party actuaries.

We obtained a copy of the valuation prepared by management's external actuary. We evaluated the competence, capabilities and objectivity of management's actuary.

In testing the valuation of the pension liability, with the assistance of our external pension actuarial experts, we reviewed the key actuarial assumptions used, both financial and demographic, and considered the appropriateness of the methodology utilised to derive these assumptions.

We benchmarked the scheme assumptions against other schemes of a similar size and profile. Specifically, with the assistance from our pensions expert, we challenged the discount rate, inflation and mortality assumptions applied in the calculation by benchmarking against comparable third party data and assessed the appropriateness of the assumptions in the context of the Group's own position.

Furthermore, we assessed the disclosure of the pension scheme and the related assumptions and sensitivities in the financial statements against the requirement of the relevant accounting framework.

**Key observation:** We have not identified any evidence to suggest that the assumptions applied in relation to determining the pension valuation are not within an acceptable range.

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Furthermore, we have not identified any evidence to suggest that the disclosures made are not in accordance with the relevant accounting framework.

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

Group financial statements		
	2025	2024
Materiality	£2.76m	£2.81m
Basis for determining materiality	5% of profit before tax	5% of profit before tax
Performance materiality	£1.79m	£1.83m
Parent company financial statements		
	2025	2024
Materiality	£1.82m	£1.84m
Basis for determining materiality	5% of profit before tax	5% of profit before tax
Performance materiality	£1.18m	£1.18m

**Rationale for the benchmark applied** – Pre-tax profit is determined to be a stable basis of assessing business performance and is considered to be the most significant determinant of performance used by shareholders.

**Basis for determining performance materiality** – 65% based on our knowledge of the aggregation risk, the control environment, and historic misstatement levels.

**Rationale for the percentage applied for performance materiality** – We considered that using this basis for determining performance materiality was most appropriate given there are components in scope across multiple geographic regions, the level of misstatements in the past and our overall risk assessment.

### Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 15% and 75% of Group performance materiality (2024: 50% and 75% of Group materiality) dependent on a number of factors such as our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £0.27m to £1.34m (2024: Component materiality ranged from £1.48m to £2.07m).

### Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £55k (2024: £59k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Accounts 2025 other than the financial statements and our auditor's report thereon. 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.

*James Halstead*

# Independent Auditor's Report to the Members of James Halstead plc continued

## Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

### *Strategic report and Director's report*

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

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

### *Matters on which we are required to report by exception*

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

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

## Responsibilities of directors

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

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

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

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

### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be international accounting standards, Financial Reporting Standard 101, the UK Companies Act 2006, the Quoted Companies Alliance Code, Aim listing rules and Group-wide taxation laws.

James Halstead

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be those that relate to the payment of employees; and industry related such as compliance with health and safety requirements.

Our procedures in respect of the above included:

- Inspection of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondences with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Agreement of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Inspection of legal expenditure accounts to understand the nature of expenditure incurred.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries, revenue recognition specifically pre year end cutoff, and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to assess the fraud risks that were identified above and discussed by the audit team and to challenge the audit team as to whether all aspects were appropriately considered;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the Group's defined benefit pension scheme liability (as set out in the key audit matters section above), inventory provisions (as set out in the key audit matters section above) and accruals;
- Testing a sample of revenue transactions pre year end to supporting documentation (including invoice and proof of delivery) to assess if the revenue had been recorded in the correct period;
- A critical assessment of the consolidation to check this had been prepared appropriately and consideration of manual or late journals posted at consolidation level to verify the accuracy and appropriateness of these; and
- Agreement of the financial statement disclosures to underlying supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including component auditors, who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

*James Halstead*

# Independent Auditor's Report to the Members of James Halstead plc continued

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

Lucy Mistry (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester, United Kingdom  
30 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

James Halstead

# Consolidated Income Statement

for the year ended 30 June 2025

	Note	2025 £'000	2024 £'000
Revenue	5	261,967	274,881
Cost of sales		(145,396)	(153,760)
Gross profit		116,571	121,121
Selling and distribution costs		(48,832)	(52,945)
Administration expenses		(14,918)	(14,269)
Operating profit		52,821	53,907
Finance income	9	2,584	2,642
Finance cost	10	(268)	(325)
Profit before income tax	7	55,137	56,224
Income tax expense	11	(14,525)	(14,704)
Profit for the year attributable to equity shareholders		40,612	41,520
Earnings per ordinary share of 5p			
– basic	12	9.7p	10.0p
– diluted	12	9.7p	10.0p

All amounts relate to continuing operations.

Details of dividends paid and proposed are given in note 13.



# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2025

	Note	2025 £'000	2024 £'000
Profit for the year		40,612	41,520
Other comprehensive income net of tax:			
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of the net defined benefit asset	26	20	564
		20	564
Items that could be reclassified subsequently to the income statement if specific conditions are met:			
Foreign currency translation differences		(2,092)	(248)
Fair value movements on hedging instruments		(1,396)	(472)
		(3,488)	(720)
Other comprehensive income for the year net of tax		(3,468)	(156)
Total comprehensive income for the year		37,144	41,364
Attributable to:			
Equity holders of the company		37,144	41,364

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 11.

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# Consolidated Balance Sheet

as at 30 June 2025

	Note	2025 £'000	2024 £'000
<b>Non-current assets</b>			
Intangible assets	15	3,232	3,232
Property, plant and equipment	16	34,730	34,965
Right of use assets	17	4,420	6,209
Retirement benefit asset	26	555	14
Deferred tax	18	1,585	214
		<b>44,522</b>	<b>44,634</b>
<b>Current assets</b>			
Inventories	19	80,401	82,268
Trade and other receivables	20	45,238	44,042
Derivative financial instruments	29	193	482
Current tax		1,527	1,287
Cash and cash equivalents	21	68,369	74,282
		<b>195,728</b>	<b>202,361</b>
<b>Total assets</b>		<b>240,250</b>	<b>246,995</b>
<b>Current liabilities</b>			
Trade and other payables	22	48,096	57,487
Derivative financial instruments	29	1,936	106
Current tax		—	273
Lease liabilities	23	1,940	2,707
		<b>51,972</b>	<b>60,573</b>
<b>Non-current liabilities</b>			
Other payables	22	326	410
Lease liabilities	23	2,747	3,680
Preference shares	24	200	200
Deferred tax	18	3,006	855
		<b>6,279</b>	<b>5,145</b>
<b>Total liabilities</b>		<b>58,251</b>	<b>65,718</b>
<b>Net assets</b>		<b>181,999</b>	<b>181,277</b>
<b>Equity</b>			
Equity share capital	27	20,839	20,839
Equity share capital (B shares)	27	160	160
		<b>20,999</b>	<b>20,999</b>
Share premium account		55	55
Currency translation reserve		1,754	3,846
Hedging reserve		(1,062)	334
Retained earnings		160,253	156,043
<b>Total equity attributable to shareholders of the parent</b>		<b>181,999</b>	<b>181,277</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2025.

M Halstead  
Director

G R Oliver  
Director

James Halstead plc

Registration Number 140269



# Consolidated Statement of Changes in Equity

for the year ended 30 June 2025

	Share capital £'000	Share premium £'000	Currency translation reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 30 June 2023	20,998	13	4,094	806	148,303	174,214
Profit for the year	–	–	–	–	41,520	41,520
Remeasurement of the net defined benefit asset	–	–	–	–	564	564
Foreign currency translation differences	–	–	(248)	–	–	(248)
Fair value movements on hedging instruments	–	–	–	(472)	–	(472)
Total comprehensive income for the year	–	–	(248)	(472)	42,084	41,364
Transactions with equity shareholders						
Dividends	–	–	–	–	(34,383)	(34,383)
Issue of share capital	1	42	–	–	–	43
Share based payments	–	–	–	–	39	39
Balance at 30 June 2024	20,999	55	3,846	334	156,043	181,277
Profit for the year	–	–	–	–	40,612	40,612
Remeasurement of the net defined benefit asset	–	–	–	–	20	20
Foreign currency translation differences	–	–	(2,092)	–	–	(2,092)
Fair value movements on hedging instruments	–	–	–	(1,396)	–	(1,396)
Total comprehensive income for the year	–	–	(2,092)	(1,396)	40,632	37,144
Transactions with equity shareholders						
Dividends	–	–	–	–	(36,469)	(36,469)
Share based payments	–	–	–	–	47	47
Balance at 30 June 2025	20,999	55	1,754	(1,062)	160,253	181,999

James Halstead

## Consolidated Cash Flow Statement

for the year ended 30 June 2025

		2025	2024
	Note	£'000	£'000
Profit for the year attributable to equity shareholders		40,612	41,520
Income tax expense		14,525	14,704
Profit before income tax		55,137	56,224
Finance cost		268	325
Finance income		(2,584)	(2,642)
Operating profit		52,821	53,907
Depreciation of property, plant and equipment	16	3,987	4,093
Depreciation of right of use assets	17	3,542	3,046
Profit on sale of property, plant and equipment		(75)	(75)
Defined benefit pension scheme employer contributions paid	26	(500)	(781)
Changes in fair value of financial instruments		46	27
Share based payments expense	27	47	39
Decrease in inventories	19	180	4,884
(Increase)/decrease in trade and other receivables	20	(1,794)	2,901
(Decrease) in trade and other payables	22	(8,240)	(3,263)
Cash inflow from operations		50,014	64,778
Taxation paid		(14,294)	(15,450)
Cash inflow from operating activities		35,720	49,328
Interest received	9	2,570	2,642
Purchase of property, plant and equipment	16	(3,881)	(3,313)
Proceeds from disposal of property, plant and equipment		143	108
Cash outflow from investing activities		(1,168)	(563)
Interest paid	10	(29)	(24)
Lease interest paid	10	(239)	(242)
Lease capital paid		(3,430)	(2,981)
Equity dividends paid	13	(36,469)	(34,383)
Shares issued	27	–	43
Cash outflow from financing activities		(40,167)	(37,587)
Net (decrease)/increase in cash and cash equivalents		(5,615)	11,178
Effect of exchange differences on cash and cash equivalents		(298)	(118)
Cash and cash equivalents at start of year		74,282	63,222
Cash and cash equivalents at end of year	25	68,369	74,282



# Notes to the Consolidated Financial Statements

## 1. General information

James Halstead plc ("the company" or "the parent company") is a limited liability company, registered in England and Wales, domiciled in the United Kingdom and listed on AIM on the London Stock Exchange. The address of its registered office is Beechfield, Hollinhurst Road, Radcliffe, Manchester, M26 1JN.

## 2. Accounting policies

### Basis of preparation

The group financial statements have been prepared in accordance with UK adopted international accounting standards. The company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, and are presented separately following the group financial statements.

The group and company financial statements have been prepared on a going concern basis and on the historical cost basis as modified by the valuation of certain financial assets and financial liabilities (being derivative instruments) at fair value.

### Going concern

The directors have reviewed current performance and forecasts, combined with capital investment and expenditure commitments, and a range of trading scenarios. The forecasts cover the next two financial years. The group has no net borrowings and owns the freeholds on many of its premises (the most significant being four UK operating sites and two sites in Germany).

After considering current trading, forward forecasts and scenario planning the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least one year from when the financial statements are authorised and approved for issue. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

### Recent accounting developments

The financial statements are prepared in accordance with UK adopted international accounting standards and interpretations in force at the reporting date. The group has not adopted any standards or interpretations in advance of the required implementation dates.

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, which will or may have an effect on the group's future financial statements.

The following amendments are effective for accounting periods beginning on or after 1 January 2025:

Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for accounting periods beginning on or after 1 January 2026:

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for accounting periods beginning on or after 1 January 2027:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The directors continue to assess any accounting developments which could have a material effect on the financial statements.

### Basis of consolidation

The group financial statements consolidate the financial statements of the parent company and all its subsidiaries, as if they formed a single entity. Subsidiaries are entities controlled by the group. Control exists if all three of the following elements are present: power over the entity, exposure to variable returns from the entity, and the ability to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Control is normally achieved by a majority shareholding. The company, directly or through an intermediate subsidiary owned 100% of the share capital of all of its subsidiaries. The results of subsidiaries acquired are consolidated from the date on which control passes to the group. The results of disposed subsidiaries are consolidated up to the date on which control passes from the group. All intra-group transactions and balances are eliminated on consolidation. The financial statements of subsidiaries are adjusted to bring them into line with the group's accounting policies as required.

James Halstead

## 2. Accounting policies (continued)

### Segment reporting

Operating segments are those segments for which results are reviewed by the group's chief operating decision maker (CODM) to assess performance and make decisions about resources to be allocated. The CODM is the group board which meets regularly throughout the year to discuss the performance and results of the group as a whole. The business of the group is the manufacture and distribution of flooring products. The group operates through separate legal entities in certain areas of the world and in order to provide information in a structured manner to readers of the accounts who are unfamiliar with the internal management reporting of the group, these operations are discussed by the chief executive in his report. However, the directors consider that under the definitions contained within IFRS 8 there is only one reportable segment, which is the group as a whole. This is consistent with the core principle of IFRS 8, which is to disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business activities in which the group engages and the economic activities in which it operates.

### Foreign currencies

Functional and presentation currency – the group's consolidated financial statements are presented in pounds sterling, the functional currency of the parent company, being the currency of the primary economic environment in which the parent company operates.

Transactions and balances – transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Exchange differences on retranslating monetary assets and liabilities are recognised in the income statement except where they relate to qualifying cash flow hedges, in which case the exchange differences are deferred in equity. Non-monetary items carried at historical cost are stated at the rate of exchange ruling at the date of the transaction. Non-monetary items carried at fair value are stated at the rate of exchange ruling when the fair value was determined.

Foreign subsidiaries – the results of foreign subsidiaries (none of which has the currency of a hyperinflationary economy), that have a functional currency different from the group's presentation currency, are translated at the average rates of exchange for the year.

Assets and liabilities of foreign subsidiaries, that have a functional currency different from the group's presentation currency, are translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising from the translation of the results of foreign subsidiaries and their opening net assets are recognised as a separate component of equity.

When a foreign subsidiary is sold the cumulative exchange differences relating to the retranslation of the net investment in that foreign subsidiary are recognised in the income statement as part of the gain or loss on disposal. This applies only to exchange differences recorded in equity after 1 July 2006. Exchange differences arising prior to 1 July 2006 remain in equity on disposal as permitted by IFRS 1.

### Intangible assets

Goodwill – goodwill arising on the acquisition of a subsidiary undertaking is the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Goodwill is reviewed for impairment at least annually and when there are indications that the carrying amount may not be recoverable. For the purpose of impairment review, goodwill is allocated to the relevant cash generating unit (CGU) within the group. An impairment loss is recognised if the carrying value of the CGU, including its goodwill, exceeds its recoverable amount. Any impairment loss is recognised immediately in the income statement and is not subsequently reversed. On disposal of a subsidiary, the attributable amount of goodwill is included in the calculation of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the UK GAAP value as at that date having been reviewed for impairment at that date and subsequently at least annually.



# Notes to the Consolidated Financial Statements

continued

## 2. Accounting policies (continued)

### Taxation

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities based on tax rates and laws that are enacted at the balance sheet date. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their corresponding book values as recorded in the group's financial statements with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised;
- deferred income tax is not provided on unremitted earnings of foreign subsidiaries where there is no likelihood to remit the earnings.

Deferred income tax assets and liabilities are based on tax rates and laws that are substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are undiscounted.

### Share-based payments

The group grants equity settled share options to certain of its employees. An expense in relation to such options based on their fair value at the date of grant, is recognised over the vesting period. The group uses the Black Scholes model for the purpose of computing fair value.

### Inventories

Inventories are measured at the lower of cost and net realisable value on a weighted average cost basis. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished and partly finished goods, cost represents the cost of raw materials, direct labour, other direct costs and related production overheads on bases consistently applied from year to year. In all cases provision is made for obsolete, slow-moving or defective items where appropriate.

### Financial assets and liabilities

Financial assets comprise trade and other receivables and cash and cash equivalents. Financial liabilities comprise trade and other payables.

### Trade and other receivables

Trade and other receivables are non-interest bearing and are initially stated at fair value and then subsequently at amortised cost less provision for lifetime expected credit losses using the simplified approach in IFRS 9. Estimated irrecoverable amounts are based on historical experience and forward looking information, together with specific amounts that are not expected to be collectable. Individual amounts are written off when management deems them not to be collectable.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, short-term (with an original maturity of three months or less) deposits and bank overdrafts. Bank overdrafts are disclosed as current liabilities except where the group participates in offset arrangements with certain banks whereby cash and overdraft amounts are offset against each other. Cash and cash equivalents are held at amortised cost.

James Halstead



## 2. Accounting policies (continued)

### Trade and other payables

Trade and other payables are non-interest bearing and are initially stated at fair value and then subsequently at amortised cost.

### Pension scheme arrangements

The group operates defined contribution pension schemes and a defined benefit pension scheme for certain of its United Kingdom employees.

A defined contribution scheme is a scheme in which the group pays contributions into publicly or privately administered schemes on a voluntary, statutory or contractual basis. The group has no further payment obligations once the contributions have been made. The amount charged to the income statement is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as receivables or payables in the balance sheet.

A defined benefit scheme is a scheme in which the amount of pension benefit that an employee will receive on retirement is defined. For the defined benefit scheme, pension costs and the costs of providing other post retirement benefits are charged to the income statement in accordance with the advice of qualified independent actuaries. Past service costs are recognised in the income statement at the earlier of when the plan amendment or curtailment occurs or when the group recognises related restructuring costs or termination benefits. The service cost is charged against operating profit and the net interest cost is charged as a finance cost. The net interest cost is calculated using the discount rate at the beginning of the period. The retirement benefit obligations recognised on the balance sheet represent the difference between the fair value of the scheme's assets and the present value of the scheme's defined benefit obligations measured at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit method. Remeasurements of the net defined benefit obligations are recognised in the period in which they arise in other comprehensive income. A net defined benefit obligations asset is recognised to the extent that the group can realise an economic benefit from that asset.

### Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment except for land which is stated at cost less any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is calculated on the depreciable amount (being cost less the estimated residual value) on a straight line basis over the estimated useful lives of the assets as follows:

Freehold land: Not depreciated  
Freehold buildings: 10 to 50 years  
Plant and equipment: 2 to 20 years

Residual values and useful lives are reviewed at each group balance sheet date for continued appropriateness and indications of impairment and adjusted if appropriate.

### Right of use assets and lease liabilities

A right of use asset and a lease liability are recognised for all leased asset contracts on their commencement, except for low value leases and short term leases of one year or less.

On recognition, the right of use asset and lease liability are measured at the present value of the lease payments discounted over the lease term. The discount rate used is the rate inherent in the lease if this can be determined, or the incremental borrowing rate.

The right of use asset is stated at cost being lease payments, reduced for any lease incentives received, and increased for any lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial recognition, the right of use assets are depreciated on a straight line basis over the shorter of the lease term or the useful life of the asset. The lease liabilities are increased by the interest cost and reduced by the lease payments made. A depreciation charge and an interest cost are recognised in the income statement.

The lease payments for low value and short term leases are expensed in the income statement on a straight line basis over the lease term.



# Notes to the Consolidated Financial Statements

continued

## 2. Accounting policies (continued)

### Revenue recognition

Revenue is from the sales of flooring products and is recognised at the point in time when control of the products has been transferred to the customer. Control passes to the customer at the point terms of despatch are met, which is generally when the goods are delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods. Sales are invoiced at the time of despatch and payment terms are based on the invoice date. Payment terms vary by customer, but do not exceed six months. Revenue is stated after provision for trade discounts and rebates due on the sales. Revenue excludes VAT and sales taxes.

### Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Development expenditure not meeting all the criteria for capitalisation contained in IAS 38 – Intangible Assets, is recognised in the income statement as an expense as incurred.

### Dividends

Interim dividends are recognised when they are paid. Final dividends are recognised when they are approved by the shareholders.

### Derivative financial instruments and hedging

The group uses derivative financial instruments to hedge its exposure to foreign currency transactional risk. In accordance with its treasury policy the group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recorded at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value at each group balance sheet date.

The method by which any gain or loss arising from remeasurement is recognised depends on whether the instrument is designated as a hedging instrument and, if so, the nature of the item being hedged. The group recognises an instrument as a hedging instrument by documenting at the inception of the transaction the relationship between the instrument and the hedged items and the objectives and strategy for undertaking the hedging transaction. To be designated as a hedging instrument, an instrument must also be assessed, at inception and on an ongoing basis, to be highly effective in offsetting changes in cash flows of hedged items.

For derivatives not used in hedging transactions, the gain or loss on remeasurement of fair value is recognised immediately in the income statement.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or of a highly probable forecast future transaction, the gain or loss on remeasurement which relates to the portion of the hedge which is deemed effective is recognised in equity through other comprehensive income, with the balance of the gain or loss, relating to the ineffective portion, being recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

### 3. Financial risk management

#### Financial risk and treasury policies

A full description of the James Halstead plc group's treasury policy is contained in the financial director's review.

The group's activities expose it to a number of financial risks as detailed below. These risks are managed, with the objective of limiting adverse effects, from the group's head office in accordance with policies determined by and decisions made by the group board.

There have been no changes in financial risks from the previous year.

#### Market risks

Market risk is the risk that changes in market prices, such as currency exchange rates and interest rates will affect the group's results. The objective of market risk management is to control it within suitable parameters.

##### (a) Foreign exchange risk

The group operates internationally and is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the entity making the sale or purchase. There are a range of currencies giving rise to this risk, but most significant is the euro. To mitigate risks associated with future exchange rate fluctuations, the group's policy is to use forward exchange contracts to hedge its known and certain forecast transaction exposures based on historical experience and projections. The group hedges at least 25% but rarely more than 100% of the next twelve months' anticipated exposure.

##### (b) Interest rate risk

The group does not use derivative financial instruments to mitigate its exposure to interest rate risk. The main element of interest rate risk concerns sterling deposits which are made on floating market based rates and short-term overdrafts in foreign currencies which are also on floating rates.

#### Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's trade receivables from customers and monies on deposit with financial institutions.

With regard to trade receivables, the group is not subject to significant concentration of credit risk. Exposure is spread across a large number of companies and the underlying local economic and sovereign risks vary across the world. Trade receivable exposures are managed locally in the individual operating units where they arise and credit limits are set as deemed appropriate. Where practicable and deemed necessary the group endeavours to minimise credit risks by the use of trade finance instruments such as letters of credit and insurance.

The group controls credit risk in relation to counterparties to other financial instruments by dealing only with highly rated financial institutions.

The group's maximum credit exposure on financial assets is represented by their book value.

#### Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

#### Capital risk

The group's objectives in managing capital are to safeguard the ability of all entities within the group to continue as going concerns, whilst maximising the overall return to shareholders over time. The capital structure of the group consists of equity attributable to equity holders of the parent company less cash and cash equivalents.

The group will only usually take on borrowings where those borrowings would be financed by the cash expected to be generated by the related investment opportunity and where the borrowing would not significantly increase the group's exposure to risk.



# Notes to the Consolidated Financial Statements

continued

## 4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of certain estimates and associated assumptions that affect the application of policies, the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best assessments of amounts, events or actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on a regular and ongoing basis. There are no significant judgements.

The estimates that have had the most significant effect on the amounts included in these consolidated financial statements are as follows:

### Inventories

For financial reporting purposes the group evaluates its inventory to ensure it is carried at the lower of cost or net realisable value. Provision is made against slow moving, obsolete and damaged inventories. Damaged inventories are identified and written down through the inventory counting procedures conducted within each business. Provision for slow moving and obsolete inventories is assessed by each business as part of their ongoing financial reporting. Obsolescence is assessed based on comparison of the level of inventory holding to the projected likely future sales. Future sales are assessed based on historical experience, and adjusted where the market conditions are known to have changed. To the extent that future events impact the saleability of inventory these provisions could vary significantly. For example, changes in specifications or regulations may render inventory, previously considered to have a realisable value in excess of cost, obsolete and require such inventory to be fully written off. The effect on the income statement of the movements in inventory write-downs is provided in note 19.

### Retirement benefit obligations

The liability recognised in respect of retirement benefit obligations is dependent on a number of estimates including those relating to mortality, inflation, and the rate at which liabilities are discounted. Any change in these assumptions would impact the retirement benefit obligations recognised. Further details on these estimates are provided in note 26.

James Halstead

## 5. Segmental information

Operating segments are those segments for which results are reviewed by the group's chief operating decision maker (CODM) to assess performance and make decisions about resources to be allocated. The CODM is the group board which meets regularly throughout the year to discuss the performance and results of the group as a whole. The business of the group is focussed almost entirely on the manufacture and distribution of flooring products. The directors consider that under the definitions contained within IFRS 8 there is only one reportable segment, which is the group as a whole. This is consistent with the core principle of IFRS 8, which is to disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business activities in which the group engages and the economic activities in which it operates. Therefore the majority of the disclosures required under IFRS 8 have already been given in these financial statements.

Segment assets comprise property, plant and equipment, right of use and intangible assets. Geographical disclosures in respect of revenues and segment assets are provided below and include revenue for Germany of £44,584,000 (2024: £47,241,000) and assets in Germany of £8,353,000 (2024: £8,632,000).

	2025	2024
	£'000	£'000
Revenue		
United Kingdom	111,726	110,658
Europe and Scandinavia	91,799	100,909
Australasia and Asia	29,791	35,059
Rest of the World	28,651	28,255
	<u>261,967</u>	<u>274,881</u>
Non-current assets		
United Kingdom	28,204	28,861
Europe and Scandinavia	9,994	10,120
Australasia and Asia	4,175	5,410
Rest of the World	9	15
Total segment assets	<u>42,382</u>	<u>44,406</u>
Retirement benefit obligations	555	14
Deferred tax assets	<u>1,585</u>	<u>214</u>
Total non-current assets	<u>44,522</u>	<u>44,634</u>

Revenue is by location of customer. Assets are by location of asset.

## 6. Employee profit share

Profit for the year is after charging the cost of the James Halstead plc share ownership plan. Since 1980 the group has operated an employee share scheme, approved under the Finance Act 1978. In December 2001 the shareholders approved a new share ownership plan in line with the requirements of legislative changes. The aim of this scheme is to enable employees to build up a personal shareholding in James Halstead plc and to participate in its continued expansion and success as shareholders as well as employees.



# Notes to the Consolidated Financial Statements

continued

## 7. Profit before income tax

Profit before tax is stated after charging/(crediting) the following:

	2025 £'000	2024 £'000
Depreciation of property, plant and equipment	3,987	4,093
Depreciation of right of use assets	3,542	3,046
Profit on disposal of property, plant and equipment	(75)	(75)
Research and development	1,794	1,485
Fees payable to the group's auditor for the audit of the parent company and consolidated financial statements	110	104
Fees payable to the group's auditor and its associates for other services: The audit of the group's subsidiaries pursuant to legislation	274	260

## 8. Staff costs and numbers

	2025 £'000	2024 £'000
Staff costs comprised:		
Wages and salaries	39,988	40,159
Social security costs	5,399	5,166
Pension costs	1,481	1,452
Share based payments expense	47	39
	<u>46,915</u>	<u>46,816</u>

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Manufacturing, selling and distribution	687	704
Administration	147	147
	<u>834</u>	<u>851</u>

The directors' remuneration was:

	2025 £'000	2024 £'000
Salary or fees	1,446	1,225
Bonuses	1,256	1,100
Benefits	27	16
Total remuneration excluding pension contributions	<u>2,729</u>	<u>2,341</u>
Pension contributions	<u>39</u>	<u>15</u>
	<u>2,768</u>	<u>2,356</u>

Social security costs related to this remuneration

370 315

There was one (2024: one) director in the defined contribution pension scheme.

James Halstead



## 9. Finance income

	2025 £'000	2024 £'000
Bank deposit interest	2,525	2,634
Other interest	45	8
	<u>2,570</u>	<u>2,642</u>
Net pension interest income	14	–
Finance income	<u>2,584</u>	<u>2,642</u>

## 10. Finance cost

	2025 £'000	2024 £'000
Other interest	18	13
Preference share dividend	11	11
	<u>29</u>	<u>24</u>
Lease interest	239	242
Net pension interest cost	–	59
Finance cost	<u>268</u>	<u>325</u>

## 11. Income tax expense

	2025 £'000	2024 £'000
Current tax		
UK current year	12,539	12,600
UK adjustments in respect of prior years	(212)	(175)
UK total	<u>12,327</u>	<u>12,425</u>
Overseas	1,444	2,296
	<u>13,771</u>	<u>14,721</u>
Deferred tax		
Current year temporary differences	694	(6)
Adjustments in respect of prior years	60	(11)
	<u>754</u>	<u>(17)</u>
Total taxation	<u>14,525</u>	<u>14,704</u>

The effective tax rate for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2025 £'000	2024 £'000
Profit before tax	55,137	56,224
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	13,784	14,056
Overseas tax rates	528	566
Disallowable items	365	268
Adjustments to tax in respect of prior periods	(152)	(186)
Total taxation	<u>14,525</u>	<u>14,704</u>

In addition to the amounts above £7,000 has been charged (2024: £188,000 charged) as other comprehensive income in respect of the remeasurement of the net defined benefit asset, and has been netted off the amounts shown in the Consolidated Statement of Comprehensive Income.

*James Halstead*

# Notes to the Consolidated Financial Statements

continued

## 12. Earnings per share

	2025 £'000	2024 £'000
Profit for the year attributable to equity shareholders	40,612	41,520
Weighted average number of shares in issue	416,786,436	416,761,396
Dilution effect of outstanding share options	–	32,457
Diluted weighted average number of shares	416,786,436	416,793,853
Basic earnings per 5p ordinary share	9.7p	10.0p
Diluted earnings per 5p ordinary share	9.7p	10.0p

The earnings per 5p ordinary share are attributable to equity shareholders.

## 13. Dividends

	2025 £'000	2024 £'000
Equity dividends		
Final dividend for previous year of 6.00p (2024: 5.75p)	25,007	23,963
Interim dividend for current year of 2.75p (2024: 2.50p)	11,462	10,420
Amounts recognised as distributions to equity shareholders in the year	36,469	34,383

A final dividend of 6.05p per share for the year ended 30 June 2025, amounting to £25,216,000 will be proposed at the Annual General Meeting.

## 14. Profit of the parent company

The company has taken advantage of the provisions of Section 408 of the Companies Act 2006 and elected not to present its own profit and loss account. The profit after taxation for the financial year dealt with in the financial statements of the company was £37,141,000 (2024: £36,106,000). The aggregate amount of directors' emoluments excluding pension contributions was £2,729,000 (2024: £2,341,000) of which the highest paid director's emoluments were £1,149,000 (2024: £1,087,000). The directors' salaries or fees for the year ended 30 June 2025 were Mr J A Wild £20,000 (2024: £40,000), Mr M Halstead £558,000 (2024: £532,000), Mr G R Oliver £546,000 (2024: £502,000), Mr D W Drillingcourt £257,000 (2024: £82,000), Mr S D Hall £nil (2024: £17,000), Mr R P Whiting £25,000 (2024: £22,000), Mr M J Halstead £20,000 (2024: £20,000) and Mrs D A Harrison £20,000 (2024: £10,000).

James Halstead

## 15. Intangible assets

Goodwill  
£'000

Cost and net book value at 30 June 2023, 2024 and 2025

3,232

An impairment review of goodwill was done by reference to value in use. Value in use was determined using conservative five year plus terminal value cash flow projections, based on current levels of profitability and assumed conservative growth rates of 5% (2024: 5%) and discount rates of 7% (2024: 7%). The result of the review indicated that no impairment was required with no reasonable sensitivities indicating an impairment.

## 16. Property, plant and equipment

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>			
At 30 June 2023	28,216	79,991	108,207
Additions	–	3,313	3,313
Disposals	–	(6,267)	(6,267)
Exchange differences	(118)	(105)	(223)
At 30 June 2024	28,098	76,932	105,030
Additions	38	3,843	3,881
Disposals	–	(1,448)	(1,448)
Exchange differences	101	(281)	(180)
At 30 June 2025	28,237	79,046	107,283
<b>Depreciation</b>			
At 30 June 2023	12,414	59,906	72,320
Charge for the year	672	3,421	4,093
Disposals	–	(6,234)	(6,234)
Exchange differences	(51)	(63)	(114)
At 30 June 2024	13,035	57,030	70,065
Charge for the year	631	3,356	3,987
Disposals	–	(1,380)	(1,380)
Exchange differences	48	(167)	(119)
At 30 June 2025	13,714	58,839	72,553
<b>Net book value</b>			
At 30 June 2023	15,802	20,085	35,887
At 30 June 2024	15,063	19,902	34,965
At 30 June 2025	14,523	20,207	34,730

*James Halstead*

# Notes to the Consolidated Financial Statements

continued

## 17. Right of use assets

	Land and buildings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
At 30 June 2023	9,577	1,882	11,459
Additions	754	1,397	2,151
Disposals	(482)	(872)	(1,354)
Exchange differences	(96)	(9)	(105)
At 30 June 2024	9,753	2,398	12,151
Additions	1,760	283	2,043
Disposals	(2,758)	–	(2,758)
Exchange differences	(531)	9	(522)
At 30 June 2025	8,224	2,690	10,914
<b>Depreciation</b>			
At 30 June 2023	3,225	1,070	4,295
Charge for the year	2,356	690	3,046
Disposals	(482)	(867)	(1,349)
Exchange differences	(48)	(2)	(50)
At 30 June 2024	5,051	891	5,942
Charge for the year	2,799	743	3,542
Disposals	(2,758)	–	(2,758)
Exchange differences	(238)	6	(232)
At 30 June 2025	4,854	1,640	6,494
<b>Net book value</b>			
At 30 June 2023	6,352	812	7,164
At 30 June 2024	4,702	1,507	6,209
At 30 June 2025	3,370	1,050	4,420

James Halstead

## 18. Deferred tax assets and liabilities

	2025 £'000	2024 £'000
Deferred tax assets	1,585	214
Deferred tax liabilities	(3,006)	(855)
	<u>(1,421)</u>	<u>(641)</u>

	Retirement benefit obligations £'000	Accelerated tax depreciation £'000	Other timing differences £'000	Total £'000
At 30 June 2023	365	(2,325)	1,489	(471)
Credited/(charged) to income statement	(181)	(151)	349	17
(Charged) to other comprehensive income	(188)	–	–	(188)
Exchange differences	–	–	1	1
At 30 June 2024	(4)	(2,476)	1,839	(641)
(Charged) to income statement	(128)	(391)	(235)	(754)
(Charged) to other comprehensive income	(7)	–	–	(7)
Exchange differences	–	–	(19)	(19)
At 30 June 2025	<u>(139)</u>	<u>(2,867)</u>	<u>1,585</u>	<u>(1,421)</u>

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income taxes relate to the same tax authority. All deferred tax assets and liabilities are analysed as non-current.

There are gross temporary differences of £20,416,000 (2024: £17,749,000) in relation to unremitted earnings of foreign subsidiaries for which no deferred tax liabilities have been provided. The deferred tax liabilities in relation to those gross temporary differences are £1,021,000 (2024: £887,000). The deferred tax liabilities have not been provided in relation to these temporary differences as it is not probable they will reverse in the foreseeable future.

## 19. Inventories

	2025 £'000	2024 £'000
Raw materials and consumables	5,645	6,310
Work in progress	2,125	2,299
Finished goods	72,631	73,659
	<u>80,401</u>	<u>82,268</u>
Opening balance	82,268	87,440
(Decrease) in inventories	(180)	(4,884)
Exchange differences	(1,687)	(288)
Closing balance	<u>80,401</u>	<u>82,268</u>

An amount of £758,000 has been credited (2024: £198,000 charged) to the income statement in respect of movements in inventory write-downs. The cost of inventory recognised as an expense was £145,396,000 (2024: £153,760,000).

*James Halstead*

# Notes to the Consolidated Financial Statements

continued

## 20. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	39,914	39,986
Other receivables	1,364	1,630
Prepayments	3,960	2,426
	<u>45,238</u>	<u>44,042</u>
Opening balance	44,042	46,979
Increase/(decrease) in trade and other receivables	1,794	(2,901)
Exchange differences	(598)	(36)
Closing balance	<u>45,238</u>	<u>44,042</u>

All amounts within trade and other receivables are due within one year. The fair value of amounts included in trade and other receivables approximates to book value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The group does not hold any collateral as security.

The group's trade receivables are stated after a provision for expected credit losses of £1,918,000 (2024: £1,904,000). The provision against trade receivables for expected credit losses is based on specific risk assessments taking into account past default experience and appropriate forward looking information. The provision is analysed as follows:

	2025 £'000	2024 £'000
Opening balance	1,904	1,911
Debts written off	(93)	(45)
Charged to income statement	128	44
Exchange differences	(21)	(6)
Closing balance	<u>1,918</u>	<u>1,904</u>

	Loss rate 2025 %	Gross 2025 £'000	Provision 2025 £'000	Loss rate 2024 %	Gross 2024 £'000	Provision 2024 £'000
Not past due	2	28,191	587	3	29,255	796
Up to three months past due	5	12,772	605	5	12,083	626
Over three months past due	84	869	726	87	552	482
		<u>41,832</u>	<u>1,918</u>		<u>41,890</u>	<u>1,904</u>

The maximum exposure to credit risk for trade and other receivables by currency was:

	2025 £'000	2024 £'000
Sterling	19,359	18,853
Euro	9,940	11,398
Australian Dollar	2,538	3,246
New Zealand Dollar	480	750
Canadian Dollar	1,229	857
Norwegian Krone	844	881
US Dollar	4,705	3,990
Other currencies	2,183	1,641
Total	<u>41,278</u>	<u>41,616</u>



## 21. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash	43,509	41,678
Cash equivalents	24,860	32,604
	<u>68,369</u>	<u>74,282</u>

The fair values of cash and cash equivalents approximate to book value due to their short maturities.

The currency analysis of cash and cash equivalents is as follows:

	2025 £'000	2024 £'000
Sterling	58,485	56,998
Euro	3,076	7,593
Australian Dollar	2,323	1,533
New Zealand Dollar	532	381
Canadian Dollar	1,671	1,457
Norwegian Krone	421	633
US Dollar	980	4,607
Other currencies	881	1,080
Total	<u>68,369</u>	<u>74,282</u>

## 22. Trade and other payables

	2025 £'000	2024 £'000
Amounts falling due within one year		
Trade payables	29,584	36,508
Value added, payroll and other taxes	4,896	4,412
Other payables	2,581	2,612
Accruals	11,035	13,955
	<u>48,096</u>	<u>57,487</u>
Amounts falling due after more than one year		
Other payables	326	410
	<u>48,422</u>	<u>57,897</u>
Opening balance	57,897	61,138
(Decrease) in trade and other payables	(8,240)	(3,263)
Exchange differences	(1,235)	22
Closing balance	<u>48,422</u>	<u>57,897</u>

The fair value of amounts included in trade and other payables approximates to book value.

## 23. Lease liabilities

	2025 £'000	2024 £'000
Opening balance	6,387	7,278
Leases started	2,043	2,151
Leases cancelled	—	(5)
Lease interest	239	242
Lease payments	(3,669)	(3,223)
Exchange differences	(313)	(56)
Closing balance	<u>4,687</u>	<u>6,387</u>

*James Halstead*

# Notes to the Consolidated Financial Statements

continued

## 23. Lease liabilities (continued)

	2025	2024
	£'000	£'000
Amounts payable in less than one year	1,940	2,707
Amounts payable in more than one year	2,747	3,680
	<u>4,687</u>	<u>6,387</u>

All amounts are payable within five years.

## 24. Preference shares

	2025	2024
	£'000	£'000
Preference shares	200	200

The cumulative preference shares have no fixed repayment date. They are not listed and therefore no market price is available. The fair value of the preference shares was not materially different from their book value.

## 25. Net funds analysis

	Cash and cash equivalents £'000	Lease liabilities £'000	Preference shares £'000	Net funds £'000
At 30 June 2023	63,222	(7,278)	(200)	55,744
Cash flow	11,178	3,223	–	14,401
Other changes	–	(2,388)	–	(2,388)
Exchange differences	(118)	56	–	(62)
At 30 June 2024	<u>74,282</u>	<u>(6,387)</u>	<u>(200)</u>	<u>67,695</u>
Cash flow	(5,615)	3,669	–	(1,946)
Other changes	–	(2,282)	–	(2,282)
Exchange differences	(298)	313	–	15
At 30 June 2025	<u>68,369</u>	<u>(4,687)</u>	<u>(200)</u>	<u>63,482</u>

## 26. Retirement benefit obligations

In the UK the group has a defined benefit pension scheme which was closed to new members in 2002 and to future accrual in 2023.

The company sponsors the Halstead Group Pension Scheme, a funded defined benefit pension scheme in the UK. The scheme is administered within a trust which is legally separate from the company. Trustees are appointed by both the company and the scheme's membership and act in the interest of the scheme and all relevant stakeholders, including the members and the company. The trustees are also responsible for the investment of the scheme's assets.

The scheme closed to future accrual with effect from 31 January 2023. At this point former active members of the scheme stopped paying contributions. Before 31 January 2023 active members of the scheme paid contributions at the rate of either 7.5% or 6% of salary depending on category. The company pays the balance of the cost as determined by regular actuarial valuations.

The scheme poses a number of risks to the company, for example, longevity risk, investment risk, interest rate risk, inflation risk and salary risk. The trustees are aware of these risks and use various techniques to control them. The trustees have a number of internal control policies including a risk register, which are in place to manage and monitor the various risks they face. Furthermore, the scheme's investments are designed to hedge against some of these risks.

All of the scheme's assets are held in quoted funds with the exception of the cash balance in the trustees' bank account.

The scheme's investment strategy is to invest broadly 80% in return seeking assets and 20% in matching assets. This strategy reflects the scheme's liability profile and the trustees' attitude to risk.

The trustees' investment strategy includes investing in liability driven investment, the value of which will increase with decreases in interest rates and/or increases in future inflation expectations. The scheme's assets are hedged to around 90% of interest rate and inflation risk as at the year end. The investment strategy is reviewed regularly by the trustees in consultation with the company.

## 26. Retirement benefit obligations (continued)

The scheme's growth assets are also expected to provide protection from inflation over the long term. Note that the scheme hedges interest rate risk on a gilts basis, whereas AA corporate bonds are used to set the IAS19 discount rate and so there is potential for the IAS19 position to diverge from the trustees' strategic target should yields on gilts and corporate bonds diverge.

The scheme does not directly hold any financial derivatives but invests in funds which hold the derivatives required to hedge the scheme's interest rate, inflation and currency risks. The main risks associated with financial derivatives include: losses may exceed the initial margin, counterparty risk, and liquidity risk. These risks are managed by the monitoring of investment managers to ensure they have reasonable levels of market exposure relative to initial margin and positions are fully collateralised on a regular basis.

The scheme is subject to regular actuarial valuations, which must be carried out at least every three years. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

An actuarial valuation was carried out as at 31 August 2022. The results of that valuation have been projected forward to 30 June 2025 by a qualified independent actuary. The figures in the following disclosure were measured using the Projected Unit Method.

At 30 June 2025 the scheme was in surplus as measured under the principles of IAS19. Under the accounting standard an entity is allowed to recognise a pension scheme surplus on its balance sheet to the extent that it is able to realise an economic benefit from that surplus.

The directors have reviewed the rules of the scheme and have concluded that the company can gain full economic benefit from the scheme on the basis that the rules provide it access to any surplus after the last member has no further benefits in the scheme (referred to in the standard as gradual settlement). Furthermore, the rules are such that the trustees are not able to take any actions that would reduce the accounting surplus, such as benefit augmentations or triggering a scheme wind-up, without the company's action or consent.

On 26 October 2018, the High Court reached a judgement in relation to Lloyds Banking Group's defined benefit pension schemes which concluded that schemes should equalise pension benefits for men and women as regards guaranteed minimum pension benefits. The impact of this judgement on the scheme has been estimated and included in the pension liability.

The High Court's June 2023 judgement in the Virgin Media case, upheld by the Court of Appeal in July 2024, could affect the validity of past amendments to rule changes in contracted-out schemes (like the scheme) under the Reference Scheme Test post-1997 if a suitable confirmation was not sought at the time of amending benefits that the test was still met. In June 2025 the Department of Work and Pensions confirmed that it would legislate to allow retrospective actuarial confirmation that past amendments passed the Reference Scheme Test post-1997. The trustees of the scheme and the directors are not aware of any specific issues, and do not plan to carry out an investigation into historic documentation.

	2025	2024
<b>Principal actuarial assumptions at the balance sheet date</b>		
Discount rate at end of year	5.70%	5.30%
Future salary increases	2.35%	2.60%
Future pension increases	2.85%	3.10%
Rate of inflation – RPI	2.95%	3.25%
– CPI	2.35%	2.60%
Future expected lifetime of current pensioner at age 65:		
Male born in 1960	20.6 years	20.6 years
Female born in 1960	23.2 years	23.1 years
Future expected lifetime of future pensioner at age 65:		
Male born in 1980	21.9 years	21.9 years
Female born in 1980	24.6 years	24.5 years

The sensitivities of the principal assumptions used to measure the scheme liabilities are as follows:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.1%	Increase by £0.5m
Rate of inflation	Increase by 0.1%	Increase by £0.3m
Expected lifetime	Increase by 1 year	Increase by £2.4m

The sensitivities may not be representative of the actual change in the present value of the scheme obligations, as it is unlikely that the change in assumptions would occur in isolation of each other, as the assumptions may be linked.

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# Notes to the Consolidated Financial Statements

continued

## 26. Retirement benefit obligations (continued)

	2025 £'000	2024 £'000
Amounts recognised in the balance sheet		
Present value of funded obligations	(52,735)	(57,358)
Fair value of scheme assets	53,290	57,372
Net asset before deferred taxation	555	14
Related deferred tax liability	(139)	(4)
Net asset after deferred taxation	416	10
Amounts recognised in the income statement		
Net interest income/(cost)	14	(59)
Amounts recognised in other comprehensive income		
Return on assets excluding amount included in net interest	(3,335)	643
Gain/(loss) arising from changes in financial assumptions	3,638	(1,166)
Gain arising from changes in demographic assumptions	78	1,068
Experience (loss)/gain	(354)	207
Deferred tax	27	752
	(7)	(188)
Remeasurement of the net defined benefit asset	20	564
The actual return on the scheme assets in the year was a £392,000 loss (2024: £3,664,000 gain).		
Changes in the present value of the scheme assets		
Opening fair value of scheme assets	57,372	56,149
Interest income	2,943	3,021
Return on assets excluding interest income	(3,335)	643
Employer contributions	500	781
Benefits paid	(4,190)	(3,222)
Closing fair value of scheme assets	53,290	57,372
Changes in the present value of the scheme obligations		
Opening defined benefit obligations	(57,358)	(57,609)
Interest cost	(2,929)	(3,080)
Gain/(loss) arising from changes in financial assumptions	3,638	(1,166)
Gain arising from changes in demographic assumptions	78	1,068
Experience (loss)/gain	(354)	207
Benefits paid	4,190	3,222
Closing defined benefit obligations	(52,735)	(57,358)

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## 26. Retirement benefit obligations (continued)

	2025 £'000	2024 £'000
Changes in the net defined benefit asset/(liability)		
Opening net defined benefit asset/(liability)	14	(1,460)
Net interest income	14	(59)
Return on assets excluding interest income	(3,335)	643
Gain/(loss) arising from changes in financial assumptions	3,638	(1,166)
Gain arising from changes in demographic assumptions	78	1,068
Experience (loss)/gain	(354)	207
Employer contributions	500	781
Closing net defined benefit asset	555	14

### Major categories of scheme assets

	2025 £'000	2024 £'000
Diversified growth fund	37,994	41,035
Liability driven assets	14,859	15,909
Cash	437	428
Total market value of assets	53,290	57,372

The scheme has no investments in the company or in property occupied by the company.

### Scheme liabilities by category of membership

	2025 £'000	2024 £'000
Active members	11,958	12,315
Deferred pensioners	13,960	15,156
Pensions in payment	26,817	29,887
	52,735	57,358

### Average duration of scheme liabilities

	2025 years	2024 years
Active members	13	15
Deferred pensioners	11	12
Pensions in payment	8	8
All scheme liabilities	9	10

Company contributions of £500,000 are expected to be paid into the scheme during the year ended 30 June 2026.

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# Notes to the Consolidated Financial Statements

continued

## 27. Share capital

Ordinary shares – allotted, issued and fully paid

	2025 Number	2024 Number	2025 £'000	2024 £'000
Opening ordinary shares of 5p each	416,786,436	416,754,052	20,839	20,838
Ordinary shares of 5p each issued	–	32,384	–	1
Closing ordinary shares of 5p each	416,786,436	416,786,436	20,839	20,839
Ordinary B shares of 1p each	16,042,530	16,042,530	160	160
Total allotted, issued and fully paid			20,999	20,999

The ordinary shares of 5p each were issued during the year for a consideration of £nil (2024: £43,000).

The preference shares detailed below are included as financial instruments within creditors. Full details of these are given in note 12 of the financial statements of the company.

	2025 £'000	2024 £'000
Allotted, issued and fully paid		
200,000 5.5% preference shares of £1 each	200	200

Ordinary shares under option

Under the terms of the executive share option scheme approved on 3 December 1998, share options were granted and exercised during the year. The share options outstanding are as follows:

Director	Date of grant	Date exercisable	Date of expiry	Exercise price (pence)	Number 30.06.24	Exercised in the year	Granted (lapsed) in the year	Number 30.06.25
M Halstead	12 Jun 17	12 Jun 20	11 Jun 27	238.250	100,000	–	–	100,000
	18 Oct 18	18 Oct 21	17 Oct 28	195.415	120,000	–	–	120,000
	10 Aug 22	10 Aug 25	9 Aug 32	206.000	100,000	–	–	100,000
	17 Nov 23	17 Nov 26	16 Nov 33	203.000	30,000	–	–	30,000
	27 Mar 24	27 Mar 27	26 Mar 34	192.750	30,000	–	–	30,000
G R Oliver	12 Jun 17	12 Jun 20	11 Jun 27	238.250	100,000	–	–	100,000
	18 Oct 18	18 Oct 21	17 Oct 28	195.415	120,000	–	–	120,000
	10 Aug 22	10 Aug 25	9 Aug 32	206.000	100,000	–	–	100,000
	17 Nov 23	17 Nov 26	16 Nov 33	203.000	30,000	–	–	30,000
	27 Mar 24	27 Mar 27	26 Mar 34	192.750	30,000	–	–	30,000
D W Drillingcourt	12 Jun 17	12 Jun 20	11 Jun 27	238.250	80,000	–	–	80,000
	4 Oct 21	4 Oct 24	3 Oct 31	262.665	60,000	–	–	60,000
	10 Aug 22	10 Aug 25	9 Aug 32	206.000	70,000	–	–	70,000
	17 Nov 23	17 Nov 26	16 Nov 33	203.000	30,000	–	–	30,000
	27 Mar 24	27 Mar 27	26 Mar 34	192.750	30,000	–	–	30,000
Total – directors					1,030,000	–	–	1,030,000
Employees								
	12 Jun 17	12 Jun 20	11 Jun 27	238.250	180,000	–	–	180,000
	22 Dec 17	22 Dec 20	21 Dec 27	218.040	40,000	–	–	40,000
	18 Oct 18	18 Oct 21	17 Oct 28	195.415	234,950	–	–	234,950
	4 Oct 21	4 Oct 24	3 Oct 31	262.665	505,000	–	–	505,000
	27 Jun 22	27 Jun 25	26 Jun 31	205.330	20,000	–	–	20,000
	10 Aug 22	10 Aug 25	9 Aug 32	206.000	715,000	–	–	715,000
	17 Nov 23	17 Nov 26	16 Nov 33	203.000	475,000	–	(45,000)	430,000
	27 Mar 24	27 Mar 27	26 Mar 34	192.750	505,000	–	(30,000)	475,000
Total – employees					2,674,950	–	(75,000)	2,599,950
Grand total					3,704,950	–	(75,000)	3,629,950

## 27. Share capital (continued)

The market price of the shares at 30 June 2025 was 159p (2024: 182p). The share price during the year ranged from 133p to 205p.

Directors exercised nil (2024: 32,384) share options during the year. Aggregate gains on exercising the share options by directors in the year amounted to £nil (2024: £20,000) of which £nil (2024: £11,000) related to the highest paid director.

A summary of movements in numbers of share options is as follows:

	Number of options	Weighted average exercise price
At 30 June 2023	2,747,334	222p
Exercised in the year	(32,384)	135p
Lapsed in the year	(170,000)	236p
Granted in the year	1,160,000	198p
At 30 June 2024	3,704,950	215p
Lapsed in the year	(75,000)	199p
At 30 June 2025	3,629,950	215p

At 30 June 2025 there were 974,950 (2024: 974,950) share options exercisable at a weighted average exercise price of 217p (2024: 217p).

The weighted average remaining contractual life of share options outstanding at 30 June 2025 was 6.2 years (2024: 7.3 years).

### Share based payments

The group's equity settled share based payments comprise the grant of share options to certain employees under the group's executive share option scheme. Details of such options are given above. The group calculated the fair value of the options at the date of grant using the Black Scholes model.

An expense based on the fair value calculated at the date of grant was recognised in the income statement over the vesting period of the options. The share based payment expense for the year ended 30 June 2025 was £47,000 (2024: £39,000).





# Notes to the Consolidated Financial Statements

continued

## 28. Reserves

The nature and purpose of each reserve within equity is as follows.

Reserve	Description and purpose
Equity share capital	Nominal value of equity share capital issued.
Share premium account	Amount subscribed for equity share capital in excess of nominal value.
Currency translation reserve	Cumulative currency translation gains and losses arising on the retranslation of the net assets of the group's foreign operations.
Hedging reserve	Gains and losses arising on the fair value of financial instruments in an effective designated cash flow hedging relationship.
Retained earnings	All other gains and losses and transactions with owners, such as dividends, not recognised in other reserves.

## 29. Derivative financial instruments

	2025 £'000	2024 £'000
Forward exchange contracts assets	193	482
Forward exchange contracts liabilities	1,936	106

The group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the entity concerned. The currencies giving rise to this risk are various, but the most significant are the US Dollar and the Euro. Forward exchange contracts are used to manage this exposure to fluctuations in foreign exchange rates. The group buys or sells foreign currency at spot where necessary to address any short-term imbalances.

The group hedges, using forward exchange contracts, transactions denominated in a foreign currency which are not matched against other transactions in the same currency within the group. The forward exchange contracts have maturities of less than one year after the balance sheet date.

The group classifies its forward exchange contracts hedging forecasted transactions as cash flow hedges and states them at fair value. The hedged cash flows are expected to occur within one year after the balance sheet date.

The fair values have been calculated by applying (where relevant), for equivalent maturity profiles, the rate at which forward currency contracts with the same principal amounts could be acquired at the balance sheet date.

Changes in the fair value of forward exchange contracts for which no hedge accounting is applied or where the hedge is considered ineffective are recognised in the income statement.

Other than the use of forward exchange contracts as detailed above, the group does not make use of derivative financial instruments.

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### 30. Financial instruments

For cash and cash equivalents and trade and other payables and receivables the fair value approximates to their book value due to the short maturity profile of these financial instruments. On receivables, allowances are made within the book value for credit risk. The fair value of forward exchange contracts is determined by reference to spot rates adjusted for the forward points to the contract value date.

The book values and fair values of financial instruments are set out below:

	2025 Book value £'000	2025 Fair value £'000	2024 Book value £'000	2024 Fair value £'000
<b>Current:</b>				
Trade and other receivables	41,278	41,278	41,616	41,616
Forward exchange contracts	193	193	482	482
Cash and cash equivalents	68,369	68,369	74,282	74,282
Trade and other payables	(43,200)	(43,200)	(53,075)	(53,075)
Forward exchange contracts	(1,936)	(1,936)	(106)	(106)
Lease liabilities	(1,940)	(1,940)	(2,707)	(2,707)
<b>Total</b>	<b>62,764</b>	<b>62,764</b>	<b>60,492</b>	<b>60,492</b>
<b>Non-current:</b>				
Other payables	(326)	(326)	(410)	(410)
Lease liabilities	(2,747)	(2,747)	(3,680)	(3,680)
Preference shares	(200)	(200)	(200)	(200)
<b>Total</b>	<b>(3,273)</b>	<b>(3,273)</b>	<b>(4,290)</b>	<b>(4,290)</b>

The lease liabilities are all payable within five years.

Other than forward exchange contracts which are categorised as derivative instruments, all financial assets are categorised as financial assets measured at amortised cost and all financial liabilities are categorised as financial liabilities measured at amortised cost.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value. IFRS 7 requires that these be grouped into Levels 1 to 3 based on the degree to which the fair value is observable. All items in the table below are categorised as Level 2 which, as defined by IFRS 7, refers to those items whose fair value measurement is derived from inputs other than that are observable for the asset or liability either directly or indirectly.

	2025 £'000	2024 £'000
Forward exchange contracts at fair value through profit and loss account	27	(16)
Forward exchange contracts at fair value through hedging reserve	(1,770)	392
	<b>(1,743)</b>	<b>376</b>

#### Sensitivity analysis

The group's principal exposures in relation to market risks are to changes in the euro exchange rate against sterling and to changes in UK interest rates. The group does not fix the interest rate receivable on its sterling balances, and based on balances held at the year end, a 1% increase or decrease in sterling interest rates would lead to an increase or decrease in post-tax earnings of £439,000 (2024: £427,000). The table below details the notional impact of changes in the euro exchange rate against sterling on the group's post-tax profit and equity. The gains and losses arise from the translation of receivables, payables, cash and forward exchange contracts which are denominated in currencies other than each subsidiary's reporting currency.

	2025 Post-tax profits £'000	2025 Equity £'000	2024 Post-tax profits £'000	2024 Equity £'000
Euro 5% stronger against sterling	5	5	27	27
Euro 5% weaker against sterling	(5)	(5)	(24)	(24)

*James Halstead*

# Notes to the Consolidated Financial Statements

continued

## 31. Group companies

At 30 June 2025, the trading subsidiaries of the group and the proportion of ordinary share capital owned were:

Name of subsidiary	Activity	Country of incorporation	Proportion owned (%)
Polyflor Limited	Flooring manufacturing and distribution	England	100
Riverside Flooring Limited	Flooring manufacturing	England	100
Objectflor Art und Design Belags GmbH	Flooring distribution	Germany	100
Karndean International GmbH	Flooring distribution	Germany	100
James Halstead France SAS	Flooring distribution	France	100
Polyflor Nordic Sweden AB	Flooring distribution	Sweden	100
Polyflor Canada Inc	Flooring distribution	Canada	100
Polyflor Australia Pty Limited	Flooring distribution	Australia	100
Polyflor New Zealand Limited	Flooring distribution	New Zealand	100
Polyflor (M) SDN BHD	Flooring distribution	Malaysia	100
Polyflor North Asia Limited	Flooring distribution	Hong Kong	100
Polyflor India Pvt Limited	Flooring distribution	India	100

A complete list of the group's subsidiaries is provided in note 4 of the financial statements of the company.

## 32. Exchange rates

The currency exchange rates used to translate the results, assets and liabilities of foreign subsidiaries were:

	2025 Closing	2025 Average	2024 Closing	2024 Average
Euro	1.17	1.19	1.18	1.16
Australian dollar	2.09	2.00	1.89	1.92
New Zealand dollar	2.26	2.19	2.07	2.08
Canadian dollar	1.87	1.81	1.73	1.71
Swedish krona	13.06	13.42	13.39	13.39
Indian rupee	117.52	110.10	105.41	104.63
Malaysian ringgit	5.77	5.69	5.96	5.91
Hong Kong dollar	10.76	9.87	—	—

## 33. Related parties

Transactions between the company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The group's contributions to the defined benefit pension scheme are disclosed in note 26.

Details of other related party transactions for the group are shown in the directors' report, board report on remuneration and in the notes to the financial statements. The key management personnel are the directors.

Polyflor Limited, a subsidiary of the company, leases cars from a company of which Mr Russell Whiting is a director. The lease payments during the year were £140,000 (2024 £213,000) and the outstanding lease commitments at 30 June 2025 were £147,000 (2024: £78,000).

# Company Balance Sheet

as at 30 June 2025

	Note	2025 £'000	Restated 2024 £'000
<b>Fixed assets</b>			
Tangible fixed assets	3	3,686	3,892
Investments	4	40,982	40,982
		<u>44,668</u>	<u>44,874</u>
<b>Current assets</b>			
Debtors due within one year	5	49,740	45,509
Retirement benefit asset	11	555	14
Total debtors		<u>50,295</u>	<u>45,523</u>
Derivative financial instruments	7	193	482
Investments	8	24,860	32,604
Cash at bank and in hand	14	32,684	28,738
Total current assets		<u>108,032</u>	<u>107,347</u>
Creditors due within one year	9	(10,322)	(10,389)
Derivative financial instruments	7	(1,936)	(106)
<b>Net current assets</b>		<u>95,774</u>	<u>96,852</u>
<b>Total assets less current liabilities</b>		<u>140,442</u>	<u>141,726</u>
Creditors due after more than one year	10	(200)	(200)
Provision for liabilities	6	(377)	(238)
<b>Net assets</b>		<u>139,865</u>	<u>141,288</u>
<b>Capital and reserves</b>			
Equity share capital		20,839	20,839
Equity share capital (B shares)		160	160
Called up share capital	12	20,999	20,999
Share premium account		55	55
Hedging reserve		(1,770)	392
Profit and loss account		120,581	119,842
<b>Total shareholders' funds</b>		<u>139,865</u>	<u>141,288</u>

The company has taken advantage of the provisions of Section 408 of the Companies Act 2006 and has elected not to present its own profit and loss account. The profit after taxation for the financial year dealt with in the financial statements of the company was £37,141,000 (2024: £36,106,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2025.

M Halstead  
Director

G R Oliver  
Director

James Halstead plc      Registration Number 140269



# Company Statement of Changes in Equity

for the year ended 30 June 2025

	Share capital £'000	Share premium £'000	Hedging reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 30 June 2023	20,998	13	558	117,516	139,085
Profit for the year	–	–	–	36,106	36,106
Remeasurement of the net defined benefit asset	–	–	–	564	564
Fair value movements on hedging instruments	–	–	(166)	–	(166)
Total comprehensive income for the year	–	–	(166)	36,670	36,504
Transactions with equity shareholders					
Dividends	–	–	–	(34,383)	(34,383)
Issue of share capital	1	42	–	–	43
Share based payments	–	–	–	39	39
Balance at 30 June 2024	20,999	55	392	119,842	141,288
Profit for the year	–	–	–	37,141	37,141
Remeasurement of the net defined benefit asset	–	–	–	20	20
Fair value movements on hedging instruments	–	–	(2,162)	–	(2,162)
Total comprehensive income for the year	–	–	(2,162)	37,161	34,999
Transactions with equity shareholders					
Dividends	–	–	–	(36,469)	(36,469)
Share based payments	–	–	–	47	47
Balance at 30 June 2025	20,999	55	(1,770)	120,581	139,865

James Halstead

# Notes to the Company Financial Statements

## 1. Accounting policies

### Basis of preparation

The separate financial statements of the company are presented as required by the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council.

The company has used the disclosure exemptions available under FRS 101 in relation to presentation of a cash flow statement, comparative information for certain assets, capital management, transactions with other group companies, compensation of key management personnel and the effects of new but not yet effective UK adopted international accounting standards.

As the consolidated financial statements include the equivalent disclosures, the company has used the disclosure exemptions available under FRS 101 in relation to share based payments, and financial instruments. The disclosures for the defined benefit retirement obligations are included in the consolidated financial statements.

The financial statements are prepared on a going concern basis and in accordance with the historical cost convention, except for certain financial instruments that have been measured at fair value.

The statement on going concern in the consolidated financial statements also justifies the going concern basis used for the company financial statements.

The accounting policies of the company are the same as those set out in the consolidated financial statements. The critical accounting estimates and judgements are retirement benefit obligations as set out in the consolidated financial statements.

The following additional accounting policies are specific to the company's financial statements.

### Investments

Investments in subsidiaries are stated at cost less provision for impairment in value.

### Investment land and buildings

Investment land and buildings are stated at cost less depreciation and any provision for impairment. Depreciation is calculated to write off the buildings on a straight line basis over their estimated economic life of fifty years. No depreciation is charged in respect of land.

### Group debtors

Amounts owed by group undertakings are stated after any provision for expected credit loss in line with the three stage model in IFRS 9.



# Notes to the Company Financial Statements

continued

## 2. Staff costs and numbers

	2025 £'000	2024 £'000
Staff costs comprised:		
Wages and salaries	3,871	3,570
Social security costs	509	466
Pension costs	247	188
Share based payments expense	47	39
	<u>4,674</u>	<u>4,263</u>

The average monthly number of employees during the year was 20 (2024: 21).

## 3. Tangible fixed assets

	Investment land and buildings £'000	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>				
At 30 June 2024	8,091	1,326	611	10,028
Additions	–	–	3	3
At 30 June 2025	<u>8,091</u>	<u>1,326</u>	<u>614</u>	<u>10,031</u>
<b>Depreciation</b>				
At 30 June 2024	5,269	399	468	6,136
Charge for the year	144	25	40	209
At 30 June 2025	<u>5,413</u>	<u>424</u>	<u>508</u>	<u>6,345</u>
<b>Net book value</b>				
At 30 June 2025	<u>2,678</u>	<u>902</u>	<u>106</u>	<u>3,686</u>
At 30 June 2024	<u>2,822</u>	<u>927</u>	<u>143</u>	<u>3,892</u>

The investment land and buildings relates to a freehold property that is occupied by a subsidiary company. The rental income was £600,000 (2024: £600,000).

James Halstead



## 4. Investments

	Shares in subsidiary undertakings £'000
Cost	
At 30 June 2024	49,552
At 30 June 2025	49,552
Provision for impairment	
At 30 June 2024	8,570
At 30 June 2025	8,570
Net book value	
At 30 June 2025	40,982
At 30 June 2024	40,982

At 30 June 2025, the company held directly and indirectly 100% of the equity and voting rights of the following undertakings:

Subsidiary	Activity	Country of incorporation	Proportion owned (%)
Owned by the company			
Polyflor Limited	Flooring manufacturing and distribution	England	100
Riverside Flooring Limited	Flooring manufacturing	England	100
Titan Leisure Group Limited	Dormant company	England	100
Halstead Flooring International Limited	Dormant company	England	100
Expona Limited	Dormant company	England	100
JHL Limited	Dormant company	England	100
Halstead Floorings Limited	Dormant company	Ireland	100
Halstead Flooring Concepts Pty Limited	Holding company	Australia	100
Polyflor Canada Inc	Flooring distribution	Canada	100
Polyflor India Pvt Limited	Flooring distribution	India	100
Polyflor (M) SDN BHD	Flooring distribution	Malaysia	100
Polyflor North Asia Limited	Flooring distribution	Hong Kong	100
Objectflor Art und Design Belags GmbH	Flooring distribution	Germany	100
James Halstead France SAS	Flooring distribution	France	100
Polyflor Nordic Sweden AB	Flooring distribution	Sweden	100
Owned by subsidiaries			
Polyflor Australia Pty Limited	Flooring distribution	Australia	100
Colonia Flooring Pty Limited	Dormant company	Australia	100
Polyflor New Zealand Limited	Flooring distribution	New Zealand	100
Karndean International GmbH	Flooring distribution	Germany	100



# Notes to the Company Financial Statements

continued

## 4. Investments continued

### Subsidiary

Polyflor Limited  
 Riverside Flooring Limited  
 Titan Leisure Group Limited  
 Halstead Flooring International Limited  
 Expona Limited  
 JHL Limited  
 Halstead Floorings Limited

Halstead Flooring Concepts Pty Limited  
 Polyflor Australia Pty Limited  
 Colonia Flooring Pty Limited

Polyflor Canada Inc

Polyflor India Pty Limited

Polyflor (M) SDN BHD

Polyflor North Asia Limited

Objectflor Art und Design Belags GmbH  
 Karndean International GmbH

James Halstead France SAS

Polyflor Nordic Sweden AB

Polyflor New Zealand Limited

### Registered office

Beechfield  
 Hollinhurst Road  
 Radcliffe  
 Manchester  
 M26 1JN  
 England

24/26 City Quay  
 Dublin 2  
 D02NY19  
 Ireland

101 Prosperity Way  
 Dandenong  
 VIC 3175  
 Australia

3209 Orlando Drive  
 Mississauga  
 Ontario L4V 1C5  
 Canada

B-408 Knox Plaza  
 Mindspace, Malad West  
 Mumbai 400 064  
 India

802, 8th Floor, Block C  
 Kelana Square  
 17 Jalan 557/26  
 Petaling Jaya  
 Salangor 47301  
 Malaysia

Units 1607-8  
 16th floor  
 Citicorp Centre  
 18 Whitfield Road  
 Causeway Bay  
 Hong Kong

Wankelstrasse 50  
 D 50996 Koln  
 Germany

Parc Saint Christophe  
 10 Avenue de l'Enterprise  
 95861 Cergy Pontoise  
 France

Box 102 51  
 434 23 Kungsbacka  
 Besöksadress  
 Energigatan 9  
 Sweden

2 Narek Place  
 Manukau City  
 Auckland 2104  
 New Zealand

James Halstead

## 5. Debtors

	2025 £'000	2024 £'000
Amounts owed by group undertakings	48,759	44,547
Corporation tax	795	655
Other debtors	84	78
Prepayments	102	229
Debtors due within one year	49,740	45,509

## 6. Deferred tax assets/(liabilities)

	Retirement benefit obligations £'000	Accelerated tax depreciation £'000	Total £'000
At 30 June 2024	(4)	(234)	(238)
Charged to income statement	(128)	(4)	(132)
Charged to other comprehensive income	(7)	–	(7)
At 30 June 2025	(139)	(238)	(377)

## 7. Derivative financial instruments

Derivative financial instruments are forward foreign exchange contracts recognised in the balance sheet at fair value.

## 8. Investments

	2025 £'000	2024 £'000
Short term bank deposits	24,860	32,604

## 9. Creditors due within one year

	2025 £'000	2024 £'000
Trade creditors	110	216
Amounts due to group undertakings	6,662	6,631
Other taxation and social security	144	130
Other creditors	786	768
Accruals	2,620	2,644
	10,322	10,389

*James Halstead*

# Notes to the Company Financial Statements

continued

## 10. Creditors due after more than one year

	2025 £'000	2024 £'000
Preference shares (note 12)	200	200

## 11. Retirement benefit obligations

	2025 £'000	2024 £'000
Present value of funded obligations	(52,735)	(57,358)
Fair value of scheme assets	53,290	57,372
Net asset	555	14

The company sponsors the Halstead Group Pension Scheme. Disclosure information is provided in note 26 to the consolidated financial statements.

## 12. Share capital

Ordinary shares – allotted, issued and fully paid	2025 Number	2024 Number	2025 £'000	2024 £'000
Opening ordinary shares of 5p each	416,786,436	416,754,052	20,839	20,838
Ordinary shares of 5p each issued	–	32,384	–	1
Closing ordinary shares of 5p each	416,786,436	416,786,436	20,839	20,839
Ordinary B shares of 1p each	16,042,530	16,042,530	160	160
Total allotted, issued and fully paid			20,999	20,999

The ordinary shares of 5p each were issued during the year for a consideration of £nil (2024: £43,000).

Shareholders approved a proposal for the return of capital ("return of capital") at an extraordinary general meeting on 6 December 2004. This resulted in the creation of the 1 pence B ordinary shares ("B shares"), which were issued on 14 January 2005. Following the issue of the B shares, holders received a single dividend of 60 pence per B share. The B shares are not listed, have extremely limited rights and are of negligible value.

The preference shares detailed below are included as financial instruments within creditors.

	2025 £'000	2024 £'000
Allotted, issued and fully paid		
200,000 5.5% preference shares of £1 each	200	200

## 12. Share capital (continued)

The 5.5% cumulative preference shares of £1 shall confer on the holders thereof the right to receive in priority to all other shares in the capital of the company out of the profits of the company which it shall be determined to distribute, a fixed cumulative preferential dividend at the rate of 5.5% per annum on the capital for the time being paid up thereon and the right in the event of a winding up, in priority to all other shares in the capital of the company, to repayment of the capital paid up thereon together with a premium of 5p per share and a sum equivalent to any arrears and accruals of the said fixed cumulative preferential dividend thereon (whether earned or declared or not) calculated up to the date of such repayment of capital but shall not confer any further right to participate in profits or assets of James Halstead plc.

The company shall not be at liberty to create or issue any further shares ranking in priority to or *pari passu* with the preference shares without the consent in writing of the holders of three-fourths of the issued preference shares or the sanction of an extraordinary resolution of the holders of such preference shares passed at a separate general meeting of such holders. The preference shares shall not confer upon the holders thereof the right to attend or vote at any general meeting of the company or to receive notice thereof, unless either:

(i) At the date of the notice convening the meeting the fixed cumulative preferential dividend on the preference shares is six months in arrears and then so long only as such dividend shall remain unpaid, and so that for this purpose the dividend on the preference shares shall be deemed to accrue due and be payable by equal half-yearly instalments on 30 June and 31 December in every year, or

(ii) The business of the meeting includes the consideration of a resolution for reducing the capital or winding up the company or for the sale of its undertaking or of any resolution directly abrogating or varying any of the special rights or privileges attached to the preference shares.

The preference shares shall nevertheless entitle the holders thereof to receive notice of every general meeting. At a general meeting at which the holders of preference shares are entitled to attend and vote, the preference shares shall entitle a holder thereof, or his proxy, to vote only for every preference share held by him.

## 13. Related party transactions

The company has taken advantage of the exemption granted by FRS 101 not to disclose transactions and balances with other group companies.

## 14. Cash at bank and in hand restatement

In the balance sheet cash at bank and in hand has been restated to exclude short term bank deposits of £32,604,000 at 30 June 2024. The short term bank deposits of £32,604,000 are now included in the balance sheet as investments in current assets. This has been done to conform with the statutory balance sheet format required by the Companies Act.



## Ten Year Summary (Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	226,141	240,784	249,510	253,038	238,630	266,362	291,860	303,562	274,881	261,967
Profit before income tax	45,499	46,616	46,702	48,276	43,857	51,268	52,063	52,099	56,224	55,137
Income tax	(10,243)	(10,106)	(9,994)	(10,484)	(9,502)	(11,407)	(11,735)	(9,695)	(14,704)	(14,525)
Profit after income tax	35,256	36,510	36,708	37,792	34,355	39,861	40,328	42,404	41,520	40,612

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Basic earnings per 5p share	8.5p	8.8p	8.8p	9.1p	8.3p	9.6p	9.7p	10.2p	10.0p	9.7p
Dividends per 5p share	6.0p	6.5p	6.8p	7.0p	7.1p	7.6p	7.8p	8.0p	8.5p	8.8p

Figures for the previous years have been restated to take account of the one-for-one bonus share issue in the year ended 30 June 2022.

Special dividends are not included.

James Halstead

# Shareholder Information

## Financial calendar

Annual general meeting 5 December 2025

## Announcement of results

For the half year March

For the full year September

## Dividend payments

Ordinary shares – interim June  
– final December

Preference shares June and December

## Share dealing information

The ordinary shares of the company are traded on the Alternative Investment Market of the London Stock Exchange.

Information concerning the day-to-day movement of the share price can be found on the London Stock Exchange website.

## Shareholder analysis

as at 15 September 2025

	Number of holders	Number of shares	%
By size of holding			
1-20,000	1,231	7,184,718	1.7
20,001-100,000	378	16,260,501	3.9
100,001-200,000	55	7,592,496	1.8
200,001-1,000,000	69	31,701,478	7.6
1,000,001 and over	62	354,047,243	85.0
	1,795	416,786,436	100.0

	Number of holders	Number of shares	%
By category			
Private individuals	1,481	195,842,284	47.0
Banks and nominee companies	273	219,684,806	52.7
Other limited companies/corporate bodies	29	695,253	0.2
Miscellaneous bodies/pension funds	8	491,077	0.1
Investment trusts and funds	4	73,016	0.0
	1,795	416,786,436	100.0





# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDREDTH and TENTH ANNUAL GENERAL MEETING of the company will be held at the Platinum Suite, Toughsheet Community Stadium, Burnden Way, Bolton, BL6 6JW, on 5 December 2025 at 12pm.

## Ordinary business

- 1 To receive and adopt the report of the directors and the statement of accounts for the year ended 30 June 2025 together with the report of the auditors.
- 2 To declare a final dividend on the ordinary shares in the capital of the company for the year ended 30 June 2025.
- 3 To re-elect Mr M Halstead as a director of the company.
- 4 To re-elect Mr G R Oliver as a director of the company.
- 5 To re-elect Mr D W Drillingcourt as a director of the company.
- 6 To re-elect Mr R P Whiting as a director of the company.
- 7 To re-elect Mr M J Halstead as a director of the company.
- 8 To re-elect Mrs D A Harrison as a director of the company.
- 9 To re-appoint BDO LLP as auditors of the company and authorise the directors to fix their remuneration for the ensuing year.

## Special business

To consider and, if thought fit, pass the following resolutions of which resolutions 10 and 11 shall be proposed as ordinary resolutions and resolutions 12 and 13 will be proposed as special resolutions:

- 10 That, subject to the passing of the ordinary and special resolutions numbered 12 and 13 below, the directors be and they are hereby authorised, pursuant to article 35.14 of the company's articles of association:
  - (i) to exercise the power contained in article 35.14 so that, to the extent determined by the directors, the holders of ordinary shares be permitted to elect to receive new ordinary shares of 5.0p each in the capital of the company, credited as fully paid, instead of all or part of any interim or final dividends which shall be declared before the conclusion of the next annual general meeting of the company after the passing of this resolution; and
  - (ii) to capitalise the appropriate amount of new ordinary shares falling to be allotted pursuant to any elections made as aforesaid out of profits, or sums standing to the credit of any share premium account or capital reserves of the company, to apply such sums in paying up such new ordinary shares and to allot such new ordinary shares to the members of the company making such elections in accordance with their respective entitlements.
- 11 That in substitution for all existing and unexercised authorities and powers, the directors of the company be and they are hereby generally and unconditionally authorised for the purpose of section 551 Companies Act 2006 (the "Act") to exercise all or any of the powers of the company to allot shares of the company or to grant rights to subscribe for, or to convert any security into, shares of the company (such shares and rights being together referred to as "Relevant Securities") up to an aggregate nominal value of £6,946,440 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the company) PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the company (if earlier) save that the directors of the company may, before the expiry of such period, make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the company may allot relevant securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
- 12 That subject to the passing of the ordinary resolution numbered 11 above the directors be and they are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 subsection (1) of the said Act) for cash pursuant to the authority conferred by resolution numbered 10 above as if Section 561 of the said Act did not apply to any such allotment provided that this power shall be limited to:
  - (i) the allotment of equity securities in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practical) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

*James Halstead*

- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of 5% of the ordinary share capital of the company in issue at the date of the passing of this resolution

and shall expire at the conclusion of the next annual general meeting or on the date which is six months after the next accounting reference date of the company (if earlier) save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

- 13 That the company is hereby generally and unconditionally authorised for the purposes of section 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the said Act) of fully paid ordinary shares of 5 pence each in the capital of the company ("ordinary shares") provided that:

- (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 10% of the ordinary shares in issue at the date of passing of this resolution;
- (ii) the maximum price (exclusive of any expenses) which may be paid for an ordinary share shall not be more than 5% above the average of the middle market quotations for an ordinary share as derived from the Daily Official List of The London Stock Exchange plc for the five business days immediately preceding the day on which the ordinary share is purchased;
- (iii) the minimum price which may be paid for each ordinary share is 5 pence (exclusive of any expenses);
- (iv) unless previously revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the company or twelve months from the date, if earlier, of passing this resolution;
- (v) the company may make a contract or contracts to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and the company may make a purchase of its ordinary shares in pursuance of such contract as if the authority hereby conferred had not expired; and
- (vi) the directors may elect to hold shares purchased under this authority in the form of treasury shares (subject to a maximum of 10% of the issued ordinary share capital of the company at any one time).

By order of the board  
D N Fletcher  
Secretary

17 October 2025

Beechfield  
Hollinhurst Road  
Radcliffe  
Manchester  
M26 1JN

*James Halstead*

# Notice of Annual General Meeting

continued

## Notes

- 1 Preference shareholders are advised that they are not entitled to attend or vote at the annual general meeting.
- 2 You can vote either:
  - i. By logging on to <https://uk.investorcentre.mpms.mvfg.com/> and following the instructions. If you experience difficulties in logging in or require assistance, please contact MUFG Corporate Markets directly on Tel: 0371 664 0300 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).
  - ii By appointing a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the company. Please consider appointing the Chairman of the AGM as your proxy, with voting instructions, to ensure your vote is counted. You may request a form of proxy directly from the registrars, MUFG Corporate Markets using the telephone number above (same call terms and conditions apply). In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12pm on 3 December 2025.
  - iii By attending the meeting in person at the address and time set out at the beginning of this notice, bringing either your attendance card or other appropriate form of identification so that you can be identified by the company's registrars. It is recommended that you arrive at least 15 minutes before the time appointed for the meeting to begin. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the company of the votes they may cast), shareholders must be entered in the register of members of the company at close of business on 3 December 2025.
  - iv. In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
- 3 If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged
- 4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12pm on 3 December 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 5 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 6 Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
- 7 As at 29 September 2025 (being the latest practicable business day prior to the publication of this Notice), the company's ordinary issued share capital consisted of 416,786,436 ordinary shares, carrying one vote each. Therefore, the total voting rights in the company as at 29 September 2025 were 416,786,436.
- 8 You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the company for any purposes other than those expressly stated.
- 9 A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the company's website at [www.jameshalstead.com](http://www.jameshalstead.com).
- 10 The documents listed below will be available for inspection at an agreed time at the registered office of the company during the usual business hours on any weekday except bank holidays. Please e-mail [secretary@jameshalstead.plc.uk](mailto:secretary@jameshalstead.plc.uk) (Label your e-mail "AGM documents") to book an appointment to view the following documents:
  - i. The register of interests of the directors in the share capital of the company; and
  - ii. Copies of the service contracts of Mr G R Oliver and Mr D W Drillingcourt.
- 11 The final dividend, if approved, will be paid on 12 December 2025 to shareholders on the register as at 14 November 2025.

*James Halstead*

*James Halstead*





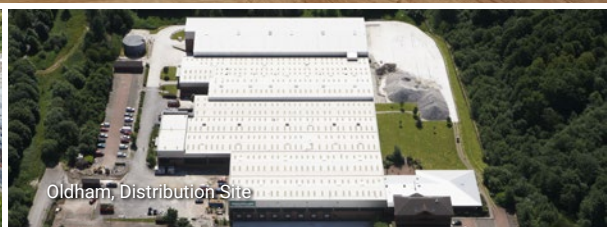
Expona Flow PUR | Manufactured at Teesside, UK



Teesside, Manufacturing Site



Radcliffe, Manufacturing Site



Oldham, Distribution Site

*James Halstead*™

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