TOPPS GROUP

TOPPS TILES PLC

Annual Report and Accounts
for the 52-week period
ended 28 September 2024

Contents

Inspiring customers through our love of tiles

In recent years the Group has developed and diversified and now consists of a range of brands offering tiles, hard surfaces and associated products to a wide range of customers and clients across all sectors in the UK.

MISSION 365
GROW SALES BUILD PROFIT

Having delivered our 20% market share goal of "one in five" in 2023, this year we are launching our new goal – Mission 365 – targeting £365 million of sales in the medium term.

Read more about **Our Strategy** on pages 20 to 31

Core Purpose
The core purpose of the business is to inspire customers through our love of tiles. This purpose gives the business strategic clarity in that opportunities we pursue should leverage our core specialism in tiles and associated products.

Goal
New goal launched –

Mission 365
targeting £365 million of sales in the medium term

Group Growth Strategy

MISSION 365
GROW SALES BUILD PROFIT

FIRST FOR **TILES**

FAMOUS FOR **HARD SURFACES**

FIRST FOR **CONSUMER**

FIRST FOR **TRADE**

Environmental Leadership | **Topp People, Topp Service** | Operational Excellence

TOPPS GROUP

Topps Tiles | PARKSIDE | PRO TILER | Tile Warehouse | CTD ceramic tile distributors

Culture
We are a community of small teams with big ambitions who trust each other, celebrate success and put the customer at the heart of everything we do, that's the Topps way.

Pikko™ Antique White Mosaic, Kapital™ Graphite

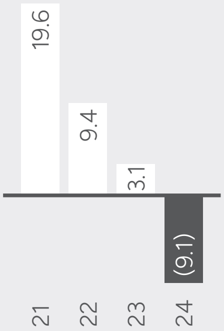
Highlights

Topps Tiles Plc ('Topps Group', the 'Company' or the 'Group'), the UK's leading tile specialist, announces its consolidated annual financial results for the 52 weeks ended 28 September 2024.

Adjusted Measures

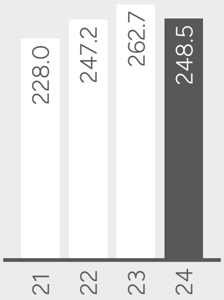
Topps Tiles like-for-like revenue year on year (%)[1]

YoY: n/a



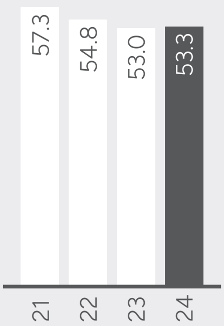
Adjusted revenue (£m)[2]

YoY: (5.4)%



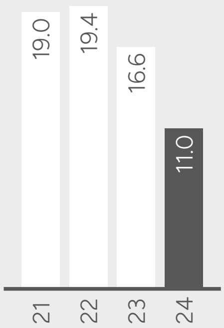
Adjusted gross margin (%)[2]

YoY: +0.3%pts



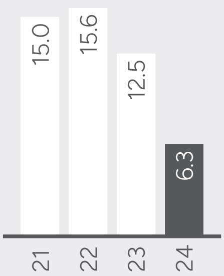
Adjusted operating profit (£m)[2]

YoY: £(5.6) million



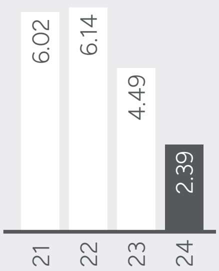
Adjusted profit before tax (£m)[2]

YoY: £(6.2) million



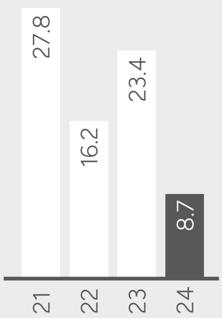
Adjusted earnings per share (pence)[2]

YoY: (46.8)%



Adjusted net cash at period-end (£m)[3]

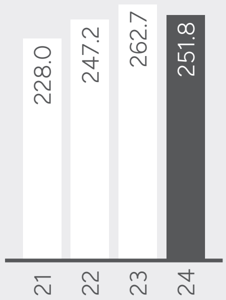
YoY: £(14.7) million



Statutory Measures

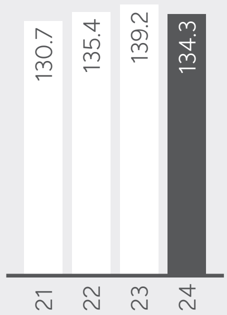
Group revenue (£m)

YoY: (4.1)%



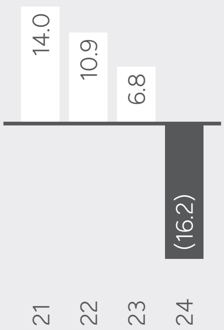
Gross profit (£m)

YoY: (3.5)%



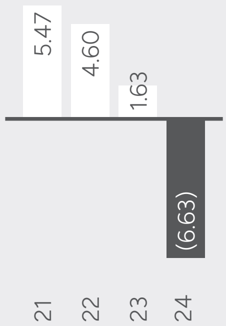
(Loss)/Profit before tax (£m)

YoY: n/a



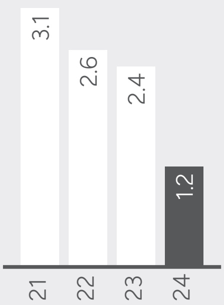
Basic (loss)/earnings per share (pence)

YoY: n/a



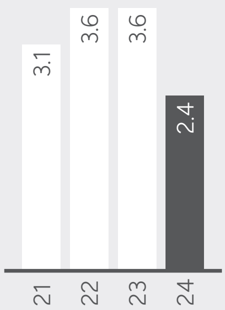
Final dividend per share (pence)

YoY: (50.0)%



Total dividend per share (pence)

YoY: (33.3)%



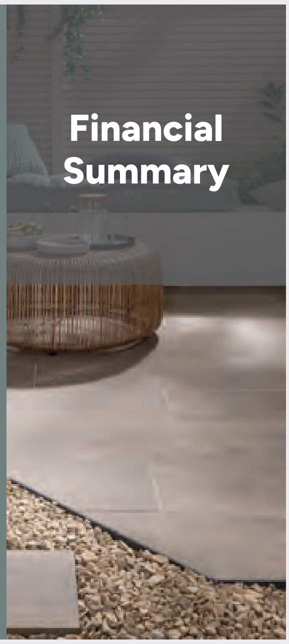
1 Topps Tiles like-for-like revenue is defined as revenue from Topps Tiles stores that have been trading for more than 52 weeks and revenue transacted through Topps Tiles' digital channels.

2 Adjusted revenue, gross margin %, operating profit, profit before tax and earnings per share exclude the impact of items which are either one-off in nature or fluctuate significantly from year to year. See the financial review section of this document for more details on each of these measures.

3 Adjusted net cash is defined as cash and cash equivalents, less bank loans, before unamortised issue costs as at the balance sheet date. It excludes lease liabilities arising from IFRS 16.

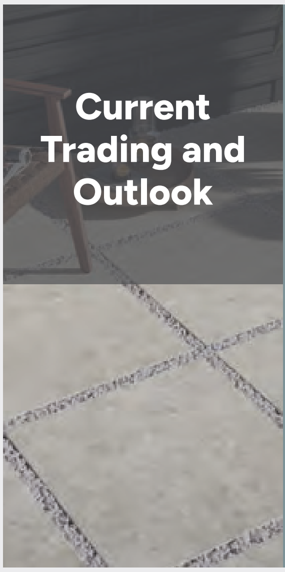
Strategic and Operational Highlights

- Continuing to take market share in a difficult trading environment
- Market c. 20% down on pre-Covid levels, Group revenue +14.9% vs 2019
- New strategic goal, 'Mission 365' launched, to grow Group sales to £365 million, with an adjusted PBT margin of 8-10%
- Strong initial progress made with five key growth areas over last six months
  - Trade digital experience improved –trade website relaunched, simpler registration process and pricing visibility
  - B2B growth – CTD brand and certain assets acquired, further strengthening the Group's trade presence. Actively working with the CMA in respect of their review process
  - Category expansion continuing at pace with trial and roll out of new hard surface coverings offer
  - Pro Tiler, now fully owned, delivered excellent growth with revenue up over 30% and strong profit margins
  - Tile Warehouse sales run-rate trebled year on year
- New distribution centre acquired to facilitate further growth of Pro Tiler Tools and the wider Group



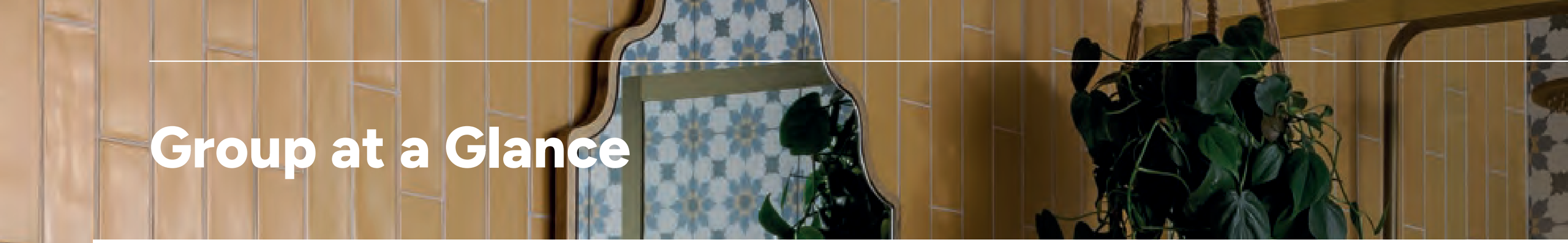
Financial Summary

- Adjusted revenue down 5.4% to £248.5 million
- Adjusted gross margin up 0.3%pts to 53.3%, driven by gains in Topps Tiles
- Adjusted operating costs down £1.1 million despite £4.9 million of inflationary costs
- Adjusted profit before tax down £6.2 million to £6.3 million due to operational gearing in the business
- Statutory loss before tax of £16.2 million as a result of £19.4 million non-cash impairment, primarily of right-of-use assets, and £3.1 million expense relating to purchase of remaining Pro Tiler shares
- Adjusted net cash outflow of £14.7 million, including outflows of £18.9 million relating to the acquisition of CTD Tiles and the remaining shares in Pro Tiler Limited, and a £6.4 million working capital benefit, driven by timing of year end
- Adjusted net cash of £8.7 million at year end, with £38.7 million cash headroom to banking facilities
- Full year dividend of 2.4 pence, at the top end of Group's dividend policy and 1x covered by EPS, reflecting weaker trading in 2024 but also the Board's confidence in the Group's medium term prospects



Current Trading and Outlook

- Group sales in the first eight weeks returned to growth, up 1.2% year on year excluding CTD
- Topps Tiles like-for-like sales down 0.4% year on year in the eight-week period
- Macroeconomic indicators are mixed, with consumer confidence weak but some housing metrics trending upwards
- Additional cost headwinds from increases in National Living Wage and National Insurance contributions from April 2025
- Significant self-help initiatives in play to deliver Mission 365
- Strategy, core strengths and robust balance sheet leave Group well placed to deliver significant medium term growth



Group at a Glance

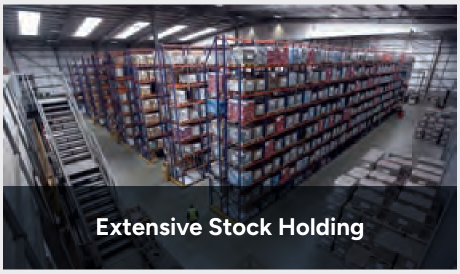
Brands

Topps Tiles · CTD ceramic tile distributors · PROTILER · PARKSIDE · Tile Warehouse · WarmFloor Store · NORTHANTS TOOLS · Premium Tile Trim · Flooring Materials

Physical Assets

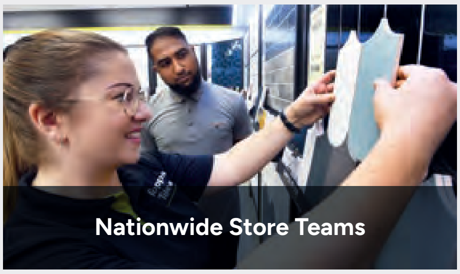
Nationwide Store Network

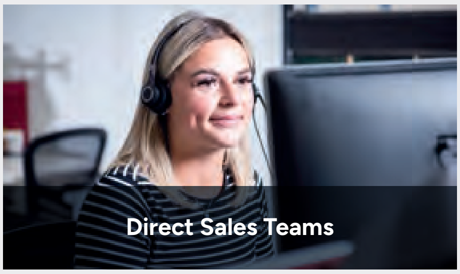

Specialist Distribution Fleet


Extensive Stock Holding

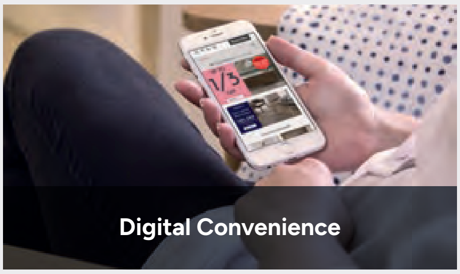

National Distribution Centres

Services

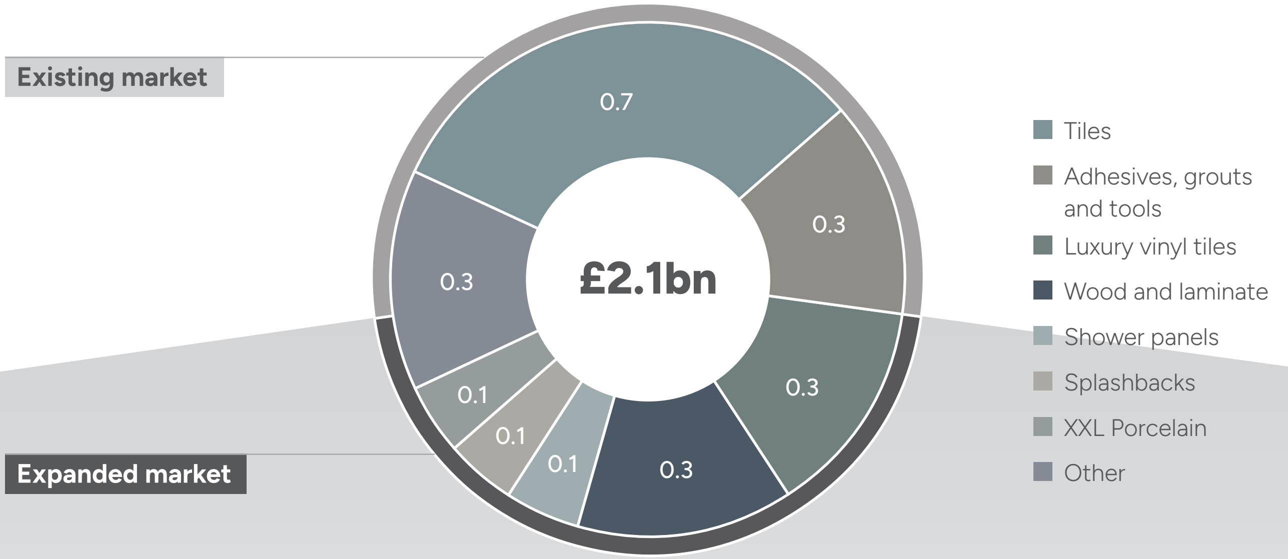

Nationwide Store Teams

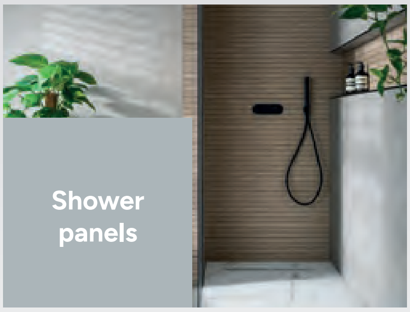

Direct Sales Teams

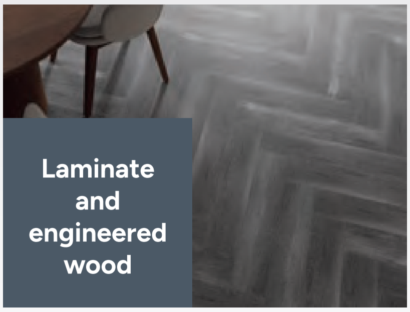

Central Support


Digital Convenience

Our Addressable Market







World-class Customer Service

What our customers say about us

★★★★★

High quality and exactly what I wanted

Tiles are perfect – exactly what I was looking for. Beautiful tone and the white vein makes it look really expensive despite the very reasonable price. Very happy and would buy from here again!

Tile Warehouse

★★★★★

Easy to use website

Extensive product ranges. Great quality products. Professional service. Swift postage. What else do you need. Definitely recommend and use again as first choice.

PROTILER

★★★★★

New home renovation

The tiles are just what we wanted, we love the design and the colour,these will look great when we fit them, pleasure with the tiles company who made everything possible, delivered on the day we wanted, good price too.

I would use this company again on future products.

Thanks to the sales and customer service teams, great job all round.

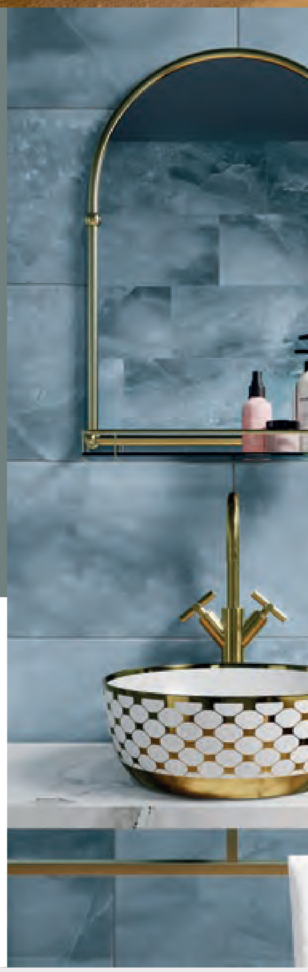
Tile Warehouse

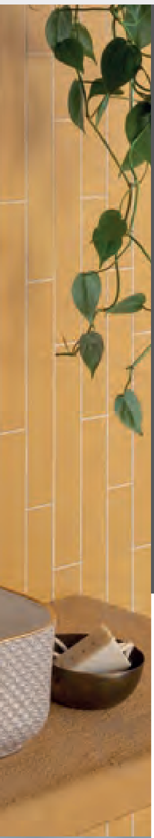
★★★★★

Very happy customer

Absolutely delighted with the customer service I received from Jeannie at the Fort Kinnaird branch. Good customer service is very rare these days but I have to say Jeannie is defo one of the best I have come across.

Topps Tiles





★★★★★

Customer service is the best

Tiles are beautiful, stunning in fact and the customer service is exemplary. 10/10 and highly recommended.

Tile Warehouse

★★★★★

Nothing was too much trouble

I visited the Burgess Hill store not knowing anything about tiling and just had the measurements in inches.

The young man soon converted it to square metres, then guided me in the right direction. Nothing was too much trouble and bother, people behind the counter made me feel comfortable and welcome.

Topps Tiles

★★★★★

Great online ordering experience

I found this company while searching the internet. Well what a great find. I ordered a large amount of tools and supplies. Pro Tiler delivered 100%.

Great ordering experience on the website, fast delivery and good prices. Very happy customer and I will be ordering from this company again. Thank you Pro Tiler.

PROTILER

★★★★★

Brilliant helpful service from initial order to delivery.

Will definitely be using this company for future works.

Tile Warehouse

★★★★★

Every transaction with ProTiler is positive

Broad range of quality products at good prices, and genuinely helpful knowledgeable staff.

Opening times are extensive.

This is a company that aims to be the best at serving it's customers, and it does a good job of that!

PROTILER

★★★★★

First-class service

Excellent service from the staff at the Lowestoft branch.

They made choosing and ordering the tiles for my daughter's bathroom so easy. Delivery was on the day arranged and the tiles arrived in perfect condition.

We had 3 boxes of unopened tiles left over and returning them and receiving a refund was straight forward.

I would highly recommend using this store. Thank you to all the staff who helped us.

Topps Tiles

★★★★★

Five stars

BIG THANK YOU.

Excellent customer service, fantastic people, highly recommend.

PROTILER

Investment Case

Reasons to invest

01 Attractive Market Dynamics

This year, we have expanded the market in which we operate to include a wider range of hard surface coverings beyond tiles, including products like luxury vinyl tiles, wood and laminate, shower panels and splashbacks. The Group now has the capability to supply all hard surface coverings and related products to homeowners and trade customers, and, as such, operates in markets worth approximately £2.1 billion, with minimal disruption from alternative technologies.

The UK housing market is older and more underinvested than in other European markets, suggesting a strong pipeline of future demand.

Read more about our **Market** on pages 14 and 15

02 Ambitious Growth Strategy

This year we have launched our new goal, Mission 365, which is to profitably grow sales to £365 million in the medium term, while materially increasing our profit. In our omni-channel Topps Tiles and CTD brands, we will increase sales densities per store by continuing to offer innovative and inspirational products, as well as expanding into new product areas, continually developing our digital presence, and delivering world-class service. In our newer businesses, Online Pure Play and Commercial, we will continue to take share as we rapidly grow our scale. All of our businesses have significant growth potential and all of our businesses can deliver net margins of around 8%.

Read more about our **Group Strategy** on pages 20 to 31

03 Strong Balance Sheet

The Group has modest levels of net cash and significant headroom against our banking facilities, which are committed to October 2027. This provides substantial resilience against any further economic shocks and allows the business to invest for growth, as evidenced this year through the final acquisition of shares in Pro Tiler Limited and the acquisition of a significant part of the CTD Tiles business.

Read more about our **Financial Performance** on pages 34 to 39

04 Good Cash Generation and Returns to Shareholders

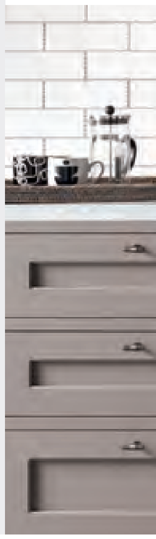
We generate high quality profits which convert to cash well due to high gross margins, low working capital requirements and relatively modest levels of capital expenditure in normal circumstances. Our capital allocation policy sees dividend payments set at a core level of 67% of adjusted EPS, rising to up to 100% of adjusted EPS in periods of macroeconomic weakness or short term performance issues – a strong sign of confidence.

Read more about our **Financial Performance** on pages 34 to 39

05 Environmental Leadership

We have a goal to be carbon neutral in Scopes 1 and 2 by 2030, and intend to lead the tile industry in environmental credentials. We strongly believe that substantially reducing our impact on the environment is good for the planet and all of our stakeholders.

Read more about **Environmental Leadership** on pages 46 to 66



Our Strengths


Cotto Decor, Ribbon™ Bone

01 Market-leading Omnichannel Customer Proposition

Topps Tiles combines physical stores, which are valued by trade customers for convenience and technical advice, and by homeowners for inspiration and service, with a strong digital presence. We aim to build this digital presence further, especially for our trade customers, in future years.

Almost every homeowner customer who visits a Topps Tiles store uses our website in some way, and the majority of website sales involve a store at some stage in the process, giving us a significant advantage over purely online or bricks-and-mortar competitors.

Read more about our **Brands** on page 04

02 Nationwide Coverage

We are the only tile distributor in the UK to offer full national coverage, trading from 333 locations to offer unrivalled convenience for trade customers and allowing the whole of the UK population to access our products and customer service in person.

Read more about our **Brands** on page 04


Flute™ White Decor

03 Specialist Expertise

We have a real specialism in tiles and associated products, and the scale to leverage it. We are able to buy from all over the world, have unrivalled relationships with suppliers, and work with our suppliers to develop differentiated products, 80% of which are exclusive to us. With the extension of our brand portfolio to include Topps Tiles, Pro Tiler Tools, CTD, Parkside, Tile Warehouse and more, we now have brands relevant to many different types of customer and clients.

Read more about how we are **First for Tiles and Famous for Hard Surfaces** on pages 24 and 25

04 World-class Customer Service

When homeowners shop with us, they are often buying a product that is unfamiliar to them, requiring a high level of support and design inspiration. Trade customers require specialist expertise, technical knowledge and stock availability. Across both groups, we are proud of our high service levels – our overall customer satisfaction scores in Topps Tiles, of 92.1%, are world class.

Read more about our **"Topp People, Topp Service" strategy** on page 28

05 Diverse Market Exposure

The Group has developed and diversified in recent years and now operates across four business areas – Omni-channel (Topps Tiles), Online Pure Play (Pro Tiler Tools and Tile Warehouse), Commercial (Parkside), and CTD. This allows the Group to sell into the residential market across all price points, to the specialist trade market, to the contractor market and to architects and designers in the commercial market, all while retaining its specialism in tiles and related products.

Read more about our **Brands** on page 04

Chair's Statement

PAUL FORMAN
Chair

Introduction

Welcome to the 2024 Annual Report for Topps Group. This year has proved to be eventful in many ways, with a deterioration in the market backdrop across the whole of the domestic repair, maintenance and improvement ('RMI') sector, resulting in a changing competitive landscape and some businesses, large and small, falling into financial distress. In this context, Topps Group has continued to take market share in the UK tile market across its range of brands, and has made a number of significant strategic steps, including completing the final element of the Pro Tiler Tools acquisition, launching an updated, bold strategy to deliver its new goal, "Mission 365", and, most recently, acquiring elements of the CTD Tiles business, which had itself fallen into administration following a period of sales decline.

Purpose, Goal and Strategy

The core purpose of the Group is to inspire customers through our love of tiles. While the Group has expanded the scope of its operations over recent years, this purpose remains central to the reason for its existence. All of the businesses that form part of the Topps family share certain characteristics, including a strong connection with tiles and tiling, and an extremely clear focus on delivering world-class customer service. I believe that this purpose has served the Group well and has helped to retain strategic clarity when considering new opportunities.

After the early achievement of the Group's "one-in-five by 2025" goal last year, this year a new goal has been set, which calls for a substantial increase in both revenues and profitability. The goal is referred to as "Mission 365" and requires over £100 million of additional sales and a quintupling of profit compared to current levels. The whole business is keenly focused on the delivery of this important objective as we target an improvement in our financial performance over the medium term.

The Strategy that will deliver this goal has also been refreshed this year, and an extensive discussion of it can be found in the Strategic Review. However, the core planks are relatively straightforward to articulate: aggressive expansion into adjacent product categories, a modernisation of the Group's digital offerings – particularly in Topps Tiles, a more meaningful push into the trade segment and continued support of the newer businesses in the Group including Pro Tiler Tools, Tile Warehouse and now CTD. In particular, the increase in revenues planned through the existing store network should result in a significant profit margin gain due to the Group's operational gearing, meaning that a relatively high proportion of the business's cost base is fixed, which should not need to expand a great deal as the Group grows its scale. These plans are easy to write but harder to deliver and there is an extremely active programme of work planned by the management team over the next few years. I have been very impressed by the energy invested by the Executive team and the level of engagement and discussion between the Non-executive Board members and the Executive team in the creation of this Strategy.

Performance

As mentioned above, the market has been weak throughout the financial year, after softening from the middle of 2023. As such, adjusted revenues were down 5.4% year on year to £248.5 million and adjusted profit before tax was down from £12.5 million in 2023 to £6.3 million in 2024. The statutory loss before tax was £16.2 million, primarily due to a significant non-cash impairment of right of use assets in the period. Despite the purchase of the final 40% of shares in Pro Tiler Limited shares, the acquisition of CTD for £9 million and the period of weaker trading, net cash at year end remained at £8.7 million and the balance sheet remains strong, with a committed £30 million banking facility extending until 2027. A full discussion of our financial performance and position can be found in the Financial Review section of this report.

Dividend

Our capital allocation policy, which has been in place since 2022, prioritises business resilience and investment, the pursuit of value creative opportunities, and returns to shareholders. In particular, we said that we would target a 67% payout of adjusted earnings per share as a dividend, but with the flexibility to pay up to 100% of adjusted earnings per share in periods of macroeconomic weakness or short-term performance issues. As such, we are recommending a final dividend of 1.2 pence per share to shareholders, taking the full year dividend to 2.4 pence per share, representing 1x adjusted EPS cover.

The Board

The main focus of Board succession planning this year has been on plans to achieve a transition of the roles of Senior Independent Director ('SID') and Chair of the Audit Committee from Keith Down, who will leave the Board after the AGM in January 2025, after a long and distinguished period of service. Keith has made an immense contribution to the business over his many years as a Director and, from a personal point of view, I am deeply indebted to him for his considered and insightful advice as I have assumed the role of Chair.

I was delighted to welcome Denise Jagger to the Board in February 2024 as SID Designate and Chair of our new Environmental, Social and Governance ('ESG') Committee. Denise is an experienced Non-executive Director, with a track record stretching over 25 years in both the public and private sector. A qualified lawyer with experience across the retail, construction and building materials sectors, Denise has already added significant value to the Board, and I am confident that she will ably succeed Keith as SID from the new year.

More recently, we were pleased to announce that Martin Payne had joined the Board as Chair of the Audit Committee Designate. Martin is a seasoned Audit Committee Chair, currently performing the role at both Stelrad Group Plc and Churchill China Plc. In his executive career, Martin was an experienced CFO at both Norcros and Genuit Group – where he was also CEO – and brings highly relevant sector experience from an eight-year period at H&R Johnson Tiles and in a previous role as Chair of the Construction Products Association. Martin joined the Board in time to work with Keith Down and Stephen Hopson, our CFO, on the 2024 year-end process and will assume the role of the Chair of the Audit Committee on Keith's retirement at the AGM. Upon his appointment, he will become a member of the Nomination and Governance Committee, Remuneration Committee and ESG Committee, in addition to being Audit Chair designate. In Denise and Martin, I feel we have appointed two people of experience, judgement and character, and I look forward to working with them over the forthcoming years.

Another positive development this year has been the creation the new ESG Committee. This Committee will allow greater Board level involvement in important areas such as environmental sustainability, social and colleague-related issues and provide a suitable forum for discussions around issues of corporate governance. Please see the first report from Denise in the Governance section of this report for more information on the initial work of the Committee. Two particular highlights for me have been the continued improvements that we have seen in the business's health and safety culture and substantial progress against our environmental agenda.

Corporate Governance

As with last year, I am pleased to confirm that Non-executive Directors are independent and the Board continues to function well, making good progress in its development plan. The Group benefits from the wide range of senior level and sector expertise contained on the Board, which has served us well through the various challenges of recent years, and the Board was keen to retain that diversity of experience and thought in its recent appointments. This year the Board conducted an externally facilitated review of its performance, which was encouragingly positive. Please see the Corporate Governance Report in this document for more information on this review and its outcomes.

Shareholder Engagement

The Board values the opportunity to engage with Shareholders and we continued to devote significant time to this over the past year. Our engagement programme includes our Executive management team meeting with Shareholders to discuss performance on a regular basis, structured around our six trading updates each year. The team are also available to smaller Shareholders through the Investor Meet Company platform, through presentations at the interim and final results. There are also opportunities for larger Shareholders to meet with myself as well as Keith Down and other Directors as required. We will continue to ensure suitable opportunities for engagement continue for all Shareholders moving forward.

AGM

The Board was grateful for the support of Shareholders at the 2024 Annual General Meeting, at which all resolutions passed, save the resolution permitting the Company to buy back its own shares. The AGM provides a valuable opportunity for the Board to meet directly with Shareholders and I look forward to the opportunity to meet more Shareholders in January 2025. For more information on the results of the 2024 AGM, subsequent Shareholder engagement and the plans for 2025, please read the Corporate Governance Report in this document.

Summary

2024 has been a challenging and busy year for Topps Group, with strategic and operational progress made in a number of areas. This progress can only be delivered through all of the excellent, hard-working colleagues employed across the Group, who strive to deliver world-class service to external and internal customers on a daily basis. On behalf of the Board, I offer my heartfelt thanks to them for all of their efforts.

Despite the tough environment, the progress made across the Group in recent times positions us well, as market conditions improve, to deliver sustained improved outcomes for all stakeholders. As such, I continue to look to the future with confidence.

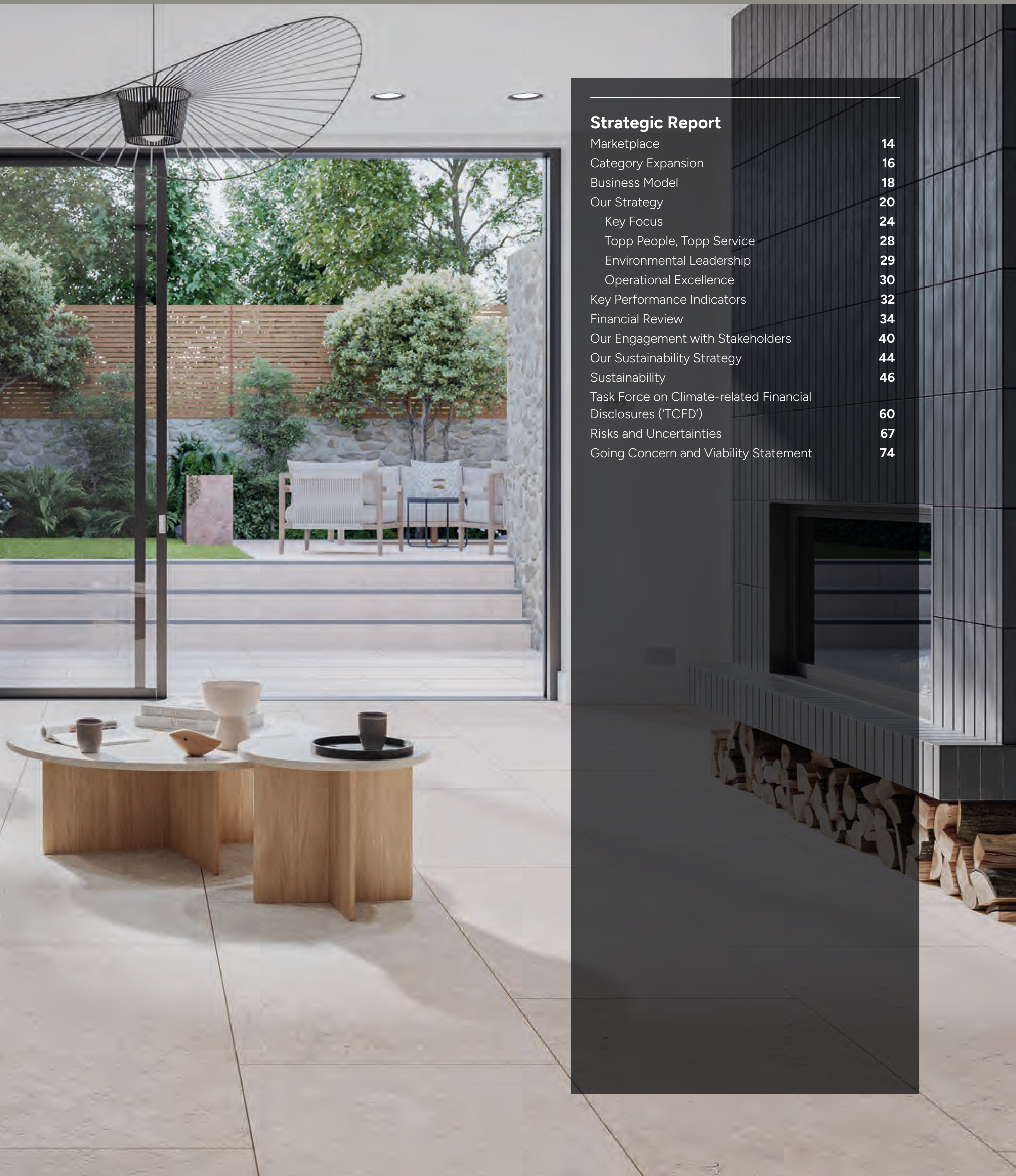
Thank you for your ongoing support.

PAUL FORMAN
Non-executive Chair of the Board

6 December 2024

Strategic Report

Kemble™ Sand



Strategic Report

Marketplace

The UK Tile Market

The UK tile market splits into two broad sectors – the residential repairs, maintenance and improvement ('RMI') sector, accounting for around 55% of the market, and the commercial and housebuilder sector, accounting for the remaining 45% (source: Mintel). The commercial market includes all types of commercial building projects, including infrastructure, as well as new-build residential property, including housebuilding. Within Topps Group, Topps Tiles is mainly focused on the residential RMI market, although it also sells into the commercial sector through its trade customers, Tile Warehouse is largely focused on the residential RMI market, Parkside is focused on the commercial market, Pro Tiler Tools serves trade customers and contractors who may be working across either or both of these markets and CTD sells into both sectors, including into the housebuilder market, a sector not previously served by Topps Group.

An external survey of the tile market is published by Mintel. It covers the whole of the UK tile market, based on manufacturer and supplier data. The most recent report, dated 2023, estimates the size of the UK tile market in 2023 at £351.7 million, measured at MSP (manufacturers' selling prices), which is 12.8% down from Mintel's market estimate for 2022 of £403.4 million and for 2021 of £392.4 million. Both 2021 and 2022 benefitted substantially from the 'home improvement boom' following the Covid-19 pandemic but, with increasing pressure on consumers as a result of high inflation, falling real wages, high interest rates and pressure on house prices, 2023 proved a much tougher environment. The 2024 report has not yet been published but the Group's internal estimates are that the market is down a further 10-15% on 2023 levels and therefore it is expected that Mintel will downgrade their estimates for the current year from last year's estimate.

At selling prices, the Group estimates the tile market across the domestic and commercial sectors to be in the region of £700 million annually. This year, following the strategic expansion into a wider range of product categories, the Group estimates its addressable market to be around £2.1 billion per annum, including product areas such as luxury vinyl tiles, wood, splashbacks and shower panels.

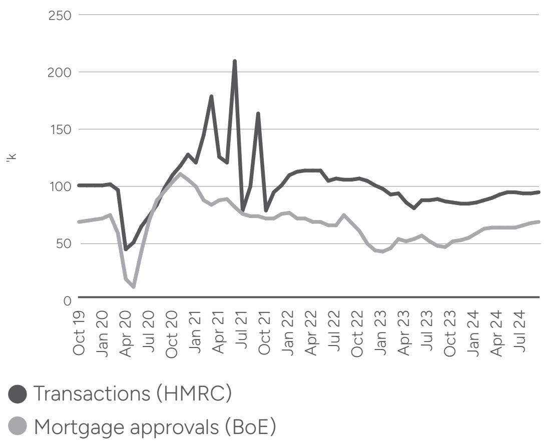
Domestic Tile Market

The domestic tile market is large and offers long term potential – of the 24.4 million dwellings in England, the average age is around 71 years, giving a significant and growing need for repair, maintenance and improvement spend. Of the 24.4 million homes, 15.8 million were owner occupied, 4.6 million were private rented, and 4.0 million were social rented (either from housing associations or local authorities (source: 2022-23 English Housing Survey, DLUHC).

The 'home improvement boom' described above followed a very poor period for domestic demand in 2020 which was due to the Covid-19 pandemic. However, from 2021, a number of factors were particularly favourable for the domestic market, resulting in robust demand. These factors included people spending more time in their home whilst at the same time having a restricted choice for their economic activity, a boost to housing prices and transactions through reduced stamp duty and low interest rates, and substantial excess savings built up through the lockdown period. As such, the market was buoyant from the spring of 2021 into 2022.

UK House Prices
Source: Nationwide

Mortgage approvals & housing transactions
Source: Bank of England and HMRC



However, from 2023 onwards, a number of negative market factors have increasingly weighed on sentiment. Consumer confidence has been negative for all of 2023 and 2024, averaging -34 over the FY23 financial year and -19 for the FY24 financial year (source: GFK). Although lower than zero, the trend was more optimistic throughout 2024 until September, when confidence stepped back. The Barclays UK consumer spending report breaks down spending across a number of categories and, throughout 2024, the home improvement and DIY category was one of the weakest performers, with an average monthly year on year decline of 7.2% across the financial year (source: Barclays).

The UK housing market is a useful indicator of the market. In a market of rising prices, homeowners tend to feel more affluent and are more confident in spending money on their homes. House prices, on average were 0.5% higher in FY24 than in the previous year, and by September 2024, were 3.2% higher year on year (source: Nationwide). Mortgage approvals and housing transactions also impact the level of demand on home improvement projects, albeit with a lag. Mortgage approvals rose 23.1% in the FY24 financial year compared to FY23, and approvals in September 2024 were almost 50% higher than in the same month of the previous year (source: Bank of England), although housing transactions were still 12% lower year on year overall in FY24 (source: HMRC). When combined with the start of a cycle of potentially falling interest rates, the upward movements in house prices and mortgage approvals might suggest the start of an improved outlook for the housing market in 2025.

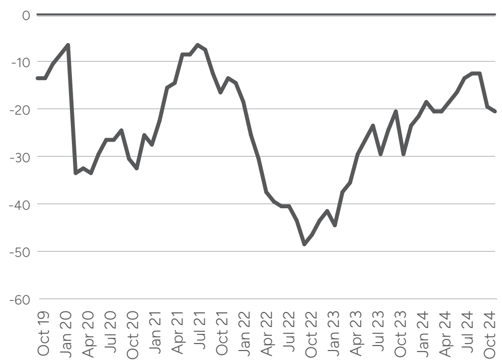
Commercial Tile Market

The UK commercial tile market is highly fragmented and regionalised with only a small number of scale competitors. The smaller competitors tend to specialise in certain sectors of the market – examples being transport, restaurants, automotive, leisure, offices or higher-end residential.

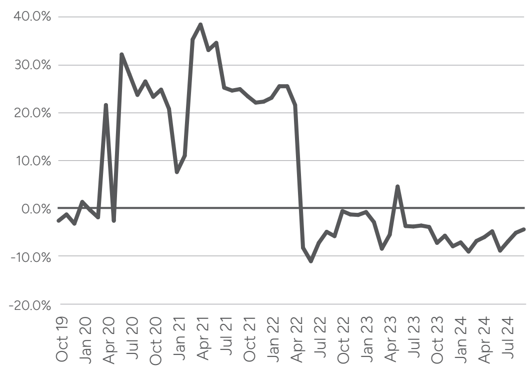
The Group's success in this market results from appealing to both designers and architects, with our quality and differentiated offer, and to contractors, who may require larger quantities of products, in short timescales. The Parkside business is able to service both categories: it can leverage its access to differentiated product through the Group's supplier relationships, as well as its buying advantage and stock-holding position to support volume sales.

Total construction output for the new build private commercial work across all product types decreased by 0.6% year-on-year on a volume, seasonally adjusted basis (FY23: increased by 7.4%) (source: ONS).

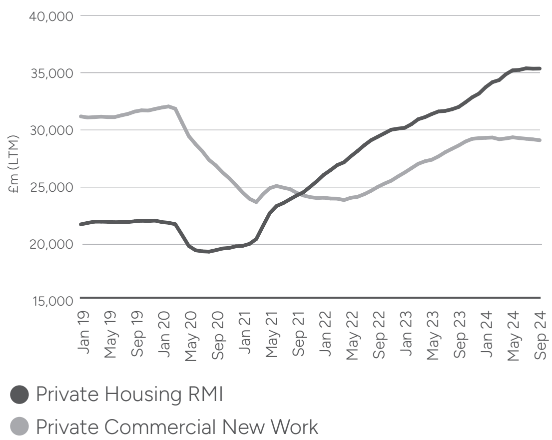
Consumer Confidence
Source: GfK



UK Consumer Spending Report – Home Improvement DIY Spend (YoY)
Source: Barclays

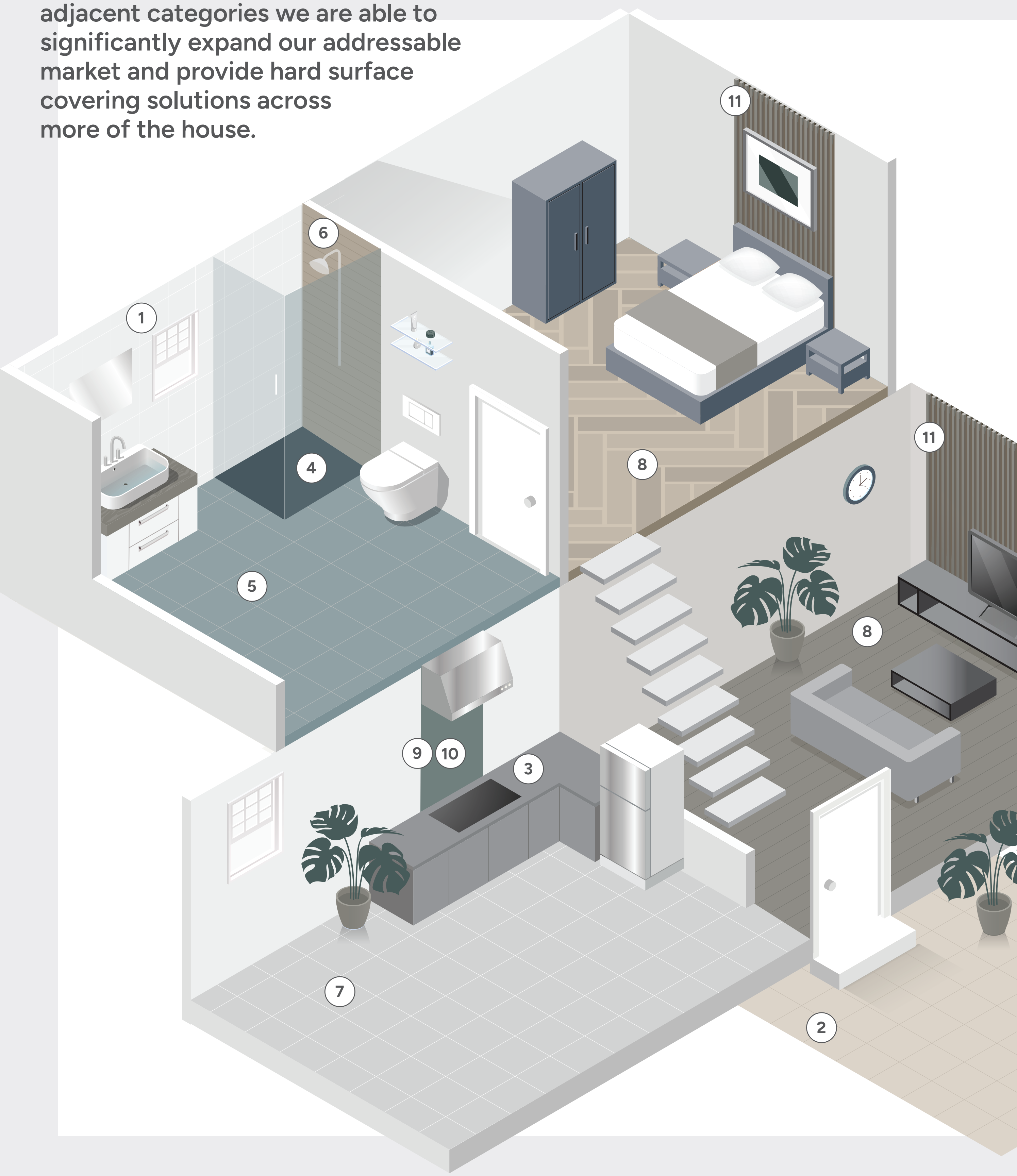


Construction Market Size
Source: ONS



Category Expansion

Through expanding our offer into adjacent categories we are able to significantly expand our addressable market and provide hard surface covering solutions across more of the house.



Stores

1. Porcelain and ceramic tiles
2. Outdoor 2cm tiles
3. Natural stone
4. Porcelain shower trays
5. Luxury vinyl tiles

Roll out/trial

6. Shower panels
7. XXL tiles
8. Wood and laminate flooring

Online

9. Glass and metal splashbacks
10. Porcelain splashbacks
11. Acoustic wall panels

Business Model

Key Resources

People
World-class customer service is a core strength and as a result our people are one of our most important assets. We aim to provide our customers with high-quality advice and inspiration, as well as technical knowledge and a strong service ethic, and to do this successfully we need highly engaged specialist teams around the Group that can support our customers and clients.

Technology
Our various brands utilise technology in different ways. Within Topps Tiles, our award-winning website is regularly updated to add more value to customers. Pro Tiler Tools and Tile Warehouse are online businesses, supported by the latest digital platforms. Behind the scenes, we are investing in updating some of our central systems to support the continued growth of the Group.

Brands
The Topps Tiles brand was founded in 1963 and, with its rich history, has strong brand recognition across the UK. CTD has over 50 years of experience in the industry and is well known by tilers, general builders and homeowners. The Parkside brand has significant heritage in the Commercial sector. Pro Tiler Tools was founded in 2008 by a family of tilers and is extremely well regarded within the trader community, and Tile Warehouse is a new brand launched as we continue to grow the business. There are relatively few consumer-facing product brands in tiles so the brand of the retailer or distributor is very important for customers and clients and our brands are some of our most important assets.

Store Network
For Topps Tiles and CTD, stores remain our primary channel to market and almost all of our customers will visit a store at some point during their purchase. We operate from 333 stores across the UK with an average footprint of 5,000 sq ft, however, the inherent flexibility in our operating model enables us to trade successfully from 3,000 sq ft up to 10,000 sq ft. Our store portfolio operates predominantly on a leased basis with an average unexpired lease term of approximately three years, giving us flexibility to manage the portfolio.

Key Activities

Topps Group is home to premier UK tile retail and distribution brands including Topps Tiles, Pro Tiler Tools, CTD, Parkside and Tile Warehouse. Our foremost retail brand Topps Tiles stands as the nation's largest specialist distributor of tiles and associated products.

The Group's strength lies in its ability to provide substantial support to all its brands, enabling them to cater to their respective customer segments with expertise and dedication. We are united by our love of tiles and this drives our commitment to excellence across the whole Group.

Flexible Supply Chain
We source our products directly from manufacturers on a global basis, with a focus on building long-term strategic relationships with our manufacturing partners, while allowing flexibility including the ability to resource products from around the world as we react to local conditions. Our buying scale and customer reach allow us to develop product ranges with leading tile manufacturers that are genuinely innovative and to source them on an exclusive basis.

How We Add Value

The core purpose of Topps Group is to inspire customers through our love of tiles. This purpose, and our Strategy, are supported by three pillars:

Environmental Leadership

We challenged ourselves with an ambitious goal of becoming carbon neutral across Scopes 1 and 2 by 2030.

Topp People, Topp Service

The Group's success is underpinned by industry-leading levels of customer service.

Operational Excellence

All our businesses focus on the delivery of very high levels of operational performance every day, supported by our systems, supply chain capabilities and back office functions.

Read more about **Operational Excellence** on page 30

Our investment in our supply chain includes our 290,000 sq ft of central warehousing in Leicester and Northampton, our fleet of commercial vehicles, and strong relationships with third party carriers. This gives us an unrivalled control over our inventory and delivery capability.

Value We Deliver

Customers and Clients

We deliver value to our customers and clients in Topps Group by combining differentiated products with excellence in customer service, delivered through nationwide store teams, direct sales teams, central support and digital convenience. This is combined with competitive pricing to ensure that all of our customers and clients receive great value.

Colleagues

We invest significant amounts of time, effort and money in the recruitment, retention and development of our colleagues. In Topps Tiles stores, commission payments often form a substantial part of our colleague remuneration and our overall reward package is designed to support and maintain our high standards of customer service.

Suppliers

Our scale enables us to form long-term relationships with many of the world's largest manufacturers of tiles and related products and we often work collaboratively with them to develop new products, guaranteeing supply for them and securing exclusive products for us. Our strategic supplier base accounts for 63% of our purchases and many of our supplier relationships go back for decades.

Shareholders

We aim to deliver sustainable growth in Shareholder value. A part of this is through dividend payments and our capital allocation policy sees our dividend payments set at 67% of adjusted EPS, rising up to 100% of adjusted EPS in periods of macroeconomic weakness or short-term performance issues – a strong sign of confidence.

Society

We are part of over 300 local communities around the country. We play a full part in these communities, from providing employment opportunities to engaging in charitable activity and sponsoring local sports teams. We are proud to partner with Alzheimer's Society as our lead charity.

Read more about our **Charity Fundraising** on pages 56 to 59

Our Strategy

ROB PARKER
Chief Executive

"Topps Group has announced a major new goal for the Group – Mission 365. This exciting and ambitious new goal represents a material step up in sales and profits."

Summary of Performance and Progress

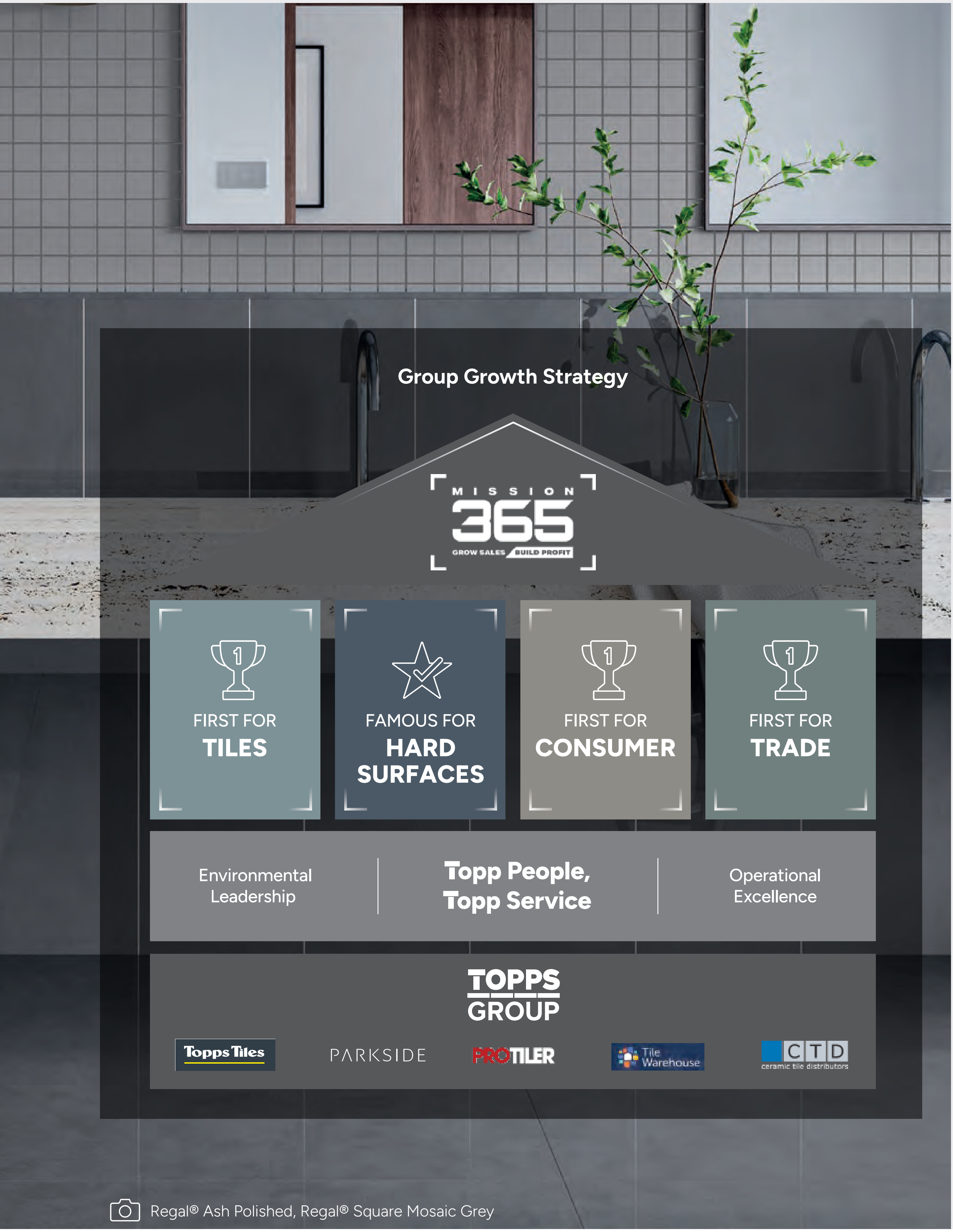
2024 has been a challenging year for the UK tile industry and many businesses facing into the wider RMI (repairs, maintenance and improvement) sector. Following a period of strong growth during the two years after the pandemic, market activity started to decline in 2023 and this momentum accelerated in 2024. We estimate that the tile market this year will be approximately 20% smaller than in the pre-pandemic period (2019), whereas Group revenue is up 14.9% since 2019.

Following three consecutive years of record sales between 2021 and 2023, Topps Group was inevitably impacted by the substantially weaker customer demand this year and saw adjusted revenue decline 5.4% year on year, a substantial out-performance of an overall market which we estimate was down 10-15% year on year. Due to the operational gearing of the Group, adjusted profit before tax was £6.2 million lower year on year at £6.3 million. On a statutory basis, the Group reported a loss before tax of £16.2 million, following a significant impairment of right of use assets.

In this difficult context, we believe that the strategic progress and financial results delivered by the Group this year represent a creditable outcome and position the business well for an upturn in the economy, as macroeconomic indicators improve. Highlights in the year include the acquisition of the CTD Tiles brand and selected assets, significant digital developments in Topps Tiles, the continuation of very strong performance in Pro Tiler (including the acquisition of the remaining share capital), moving Parkside into profit, progressing plans to strengthen our infrastructure and supply chain, and the launch of a major new goal for the Group – Mission 365. This exciting and ambitious new goal represents a material step up in sales and profits from this year's result over the medium term, supported by a number of key strategic initiatives.

CTD Acquisition

In August 2024, CTD Tiles Limited fell into administration and Topps Group acquired all related intellectual property, CTD's Architectural and Housebuilder business, selected stock and a licence to occupy 30 stores for consideration of £9 million. The stores acquired by Topps Group had total sales of c. £20 million in the year to June 2024, and in addition CTD's commercial business reported revenues of £8 million from the Architect & Designer segment and £16 million from the volume housebuilder segment in the same period (where Topps Group has, respectively, limited or zero representation). CTD had been losing money and reporting declining sales levels before entering administration, and therefore required immediate support to stabilise the business, which was done in the first few weeks of ownership. Following the acquisition, the Competition and Markets Authority ('CMA') initiated a Phase 1 review of the transaction, including an Initial Enforcement Order which requires the businesses to be held separately until the review process is complete. The Group is supporting the CMA with its review and the process remains ongoing as of the date of this report. The Group believes that the acquisition has the potential to add £30 – £40 million of profitable sales to the Group over the medium term.



Regal® Ash Polished, Regal® Square Mosaic Grey

Our Strategy continued

Purpose, Goal and Strategy

The core purpose of Topps Group is to inspire customers through our love of tiles. This gives us a very clear focus on our specialism in tiles and associated products and encourages all our colleagues to be passionate about the products we sell. It also puts our customers at the heart of what we do and reminds us that all roles in the Group are either serving customers directly or supporting those colleagues who are. This purpose continues to unite the Group as it has grown into new sectors and added new complementary brands in recent years.

Following the achievement of the Group's '1 in 5 by 2025' goal last year (two years ahead of schedule), in 2024 Topps Group announced an exciting and ambitious new goal – to increase sales to £365 million in the medium term and deliver an adjusted profit before tax margin of 8-10%. This target implies that we believe that the Group is capable of delivering adjusted profit before tax of at least £30 million in the medium term, almost five times the level of profits this year. We are calling this new goal 'Mission 365 – grow sales, build profit'.

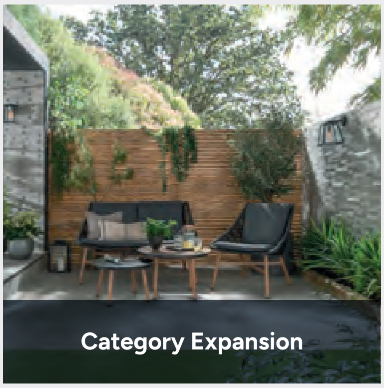
At the half year results, the Group identified five key areas of growth to deliver Mission 365. These are to modernise the trader digital experience in Topps Tiles, expand into new adjacent product categories, develop our business-to-business sales focus, continue to expand Pro Tiler, and develop Tile Warehouse to maturity. The performance objectives of Mission 365 are based on conservative market assumptions and assume only a modest recovery in tile volumes, with cumulative market and pricing growth over the medium term of c. 4–8% compared to current levels. Updates against these growth areas are given in the relevant sections below. The indicative sales uplifts we expect to deliver from the five growth areas, together with the modest level of market recovery and business as usual price growth are as follows:

	Revenue £m
Group adjusted sales in 2024	248
Market and BAU pricing	10 – 20
Modernise the trade digital experience	15 – 20
Expand into new coverings categories	25 – 30
Business-to-business (B2B) sales focus	15 – 25
Pro Tiler expansion	20 – 25
Tile Warehouse maturity	10 – 15
Mission 365 (medium term)	**365**

The acquisition of the CTD assets provides a strong boost to revenues of £30 – £40 million in the medium term, accelerating our progress towards Mission 365. Although CTD will contribute to a number of the growth areas, we believe it will play a particularly important role in the growth of B2B sales, specifically allowing the Group to enter the national housebuilder market for the first time, leveraging CTD's strong historic market position in this space.

As part of the launch of Mission 365, and expansion into new product categories, we have re-defined the Group's addressable market. Topps Group's core focus has historically been on tiles and closely associated products, a market valued at £1.2 billion in 2023. However, the Group already sells a wider selection of coverings products than just tiles, and the addition of new categories such as luxury vinyl tiles, wood and laminate, shower panels, splashbacks and XXL porcelain expands the Group's addressable market to c. £2.1 billion, a 75% increase. The Group is now focused on the wider market of all hard wall and floor surface coverings and related products.

Trader Digital Experience


Category Expansion

B2B Growth

Tile Warehouse

PROTILER

In summary, we expect the Group to deliver the following financial outcomes in the medium term:

- Sales of £365 million, £117 million higher than adjusted sales in FY24
- Gross margins between 51% and 52%, depending on changes in business mix
- Adjusted profit before tax margin of 8-10%
- Substantial improvements in lease adjusted return on capital employed, given only relatively modest changes to the store network and some investments in supply chain and systems.

Following the launch of Mission 365 and the identification of the five key growth areas defined above, this year we have updated the way that we will present the Group's overall business strategy going forward. The Group's goal will be delivered across four main areas – 'First for Tiles', 'Famous for Hard Surfaces', 'First for Consumer' and 'First for Trade'. These will be supported by three core areas of strength and focus – 'Topp People, Topp Service', 'Environmental Leadership', and 'Operational Excellence'. These categories will replace the previous brand-focused reporting disclosure, reflecting the more integrated approach, our greater scale and increasing complexity. Sales performance by business area is disclosed in the Financial Review.

ROB PARKER
Chief Executive

6 December 2024

Kanzi™ Natural

Our Strategy continued
Key Focus

FIRST FOR
TILES

First for Tiles represents our core product strategy, focused on our specialism of tiles, which is reflected across all the brands in the Group: Topps *Tiles*, Pro *Tiler* Tools, Parkside Architectural *Tiles*, *Tile* Warehouse and CTD *Tiles*.

Our expertise in the ranging, sourcing and procurement of tiles and associated products on a global basis has been a core specialism of the Group for 60 years and it remains a significant driver of our competitive advantage today. Our scale as the largest specialist in the country allows us to work directly with manufacturing partners from all around the world to develop and produce differentiated products that are innovative, of high quality and, often, exclusive to Topps Group. These direct relationships set us apart from many of our competitors who tend to be more reliant on importers, distributors or agents, and may not enjoy the cost advantage and creative input that direct supplier relationships give us.

Our strategic supplier base remains key for the Group, accounting for 63% of purchases in 2024 (2023 restated: 64%), with this metric now including Pro Tiler Tools. 71 new product launches were completed in Topps Tiles in 2024, up from 63 in 2023 and 34 in 2022, largely delivered through our strategic supplier base. When new products are launched, the Group protects the intellectual property and design assets that are created and, overall, 80% of tile ranges or closely associated products are either exclusive or own brand (2023: 79%), creating a compelling reason for customers to shop with Topps Tiles. This year we have also made progress towards a clearer 'good, better, best' pricing hierarchy in tiles, with reduced discounting. In addition, we maintained a strong pipeline of new product development across the Group with our strategic suppliers, including an outstanding new range of 6mm porcelain for use in domestic and commercial settings, new exclusive tile cutters, developed with the world's largest tiling tool manufacturer, new Premtool own brand preparation products in Pro Tiler, and bespoke terrazzo products for the hospitality sector through Parkside.


Spectra Taupe Splashback, Oakhurst™ Oak

These innovations, together with many more new ranges across the business, help to build differentiated offers for all the brands in the Group.

Own brands are increasingly important for Topps Group, including Excel Bond™, now one of the leading tile adhesive brands in the UK, Dex™, our tiling tools brand aimed at the general builder and DIY enthusiast, Rise™, our own brand underfloor heating range, and Everscape Solutions™, our outdoor tiling range, now including all the essentials required to do the job. Own brands now account for 20% of sales in Topps Tiles (2023: 17%).

FAMOUS FOR
HARD SURFACES

As described above, this year the Group has extended its addressable market to include categories outside tiles and directly associated products, increasing the addressable market from £1.2 billion to £2.1 billion based on 2023 market data.

Given the Group's current very low market share in these adjacent categories, we believe that expansion into new product categories will be a key growth lever in the delivery of Mission 365. A 5% market share in the new categories of luxury vinyl tiles, shower panels, outdoor tiles, laminate and engineered wood, splashbacks and XXL tiles would represent a £25 – £30 million sales opportunity.

This year, the Group has rolled out its Pronto™ own brand luxury vinyl tile offer into all Topps Tiles stores, Parkside and Tile Warehouse. Everscape™ outdoor tiles are now available in all Topps Tiles stores and through Parkside. Shower panels and XXL tiles are currently being rolled out into the business, wood and laminate is currently in trial in 42 stores, and acoustic panels and splashbacks are available online. In the coming year, the Group intends to activate more marketing campaigns around these product groups and build market share.

Pikko™ Antique White, Kapital™ Bone

Our Strategy continued
Key Focus

FIRST FOR
CONSUMER

First for Consumer refers to the parts of the Group focused on the homeowner rather than the professional trade customer, led by Topps Tiles, and also including Tile Warehouse.

Topps Tiles remains the leading brand within the specialist tile sector. Unprompted awareness is at 33% (source: research commissioned from Two Ears One Mouth, November 2023), more than six times higher than the next tile specialist tile retailer and behind only B&Q in the generalist competitor set. The brand continues to perform very well online, generating high volumes of web traffic. This year, Topps Tiles launched 'platinum service', a new customer service platform which supports team members as they walk through the buying process with homeowner customers, who purchase tiles infrequently. Early feedback from customers and colleagues has been very positive. As we maintain our commitment to world class customer service, our store teams have been more focused on encouraging customers to share their positive experiences and this has resulted in a significant increase in the quantity of Google reviews. In 2023, just over 1,000 reviews were left with an average rating of 4.7 stars, whereas in 2024 over 13,000 reviews were posted, with an average rating of 5.0 stars out of 5.

Tile Warehouse, the Group's online only, value-oriented tile specialist, has made good progress this year, with the sales run rate trebling over the course of the year. We continue to make improvements to website functionality, the service model and the range offered and believe this business represents a £10 – £15 million sales opportunity for the Group, making it one of the key growth drivers referenced above.

Kabara™, Flute™ White Decor

FIRST FOR
TRADE

Pronto™ Arden Grey Luxury Vinyl Tile

The Group has a number of brands and initiatives aimed at the professional customer, whether a jobbing trader in Topps Tiles, a contractor buying from Pro Tiler Tools or Parkside, or a housebuilder purchasing from CTD.

Within Topps Tiles, there exists a substantial opportunity to drive additional sales by improving and modernising the digital experience. At the half year stage, the Group indicated that it would:

- Relaunch the trade website, making it much easier to complete registration and transact;
- Improve pricing clarity and reduce confusion with respect to trade prices when compared to homeowner prices;
- Modernise our trade loyalty scheme and embed this within our app;
- Substantially increase our trade credit offering;
- Launch a new Customer Engagement Platform which will allow us to communicate far more effectively with trade customers, tailoring our marketing messages and genuinely adding value for our customers; and
- Launch a modern trade app, with enhanced functionality, making this the default way of engaging with Topps Tiles for many of our trade customers.

Substantial progress has been made in the last six months. The trade website has been relaunched, with clear and visible pricing available to all potential customers, even without registration. The process of registering as a trade customer through the website has been simplified and sped up. Topps have launched a Trade Club, involving advantageous pricing, instant rewards, a referral scheme, the opportunity to apply for trade credit and bulk deals. Since the relaunch of the website, online trader registrations have more than doubled compared to the pre-relaunch period, with web traffic up in excess of 300% and online spend c. 60% higher. A Customer Engagement Platform provider has been engaged and work on the trade app has begun, with a launch planned for 2025. Although it is early in this process, the Group estimates this to be an opportunity worth £15 – £20 million, one of the key growth drivers described above.

Pro Tiler continues to perform extremely well, with sales growth of over 30% this year and an increase in net profit margins, which remain well within the 8-10% net margin target range for all Group businesses. Supported by a substantial investment in its supply chain (as discussed in the Operational Excellence section below) and the development of new brands, the Group believes that Pro Tiler can add an additional £20 – £25 million of sales to current levels in the medium term. Topps Group was pleased to complete the acquisition of the remaining 40% of shares in Pro Tiler Limited in May 2024, becoming 100% owners of the business.

Parkside experienced a difficult market in 2024, with a decline in sales based on the deferral or cancellation of projects by key clients. Despite this backdrop, as a result of a restructure of the business in 2023, Parkside moved out of a loss-making position and into a marginal profit in the year for the first time.

Across the brands in the Group focused on Commercial Trade, which includes Parkside, the Topps Tiles contracts team, Pro Tiler's key accounts and now CTD, the Group believes there exists at least a £15 – £25 million sales opportunity. The assets which can be deployed by the Group, including a nationwide store network, c. 290,000 sq ft of central warehousing and a specialised distribution fleet, £38 million of stock, unrivalled breadth of product range and world class service will be attractive to both medium and large contractors. In addition, CTD has a strong heritage in sales to the national housebuilder market. The Group believes that there is a significant opportunity to build a market leadership position in this new market, following the CMA investigation.

Our Strategy continued

Topp People, Topp Service

The provision of world class service has remained a key competitive advantage of the Group over its history and is a characteristic of all its brands.

For a homeowner customer, buying tiles is a very infrequent activity and so being supported by teams which have the time to explain the variety of products on offer, their suitability for different jobs and the other products needed to complete the job is essential. For trade customers, technical knowledge and a trusted point of contact is key for maintaining strong relationships.

'Topp Service' can only be delivered by 'Topp People' and the Group is delighted to retain so many of the leading operators in the industry. This year, colleague turnover improved by 0.9 percentage points to 28.3% in Topps Tiles and by 2.3 percentage points to 26.3% at a Group level. Colleague retention (meaning the percentage of colleagues employed at the year-end that were employed at the start of the year) improved by 1.5 percentage points to 81.0%.

As a result of our strong teams, the business continued to deliver world class customer service. In Topps Tiles, overall satisfaction in the year was 92.1%, up again against last year's excellent result of 91.5%. That means that 92.1% of customers who fill in a survey rate the business as five stars. In Pro Tiler Tools, online reviews have an average score of 4.9 / 5 and in Tile Warehouse the average score is 4.5 / 5, showing the level of customer service offered across the Group.

Diversity, equity and inclusion remain central to our people strategy, and this year saw the launch of the 'One Topps' strategy into the business, focusing initially on listening groups, and then leading to recommendations to improve opportunities for everyone to forge a career within Topps Group.

Charity fundraising remains a core part of our engagement strategy and this year we were delighted to pass the £500,000 fundraising mark for Alzheimer's Society, as part of our pledge to raise £1 million over five years.

Our Strategy continued

Environmental Leadership

Environmental Leadership remains a central part of the Group's strategy, with two key focus areas of carbon reduction and circularity.

The Group's goal is to be carbon neutral by 2030 across Scope 1 and 2 emissions, which in 2024 were 4,886 tonnes (2023: 5,034 tonnes), showing a slight decrease due to efficiency upgrades and a 2% improvement in miles per gallon on our vehicle fleet. In 2024 we conducted a successful trial of Hydrotreated Vegetable Oil ('HVO') as a replacement for diesel fuel and are investigating the possibility of rolling this out further in 2026, after the installation of an HVO bunker at one of the Group's central supply chain facilities. In addition, new tractor units for the primary fleet will be delivered, which will increase fuel economy by approximately 5%. At the store level, we replaced 22 inefficient gas heaters with modern systems, with further upgrades planned. This year, we will establish science-based GHG reduction targets, aligned with limiting global warming to 1.5 degrees. These will be submitted to the Science Based Targets Initiative (SBTi) for validation within 24 months.

This year, we completed the first measurement of scope 3 emissions, supported by Normative. Our Scope 3 emissions were reported as 176,718 tonnes, some 36 times greater than scope 1 and 2 emissions. The two main sources of emissions are from purchased goods (principally tiles and adhesives) and usage of purchased products (in particular underfloor heating). With the Government committed to 100% renewable energy generation by 2035, the usage aspect of our Scope 3 emissions should reduce to zero by that date. Please see the Sustainability and TCFD reports in the Annual Report for more information on this subject.

Circularity is the other key focus area in our Environmental Leadership strategy. Reduction of waste is a key focus and, over the last two years, the Group has targeted a reduction in tile waste in particular. This year, the Group decreased tile waste by 9%, following a 12% reduction in 2023, equivalent to 497 fewer tonnes of tile waste over the two-year period. Additionally, the group doubled its volume of recycled baled cardboard by improving the segregation of waste and recycled 112,000 pallets for reuse in the operation, return to suppliers or sale back to pallet suppliers.

Environmental Leadership	
Carbon	Circularity
Governance	

Operational Excellence

Underpinning our successful businesses are strong operational disciplines. This area of the strategy covers support functions such as supply chain, property, IT, finance, legal, central operations, marketing and so on.

Despite the difficult economic environment, investing in the future growth of the business is key and the Group has agreed two significant steps in this area over the last year.

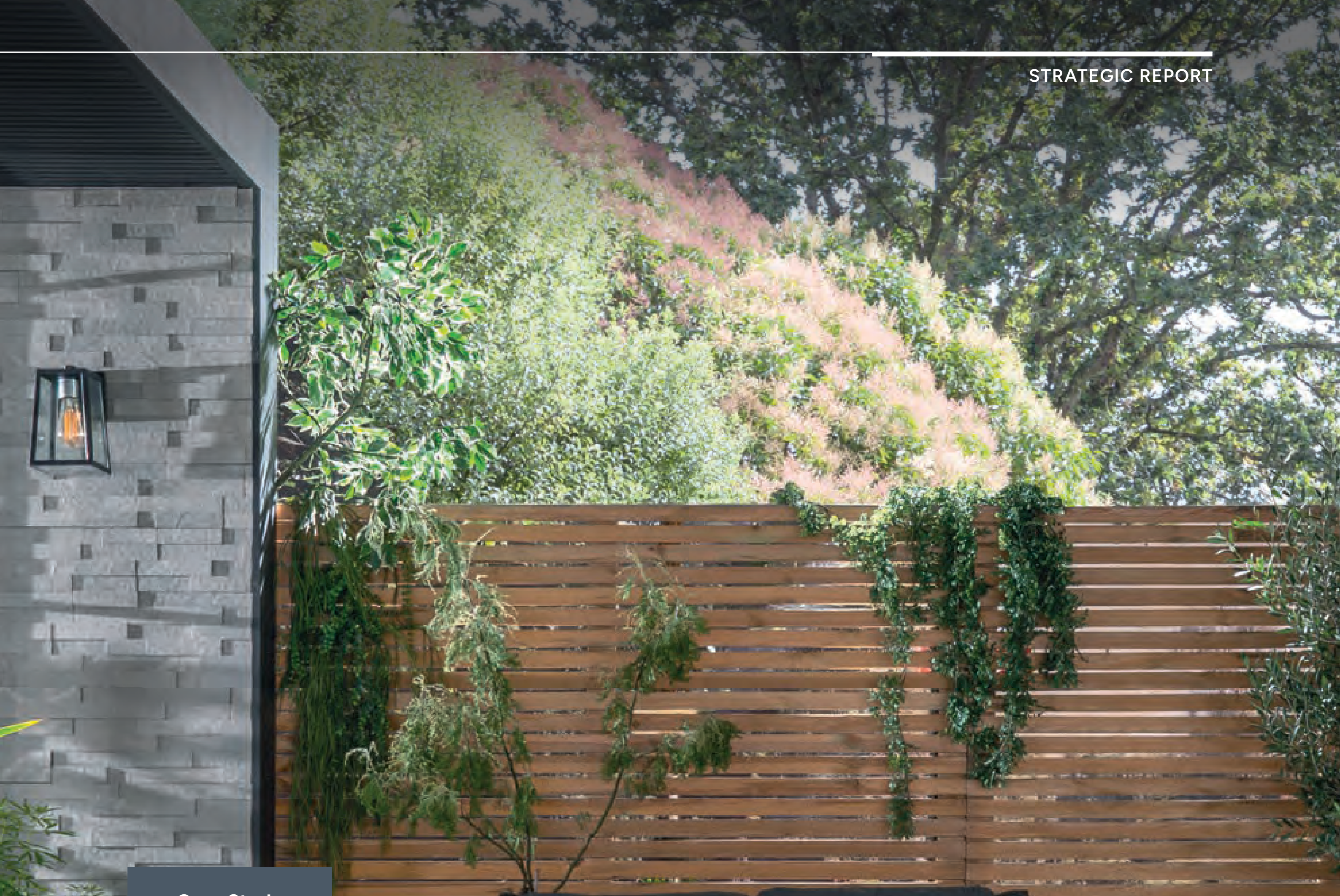
Pro Tiler Tools has been a remarkable growth story in the last two years, growing from £11.9 million of revenue in the 12-month period to January 2022 (pre-acquisition) to £28.8 million in 2024. As such, the demands on the existing c. 56,000 sq ft Pro Tiler warehousing and supply chain operation in Northampton have become too great, with significant levels of operational inefficiency in recent months, as well as an inability to continue to grow the business past current levels. The Group therefore committed to a new warehouse in October 2024, agreeing a lease on a 140,000 sq ft facility at the Prologis Park Pineham, next to the M1, also in Northampton. This move will unlock operational efficiencies and, more importantly, additional growth opportunities for Pro Tiler and will be operational by January 2025. This new facility will also provide operational capacity for future Group growth initiatives, including the planned integration of CTD. The capital cost of fit out will be c. £2 – £2.5 million in 2025 and additional operational costs for Pro Tiler relating to the new property will be c. £0.4 million per year. The initial impact on the Group statement of profit or loss will be c. £0.7 million due to the front loading of lease costs under IFRS 16, reducing to £0.1 million by the end of the 15 year period. The operational costs for CTD will be similar to its existing site in Kings Norton.

The second investment into operational excellence is the replacement of the main Enterprise Resource Planning (ERP) software in the Group, which supports the Topps Tiles business and central functions. The business will move onto the latest Microsoft Dynamics 365 Business Central system, provided as a Software as a Service (SaaS) solution and hosted in the cloud. This will modernise the business’s systems and future proof the operations, as well as enhance security and provide resilience and scalability. The project will start in January 2025 and go live in 2026. The cost of implementation is estimated at £1.2 million of additional operating costs, spread over 2025 and 2026 and the increased licencing costs at the conclusion of the project are expected to be offset through operating efficiencies. In addition, new IT hardware for stores will be purchased to unlock operating efficiencies and further sales opportunities, at a capital cost of less than £1.0 million, spread across the next two financial years.

Through these two significant programmes, the business is investing in its core supply chain and systems infrastructure, providing a sound basis for future growth.

Summary

2024 has been a year of substantial strategic progress, including the launch of our new goal, ‘Mission 365’. The Group has significantly outperformed a very tough market and outlined a pathway to increased sales and profit over the medium term with a focus on five key areas of future growth. In addition, we acquired the assets of CTD Tiles and the remaining shares in Pro Tiler, and made good strategic progress across the business. Although our financial performance has inevitably been impacted by the weak market backdrop, the hard work done this year to lay the foundations for our future growth has ensured that the Group remains well positioned for the recovery as a broader and more closely integrated business with a significantly expanded addressable market.



Case Study

Mas

In May 2024, we developed Mas™, a vitrified floor and wall tile with a recycled percentage between 95% and 98.5%, depending on the colour.

Our supplier's technology utilises recycled material aggregated from various parts of the ceramic industry in Spain – both pre- and post-fired material is combined using a low impact process to create a modern interpretation of the traditional quarry tile.

Crucially, Mas™ is engineered to entirely avoid spray drying, an industry-pervasive process that accounts for 36% of thermal energy consumed during normal tile production. Instead, a unique low-energy dry granulation process is used.

Demonstrating commitment to transparency, the full emissions life cycle for Mas™ has been published via a third-party verified Environmental Product Declaration ('EPD'). This demonstrates a carbon footprint that is substantially lower than equivalent tiles using conventional methods. As such, Mas™ is confidently one of the lowest impact ceramic tiles on the market.

Mas™ Ochre

Everscape™ Interlock Marble Stone Grey, Everscape™ Marb Stone Grey Outdoor

Key Performance Indicators

Financial KPIs

The Board monitors a number of financial and non-financial metrics and KPIs both for the Group and by individual store. This information is reviewed and updated as the Directors feel appropriate. This year, the Board has reviewed the KPIs and updated them in line with the updated goal and strategy. The metrics have changed as follows:

- Group revenue growth year on year has been replaced with Group adjusted revenue growth year on year to exclude the small impact of CTD in the final weeks of the year, as discussed in the financial review;
- Group gross margin % has been replaced with Group adjusted gross margin % to exclude the small impact of CTD in the final weeks of the year, as discussed in the financial review;
- Group colleague turnover has been replaced by Group colleague retention, reflecting the Group's strategy of attempting to retain staff for longer periods to improve knowledge and customer service;
- Carbon emissions per store has been replaced with total scope 1 and 2 net carbon emissions to align with the Group goal of reducing that number to zero by 2030;
- Store numbers within Topps has been removed as the Board do not regard this to be a key indicator of performance.

Group adjusted revenue growth year on year*

(5.4)%

52 weeks to
30 September 2023: **6.3%**
YoY: n/a

How we calculate this:
Group revenue change year on year, adjusted for items detailed in the Financial Review.

Topps Tiles like-for-like sales growth year on year*

(9.1)%

52 weeks to
30 September 2023: **3.1%**
YoY: n/a

How we calculate this:
Year on year change in revenue from Topps Tiles' stores that have been trading for more than 52 weeks and revenue transacted through its digital channels.

Group adjusted gross margin %*

53.3%

52 weeks to
30 September 2023: **53.0%**
YoY: +0.3 ppts

How we calculate this:
Gross profit divided by revenue, adjusted for items detailed in the Financial Review.

Adjusted profit before tax*

£6.3m

52 weeks to
30 September 2023: **£12.5m**
YoY: £(6.2)m

How we calculate this:
Profit before tax, adjusted for items detailed in the Financial Review.

Adjusted earnings per share*

2.39 pence

52 weeks to
30 September 2023: **4.49 pence**
YoY: (46.8)%

How we calculate this:
Basic earnings per share, adjusted for items detailed in the Financial Review.

Adjusted net cash*

£8.7m

52 weeks to
30 September 2023: **£23.4m**
YoY: £(14.7)m

How we calculate this:
Cash and cash equivalents, less bank loans before unamortised costs.

Inventory days

118 days

52 weeks to
30 September 2023: **107 days**
YoY: +11 days

How we calculate this:
Closing inventory balance divided by cost of sales.

Ribbon™ Bone

Non-Financial KPIs

Ribbon™ Mustard, Statements™ Casablanca

Square metres of tiles sold in Topps Tiles brand (thousand)

4,222

52 weeks to
30 September 2023: **4,569**
YoY: (7.6)%

How we calculate this:
Volume of tiles sold in the Topps Tiles brand, expressed in metres squared.

Topps Tiles customer overall satisfaction score

92.1%

52 weeks to
30 September 2023: **91.5%**
YoY: +0.6 ppts

How we calculate this:
Overall satisfaction is the percentage of customers that score us 5 in the scale of 1 – 5, where 1 is highly dissatisfied, and 5 is highly satisfied, from the responses received through our TileTalk customer feedback programme.

Group colleague retention

81.0%

52 weeks to
30 September 2023: **79.5%**
YoY: +1.5 ppts

How we calculate this:
Group colleague retention represents the percentage of employees employed by the Group at the end of the period that were also employed at the start of the period.

Total Scope 1 and 2 net carbon emissions (tonnes per annum)

4,886

52 weeks to
30 September 2023: **5,034**
YoY: (2.9)%

How we calculate this:
Total Scope 1 and 2 carbon emissions have been compiled in conjunction with our carbon consultancy partner, Normative.

Kasota™ Charcoal

* as defined in the Financial Review

Financial Review

STEPHEN HOPSON
Chief Financial Officer

The 2024 financial year covers the 52 weeks to 28 September 2024. The previous financial year covers the 52 weeks to 30 September 2023. Following three consecutive record years for revenue, weaker market demand led to challenging financial performance over the most recent period, although the Group did outperform the market overall and saw strong performance in some of the newer business areas. In addition, the Group made two strategically important acquisitions, the purchase of the final 40% of shares in Pro Tiler Limited and the acquisition of the brand and certain assets from CTD Tiles Limited (in administration), bringing the CTD brand into the Group and establishing an opportunity to grow in new, complementary areas of the tile market in future.

Acquisition of CTD

On 19 August 2024, the Group acquired the brand and certain assets from CTD Tiles Limited (in administration) including the right to occupy 30 stores, selected stock, intellectual property and branding for consideration of £9.0 million. The Group recognised plant, property and equipment assets of £0.9 million, £2.2 million of net working capital, £0.4 million of provisions and £6.3 million of goodwill on acquisition. These values are provisional and will be re-examined during the measurement period as defined in IFRS 3. The business's performance, transaction costs and costs of the ongoing CMA investigation have all been treated as an adjusting item within the consolidated statement of profit of loss, as detailed in the Adjusting Items section below.

Acquisition of Remaining Shares in Pro Tiler Limited

As previously reported, the Group acquired the remaining 40% of the shares in Pro Tiler Limited in May 2024, valuing the business at a previously agreed multiple of EBITDA. As a result, there was an £8.8 million cash outflow in May 2024 which is represented in the cash flow statement as a reduction in provisions, together with a £1.1 million dividend payment to the non-controlling interests, representing the relevant share of post-tax profits during the two-year earn out period. As a result of the transaction, the Group became the 100% owner of the business, meaning there is no longer a non-controlling interest relating to Pro Tiler Limited, with all profits attributable to the owners of Topps Tiles plc from the second half of 2024. As outlined in the Adjusting Items section below, there was a £3.2 million expense recognised in the first half year relating to the Pro Tiler share purchase.

Consolidated Statement of Profit or Loss

This section provides an analysis of the business's financial performance over the last year. Generally, adjusted measures are used, with a full description of adjusting items in the relevant section below. Alongside the usual adjustments, the financial performance of CTD has been excluded from adjusted measures this year, as explained in the Adjusting Items section below.

Revenue

Total Group revenue for the 52-week period decreased by 4.1% to £251.8 million (2023: £262.7 million). Excluding the £3.3 million revenue contribution from CTD in the six weeks of ownership, adjusted revenue decreased by 5.4% to £248.5 million. Revenue consolidated into the Group accounts by business area was as follows:

£m	2024	2023	Variance
Topps Tiles	**210.4**	230.9	(8.9)%
Parkside	**7.6**	9.4	(19.1)%
Online Pure Play*	**30.5**	22.4	+36.2%
Adjusted revenue	**248.5**	**262.7**	**(5.4)%**
CTD**	**3.3**	–	
Group revenue	**251.8**	**262.7**	**(4.1)%**

* Online Pure Play includes Pro Tiler Tools and its associated brands, which were acquired in March 2022, and Tile Warehouse, which was launched in May 2022

** CTD was acquired on 19 August 2024. Please see the relevant section below for further information

Topps Tiles like-for-like sales were 9.1% lower than the prior year, with similar rates of decline in both halves of the year but with a slightly better trend in the fourth quarter (down 8.2%) improving further into the new financial year. Total revenue in Topps Tiles was 8.9% lower year on year at £210.4 million. Throughout the year, sales to trade customers have been significantly stronger than sales to homeowners and, as a result, trade mix in Topps Tiles increased notably from 59.6% of sales in 2023 to 62.8% of sales in 2024. Trade customers bring repeat purchases and high degrees of loyalty, and as a result benefit from advantaged pricing which therefore delivers lower gross margins than homeowner customers.

The commercial market continued to be very challenging with sales to our clients through Parkside down 19.1% year on year to £7.6 million. Sales in Online Pure Play continue to be extremely strong, led by Pro Tiler Tools, and in total grew 36.2% to £30.5 million (2023: £22.4 million), with £28.8 million from Pro Tiler and £1.7m from Tile Warehouse, which almost tripled its sales year on year.

Gross Margin and Gross Profit

Group gross profits decreased by 3.5% from £139.2 million to £134.3 million, including a contribution of £1.8 million from CTD. Adjusted gross profit was therefore £132.5 million and adjusted gross margins as a percentage of sales were 53.3% (2023: 53.0%), an increase of 0.3 percentage points.

The change in adjusted gross margin on an annual basis was due to four main factors. Within Topps Tiles, there were net price, COGS and product mix benefits worth 1.4 percentage points to the Group margin, as shipping and product costs normalised when compared to last year, and with buying gains in some newer product categories. The strong growth in trade customers, buying higher levels of essentials products, reduced Group margin by 0.5 percentage points. The continuing growth in the Online Pure Play brands resulted in a 1.1 percentage point decline in Group gross margins, as these brands operate at a structurally lower gross margin than the rest of the Group. There was also a 0.5 percentage point gain from other factors, predominantly lower stock losses. The impact of mark-to-market movements on unrealised foreign currency transactions and retranslation of monetary items was a £0.7 million loss, similar to the prior year.

Adjusted gross margins in the Group fell from 53.9% in the first half year to 52.7% in the second half year as a result of the continued growth in Online Pure Play relative to the rest of the Group and some price investment in Topps Tiles.

Operating Expenses and Other Income

Operating expenses and other income were £145.7 million compared to £128.1 million in 2023, including the cost of right of use and fixed asset impairment (see the section on Store Impairment below). Excluding adjusting items, which are explained below, operating expenses decreased from £122.6 million in 2023 to £121.5 million in 2024.

The £1.1 million decrease in adjusted operating expenses is explained by the following key items:

	£ million
2023 adjusted operating expenses	**122.6**
Cost inflation	**4.9**
Online Pure Play	**1.2**
Parkside cost reduction	**(1.2)**
Profit share	**(4.4)**
Other savings	**(1.6)**
2024 adjusted operating expenses	**121.5**

Cost inflation was spread across a number of lines, include wage inflation (including the impact of the National Living Wage increase of 9.8% in April 2024), property, IT costs and insurance. The cost increase in Online Pure Play represents ongoing investment in that business to generate profitable growth, especially in Pro Tiler Tools. The year on year saving in Parkside includes the annualisation of actions taken last financial year to right size the business and follows a saving of £1.0 million reported in 2023, generating a total saving of £2.2 million over two years, and resulting in Parkside delivering a small profit, for the first time, in 2024. Profit share represents year on year savings from lower variable payments to colleagues across the Group as a result of the financial performance compared to targets. Other savings include savings in supply chain and stores due to lower volumes.

Finance Income and Costs

Total net finance costs were £4.8 million (2023: £4.3 million) and adjusted net finance costs (which exclude the interest expense representing the unwind of the discount applied to the Pro Tiler Limited earn out liability) were £4.7 million (2023: £4.1 million. The adjusted net finance costs consisted of interest payable on lease liabilities of £4.7 million (2023: £4.2 million) which have increased as a result of rising interest rates, amortisation of banking fees relating to the revolving credit facility and bank interest payable of £0.5 million (2023: £0.3 million) and interest receivable on credit balances and finance lease receivables of £0.5 million (2023: £0.4 million).

Profit or Loss Before Tax

Excluding the items detailed in the Adjusting Items section below, adjusted profit before tax was £6.3 million (2023: £12.5 million. The Group adjusted profit before tax margin was 2.5% (2023: 4.8%) as a result of the lower sales and operational gearing inherent in the Group.

On a statutory basis, the loss before tax was £16.2 million (2023: profit before tax of £6.8 million), with reported profits significantly impacted by the accounting requirement to treat the purchase of the remaining Pro Tiler Limited shares as an employment cost under IFRS 3, and the requirement under IAS 36 to review right of use assets and fixtures & fittings for impairment. More information is provided in the Adjusting Items and Store Impairment sections below.

Taxation

On an adjusted basis, the effective rate of corporation tax for the period was 22.3% (2023: 24.9%), slightly lower than the headline rate of corporation tax as a result of utilisation of prior year tax losses.

The effective rate of corporation tax for the period on a statutory basis was 21.0% (2023: 42.5%). The statutory rate of tax is substantially lower than the previous year due to the tax treatment of the Pro Tiler Limited share purchase expense. This is not treated as an allowable remuneration expense from a tax perspective, instead it is treated as an acquisition of shares. In the prior year this had the impact of increasing the effective rate on statutory profit considerably above the headline rate of Corporation Tax. In the current year it has the impact of reducing the tax credit on the statutory loss before tax. This position has now normalised following the completion of the purchase of remaining shares in Pro Tiler Limited in May 2024.

Earnings Per Share

Adjusted earnings per share were 2.39 pence (2023: 4.49 pence). Basic losses per share were 6.63 pence (2023: basic earnings per share of 1.63 pence). Diluted losses per share were 6.63 pence (2023: diluted earnings per share of 1.61 pence).

Adjusting Items

The Group's management uses adjusted performance measures to plan for, control and assess the performance of the Group.

Adjusted profit before tax differs from the statutory profit before tax as it excludes the effect of one-off or fluctuating items, allowing stakeholders to understand results across years in a more consistent manner. In line with the prior year, we have included the business-as-usual impact of IFRS 16 in adjusted profit but continue to adjust for any impairment charges or impairment reversals of right of use assets (which were material this year and are further explained in the section below), derecognition of lease liabilities where we have exited a store, and one-off gains and losses through sub-lets. From this year, the Group has also decided to exclude impairment and impairment reversals of plant, property and equipment from adjusted profit, as the impairment of these assets is a result of the same impairment review process applied to right of use assets, implying the same accounting presentation. Please see the section below on store impairments for further details.

In the period 2022 – 2024 we excluded the cost relating to the purchase of the remaining 40% of shares in Pro Tiler Limited which was completed in May 2024, which under IFRS 3 is treated as a remuneration expense, rather than a cost relating to the acquisition of the relevant shares. We have also excluded the remaining costs relating to the store closure programme which ended in 2022, as well as restructuring costs.

Finally, this year, the CTD brand and certain assets were acquired from administration and the financial impact of this business, including trading performance, acquisition costs, and the initial costs of the CMA investigation, have been excluded from adjusted profit. CTD's trading in the six weeks of ownership was not representative of its ongoing position due to significant disruption and recovery from administration. It is expected that CTD's trading performance will be included in adjusted profit from 2025, but any remaining costs relating to the transaction or to the ongoing CMA investigation will be excluded until the conclusion of these processes.

An analysis of movements from adjusted profit before tax to statutory (loss)/profit before tax is presented below:

	2024 £m	2023 £m
Adjusted profit before tax	**6.3**	**12.5**
Property		
- Vacant property and closure costs	**(0.3)**	(1.1)
- Store impairments and lease exit gains and losses	**(18.8)**	0.2
	(19.1)	(0.9)
Business Development		
– Pro Tiler Limited share purchase expense	**(3.2)**	(4.1)
– CTD trading, transaction costs and CMA investigation costs	**(0.2)**	–
– Restructuring and other one-off costs	**–**	(0.7)
	(3.4)	(4.8)
Statutory (loss)/profit before tax	**(16.2)**	**6.8**

Adjusted earnings per share is adjusted for the items listed above, as well as the impact of corporation tax. Further information is given in the earnings per share note to the accounts.

Store Impairments

Store impairments have been particularly material this year, against the backdrop of the significant downturn in market conditions. The impairments relate to the notional 'right of use' (ROU) assets which are created as part of IFRS 16 accounting, representing the business's right to use assets it does not own (in this case physical stores which are leased by the Group), as well as the fixtures and fittings contained in them. Under IAS 36, the Group is required to assess these assets for indicators of impairment, such as the generally weak market environment, and then, where relevant, impair the value of the assets to the higher of the asset's value-in-use and its fair value less costs of disposal. Value-in-use calculations require estimates of future cash flows to be made, which are based on the current period of trading and then extrapolated forward using a series of assumptions. As a result of this review, a non-cash impairment of £17.1 million has been recognised against ROU assets and £2.3 million against fixtures and fittings. In future years, an assessment will be made to see if a reversal of this impairment is required. As explained in the section above, these impairments are treated as adjusting items and are included in the 'store impairments and lease exits gains and losses' line in the table above.

In addition, the impact of these impairments will be excluded from adjusted profit in future years. The impairments imply that these assets will not incur a depreciation charge moving forward in reported profits, and the impact of this is currently estimated at an increase in reported profits before tax of £5.2 million in 2025. However, the Group's adjusted profit before tax measure will carry a notional depreciation charge, as if the assets had not been impaired in 2024, meaning that adjusted profit before tax will continue to be comparable year on year, and is more reflective of the actual lease payments made by the Group. None of these changes has any cash impact, in 2024 or in future periods.

Dividend and Dividend Policy

In 2022, the Board outlined a new Capital Allocation and Dividend Policy. In the policy, the Board indicated that it expected to increase the dividend by 2023 to 67% of the adjusted earnings per share (EPS) generated in the year. The policy was designed to have some flexibility and, in particular, the Board indicated that it did not intend to reduce the dividend year on year due to short term performance or macroeconomic issues, even if that meant increasing the payout ratio in some years. A limit on this flexibility was applied, at 100% of adjusted EPS in any given year.

Adjusted EPS this year were 2.4 pence, materially lower than the 3.6 pence dividend which was paid last year. The Board has applied the dividend policy as stated above and proposed a full year dividend at the upper limit in the policy of 100% of adjusted EPS (2.4 pence per share), implying a final dividend payment of 1.2 pence per share. This reflects the weaker trading in 2024 but also the Board's confidence in the Group's medium term prospects.

The shares will trade ex-dividend on 19 December 2024 and, subject to approval from shareholders at the Annual General Meeting in January 2025, the dividend will be paid on 30 January 2025.

Consolidated Statement of Financial Position and Consolidated Cash Flow Statement

Capital Expenditure and Fixed Assets

Capital expenditure in the period amounted to £4.5 million (2023: £4.2 million), an increase of £0.3 million year on year.

Key investments were as follows:

- £0.9 million on a new Topps Tiles store at Kingston Park, Newcastle and a relocation at Brentwood Hutton
- £3.0 million on store improvements, merchandising and maintenance, including 5 store refits
- £0.3 million on further LED lighting projects
- £0.3 million on IT projects.

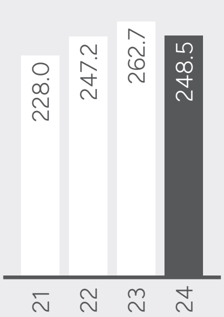
The Board expects capital expenditure in the year ahead to be between £8 million and £9 million. This includes £2 – 2.5 million relating to the fit out of the new warehouse servicing Pro Tiler and CTD and compares to an average of £8.1 million in the four years before the pandemic (2016 to 2019).

Within the Topps Tiles brand, there was one new store opening, one relocation and three store closures in the year, and the brand finished the trading period with 301 trading stores (2023: 303 stores). On average, Topps Tiles traded from 303 stores over the year (2023: 304 stores).

CTD ended the trading period with 30 trading stores as well as a trade counter retained at the Kings Norton distribution centre.

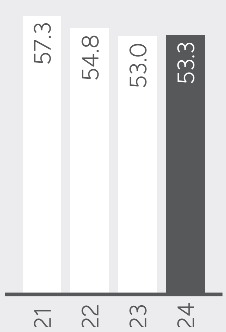
Adjusted Revenue (£m)

YoY: (5.4)%



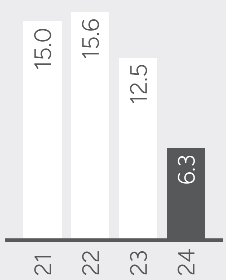
Adjusted Gross Margin (%)

YoY: +0.3%pts



Adjusted Profit before Tax (£m)

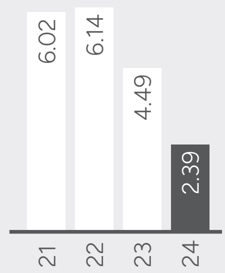
YoY: £(6.2) million



Financial Review
continued

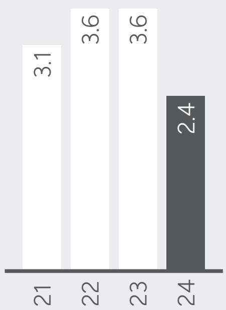
Adjusted Earnings per Share (pence)

YoY: (46.8)%



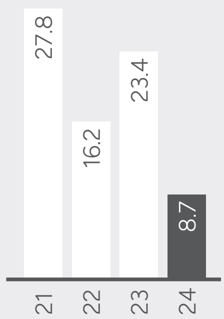
Total dividend per share (pence)

YoY: (33.3)%



Adjusted net cash at period-end (£m)

YoY: £(16.7) million



Right-of-Use Assets and Leases

As described in the sections above, following an impairment review under the IAS 36 accounting standard, an impairment of £17.1 million was recognised against the Group's ROU assets in the period, as a result of the projected cash flows of each cash generating unit not being sufficient to support the ROU asset. ROU assets reduced from £80.9 million at the start of the year to £55.3 million at the period end as a result of this impairment, £17.6 million of depreciation, £3.5 million of disposals and £12.6 million of additions in the period.

Lease liabilities, representing the discounted lease liabilities the Group holds within the scope of IFRS 16, decreased from £94.5 million at the start of the year to £86.0 million at the period end, as a result of £21.8 million of lease repayments, £3.8 million of disposals, £12.4 million of additions (i.e. new leases) and £4.7 million of interest.

Topps retains significant flexibility within its store estate, with an average unexpired lease term until the next break of 2.8 years (2023: 2.9 years), or 2.6 years excluding strategically important stores (2023: 2.8 years). At the period end, there were two closed stores (2023: five closed stores), all of which have lease exits in 2025.

Inventory

Inventory at the period end was £37.9 million (2023: £36.4 million). Inventory recognised after stock provisions relating to CTD was £2.9 million, with inventory across the rest of the Group of £35.0 million, a decrease of £1.4 million on a like-for-like basis. Inventory days excluding CTD were 110 (2023: 107 inventory days) but were 118 days on a reported basis, distorted by the short period of CTD trading included in the results.

Net Cash Flow

The Group's cash balance increased in the period by £0.3 million from £23.4 million at the start of the financial year to £23.7 million at the year end. Adjusted net cash, defined as cash and cash equivalents, less bank loans before unamortised costs, decreased by £14.7 million from £23.4 million to £8.7 million.

The table below analyses the Group's adjusted net cash flow:

	2024	2023
Cash generated from operations, before movements in working capital, tax, interest and CTD cash flows	34.9	41.1
Changes in working capital (excluding CTD)	6.4	4.1
Outflow for leases in scope of IFRS 16	(21.8)	(23.0)
CTD cash generated by operations	(1.5)	–
Capital expenditure	(4.5)	(4.2)
Net bank interest	(0.1)	0.1
Tax	(2.3)	(3.3)
Other	0.2	(0.1)
Free cash flow	**11.3**	**14.7**
Dividends paid to owners of Topps Tiles plc	(7.1)	(7.5)
Change in adjusted net cash before acquisitions	**4.2**	**7.2**
Acquisition of CTD	(9.0)	–
Acquisition of remaining 40% of shares in Pro Tiler Limited including dividends paid to non-controlling interest	(9.9)	–
Change in adjusted net cash	**(14.7)**	**7.2**
Adjusted net cash at start of Period	**23.4**	**16.2**
Adjusted net cash at end of Period	**8.7**	**23.4**

The business's underlying cash flows were representative of the changes in adjusted profits. Working capital (excluding the impact of CTD) showed an inflow of £6.4 million, including the impact of the timing of the year end (which increased the closing trade payables balance by c. £9 million due to payroll, VAT and supplier payment runs falling due on 30 September, just after the year end date), lower performance-based pay accruals, lower stock and a higher trade debtor balance. The CTD cash outflow generated by operations includes trading losses, a working capital investment related to trade debtors and a delay in cash receipts due to banking changes following the acquisition. As described above, the Group conducted two transactions in the year: the purchase of the remainder of the shares in Pro Tiler Limited and the acquisition of certain assets from CTD Tiles Limited. Total dividend payments of £8.2 million consisted of £7.1 million paid to shareholders of Topps Tiles plc and £1.1 million to the previous owners of the 40% shareholding in Pro Tiler Limited, representing 40% of the post-tax profits of that business during the earn out period.

Return on Capital Employed

The Group's return on capital employed, including the impact of leases, decreased from 15.7% in 2023 to 12.2% in 2024, due to a 33.7% year on year reduction in adjusted operating profit to £11.0 million (2023: £16.6 million). Closing capital employed was 15.0% lower than opening capital employed as a result of lower lease liabilities and net assets, however net cash was also lower. The Group defines return on capital employed as the annual adjusted operating profit divided by the average capital employed (net assets plus net debt, including lease liabilities). At the balance sheet date, lease adjusted capital employed consisted of £5.6 million of net assets, £86.0 million of lease liabilities, offset by £8.7 million of net cash, giving total capital employed of £82.9 million (2023: £97.5 million).

Banking Facilities

The Group retains modest adjusted net cash on its balance sheet (i.e. cash net of bank loans), with the reduction compared to last year as a result of the two acquisitions and the weaker trading environment. A £30.0 million revolving credit facility is in place which has now been extended to October 2027 (2023: £30.0 million facility committed to October 2026), providing resilience and allowing investment in growth opportunities. At the year end, £15.0 million of this facility was drawn (2023: £nil drawn). Based on net cash excluding lease liabilities of £8.7 million, the Group has £38.7 million of headroom to its banking facilities at the period end (2023: £53.4 million headroom to the facility).

Forward Guidance

Despite the return of CPI inflation to around 2%, there remain significant inflationary challenges facing the business in FY25. Specifically, the recently announced changes in the National Living Wage (up 6.7% from April 2025) and the changes in both the secondary threshold and the rate of employers' national insurance contributions will drive almost £4 million of additional costs into the business on an annual basis from April 2025, of which c. £2 million will impact the FY25 financial year. Given these cost increases represent a high proportion of the current level of profitability in the Group, they will need to be managed very carefully, and the business is currently formulating plans to mitigate these costs as far as possible. When combined with other general inflation in the market, the Group is expecting around £5 million of inflationary costs in FY25 compared to FY24. In addition, it is expected that FY25 will see a return to normal levels of performance related pay across the Group, subject to the relevant targets being met.

The Group's profits in 2025 will continue to show a degree of seasonality based on a number of factors including the impact of the holiday pay accrual together with higher energy costs in the autumn and winter months, which will reduce the proportion of annual profits made in the first half of the financial year.

As described above, the Board expects capital expenditure of between £8 million and £9 million in FY25, including £2 – £2.5 million relating to the fit out of the new warehouse.

Current Trading and Outlook

Trading in the first eight weeks of the new financial year has seen the Group return to modest levels of sales growth. Group sales were up 1.2% year on year excluding CTD, with like-for-like sales in Topps Tiles down 0.4%. This performance has been supported by the continued strength of sales made to trade customers, as well as the weaker prior year comparative performance. Whilst some macroeconomic indicators suggest a more favourable outlook into FY25, including mortgage approvals up substantially year on year, overall there remains significant uncertainty around the timing of any recovery, particularly whilst consumer confidence remains weak and interest rates relatively high.

The Group is focused on significant self-help measures, in particular the five key areas of growth supporting Mission 365 which will drive material upside to both revenue and profit in the medium term. Therefore, despite our caution with respect to the short term outlook, the Group's strategy, together with its robust balance sheet, gives us confidence that the Group remains well placed for a recovery in market volumes

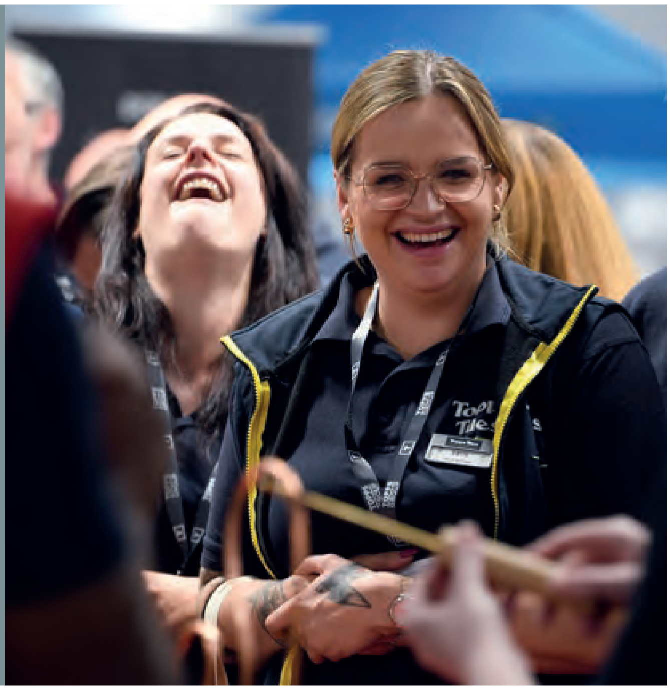
STEPHEN HOPSON
Chief Financial Officer

6 December 2024

Our Engagement with Stakeholders

Section 172 Statement

The Board of Directors confirms that during the year under review it has acted in good faith to promote the long-term success of the Company for the benefit of its members as a whole, while having due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. We define principal decisions as both those that are material to the Group, and that are significant to any of our key stakeholder groups, including our customers and suppliers, our people, Shareholders and our local communities and society in general. Details of principal decisions made during the year together with examples of matters discussed in the year by the Board, their impact on key stakeholders and how we have engaged with our stakeholders are included in the tables below and discussed throughout the Strategic Report.



Stakeholder	Why we engage	How we engage	What we did
Our Customers	In a competitive environment, our ongoing success depends on meeting customer needs and requirements more effectively than our competitors. We therefore recognise the benefits of consistent and continuous engagement with our customers to ensure that both our current products and those in development are suitable for their needs.	We receive c. 25,000 customer survey responses every year, we also receive c. 50,000 calls, live chats and emails into our customer services centre. Customer satisfaction scores are a key metric for the business and are reported as a business KPI in this Annual Report. To gain additional insight from our trade customers, we send out a trade survey every quarter and get around 1,200 responses on various subjects. We also have a closed Facebook group of around 1,000 traders which provides continuous direct feedback.	We have a culture of seeking to celebrate success and will share positive customer feedback with specific colleagues where possible. We operate a "Topps Superstar" award scheme to reward colleagues with very strong customer feedback and recognise positive customer feedback on a weekly basis through internal communications channels. We also take negative customer experiences very seriously and operate a "close the loop" process for any negative review, where we will contact the customer and attempt to put matters right where we can. Customer-based feedback is an essential part of key decisions around range, price, channel to market and key investments. Monthly Board reports cover customer service-based metrics, along with developments for product and customer service initiatives.

Stakeholder	Why we engage	How we engage	What we did
Our Colleagues	All strategic and operational initiatives are delivered through our colleagues. As a customer- and client-facing business, our colleagues are fundamental to the successful delivery of our Strategy, as we continue to work to enhance our reputation for providing world-class customer service.	We have a structure of routine team feedback via a forum called TeamTalk, which functions at both a local and national level and has links both to Executive leadership and Non-executive Board roles. We track colleague turnover and retention closely and perform exit interviews to ensure we understand why colleagues choose to leave. We have an external whistleblowing procedure where colleagues can anonymously raise any concerns outside the normal line management route.	A member of the Board, Kari Daniels, is a designated Employee Engagement Director and provides feedback directly to the Board on matters discussed at scheduled TeamTalk meetings. Monthly Board reports cover matters concerning colleagues, including health and safety. In addition, the Board and management have direct contact with colleagues through frequent visits to stores. The results of the external whistleblowing process are fed back directly to the Audit Committee via the Internal Audit function.
Our Shareholders	We rely on our Shareholders as providers of permanent capital to support our strategic objectives. Investors require that we protect and manage their investments in a responsible and sustainable way that generates value for them.	The Executive Directors regularly engage with larger and institutional Shareholders through a combination of personal contact and formal presentations and roadshows, including six investor performance updates per year. The "Investor Meet Company" platform is used to provide direct engagement with smaller Shareholders. The Chair of the Board interacts with holders through a regular annual engagement programme. Our Annual General Meeting provides an important opportunity for Shareholders to interact with all of our Directors, raise matters and vote on resolutions. We work with the sell-side analysts covering our industry to provide the wider market with information about the Company's performance, position and Strategy.	Shareholder feedback along with details of movements in our Shareholder base is regularly reported to the Board, to ensure that Board decisions are conducted with an understanding of the views of our Shareholders. Our brokers regularly present to the Board on the same topic to ensure an unfiltered presentation of Shareholder views.

Our Engagement with Stakeholders
continued

Stakeholder	Why we engage	How we engage	What we did
Our Suppliers	Our expertise in the ranging, sourcing and procurement of tiles on a global basis is a core part of our competitive advantage. We work directly with carefully selected manufacturing partners to develop and produce differentiated, innovative, quality products that are often exclusive to the Group, and so maintaining and enhancing our relationships with those suppliers is key to our success. High standards of business conduct working with our suppliers are fundamental to the delivery of this strategy.	High levels of engagement with our suppliers remain invaluable for both Topps Group and our suppliers, to ensure that we are able to maintain good stock availability and advantaged product ranges for our customers, and to provide sufficient visibility for our suppliers to plan their production runs and new product development programmes. As well as ongoing detailed engagement through our buying teams, we hold an annual Supplier Conference, where our core group of "Tier 1" suppliers have a chance to engage with the Company's wider leadership team and hear about our Strategy and future plans.	The Board receives regular product and supplier-based updates, including cost inflation updates and how these are managed in terms of consumer pricing. The business has undertaken a number of supplier transitions to build the strongest supplier base to support the longer-term aims of the expanding Group, while continuing to work collaboratively with our core group of "Tier 1" suppliers.
Society	Being a responsible member of our community and minimising our impact on the environment is increasingly valued by our customers and society at large. We believe that a positive response to these challenges can be a source of competitive advantage while also being the right thing to do. Colleagues and customers have always been generous supporters of our chosen charity and we continue to value the impact we can have in the communities in which we operate.	We have a range of initiatives focused on the environment and the Board receives regular updates and is regularly consulted. This year the formation of the new ESG Committee will only further embed this engagement. We are proud to support Alzheimer's Society, our charity partner, which was chosen by a vote from colleagues with nearly 1,000 colleagues registering their vote.	In 2021 the Board placed Environmental Leadership at the centre of our future Strategy, we also announced our goal of becoming carbon balanced by 2030 as a Group. See the section of this report on Environmental Leadership and our TCFD statement for further information on this. The Board is regularly consulted on our social agenda. The Company's social and charity agenda is discussed on pages 56 to 59 of the Strategic Report.

While it is acknowledged that it is not possible for all the Board's decisions to result in a positive outcome for every stakeholder group, when making decisions the Board considers the Company's purpose, vision and values together with its strategic priorities and takes account of its role as a responsible business. By doing this, we aim to make more robust and sustainable decisions which will add value for all stakeholders over the longer term.

Principal Decisions During 2024

Areas of Board activity and the issues and matters that it has considered can be found throughout the Strategic Report. Detailed below are two cases studies of decisions taken by the Board in the year, which required the Board to carefully consider different stakeholder groups and how they impacted the success of the Group, its long-term (financial and non-financial) impact and have due regard to the matters set out in s172(1)(a) to (f) of the Companies Act 2006.

Case Study

Matter Discussed

Acquisition of CTD from administration

Stakeholders considered	How we engaged and what we did to consider stakeholders	Decision
Shareholders	The Board carefully considered the potential value creation for Shareholders of the acquisition, in comparison to the risk involved in the deal if it were not to be successful, particularly mindful of the limited amount of due diligence that is possible in an administration process. The key mitigation of this risk was to secure high-quality legal advice and to be mindful of the overall strength of the Company's balance sheet when considering an offer.	The Board decided to make an offer for 30 CTD stores, related stock, intellectual property and other assets for £9 million, which was accepted by the administrators.
Customers	CTD is a well-established business serving thousands of customers. The Board considered the negative impact on the wider industry of a well-known name disappearing from the high street.	
Colleagues	One challenging part of the consideration of whether to bid for the stores was the impact on colleagues – both employees of CTD who would possibly lose their jobs if no deal was concluded, but also the impact on existing colleagues within Topps Group, both positive aspects such as the ability to create new roles and new career pathways, but also potentially negative impacts such as the additional workload created by the requirement to integrate the new business.	
Suppliers	Many suppliers, both existing partners of Topps Group and new suppliers, were in partnership with CTD and therefore potentially had lost contracts with the existing Group. A deal was a way to potentially broaden and expand our supplier relationships.	
Society	The stores provided employment and local connections in communities around the country. The Board was positive about maintaining as many of these as possible.	

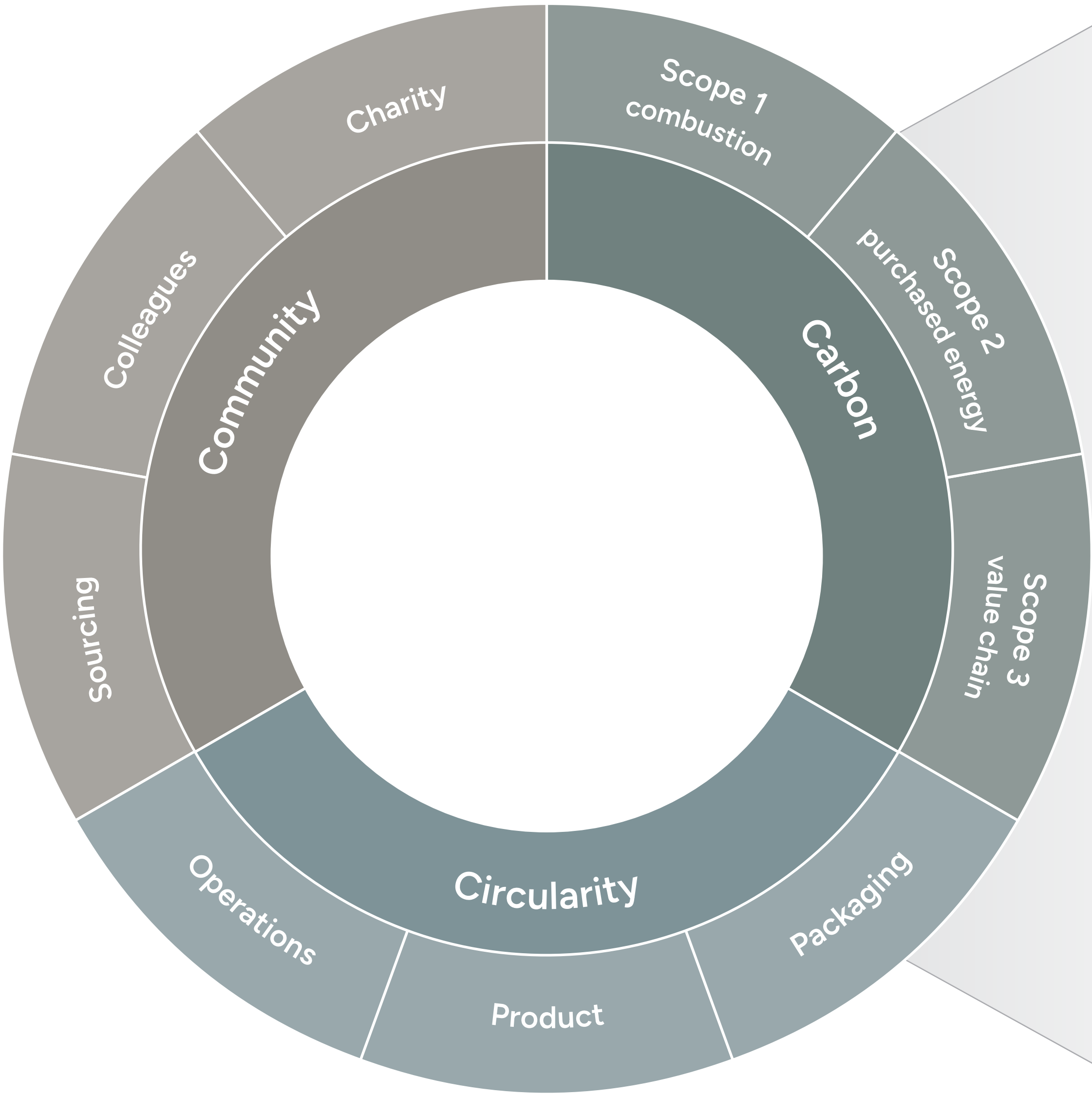
Creation of new ESG Committee

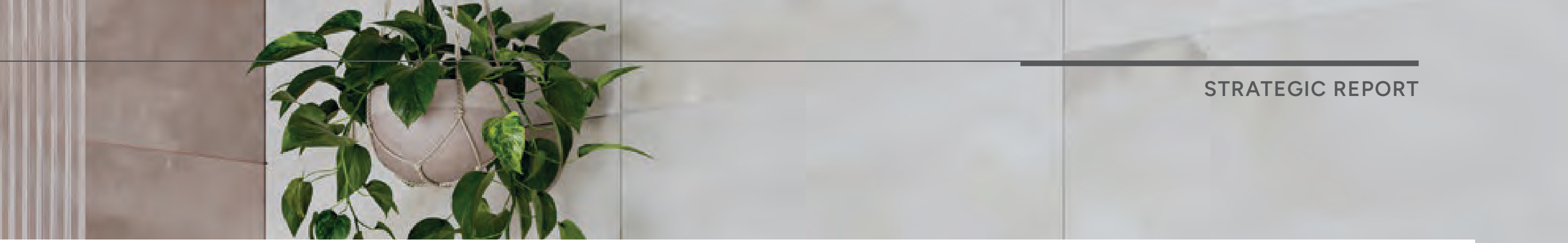
Stakeholders considered	How we engaged and what we did to consider stakeholders	Decision
Society	The Board is conscious of the ever-increasing focus placed by society and regulators on the environmental and social impacts of companies, and the governance processes that underpin them. Some external agencies and corporate governance experts make the case that having a separate Board-level committee with clear responsibility for these issues increases their profile within companies and, although the Board has been heavily involved in ESG issues for a considerable period of time, it agreed with this perspective.	The Board voted to establish a new ESG Committee, chaired by the SID Designate with clear terms of reference, responsibilities and powers.
Colleagues	Internal surveys have shown our colleagues are very engaged with environmental matters and the Board considered that the creation of an ESG Committee was a strong signal of the importance placed by the Board on these issues.	
Shareholders	Some Shareholders rate ethical considerations highly as part of their investment criteria, and providing more clarity to them when it comes to the Group's ESG strategy may open up new pools of capital for the Company's shares, potentially increasing the share price over time.	

Our Sustainability Strategy

Three Pillars: Carbon, Circularity, Community

Our sustainability strategy is built on three pillars: **Carbon**, our commitment to reduce greenhouse gas emissions; **Circularity**, our ambition to conserve resources; and Community, our legal and moral duties to our Group colleagues, and wider social responsibilities.





Key Achievements

During 2024, we have continued to develop our ESG strategy:

Carbon

Ambition

Reduce greenhouse gas emissions in alignment with global ambitions to limit climate change to 1.5°c.

Circularity

Ambition

Promote recycling, responsible sourcing, and the conservation of natural resources.

Community

Ambition

To ensure Topps Group is an inclusive, inspiring and successful, great place to work for all colleagues.

Achievements

ESG Committee established to enhance governance of strategy, risks, and opportunities.

Environmental materiality survey of 700+ colleagues conducted.

Carbon

Scope 3 measured and reported for the first time.

Commitment to set near-term science-based targets for Scopes 1-3 within 24 months.

First-ever supplier engagement workshop to capture supplier climate impacts and commitments.

Successful trial of renewable diesel alternative HVO (hydrotreated vegetable oil), with target for 20% fleet implementation by FY26.

Inefficient gas heaters identified and replaced across 22 sites, offering potential 30% reduction in gas consumption per site.

Circularity

Mas™ floor tile range developed, containing record 95-98.5% recycled material.

Tile waste reduced by 9% (196 tonnes) in FY24, versus FY23.

96% recyclability (+1pp YoY) and 16% recycled content (+*pp YoY)across own-brand plastic packaging according to Plastics Pact UK criteria.

Circular Pallet Scheme recovered 112,000 pallets from our distribution network for reuse and recycling.

37 acres of rainforest protected via Parkside's 40:40 wildlife conservation initiative.

Community

Colleague turnover reduced by 2.34%

Gender Pay Gap 2.4%, significantly lower than the UK average of 14.3%.

54% of management roles filled internally.

One Topps listening session taking place as part of DE&I Strategy.

Ratio of mental health first aiders to colleagues 1:39 (National benchmark 1:100).

Raised £500,000 for charity.

Sustainability

Stakeholder Engagement

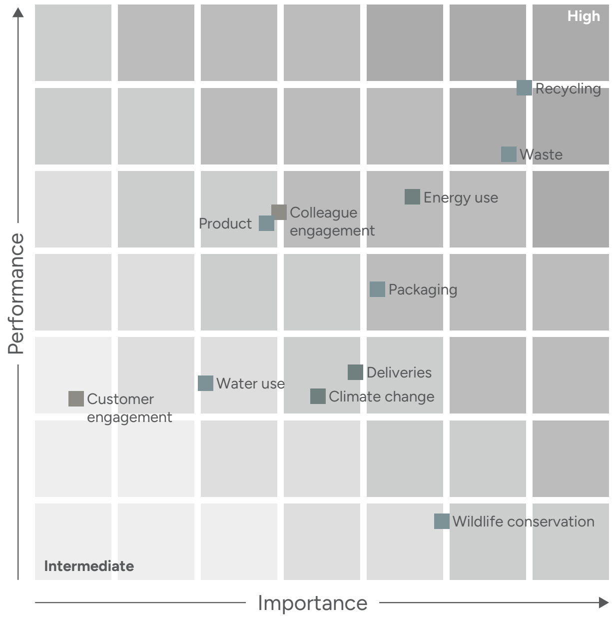
In FY24, we conducted our first environmental materiality assessment, inviting all colleagues from our stores, distribution centre, and head office to participate in a voluntary survey. We were delighted to achieve a 42% response rate, highlighting the significance of this issue to many colleagues – especially in stores, where the response rate was higher than average.

Double Materiality

Among other questions, colleagues were asked to rate the importance of various predefined sustainability topics, alongside the Group's performance in these same topics. This data has been used to create a double materiality assessment (right).

Colleagues identified recycling, waste management, wildlife conservation, and energy use as the most important topics. They noted that the business performed well in all these areas, except for wildlife conservation, where performance was perceived negatively. This feedback aligns with our current Environmental Leadership strategy, which has heavily emphasised waste reduction and energy efficiency, but not wildlife conservation. Strategy is continuously refined, so this feedback will be addressed in the year ahead.

Notably, customer engagement on sustainability was identified as an area of only moderate importance and performance. We recognise this as an industry-wide challenge, especially among tile retailers and wholesalers, where Topps Group is leading in sustainability efforts. Over the coming year, we will address this issue by investing in enhanced marketing for sustainable products and providing improved training for our staff. Overall, colleagues exhibited a moderate preference for circularity-related topics over carbon-related topics. This underscores the importance of a comprehensive approach to sustainability. Climate change may be the most pressing issue, but it is crucial to also address stakeholders' other environmental concerns. We are confident that Environmental Leadership at Topps, as outlined in this report, delivers on this.



Double materiality assessment:

Carbon

Circularity

Miscellaneous

Everscape™ Interlock Marble Stone Grey

Responsible Product Sourcing

At Topps Group, our supply chain is diverse and can be complex, but we are committed to ensuring that our suppliers adhere to the highest standards of ethics and treat their workers with dignity and respect.

It is important that we build strong, collaborative partnerships with our manufacturers whose facilities extend across 18 countries. As a trusted group of companies it is a fundamental expectation of our supply partners that they provide safe and legal working conditions for the people that work for them.

During this year we have further reviewed our ethical sourcing policy to include all business units within the Group, which was signed off at Board level. We have reviewed our existing countries of supply, sought risk scores, and gathered further advice from external parties including Intertek our third-party CSR audit provider. The associated supply chain risks consider country, sector and product type. By having this data, we have been able to determine which countries that we will not source from as a business and established risk levels for others.

All our suppliers, irrespective of location, are required to comply with the Topps Responsible Sourcing Code and confirm their acceptance of its provisions. This code embraces the Ethical Trading Initiative ('ETI') base code, so is aligned with internationally recognised good labour standards. Suppliers are expected to adhere to this code and as a minimum should comply with national and applicable laws. Compliance with this code is a contractual condition of business for all suppliers.

Performance Monitoring

Where geographical risks have been identified, factory approval and monitoring take place in partnership with Intertek, who provide third-party CSR audits. This is in the form of an annual Workplace Conditions Assessment Audit.

To reduce audit fatigue, we accept other third-party audits from factories that have SMETA reports (SEDEX Members Ethical Trade Audits) and BSCI Audits providing that the audits have been carried out by an APSER-certified auditor.

Where suppliers have repeated low facility scores, then the frequency of auditing will be increased with the audit being semi-announced.

Workplace Conditions Assessment Audits demonstrates compliance in the following areas:

Labour: including child labour, forced labour, discrimination, discipline, harassment, abuse, freedom of association and employment contracts.

Wages and Hours: including wages, hours of work and benefits.

Health and Safety: including work facilities, emergency preparedness, occupational injury, machine safety, hazardous materials, chemicals, dormitories and canteen.

Environment: including systems, procedures and certification.

We are working closely with suppliers to ensure that all non-compliances are being addressed within the agreed timescales that are set by the auditor in the Corrective Action Plan. Our fundamental aim is to work with our suppliers on any issues using a continuous improvement model and we will not work with suppliers that fail to engage with us in this process. This process allows us to work with suppliers to eradicate any non-compliances and this engagement brings about positive change to the facility and its workforce.

This year we have partnered with Verisio to improve standards across our supply chain and to manage individual supplier risk gradings in line with our responsible sourcing code. Supplier performance is an important tool in making our commercial decisions and the interactive "live" scoring of suppliers supports this. Verisio manages the closing down of non-compliances once evidence has been uploaded onto their platform. Facilities are classified as zero tolerance, critical, high risk, medium risk or low risk.

During the year, surveillance visits have taken place at some of our high-risk suppliers by our Sustainability Manager to monitor factory performance, give support and guidance, and to progress the sign-off of any outstanding non-compliances. These visits are in addition to the audits that are carried out by third-party providers.

Where no geographical risks have been identified, suppliers must complete the Topps Self-Assessment Questionnaire, which is graded by our Sustainability Team.

In 2015, the Modern Slavery Act came into force and Topps Tiles is committed to this act ensuring that no forms of modern-day slavery enter the Group's business and its supply chains.

* Our Responsible Sourcing Code of Conduct and Modern Slavery Statement can be found on our website at www.toppsgroup.com under Corporate Responsibility.

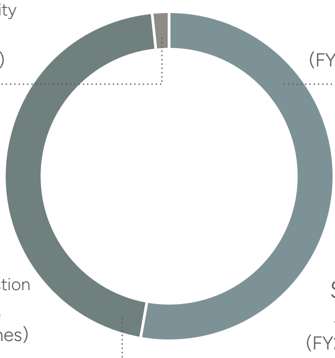
Carbon

Pronto™ Meranti Walnut Luxury Vinyl Tile

Scope 1–2

Overview

During FY24, our total Scope 1–2 carbon emissions were 4,886, tonnes, a decrease of 3% on FY23.



* More comprehensive reporting, as per Streamlined Energy and Carbon Reporting ('SECR') specification, is provided on page 65
* FY23 data restated due to change to Normative methodology (GHG Protocol aligned)
* Pro Tiler Limited is excluded from the calculations and will be fully reported across all scopes in FY25

Our Scope 1 consists of **stationary combustion** – gas/oil-fired heating in our stores, head office and distribution centre – and **mobile combustion** – transport via primarily diesel-fuelled company vehicles. Year on year, both declined due to efficiency upgrades.

Our Scope 2 emissions for stores remained relatively static year on year due to the continued purchase of renewable electricity across the vast majority of sites, excluding our Northern Ireland sites, which are not currently part of the main Group electricity contract. There were an additional 48 tCO_2e reported for FY24, which took into account the charging of electric and hybrid cars.

Reduction Strategy

During FY24, our Scope 1–2 reduction strategy has evolved as a result of our ongoing partnership with carbon consultancy Normative. We remain committed to be carbon neutral by 2030 and recognise the importance of coordinating this ambition with climate science.

Decarbonisation will involve the electrification of all heating and vehicles, which at this point in time is financially and technologically unviable. However, we will continue to invest in carbon reduction initiatives and in 2030 we will offset any unavoidable emissions at that time.

Over the next year, we will establish science-based GHG reduction targets aligned with limiting global warming to 1.5°c; these will be submitted to the Science-Based Targets Initiative ('SBTi') for validation within 24 months.

Short term 0 to 3 years	Medium term 4 to 15 years	Long term 16 to 30 years
Establish 1.5°c science-based targets (SBTi validation by 2026)	Carbon neutral (from 2030)	Net zero emissions
20% HVO haulage (FY26)	Majority HVO haulage	Electrification of haulage
Gas efficiency savings (equipment upgrades, behavioural changes)		Electrification of heating
100% renewable electricity	In situ photovoltaic installations to reduce costs of electrification	

Transport

Haulage

During FY24, our haulage fleet covered 3.37 million kilometres, consistent with the previous year. Despite this, we achieved a reduction in emissions to 2,418 tonnes, from 2,470 tonnes in FY23. This improvement is attributed to a 2% enhancement in fuel efficiency, which increased to 3.50 kilometres per litre ('KPL') from 3.42 KPL in FY23. This was achieved through targeted individual driver improvements via 1-2-1 sessions.

Looking ahead to FY25, we anticipate further improvements with the arrival of new tractor units during P5. Initial trials of these units have shown a 5% improvement in fuel economy compared to our current vehicles. Additionally, we will continue our driver 1-2-1 sessions, leveraging Microlise ratings to identify and target areas for further improvement.

After a successful trial in FY24, we plan to use renewable diesel alternative HVO for 20% of fleet fuel provision from FY26. Assuming like-for-like distance, this could reduce Scope 1 emissions by approximately 500 tonnes per year.

	FY24	FY23
Distance covered (km)	3,371,884	3,364,793*
Fuel consumed (l)	963,928	983,107
Scope 1 emissions from haulage (tCO_2e)	2,418	2,470

* FY23 figure corrected due to receipt of full year data

Company Cars

Transport Scope 1 also includes our company car fleet, which accounted for 162 tonnes of emissions in FY24: a year-on-year decrease of 3%.

	FY24	FY23
Battery electric vehicles (BEVs)	17	17
Plug-in Electric Hybrid Vehicles (PHEVs)	24	20
Scope 1 emissions from company cars (tCO_2e)	162	167*

* FY23 figure corrected in adherence with Normative reporting methodology (GHG Protocol aligned)

Property and Facilities

Property and facilities strategy is linked intrinsically with Environmental Leadership, particularly through emissions reduction strategy. We continuously review new ways to reduce Scope 1 and 2 emissions, investing in energy efficiency and supply in the short term, and electrification in the medium to long term.

In Scope 1, we have invested in reducing gas consumption by upgrading old or inefficient heaters. During FY24, a total of 22 gas heating systems were replaced with new, more energy efficient heaters, with further upgrades planned. Additionally, to support decarbonisation in the transport function, we have attained Board sign-off for the installation of an HVO fuel bunker on the site of one of our warehouses.

In Scope 2, emissions have remained minimal as we continue to purchase renewable electricity across the Group (excluding NI Stores). Following the installation of 914 solar panels at our Grove Park site in FY23 the solar generation in FY24 amounted to 307,709 kWh.

As well as reduction initiatives, during the second half of FY24, energy audits were completed at key sites, including at our distribution centre. These, commissioned in compliance with the UK government's Energy Saving Opportunities Scheme ('ESOS'), identified significant crossover between cost saving and emissions reduction opportunities, and will shape our Strategy going forward.

Sustainability
continued

Scope 3
Background
This year marks a significant milestone in the Group's sustainability journey, with the publication of our inaugural Scope 3 measurements. Scope 3 encompasses indirect emissions that occur throughout the entire value chain, including upstream activities (for example, product manufacture) and downstream activities (for example, product use). Reporting on these metrics ensures transparency, and accountability, and provides a quantitative lens through which to assess the environmental impact of business decisions. In FY24, we partnered with Normative, a carbon consultancy to measure our carbon inventory across all scopes. During this period, we have measured our Scope 3 emissions across the past two years with FY23 now being our baseline year. For our calculations, we took a hybrid approach of using both activity and spend data and recognised the importance of being as granular as possible. As such, 98% of our Scope 3 emissions were calculated using activity data to ensure we had a better understanding of our carbon footprint at supplier and product level. In addition to this activity data, we have also been able to use a considerable number of supplier Environmental Product Declarations to ensure we have the best possible emission factors at this stage.

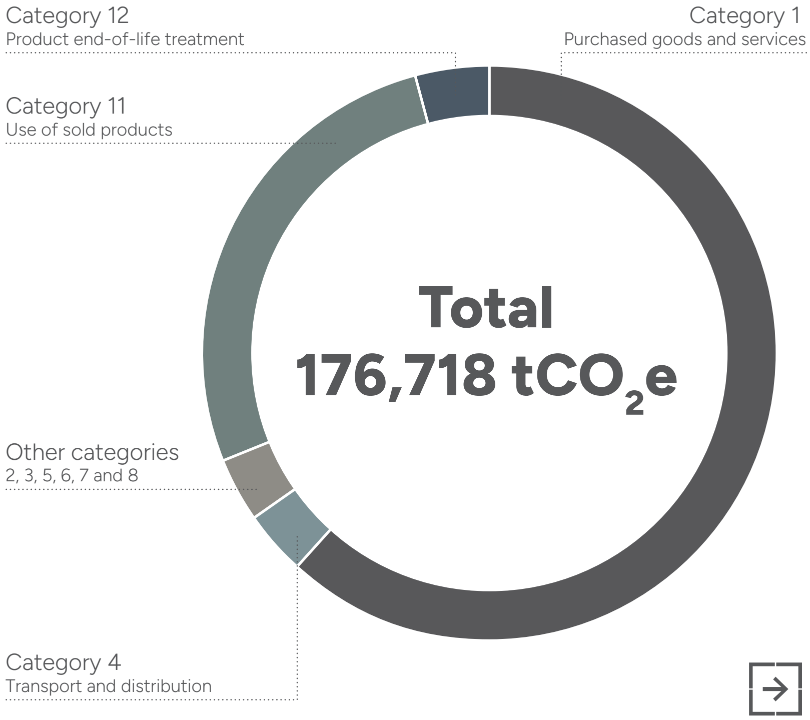
In this report, we present a full Scope 3 measurement for FY23 in the TCFD, our baseline for target-setting and reduction, as well as a comparative measurement for FY24. Going forwards, this baseline, alongside a contemporary measurement, will be published annually.

Summary of Findings
The vast majority of Scope 3 emissions sit within 3.1 Purchased goods and services (109,325 tCO_2e). This was expected, and is typical for retail and wholesale businesses, particularly those in carbon-intensive sectors such as construction. Group sales are dominated by tiles and tile adhesives, both of which are inherently carbon-intensive and will hinder reduction efforts without significant technological development in manufacturing methods.

Second to this category is 3.11 Use of sold products (47651 tCO_2e). This results from the lifetime energy consumption of electrical products – particularly, underfloor heating. With the UK government committed to 100% renewable electricity generation by 2035, this category of emissions should reduce to zero irrespective of Group Strategy.

All other Scope 3 categories are substantially smaller than 3.1 and 3.11. Encouragingly, despite this, we believe there is potential for reduction in each, and will support our suppliers in pursuing this.

Everscape™ Valletta Beige



Please see **TCFD disclosure** for further details and methodology on pages 60 to 66

Upstream	FY24 (tonnes)	
Category 1 – Purchased goods and services	109,325	61.9%
Category – 4 Transportation and distribution	6,519	3.6%
Other categories combined – 2, 3, 5, 6,7 and 8	6,211	3.5%

Downstream	FY24 (tonnes)	
Category 11 – Use of sold products	47,651	27.0%
Category 12 – Product end-of-life treatment	7,012	4.0%

Next Steps

We are currently collecting further data about our suppliers' emissions, targets and reduction initiatives via a supplier engagement questionnaire. Once complete, this will support our Scope 3 reduction strategy, which will be honed through the collaborative input of our Sustainability Council and ESG Committee.

Setting a near-term science-based target will drive a reduction in our emissions across all scopes and we will continue to work with carbon consultancy Normative who will support us in this process.

Circularity

Cotto Décor Tile

Product and Packaging

Plastics Pact UK

As signatories of the Plastics Pact UK, we are committed to reducing the environmental impact of our packaging. We made further progress towards our Plastic Pact targets in FY24, reporting 96% (+1 ppt) recyclability and 16% recycled content (+8 ppts) across own-brand plastic packaging. The latter improvement was driven by widespread implementation of 30% recycled content pallet wrap across our operations and supply chain, as recommended in our 2023 Plastic Packaging Policy.

With the Plastics Pact UK reaching its conclusion in 2025, we are planning to introduce a Topps-specific plastic packaging target to deliver continued progress in this area. The new target will be based upon the OPRL (On-Pack Recycling Label) definition of recyclability, thereby ensuring packaging is easy to recycle, for both our retail and trade customers.

OPRL

We recognise the importance of engaging with customers to facilitate effective recycling. Accordingly, we are members of the On-Pack Recycling Label scheme, ensuring our own-brand packaging is labelled with clear disposal guidance.

WEEE Takeback

As per the UK Waste Electrical and Electronic Equipment ('WEEE') Regulations, we offer an electricals takeback scheme in store: upon purchasing a new electrical product from us, customers can drop off a like-for-like used or broken item for recycling. This year, we have recycled 400kg of waste electricals for customers.

THE UK PLASTICS PACT

IN FY24, WE ACHIEVED: 96% recyclability or reusability and 16% recycled content ACROSS OWN-BRAND PLASTIC PACKAGING

Logistics

Pallet Circularity

The warehouse and transport teams have continued to focus on creating a circular supply chain for pallets.

Recovery of despatched pallets back into our supply chain has improved an average of 65%. This has resulted in over 112,000 pallets being reused by the operation, returned to our key suppliers, or sold back to pallet suppliers.

We now supply our recent acquisition, CTD, with full size pallets and small format pallets (made from our recycled broken pallet rather than virgin softwood) and we have integrated the 30 CTD branches into our pallet circularity scheme.

Tile Waste

There has been a huge focus on tile waste reduction over the last two years in the warehouse, with the emphasis on promoting better handling of product, improving safety and housekeeping through daily auditing of pick faces and rewrapping cases where the packing has split.

This has contributed to a significant reduction in the value of stock loss through wastage (down by 30%) and contributed to a reduction waste of 197 tonnes across the business (9% saving YOY) across the business.

Recycling Cardboard and Plastic

We are continuing to work with our local recycling partners to recycle warehouse and branch waste. Our focus this year has been to improve the segregation of waste and improve the working environment through dedicated waste bags for each waste type at the end of the aisles.

A further focus for FY24 was to offer a more effective collection service to our branches and maximise the volume of waste processed at the Grove Park site. We have sourced suitable re-usable sacks that can be filled at branch and backloaded on our vehicles.

As a result of these initiatives, we more than doubled our volume of baled cardboard, processing 83 tonnes in FY24, and we increased the amount of plastic recycled by 39% at 66 tonnes of mixed plastic. Recycling of rigid plastics (mainly one-way pallets) remained static at just under ten tonnes.

Sustainability
continued

Community

Human Rights

All directly employed colleagues are based in the UK and subject to UK employment law. The Modern Slavery Act 2015 came into effect in 2015 and the Board is committed to ensuring that acts of modern slavery and human trafficking do not take place within the Group or the supply chain. For more on this please see page 93.

Equal Opportunities

The Board continues to be committed to promoting equal opportunities and when recruiting does so based on merit and when rewarding, does so based on success. The recruitment process looks for applications from a broad base encompassing all backgrounds, regardless of age, disability, gender, marriage or civil partnership status, pregnancy, maternity, race, religion or belief and sex. If a colleague becomes disabled during employment, we endeavour to provide support with training and career development, making reasonable adjustments where possible and providing opportunities for promotion.

Diversity, Equity and Inclusion

The Nomination and Governance Committee is mindful of the composition of the Board and executive management team. It is acknowledged that there are benefits in diversity within a Board. Any appointments are made using objective criteria and with an awareness of the requirements of the Listing Rules. Compliance with the Rules and the compliance journey are set out in the Nomination and Governance Committee report, which is on pages 100 to 104.

Our workforce at the Period end date comprised:

	Male	Female	Total	Male %	Female %
2024					
Directors	**4**	**3**	**7**	**57%**	**43%**
Senior Managers	**8**	**5**	**13**	**62%**	**38%**
Other Employees	**1,365**	**469**	**1,834**	**74%**	**26%**
Totals %	**1,377**	**477**	**1,854**	**74%**	**26%**
2023					
Directors	5	2	7	72%	28%
Senior Managers	8	3	11	73%	27%
Other Employees	1,288	439	1,727	75%	25%
Totals %	1,301	443	1,744	75%	25%

Colleague consultation and employee engagement

Via various forums and mediums, colleagues are kept updated as to relevant developments within the Group. There are formal and informal meetings and email briefings. Employees also have access to a Group Sharepoint platform. The Group publishes and distributes minutes of "TeamTalk" meetings (see Experience section for more on TeamTalk), and a monthly video is made available to all colleagues, containing latest company information, performance, strategic progress, charity updates and celebrates colleague success.

Colleague forums take place at both local and group level where employee representatives meet on a quarterly basis to be consulted on significant issues. Kari Daniels, independent Non-executive Director, acts as the Employee Engagement Director.

Experience

This year we have focused on the voice of our colleagues, developing our Strategy and actions based on results of previous engagement surveys.

The results of our latest survey (MyVoice) told us colleagues felt there should be additional opportunities to recognise their achievements. We continue to do this via our monthly Topps Superstars awards, announced by the Chief Executive Rob Parker in his video Huddles as well as various awards for outstanding contribution, presented to winners at our annual conferences. This remains an area of focus as 13% of our colleagues feel we could do better. This will be a development point for our TeamTalk colleague forum (see below) to look at other ways in which we can continue to improve.

The business is now working on the development and delivery of a new MyVoice survey, which allows colleagues to share valuable feedback, with the potential addition of pulse surveys and targeted surveys to gather real-time responses and check-in with colleagues throughout the year.

On completion of the survey, we will focus on action plans to ensure colleagues see the relevance of it and that we are listening to their feedback.

TeamTalk operates throughout the whole of Topps Group, and comprises regional, functional and Group forums to ensure it is representative of all colleagues. Members are elected colleagues who meet regularly to raise items of concern or interest with Executive team leaders, as well as undergo consultation on relevant business matters. During FY24 we progressed a number of initiatives that have come from these meetings including the introduction of Voluntary Dental Insurance, Savings accounts via Cushon, buying of additional holiday for support office colleagues and providing feminine hygiene products in ladies' toilets across our Grove Park central support centre and our Topps Tiles store estate.

Our work on diversity, equity and inclusion continues to develop with gathering of demographic data and various initiatives to support equality, and for the year, 37% of applications for roles came from females. At the end of the year, we had 24.9% female colleagues in the Group, and our median Gender Pay Gap in April 2023 was 2.4%, significantly lower than the UK average of 14.3%.

This year, we continued to work towards our One Topps strategy, by holding listening sessions around diversity in the workplace and women in work. The sessions provided insight into the way in which store colleagues can be seen differently dependent on sex and race. With the revisions of the Harassment Bill, which came into effect in October 2024, we are supporting colleagues in dealing with harassment in the workplace from both colleagues and customers, by providing training via Thrive along with an updated policy, guides for reporting and sharing, issuing a video from leadership.

We also celebrated International Women's Day for the third consecutive year. Our DE&I work continues with leadership awareness training on representation, store training on bias in recruitment, and the introduction of mandatory training for all colleagues on equality and inclusion, called Working Well With Everyone.

Capability

It is important we develop our colleagues in the roles they perform today and also for their next roles as we believe in developing from within. This is demonstrated by the fact of 54% of management roles are from internal promotions.

We continue to develop content on our Learning Platform (Thrive) and this year we added our logistics colleagues meaning that all colleagues across the Group now have access to Thrive. Android tablets are now available to logistics colleagues via their manager to complete their digital training.

We continue to support colleague development using the Apprenticeship Levy, and for the wider tiling community we have recently launched an initiative with both South & City College Birmingham ('SCCB') and Leeds College of Building, to support learners completing the Level 2 Wall and Floor Tiling Apprenticeship. In addition to using part of our levy to financially support learners who are required to contribute to course fees, we will also assist the college in communicating with our trade base around the advantages, benefits and assistance available in employing a tiling apprentice. We are currently in discussions for a second college to join SCCB in the partnership.

In addition to our product, process sales and personal development content, we are currently working on a career development pathway that will be launched in late 2024/early 2025.

Sustainability
continued

Well-being

We have continued our focus on well-being via our Well-being Wheel, where the priority continues to be that of the mental health of our colleagues. We have done this by continuing to raise awareness via specific campaigns where we share information and advice, including appropriate signposting pathways, for World Mental Health Day, Mental Health Awareness Week, Dementia Action Week (working with our charity partner Alzheimer's Society) and World Menopause Day. Our colleagues and their families can also access our Employee Assistance Programme provided via Health Assured.

We continue to support colleagues through our mental health first aiders ('MHFAs'), all of which are accredited via Mental Health First Aid England. We have a community of 51 MHFAs across the Group. Our ratio of MHFAs to colleagues is approx. 1:39 MHFAs, which is ahead of the recommended benchmark of 1:100 for employers of more than 50 colleagues. This community also has access to the latest guidance and support via the accredited MHFA England portal.

In addition, we have continued to focus on financial well-being and have been communicating information around the financial support colleagues have access to via the Health Assured EAP and through our Hardship Fund.

Our Hapi benefits app has seen increased usage since its relaunch and via campaigns and offers we have seen it used almost 11,400 times in the year, with a total saving of £6,745 on a total spend of nearly £102,000, with the average user saving at least £38 on their purchases.

Our Charity Partnerships

Topps Group is now just past the halfway mark of a five-year partnership with Alzheimer's Society, with an internal target to raise £1 million for the charity.

At the end of the year, the Group was on track to reach this target, having raised £500,000.

Most of the funds comes through the relationship with Pennies, a charity which supports digital charity-giving at the till point. Last year, more than £187,000 was donated through Pennies, where customers are invited to round up their purchase to the nearest whole pound, with the "change" going to charity. Fundraising events organised by colleagues raised an additional £45,000 for charity.

At the end of the year, the Group was on track to reach this target, having raised

£500,000

Last year, our "Summer of Fun(draising)" saw events take place across most of our store estate, as well as in our other businesses and central support office, with Olympic-themed games, activities, food and drink sales. Colleagues from our support office, logistics function and Pro Tiler embarked on Alzheimer's Society's Trek26 walks, and companies were generous in sponsoring our annual clay pigeon shoot for suppliers. These were in addition to our regular fundraising activities including our Christmas raffle, bake sales, pancake day event and individual store events.

Topps Group is also committed to helping those less fortunate, and colleagues from the Leicester central support office are generous in supporting events to collect Easter eggs, Christmas gifts, toiletries and food items for those in need.

Words from our Partners

We would like to express our heartfelt gratitude to Topps Group for their continued support and incredible dedication to Alzheimer's Society.

Our partnership has gone from strength to strength this year, and we are proud to announce that Topps Group has reached the incredible milestone of £500,000 raised for Alzheimer's Society!

We were thrilled to see remarkable growth through customer donations via Pennies the Digital Money Box and the unwavering commitment from Topps Group colleagues in their fundraising efforts.

This continued generosity and hard work shows that dementia is a cause that remains close to the hearts of colleagues and customers and has enabled Alzheimer's Society to continue our mission of providing life-changing services to people affected by dementia, campaigning the government to make dementia the priority it should be and driving forward ground-breaking research.

We are immensely grateful for all that you do, your incredible commitment and generosity and look forward to building on this year's success. With your help, we will change the devastating reality of dementia.

Here's to our continued partnership and providing help and hope to everyone affected by dementia.

KATE LEE OBE
CEO Alzheimer's Society

We're thrilled to celebrate nine years in partnership with Topps Tiles this year.

The last few years have posed challenges for charities, and consumers, but Topps Tiles' customers have remained incredibly generous when it comes to micro-donations. Since January 2022, when the partnership with Alzheimer's Society launched, customers have made more than 800,000 donations with Pennies, when paying in stores and online, to support people living with dementia.

Topps Tiles' continued support of Pennies since the change of payments technology in store last year has resulted in a sustained increase in donations.

Topps Tiles colleagues remain excellent ambassadors for Pennies too, sharing with customers how quickly donations add up for Alzheimer's Society. These conversations help drive greater impact for charity every single year, and we continue to be both proud and grateful for this partnership. Pennies is a charity too, and it's thanks to our wonderful partners, like Topps Tiles, that we're able to grow the micro-donation movement and support even more charities.

ALISON HUTCHINSON CBE
CEO, Pennies

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

Our disclosure for the TCFD is consistent with the Financial Conduct Authority's Listing Rule 6.6.6R(8); as such, we have complied with the TCFD Recommendations and Recommended Disclosures.

The Group is committed to implementing the recommendations of the TCFD, which aim to provide investors and other stakeholders with useful information on climate-related risks and opportunities that are relevant to our business. We set out below more detail on how we are seeking to align with these recommendations, recognising that this will form an ongoing workstream as we further develop our policies, processes, and disclosures over the medium and long term.

Governance

Disclose the organisation's governance around climate-related risks and opportunities

a. Describe the Board's oversight of climate-related risks and opportunities.
b. Describe management's role in assessing and managing climate-related risks and opportunities.

The Board continually monitors climate-related risks, opportunities and strategy through the ESG Committee that meets bi-annually. This comprises of Denise Jagger (Chair), Paul Forman, Rob Parker, Keith Down, Diana Breeze, Kari Daniels and Martin Payne, who bring a wide and extensive amount of prior experience in environmental and sustainability issues.

Additionally, in line with the Group's key risk review framework, the Board reviews all risks and uncertainties, including those related to climate change, on a quarterly basis.

Management assesses, informs and responds to climate-related risks and opportunities through our Sustainability Council, a panel of senior managers responsible for climate-significant business functions. The Council meets every quarter and is chaired by Rob Parker, providing a direct link to the Board and ESG Committee. The agenda of the Council is steered by our Technical & Sustainability Manager, Kevin Bingham who supports with specific expertise in climate related best practice.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, Strategy and financial planning where such information is material

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.
c. Describe the resilience of the organisation's Strategy, taking into consideration different climate-related scenarios, including a 2°c or lower scenario.

The strategic register of risks and uncertainties (pages 67 to 73) details material risks and mitigants for the Group – including climate-related risk. Below, in accordance with the TCFD Recommendations and Recommended Disclosures, is an expanded consideration of climate-related risks and opportunities over the short, medium, and long term, their impact, and the resilience of our Strategy in two alternate climate scenarios.

Our defined timeframes are:

- **Short term (S): 1 – 3 years.** Chosen to consider risks and opportunities material to immediate planning and budgets.
- **Medium term (M): 4 – 15 years.** Chosen to highlight future risks and opportunities, which, although not immediate in nature, can be foreseen with high confidence.
- **Long term (L): 16 – 30 years.** Chosen to monitor future risks and opportunities on the distant horizon; those which are foreseeable, but with low confidence or diverging potential impacts.

We have classified risks as:

- **Transitionary:** resulting from the shift to a zero-carbon economy.
- **Physical:** resulting from climate-change impacts.

Our chosen climate scenarios are:

- **Net Zero Emissions ('NZE'), 1.5°c scenario:** from the International Energy Agency, this scenario assumes substantial regulatory intervention, net zero by 2050, and success in limiting global warming to 1.5°c. Businesses will be significantly impacted in the short to medium term by rapid decarbonisation (transitionary risks).
- **Representative Concentration Pathway ('RCP') 8.5, >4°c scenario:** from the Intergovernmental Panel on Climate Change ('IPCC'), this scenario assumes no regulatory intervention, global emissions continuing to rise at current rates, and global warming exceeding 4°c by 2100. Businesses will be significantly impacted in the long term by the tangible effects of climate change (physical risks).

Climate-related Risks

Classification	Summary	Description	Scenario of worst impact	Strategic resilience	Timeframe
Transitionary					
Policy and Legal	Cost of climate regulatory measures.	Emissions trading scheme ('ETS') and carbon border adjustment mechanism ('CBAM') will increase cost of ceramic tiles, cement-based adhesives and other carbon intensive products.	**1.5°c scenario:** These and other strict regulations would be swiftly enforced, requiring substantial capital investment to deliver rapid decarbonisation, or resulting in financial penalties.	Our Scope 1–2 carbon neutrality target, alongside planned establishment of science-based Scope 1–3 targets within 24 months, will drive decarbonisation at a pace sufficient to reduce exposure to ETS and CBAM.	S, M
		Extended Producer Responsibility ('EPR') comes into force in October 2025 with only illustrative fees currently available.		EPR is a short-term risk and monitored closely by our Sustainability Council and minimised by our Environmental Packaging Initiative. We are working collaboratively with Clarity Environmental and a member of the UK Plastic Pact.	S
Technology	Cost of zero-emission technologies.	Decarbonisation will necessitate extensive retrofitting of low-emissions technologies such as heat pumps that might replace conventional gas heaters. This could require some capital investment, increasing the cost of goods and operations.	**1.5°c scenario:** Rapid decarbonisation would necessitate substantial capital investment into retrofitting zero-emission technologies.	Our Scope 1–2 strategic roadmap will distribute capital expenditure over several decades, minimising cost impacts. Moreover, zero-emissions technologies will significantly lower operational costs, delivering a return on investment. Scope 3 costs will primarily be absorbed by suppliers.	S, M, L

Task Force on Climate-related Financial Disclosures ('TCFD') continued

Classification	Summary	Description	Scenario of worst impact	Strategic resilience	Timeframe
Transitionary					
Reputation	Reputational damage due to poor environmental performance.	Failure to address environmental concerns could create a negative perception of the Company and/or its brands among stakeholders, deterring potential customers, investors and colleagues.	**1.5°c and >4°c scenarios:** In either scenario, failure to address climate change could be perceived as unethical or irresponsible.	Group Strategy prioritises "Environmental Leadership" and Scope 1–2 carbon neutrality, reflecting our commitment to addressing climate change. This is supported by robust governance, participation with industry bodies and colleague engagement. We have surveyed key stakeholders in FY24 to ensure that we have full alignment with their environmental expectations.	S, M
Physical					
Acute	Disruption to our operations due to extreme weather, which may result in delays, shortages and a possible increase in the cost of goods.	As well as increasing extreme weather disruption, climate change will permanently alter seasonal temperatures and weather patterns. Hotter summer months may necessitate air-conditioning, while increased precipitation may reduce store footfall.	**>4°c scenario:** With >4°c of warming, extreme weather events would occur with much greater frequency and seasonal shifts would become more pronounced, significantly disrupting infrastructure, store operations and our supply chain resulting in possible store closures in specific locations.	Although any extreme climate impact is a long-term threat in the UK, the frequency of weather events is increasing. We weatherproof our estate as a matter of normal practice. We will carry out further risk assessment of stores and their resilience to climate change so that we can provide improved protection of these sites. Our central operations are resilient to climate change due to their location. Both our head office and warehousing and transport hub are in the Midlands and therefore the service to our stores and customers should be largely unaffected.	M, L
Acute and Chronic	Store disruption due to extreme weather and seasonal changes.	Climate change will increase extreme weather events, disrupting supply chains. European manufacturers, clustered in a few locations, are vulnerable to drought and floods, while Far East shipments face higher risk of Suez Canal blockages due to sand and windstorms.		Our Scope 1–2 carbon neutrality target, alongside planned establishment of science-based Scope 1–3 targets within 24 months, will ensure we are following best practice to avoid a >4°c warming scenario. Our supply chain is diverse and flexible, and our Standard Operating Procedures ensure that our buying teams are able to source products across various different regions of the world.	L

We will continue to understand the effect on our business of different climate-related scenarios and further analysis will take place over the next 12 months.

Climate-related Opportunities

Classification	Summary	Description	Scenario of worst impact	Strategic resilience	Timeframe
Products and Services	Product innovation.	Innovative, low-emission, and sustainability marketed products may result in higher sales, and an opportunity to improve margin.	**1.5°c scenario:** Rapid decarbonisation could disrupt the tile industry, creating opportunities for innovation.	We have already developed several low-emission products with recycled content, including our Regenr8™, Principle™, and Mas™. Market-leading and exclusive to Topps Group, these and future developments will ensure we capitalise on innovation opportunities.	S, M
Resource Efficiency	Cost savings from energy efficiency.	Measures to reduce energy consumption and emissions may also reduce costs. E.g. electrification, insulation, staff training.	**1.5°c scenario:** Increased attention on energy consumption could highlight energy efficiency cost savings opportunities.	During FY24, we participated in the Energy Savings Opportunities Scheme ('ESOS') Phase 3. This highlighted several fast-payback opportunities to reduce energy consumption, which we are now pursuing.	S, M, L
Energy Source	Cost savings from renewable energy installations.	Decentralised generation of clean energy may reduce annual energy costs and improve energy security. E.g. photovoltaic installations offer cost savings on electricity compared to the grid.	**1.5°c scenario:** Rapid decarbonisation could incentivise renewable energy generation. E.g. heat pumps consume electricity which, unlike gas, can be generated in situ for free.	Our strategic roadmap includes several additional photovoltaic installations in the short term, and a widespread installation project in the medium term. This will ensure we capitalise on cost-saving opportunities.	S, M, L

Task Force on Climate-related Financial Disclosures (‘TCFD’) continued

Risk Management

Disclose how the organisation identifies, assesses, and manages climate-related risks

a. Describe the organisation’s processes for identifying and assessing climate-related risk.
b. Describe the organisation’s processes for managing climate-related risks.
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.

We have a “Three Lines of Defence” risk management model to identify, monitor and manage all risks, including those that are climate-related. The first line of defence is our Executive management team who have day-to-day responsibility for business operational supervision and, hence, are required to consider current and developing risks that could impact on the achievement of our strategic objectives, including ESG and climate-related risks. Executive management is ultimately responsible for the implementation and maintenance of the agreed processes and controls to mitigate the assessed risks.

Climate and ESG risks have been integrated into our strategic risk process, the second line of defence. This includes consideration of all key items, such as regulatory, reputational and physical risks. The identification and assessment of climate and ESG risks uses the same likelihood and impact criteria as all Group risks on both an inherent and residual basis. A detailed risk assessment is conducted annually to identify emerging risks and to ensure that the focus and management of all risks is appropriate. This assessment includes input from the key internal and external stakeholders. The Audit Committee reviews the results of the annual strategic risk assessment and the Board reviews Executive management updates to the risks and mitigations on a quarterly basis.

The Sustainability Council serves as another key part of the second line of defence and evaluates material ESG risks and corresponding mitigation activities. This also provides a forum to receive and consider new ideas and feedback from colleagues representing all areas of the business on environmental issues. This ground-up approach helps to ensure that all levels of the business are engaged in our Environmental Leadership strategy.

The third line of defence is our Internal Audit function, which provides an independent and objective view on the effectiveness of the internal control environment, which is reported to the Audit Committee.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

a. Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its Strategy and risk management process.
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risks.
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

We use various metrics and targets to assist in our assessment of climate-related risks, opportunities and responsive actions – these are detailed in the table, below. Metrics and targets are developed through the Sustainability Council and reviewed by the ESG Committee.

In FY24 we measured our Scope 3 emissions for the first time including FY23 which now our baseline. For our calculations, we took a hybrid approach of using both activity and spend data and recognised the importance of being as granular as possible. We have finalised targets in several key areas as per the tables on the following page:

Greenhouse Gas Emissions and Energy Usage Data for Streamlined Energy and Carbon Reports

Energy consumption*		**FY24 kWh**	FY23 kWh
Scope 1	Mobile combustion	**10,213,666**	10,406,937
	Stationary combustion	**12,080,063**	12,783,004
Scope 2	Purchased electricity	**10,294,681**	10,355,826

GHG emissions (tCO_2e)*		**FY24 tCO_2e**	FY23 tCO_2e
Scope 1	Mobile combustion	**2,580**	2,636
	Stationary combustion	**2,232**	2,372
Scope 2	Purchased electricity (market-based)[1]	**74**	26
Scope 1 and 2	**Total**	**4,886**	**5,034**
Scope 3	Category 1 – Purchased goods and services	**109,325**	107,121
	Category 4 – Upstream transport and distribution	**6519**	5410
	Category 11 – Use of sold product	**47651**	59308
	Category 12 – End-of-life treatment of sold product	**7012**	6646
	Other categories combined – 2, 3, 5, 6, 7 and 8[2]	**6211**	5719
	Total	**176,718**	**184,204**

1 Using the alternative location-based methodology, our Scope 2 emissions were: 2,268 in FY24 and 2,287 in FY23

2 Other categories include – (2) Capital Goods, (3) Fuel and Energy related activities, (5) Waste generated in operations, (6) Business travel, (7) Employee commuting, (8) Leased assets

Scope 3 calculation methodology:
We worked with climate consultancy Normative to calculate Scope 1-3 emissions in adherence with the GHG Protocol methodology, using a mix of activity-based and spend-based data. The following GHG Protocol categories were deemed de minimis and excluded from the calculation: 3.9 Downstream transportation and distribution, 3.10 Processing of sold products, 3.13 Downstream leased assets, 3.14 Franchises, 3.15 Investments. At the time of writing, FY24 full year data was not available for a minority of data sources (<1% of emissions). In these cases, outstanding data was approximated via pro-rata extrapolation.

GHG intensity		**FY24 tCO_2e**	FY23 tCO_2e
Total GHG emissions per £m turnover	Scope 1–2	**22.2**	**20.9**
	Scope 3	**804.40**	**764.6**

* FY23 data restated due to change to Normative methodology (GHG Protocol aligned)

Pro Tiler Limited is excluded from the calculations and will be reported fully across all scopes FY25

Circularity		**FY24**	FY23
Plastics Pact UK	Percentage recyclable or reusable own-brand plastic packaging	**96%**	95%
	Average recycled content in own-brand plastic packaging	**16%**	8%
Operations	Total non-hazardous operational waste (Tonnes)	**3,453**	3,810*
	Tile waste (Tonnes)	**1,999**	2,193
	Non-hazardous recycling rate	**78%**	77%
	Hazardous waste (Tonnes)	**330**	304

* FY23 Operational waste contains an estimated calculation for 530 tonnes of wood waste

Task Force on Climate-related Financial Disclosures ('TCFD') continued

Targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Climate-related Risk	Metrics & Targets	FY23 Baseline	Progress & key actions
Carbon Emissions Scope 1 **Mobile Combustion**	Reduce absolute Scope 1 carbon emissions by 85% against FY23 baseline – Timescale FY30	2,636 tCO_2e	FY24 -2580 tCO_2e (-2% YOY) due to enhancement in fuel efficiency. Further reduction will be a result of transitioning our fleet from using diesel fuel to HVO, or other technical advances in the future such as electric or hydrogen vehicles.
Carbon Emissions Scope 3	Set a near-term science-based target (SBTI validation within 24 months)	184,204 tCO_2e	We are continuously improving the data quality of our carbon inventory through the Normative platform.
Renewable Electricity	100% of electricity purchased to be renewable	n/a	FY23 – 99.6%, FY24 – 99.5%. Small volumes of brown energy being purchased by sites in Northern Ireland
Circularity – Plastic Pact UK	100% recyclable or reusable own-brand plastic packaging by FY26	95%	Marginal increase to 96% FY24 mainly due to mix of sales.
	30% Average recycled content in own-brand plastic packaging by FY26	8%	16% achieved FY24(+8 p.p.) through the introduction of 30% recycled content in pallet wrap across our operations and supply chain.
Operational Waste	5% (100 tonnes) reduction in tile waste in FY25	n/a	FY24 a 9% reduction (197 tonnes) due to better handling and various other initiatives.
	Hazardous and non-hazardous recycling rate target to be set during FY25	77%	Non-hazardous waste recycling rate 78% FY24

Risks and Uncertainties

Overview

The Board has overall responsibility for the management of risk and has conducted a robust assessment during the year. This included consideration of emerging and principal risks facing the Group that could threaten its business model, Strategy, future performance or liquidity.

Risk Governance

The Group's risk management approach has been developed to enable the business to identify, assess and manage the key risks covering corporate, strategic, operational and compliance considerations. These risks incorporate the significant risks faced by the business, which are summarised in the pages below. The key steps of the Group's risk review framework are as follows:

- An annual workshop is conducted to review the strategic risks of the Group and consider any emerging risks. The workshop is attended by the Chair of the Audit Committee, Head of Internal Audit, Executive Committee members and other key senior members of the management team;
- The strategic risk register is updated, which summarises the likelihood and impact of risks on an inherent and net basis;
- The Board, supported by the Audit Committee, conducts a robust review of the strategic risk register; and
- The strategic risks are reviewed and updated on a quarterly basis by the risk owners and the Board, which includes consideration of the key mitigations and agreed actions.

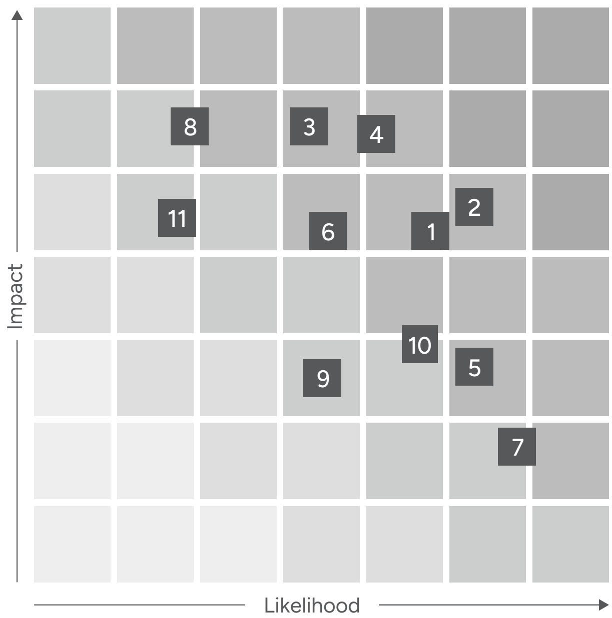
Risk Appetite

The Board has established the Group's appetite for each principal risk and periodically reviews the suitability of the appetite levels with reference to the Strategy and operating environment. The Board has assessed the current and planned mitigating activities of these risks to ensure that they are being managed within the stated appetite.

Principal Risks

The Group operates in an industry and markets which, by their nature, are subject to a number of inherent risks. In common with other organisations that have international supply chains, the Group is also influenced by key geopolitical and economic risks that can impact operations. The principal risks that could have a material impact on the Strategy or performance of the Group are summarised in the heat map and analysis on the following pages.

Heat Map of the Group's Principal Risks



		Risk Appetite
1	Growth Through Mergers and Acquisitions ('M&A')	High
2	Aging Systems	Neutral
3	Cybersecurity	Neutral
4	Development and Delivery of Group Strategy	High
5	Inflationary Cost Increases of Goods Not For Resale	Neutral
6	Macroeconomic Changes and Consumer Confidence	Neutral
7	Logistics Capacity	Neutral
8	Critical Asset Failure	Neutral
9	Global Supply Chain and Cost of Goods	Neutral
10	Sustainability and Climate Change	Neutral
11	Health and Safety	Low

The risk heat map is designed to show the relative exposure of each principal risk on a net basis rather than establish the absolute level of the likelihood and impact for each risk.

Risks and Uncertainties continued

Risk	Impact	Mitigation	Status
1. Growth through Mergers and Acquisitions (‘M&A’)			**Risk Appetite:** High
Part of the Group’s strategy for growth has involved the acquisition of other businesses. There are key inherent risks with all acquisitions regarding the quality, value realisation and integration of the new entity.	If the Group acquires another business where the quality and continuing operations do not prove to be in line with expectations, Shareholder value may not be generated. The ongoing CMA investigation into the acquisition of the CTD assets, and the requirement to integrate the CTD operations into the Group following the conclusion of the CMA investigation, could distract management focus from the operation and growth of the current business. The CMA investigation could delay or reduce some of the benefits of the CTD acquisition.	Any potential M&A activity is scrutinised by Executive management and the Board, with the support of third-party experts conducting legal and financial due diligence. Key risks are identified and managed accordingly. The integration and performance of acquired businesses is monitored closely alongside the current businesses by Executive management and the Board. The Group has taken the necessary professional advice and invested in additional resource to meet the requirements of the CMA investigation with a view to addressing its potential concerns.	↑ The acquisition of the CTD assets and need to integrate them into the wider Group, following the conclusion of the CMA investigation, has increased this risk in FY24.
2. Aging Systems			**Risk Appetite:** Neutral
The Group’s core ERP system is aging, which makes obtaining support from the supplier, colleagues and contractors more challenging. There are limits to what functional improvements can be made to the system and the performance is becoming a concern.	Colleagues with knowledge of the current ERP may be challenging to replace and their loss could impact the Group’s ability to develop its offerings and deliver its Strategy. Performance issues may impact business processes and efficiency, and in more extreme scenarios, may impact the Group’s ability to serve customers.	A project to replace the Group’s current ERP is being developed and will be launched in FY25. In the short term, third-party support could be obtained if deemed necessary.	↑ The Group’s plans to replace the current ERP have been deferred for one year from FY24 to FY25, which has inherently increased the size of this risk due to further aging of the system.

↑ Risk has increased ↓ Risk has decreased ↔ No change **N** New risk

Risk	Impact	Mitigation	Status
3. Cybersecurity			**Risk Appetite:** Neutral
The business may suffer a breach of its IT systems security, leading to either a loss of capability or a loss of customer and/or commercial data.	A temporary loss of systems could impact operations and adversely affect sales and profits. The loss of commercial or customer data could result in reputational damage to the Company and/or financial penalties.	The Company uses the latest network and security protocols to protect against attack or breaches of security. Access rights only allow colleagues access to data that they need. The Group has two strategic cybersecurity partners, colleague training is mandatory and active monitoring of security threats is conducted. Virus outbreak response plans are in place, as is a disaster recovery provision, and the majority of the Group's servers now operate on virtualised technology. The Group holds specific cybersecurity insurance.	Cybersecurity continues to represent a significant risk for the Group. The underlying environment evolves at a significant pace which must be matched by continual improvements in its mitigation approach.
4. Development and Delivery of the Group Strategy			**Risk Appetite:** High
The Group looks to continually develop its customer offering and improve operating efficiency to increase competitiveness and grow Shareholder value. There has been a notable increase in the Group's risk appetite in FY24. The Group has developed a more ambitious Strategy to diversify its product and service offerings. The Group also invested in acquiring assets from CTD in Q4 FY24.	If customer offerings and operating efficiency are not successfully improved, the Group may become less competitive, which could impact sales and profitability. Management focus on integrating the CTD investment could be to the detriment of current business sales and operations, which could also impact sales and profitability.	Management operates with an agile strategic mindset and can respond quickly to competitor or market changes. The Group Strategy is refreshed and approved by the Board annually. Progress against strategic objectives is reviewed by the Board on a regular basis. Management reviews current business performance to identify and address any adverse variances. Board oversight ensures that sufficient focus is applied to all Group businesses.	The Group's increase in risk appetite and ambition for profitable growth has increased the size of this risk in FY24.

Risks and Uncertainties continued

Risk	Impact	Mitigation	Status
5. Inflationary Cost Increases of Goods Not For Resale			**Risk Appetite:** Neutral
Consumer Price Inflation in the UK economy reduced to target in June 2024. Some increase is forecast through 2024 and into 2025. Staff wages are a material cost for the business, including the national living wage which increased by 9.8% in April 2024 and will increase by a further 6.7% in April 2025. In addition, the increase in the rate of employers' national insurance and the decrease in the secondary threshold from April 2025 further increases inflationary pressures on the business.	Inflationary pressures are likely to result in increased costs, which may require the business to reduce levels of employment or pay, increase retail pricing and/or deliver lower levels of profitability moving forward.	The business has experience in successfully managing cost pressures and reducing variable costs if necessary. Sales prices may also be actively managed.	⟷ Although the general level of inflation has decreased substantially over the last 12 months, a number of new inflationary pressures facing retail businesses leave the overall level of risk unchanged.
6. Macroeconomic Changes and Consumer Confidence			**Risk Appetite:** Neutral
The general economic climate, and specifically consumer confidence, are important to Topps Group and events that may affect these factors present a financial risk to the business. The macroeconomic outlook has stabilised in 2024 and several indicators have improved, although a meaningful change in consumer behaviour has not yet been observed.	Over the long term, consumers need to feel confident and have access to affordable funding to invest money into their homes. A reduction in consumer confidence or ability to fund home improvements could result in a contraction of the tile market and reduction in demand for the Group's products, which could impact revenue and profits.	The business is in a strong position to manage a weak or deteriorating market. The Group's net cash position has reduced following the acquisition of the remaining shares in Pro Tiler and the acquisition of CTD. At year end, the Group has a modest level of net cash and retain a significant level of available funding via a £30 million banking facility committed to October 2027. This strong financial foundation, combined with tight control of costs, allows the Group to greater withstand shorter-term trading pressures. Macroeconomic indicators are reviewed on a monthly basis by the Board. Early signs of adverse trends would be responded to with revised business plans and may include reduced levels of investment.	↓ Several key factors, and most notably inflation, have improved in the past 12 months. These changes are expected to have a positive impact on consumer confidence and consumers' ability to fund home improvements, so the size of this risk has reduced.

↑ Risk has increased ↓ Risk has decreased ⟷ No change **N** New risk

Risk	Impact	Mitigation	Status
7. Logistics Capacity			**Risk Appetite:** Neutral
There is a requirement for the Group to hold and distribute higher volumes of stock following the strong growth of Pro Tiler and investment in CTD. Current warehousing is constrained and a permanent solution needs to be implemented to supply the CTD business once a temporary agreement to utilise the existing infrastructure expires. This is further complicated by the ongoing CMA investigation.	The constraint on logistics capacity could impact availability of some stock lines and customer service in the short term. It could also impede the speed at which the Group is able to achieve the Mission 365 strategy.	The Board has approved a plan to increase the logistics capacity of the Group and implement a permanent solution to support the CTD business. There may be some disruption in FY25 as the new logistics and associated processes are implemented and embedded.	**N** The rapid growth of Pro Tiler and acquisition of CTD from administration have elevated this to a significant risk in FY24.
8. Critical Asset Failure			**Risk Appetite:** Neutral
Critical assets of the business are deemed to be core IT systems and infrastructure, the Grove Park and Pro Tiler warehouses, and the primary distribution fleet. Support offices are also attached to the two warehouses.	The loss of IT systems or infrastructure may impact the Group's ability to sell or ship goods. Loss of a warehouse or the primary distribution fleet could severely impact the Group's ability to meet customer demand and would result in lost sales. In addition, depending on the issue, the value of stock in the warehouses may be lost. Loss of the support offices may limit the ability of core teams to work and support the business.	A process for managing a crisis is owned by the Executive team and departments beneath this have their own Business Continuity plans. The Group's IT resilience and disaster recovery provision should enable us to restore system functionality with minimal data loss. The Group is insured for the loss of buildings, equipment and inventory. The majority of the Group's stock is held in the Topps Tiles stores and supplier relationships would be leveraged to replace lost warehouse stock as quickly as possible. Support staff are able to work from home.	⟷ There have been no notable changes to this risk in the past 12 months.

Risks and Uncertainties continued

Risk	Impact	Mitigation	Status
9. Global Supply Chain and Cost of Goods Sold			**Risk Appetite:** Neutral
Global supply chain pressures and geopolitical events may impact shipping routes and restrict the availability of stock for sale. This may add additional cost pressure for shipping and the cost of goods. Attacks in the Red Sea have disrupted shipping from the Far East and India and container displacement has resulted in an increase in freight rates.	Sales may be impacted by items being out of stock due to challenges in securing cost-effective capacity on ships, or unforeseen delays in shipping times. Where transport is secured, there may be an increase in supply chain costs, decreasing our profit margins.	We have increased stock holdings of impacted products. Our internal and partner logistics operations are agile and can help mitigate supply chain challenges.	**N** This has been re-introduced as a significant risk to the Group as a result of the increase in geopolitical tensions in the past 12 months that could impact supply chains, most notably near the Red Sea.
10. Sustainability and Climate Change			**Risk Appetite:** Neutral
In line with all businesses we have a responsibility to focus on sustainability and climate change to minimise our impact on the environment and our communities. If we do not do this successfully, there is a risk of further legislation, regulation or taxation. See the TCFD report for a fuller list of detailed climate-related risks and opportunities, defined over the short, medium and long term.	Any additional legislation, regulation or taxation in relation to sustainability and climate change could increase compliance costs for the Group. Investment into emerging technologies to support decarbonisation may increase operating or capital costs for the Group. The physical impacts of climate change may impact the Group's supply chain and operating model more widely. We wish to make consumers feel confident that the Group is a responsible corporate citizen and that we are doing all we can to minimise our environmental footprint. If we do not fulfil our responsibilities in this area, it could result in significant reputational damage and subsequent impact on future trade. If we do not deliver against our climate targets, investors may choose to reallocate capital away from the Group, towards assets with a lower impact on the environment.	The Group continues to focus on our "Environment Leadership" strategy with a goal of being carbon balanced by 2030. We are driving product innovation to increase the amount of recycled content in tiles and related products, and we continue to assess new ways of reducing greenhouse gas emissions, minimising waste and increasing recycling. Our CEO Rob Parker takes responsibility for this element of the Strategy, and, this year, a new ESG Board committee has been established to further enhance oversight of these issues. We believe we are well placed to lead the thinking in this area across our industry. Stores are assessed for environmental risks, such as floods, and upgrades are assessed as required. Please see the Environmental Leadership section of the Strategic Report and our TCFD disclosure for more information on this subject.	⟷ The Group continues to focus on its responsibilities to improve sustainability and mitigate climate change. The overall level of this risk has not changed in the past 12 months.

↑ Risk has increased ↓ Risk has decreased ⟷ No change **N** New risk

Risk	Impact	Mitigation	Status
11. Health and Safety ('H&S')			**Risk Appetite:** Low
The Group's operations involve the movement, storage and transportation of heavy products. There is an inherent risk that these activities could result in a serious health and safety incident. The CTD stores acquired in 2024 operate fork-lift trucks, which presents a new consideration at a store level.	The Group's values deem it unacceptable for a colleague or any other individual to be harmed as a result of business operations. Secondary impacts of a major H&S incident could include the enforced suspension of operations, an adverse reaction from customers resulting in loss of trade, or financial penalties.	A culture of "safety first" has been established across the business and H&S has its own governance structure. A dedicated team of H&S experts work closely with management to ensure that all activities with an inherent H&S risk are appropriately managed. Robust reporting and investigation of any incidents or near misses focus on mitigating any future occurrences.	⟷ A continuing focus on health and safety means there is no overall change in the size of this risk.

Emerging Risks

The risk environment in which the Group operates continues to evolve as a result of events and arising uncertainties. Emerging risks are those which are not fully formed, and where the nature and timing of the risk could evolve very quickly. The potential likelihood and impact of emerging risks may not be fully understood and can be challenging to quantify accurately. The Group seeks to identify and consider emerging risks that do not currently represent a significant risk but may have the potential to impact our Strategy or future operations. As such, the identification and assessment of emerging risks is fully integrated into our risk management framework.

The Future of Retail is being monitored as an emerging risk, with key considerations being how the prioritisation of consumer spending and behaviour could impact the size of the market, or if there could be a shift of consumers purchasing tiles as part of whole projects through alternative retailers rather than seek out a tile specialist.

Artificial Intelligence ('AI') has been re-classified from a significant risk to an emerging risk in 2024 given the level of uncertainty of how this will evolve. A key consideration is how AI could introduce visualiser software and tools to assist consumers in making purchasing decisions. Two other emerging risks being monitored are policies the new UK government could introduce that impact the business, for example around colleague or environmental considerations, and the potential for another pandemic with the recent cases of Monkey Pox.

There are no other emerging risks considered significant enough to report at this time.

Removed Significant Risks

The following items were included within the significant risks reported for FY23, but have now been removed for the reasons provided:

Artificial Intelligence ('AI')

The potential impact of the Artificial Intelligence landscape has not evolved as much as expected in the past 12 months, but the medium and longer-term impact of AI remains highly uncertain. Therefore, this has been re-classified as an emerging risk.

Quality and Ethical Sourcing

The Group has implemented new software to improve the monitoring of suppliers, and the strength of third-party audits has increased. These actions and movements in other significant risks mean that this risk is no longer classified among the most significant risks to the Group.

The Board will continue to monitor all of the key risks and uncertainties of the Group and ensure that appropriate mitigations are in place.

Going Concern and Viability Statement

Going Concern

At the time of approving the financial statements, the Board is required to formally assess that the business has adequate resources to continue in operational existence and as such can continue to adopt the going concern basis in preparing the financial statements. This assessment has been done over a period of three years, and therefore covers the requirement to consider going concern for a period of not less than 12 months from the date of signing the financial statements.

The business activities of the Group, its current operations, and factors likely to affect its future development, performance and position are set out in the Chair's Statement on pages 10 and 11, and in the Financial Review on pages 34 to 39. In addition, note 21 on pages 175 to 179 includes an analysis of the Group's financial risk management objectives, details of its financial instruments and foreign exchange hedging activities and its exposures to credit and liquidity risk. The Group has a formalised process of budgeting, reporting and review, and information is provided to the Board of Directors in order to allow sufficient review to be performed to enable the Board to ensure the adequacy of resources available for the Group to achieve its business objectives.

At the year end the Group had adjusted net cash of £8.7 million (comprising cash and cash equivalents of £23.7 million less revolving credit facility draw down of £15.0 million) with unutilised bank facilities with available funding of £15.0 million. This was a reduction in the adjusted net cash position of £23.4 million since the prior year end largely reflecting the purchase of the remainder of the shares in Pro Tiler Limited and the acquisition of certain assets from CTD Tiles Limited. Operating cash generation was positive during the year, with net cash generated from operating activities of £23.8 million (2023: £37.2 million).

When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline in sales vs the base scenario, and a more severe decline in sales effectively forming a reverse stress test. Both result in much lower sales and gross profit than the base scenario, resulting in worse profit and cash outcomes. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for more than one year, with sales in FY25 falling 10% year-on-year in both our Topps Tiles brand and Pro Tiler brand, as well as a one percentage point year-on-year decline in gross margins in FY25.

The more severe downside scenario represents a reverse stress-tested scenario to assess the amount of sales reduction required before the Group begins to approach covenant breach. Even in this scenario the group retains an adjusted net cash position. This scenario assumes both businesses only recover back to FY25 budgeted levels of sales and gross margins by FY27. This scenario also assumes that variable costs would reduce in line with sales and also includes direct mitigating cost reduction actions, which would be taken if such a downturn occurred. Within all of the scenarios, the Group has included an estimate of costs that will be required in the future to meet its goal of becoming net zero by 2030. The scenarios also include the cost impact from the recently announced changes in the National Living Wage (up 6.7% from April 2025) and the changes in both the secondary threshold and the rate of employers' national insurance contributions, which is estimated to drive almost £4 million of additional costs into the business on an annual basis from April 2025, of which c. £2m will impact the FY25 financial year.

The Group has already taken a number of actions to strengthen its liquidity over the recent years, and the scenarios start from a position of relative strength. The going concern analysis, prepared for the Board, outlined an additional range of mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, further savings on store colleague costs and central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend.
The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenarios. In no scenario modelled does the Group breach covenant compliance.

The current lending facility, of £30.0 million, was refinanced in October 2022 and expires in October 2027.

In all scenarios, the Board has concluded that there is sufficient available liquidity, with no further utilisation of the current lending facility, and sufficient covenant headroom for the Group to continue to meet all of its financial commitments as they fall due for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Board continues to adopt the going concern basis in preparing the Financial Statements.

Long Term Viability Statement

In addition to the Going Concern statement the Directors have also assessed the prospects of the Group over a longer period. This assessment has been done over a period of three years as the business is largely dependent on UK consumer confidence and discretionary spending which is difficult to project beyond this period.

The Directors' assessment of the Group's prospects has been made with reference to the Group's current position, which has been strengthened by the refinance of loan facilities in October 2022 and the principal risks facing the Group, as detailed in the Strategic Report. On 9 October 2024, the Group extended the facility by one year, with this expiring in October 2027.

In assessing the viability of the Group, the Board considers the key risks to the delivery of its financial plans relate to macroeconomic changes, global supply chain pressure, reduction in consumer confidence and major reputational damage from cybersecurity attacks, all of which would be expected to lead to a reduction in sales. In addition, there are key risks such as supply chain cost inflation, sustainability-led cost pressures and currency fluctuations which could lead to a weakening in the Group's gross margin.

As a result the Board has reviewed a number of sensitivities based on a reduction in sales and gross margin over the viability period of three years. The scenarios modelled include a moderate decline in sales vs the base scenario, and a more severe decline in sales, which result in much lower sales and gross profit than the base scenario, resulting in worse profit and cash outcomes. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK (see the Marketplace section of this report for examples of key macroeconomic indicators), lasting for more than one year, with sales in FY25 falling 10% year-on-year in both our Topps Tiles brand and Pro Tiler brand, as well as a one percentage point year-on-year decline in gross margins in FY25. Due to the relative scale of Topps Tiles and Pro Tiler compared to the other Group businesses, the other businesses' forecasts remain unchanged in these scenarios. The more severe downside scenario assumes both businesses recover back to FY25 budgeted levels of sales and gross margins by FY27. This scenario also assumes that variable costs would reduce in line with sales and also includes direct mitigating cost reduction actions, which would be taken if such a downturn occurred. It should also be noted that the Group is operationally geared which means that there is a relatively high level of impact from any increases or decreases in levels of turnover. A sustained decrease in levels of turnover would be managed by a reduction in operational expenditure, reductions in capital expenditure, tighter working capital controls and possible restriction of Company dividends.

The conclusion of these sensitivities is that the Group has a good level of financial flexibility and is well positioned to withstand a number of risks occurring and the sustained reduction in levels of consumer spending and rising margin costs through the next three years.

Based on this review the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meets its liabilities, as they fall due, for the next three years.

Directors' Confirmation

We confirm to the best of our knowledge:

- The Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face and a fair, balanced and understandable view of the business.

Going Concern and Viability Statement continued

Non-Financial and Sustainability Information Statement

Topps Tiles Plc has complied with the requirements of s414CB of the Companies Act 2006 by including certain non-financial information within the Strategic Report. This can be found as follows:

- Group's business model is on pages 18 and 19.
- Information regarding the following matters, including policies, the due diligence process implemented in pursuance of the policies and outcomes of those policies, can be found on the following pages:
  - Environmental matters on page 29 and pages 48 to 50;
  - Colleagues on pages 54 and 55;
  - Gender diversity on page 54;
  - Social matters on pages 56 to 59;
  - Respect for human rights on page 93; and
  - Anti-corruption and anti-bribery matters on page 93.
- Where principal risks have been identified in relation to any of the matters listed above, these can be found on pages 67 to 73, including a description of the business relationships, products and services that are likely to cause adverse impacts in those areas of risk, and a description of how the principal risks are managed.
- All key performance indicators of the Group, including those non-financial indicators, are on pages 32 and 33.
- The Financial Review section on pages 34 to 39 includes, where appropriate, references to, and additional explanations of, amounts included in the entity's annual accounts.

Cautionary Statement

This Strategic and Operational Review and Chair's Statement have been prepared solely to provide additional information to Shareholders to assess the Group's strategies and the potential for those strategies to succeed. These reports should not be relied on by any other party or for any other purpose.

The Strategic and Operational Review and Chair's Statement contain certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Directors, in preparing this Strategic and Operational Review, have complied with s414a of the Companies Act 2006. This Business Review has been prepared for the Group as a whole and, therefore, gives greater emphasis to those matters that are significant to Topps Group and to its subsidiary undertakings when viewed as a whole.

Annual General Meeting

The Annual General Meeting for the period to 28 September 2024 will be held on 15 January 2025. Please see the Notice of Annual General Meeting for more details.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

ROB PARKER
Chief Executive

STEPHEN HOPSON
Chief Financial Officer

6 December 2024

Pronto™ Selwood Brown Luxury Vinyl Tile

Our Governance

Everscape™ Kemble™ Sand

Our Governance

Board of Directors

PAUL FORMAN
Non-executive Chair

Committee Membership
E N I

Date of Appointment
Joined the Board on 1 July 2023.

Skills and Experience
Paul is an experienced Director of both listed and private equity-backed businesses, gained in a variety of executive and Non-executive roles. He has successfully driven growth, strategic change and fostered high performance, highly engaged workforces. His experience includes Chief Executive roles at three FTSE250 businesses: Essentra Plc, Coats Group Plc and Low & Bonar Plc. He is also a former Non-executive Director of Brammer Plc and was a former Senior Independent Director at Tate & Lyle Plc until the end of December 2023.

External Appointments
Chair of Natara Global Limited and Chair of Winder Power Limited.

ROB PARKER
Chief Executive

Committee Membership
E

Date of Appointment
Joined the Board on 10 April 2007 as Chief Financial Officer. Appointed Chief Executive with effect from 29 November 2019.

Skills and Experience
Rob has gained significant knowledge of the Group and the sector in which it operates from over 15 years of experience on the Board as, initially, Chief Financial Officer and, since 2019, Chief Executive, during which he has contributed to, and successfully led, its expansion and steered it through the challenges of Covid-19. He has deep experience of the sector which, with his financial expertise, plays a fundamental role in driving the Group's Strategy, purpose and vision. He chairs both the Group's Sustainability Council and Health and Safety Committee. He is a qualified accountant and has held senior finance roles with the Boots Group and Savers Health & Beauty Limited.

External Appointments
None.

STEPHEN HOPSON
Chief Financial Officer

Committee Membership

Date of Appointment
Joined the Board on 2 November 2020.

Skills and Experience
Stephen provides financial expertise and a significant management and commercial contribution to develop and execute the Group's Strategy. He ensures that there is a robust and effective financial control environment, compliant with regulatory requirements, and is responsible for all areas of finance, IT, property and Group legal matters. He joined the Board from Molson Coors Beverage Company, where he was Director of Central Finance for Western Europe. Before this, Stephen spent five years at Travis Perkins Plc, including three years as Finance Director for BSS, and has also held senior finance roles at Mitchells & Butlers Plc where, among other functions, he held responsibility for Investor Relations. Stephen is a CIMA-qualified management accountant and holds an MBA.

External Appointments
None.

KEITH DOWN
Senior Independent Non-executive Director

Committee Membership
A E N R I

Date of Appointment
Joined the Board on 2 February 2015. Will be retiring after the 2025 AGM.

Skills and Experience
Keith, a Chartered Accountant, is a highly experienced finance leader, with a wealth of experience gained from various sectors, including retail and consumer, covering accounting, audit and governance, together with significant digital and commercial experience. He has also held responsibility for, and management of, head office functions, including property, IT, marketing and legal and secretariat, all of which are relevant for the Board. His former positions include Group Finance Director of Selfridges Group, CFO of Dunelm Group Plc, Go-Ahead Group Plc and JD Wetherspoons Plc and senior roles at Tesco Plc, where he was responsible for all Tesco digital operations, and T & S Stores Plc.

External Appointments
Senior Independent Director (SID) and Chair of the Audit Committee of Tortilla Mexican Grill Plc. Head of Internal Audit for Matalan.

JOANNE STEER
Head of Legal and Company Secretary

Joanne has been part of the Group since May 2023. After having qualified as a barrister in 1997 as a member of Lincoln's Inn, Joanne began to work within the private sector providing legal support and advice on a variety of subject areas including colleague relations, risk management, commercial contracts, dispute resolution and compliance. Prior to joining the Group, she worked with and led a variety of legal teams in varied sectors including SaaS, vehicle leasing, heating and ventilation, and medical devices. She led a team at the not-for-profit organisation Motability and worked within a European legal team at the privately owned manufacturing business Vaillant Group, heading up the UK legal operation. She was also involved with various acquisition projects within private equity-owned Tes Global in the education sector as General Counsel.

DIANA BREEZE
Non-executive Director

Committee Membership
A E N R I

Date of Appointment
Joined the Board on 1 February 2021.

Skills and Experience
Diana brings extensive and relevant expertise from senior roles in the retail, consumer, logistics and property sectors. She was a consultant with Accenture between 1996 and 2003 and has held senior HR roles at J Sainsbury Plc before becoming Group HR Director at Land Securities Plc and, subsequently, Director of Group Human Resources at Bunzl Plc, which is her current position. Diana has extensive experience on all people-related matters, including organisational development, executive succession, reward structures and diversity and inclusion policies, and governance. In her current role, she also has executive responsibility for sustainability and is experienced in implementing all aspects of the ESG agenda.

External Appointments
Director of Group Human Resources and member of the Executive Committee at Bunzl Plc where she attends meetings of the Remuneration and Nomination and Governance Committees.

KARI DANIELS
Non-executive Director and Employee Engagement Director

Committee Membership
A E N R I

Date of Appointment
Joined the Board on 1 April 2021.

Skills and Experience
Kari contributes considerable commercial, marketing, digital, retail and branding expertise to the Board. She had over 20 years in executive leadership roles at Tesco where she was CEO of Tesco Ireland for four years and spent three years as UK Commercial Director. Prior to Tesco she held marketing and leadership positions at SC Johnson, Wella and Superdrug. She was formerly President of the Irish Grocers Benevolent Fund and an advisory board member of 30% Club Ireland.

External Appointments
CEO, UK, Ireland and Netherlands and member of Group Executive Committee for SSP Group Plc.

Kari is a member of the Chief Executive Forum of the IGD (Institute of Grocery Distribution (UK)) and Advisory Board member of WiTHL (Women in Hospitality and Leisure (UK)).

DENISE JAGGER
Non-executive Director and SID Designate

Committee Membership
A E N R I

Date of Appointment
Joined the Board on 1 February 2024.

Skills and Experience
Denise brings extensive commercial, legal and governance experience gained within a range of sectors including retail, together with a long-standing commitment to promoting diversity and inclusion. Denise has held executive and Non-executive roles including Chair in a range of organisations including Plcs, private limited companies and charities and has worked in growth businesses and those undergoing structural and cultural change. Denise began her career as a corporate finance lawyer at Slaughter and May before a board-level career at Asda Walmart followed by her role as partner in charge of client development at international law firm Eversheds Sutherland, all of which nurtured her passion for customer service and effective colleague involvement.

External Appointments
SID at newspaper publisher, Reach Plc and Trustee, National Trust. Denise is a member of the Advisory Panel of Into University.

MARTIN PAYNE
Non-executive Director and Audit Chair Designate

Committee Membership
A E N R I

Date of Appointment
Joined the Board on 1 October 2024.

Skills and Experience
Martin brings over 35 years of financial and business experience as an executive and Non-executive in both private and public businesses. A qualified management accountant, Martin served as CFO and most recently as CEO of Genuit Group Plc, the FTSE250 building materials group, retiring in May 2022. Prior to that he was CFO of Norcros Plc where he gained experience of tile retailing and manufacturing in UK and South Africa, as well as senior financial roles in both engineering and lightside building materials companies. Martin also spent two years as Chair of the Construction Products Association, the trade association representing UK building materials manufacturers, helping the industry navigate through the Covid-19 crisis.

External Appointments
Non-executive Director and Chair of the Audit Committee of Stelrad Group Plc. Senior Independent Director and Chair of the Audit Committee of Churchill China Plc.

A Audit Committee
E ESG Committee
N Nomination and Governance Committee
R Remuneration Committee
Committee Chair
I Independent Director

Governance at a Glance

Skills Matrix

	P Forman	R Parker	S Hopson	K Down	D Breeze	K Daniels	D Jagger	M Payne
Corporate and Personal								
Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Strategy	✓	✓	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓	✓	✓
Environmental and Sustainability	✓	✓			✓	✓	✓	✓
Investor relations	✓	✓	✓	✓			✓	✓
Banking	✓	✓	✓	✓				✓
M&A	✓	✓	✓	✓	✓	✓	✓	✓
People	✓	✓	✓	✓	✓	✓	✓	✓
Business and Commercial								
Marketing	✓			✓		✓		
B2B experience	✓	✓	✓	✓	✓		✓	✓
Digital	✓	✓		✓		✓		✓
Business development	✓	✓	✓	✓		✓	✓	✓
Brand building	✓			✓		✓	✓	✓
Retail experience (Omni-channel)	✓	✓	✓	✓	✓	✓	✓	
Customer experience	✓			✓	✓	✓	✓	✓
Functional								
Responsibility for multiple functions	✓	✓	✓	✓		✓	✓	✓
Finance	✓	✓	✓	✓				✓
Supply chain	✓	✓				✓		✓
Procurement	✓			✓		✓		
Property		✓	✓	✓			✓	✓
HR	✓	✓			✓		✓	
IT and systems	✓	✓	✓	✓				✓

Executive Committee

ROB PARKER
Chief Executive

STEPHEN HOPSON
Chief Financial Officer

SIMON ROBINSON
Sales and Operations Director

JOANNE SHAWCROFT
HR Director

TIM TATLOCK
Buying Director

Appointed in January 2024, Simon leads the omni-channel Topps Tiles business as Sales and Operations Director. Simon was previously Retail Director at Toolstation (part of Travis Perkins Plc) where he delivered significant growth leading more than 4,500 colleagues and taking the business from 295 stores to 564, over a 13-year tenure.

Prior to Toolstation, Simon spent seven years as Store Operations Director with Aldi helping the business to grow significant market share through organic and new store growth across London and the South East. Simon is a Fellow of the Chartered Institute of Management.

Appointed as Interim HR Director in May 2024, Jo became the permanent HR Director in October 2024. Jo is responsible for the Group People Strategy. With more than 25 years' experience in Human Resources, Jo has built a solid career in the retail and hospitality sectors, with notable leadership roles at companies including Boots, Wilko and DFS.

Jo is a Fellow of the Chartered Institute of Personnel and Development (CIPD) and holds a Postgraduate Diploma in Human Resource Management.

For the past six years she has worked in executive-level HR positions within a Plc environment.

Appointed Buying Director in April 2018. Responsible for all product assets and leads creative, sourcing, technical, supply chain, logistics, commercial and inventory. Tim has over 20 years of tile industry experience and before joining Topps Tiles held senior leadership positions with UK tile distributors and multinational tile manufacturers. His expert knowledge and innovative approach have seen him progress to the position of Buying Director, after joining Topps Tiles as a Buyer in 2005. He has recently assumed accountability for the Commercial team.

The Company

Topps Tiles Plc Registration Number
3213782

Registered Office
Thorpe Way, Grove Park
Enderby, Leicestershire
LE19 1SU

Secretary
Joanne Steer

London Stock Exchange Symbol
TPT

The Group or Topps Group
Comprises Topps Tiles Plc and all subsidiary companies.

Our Advisers

Auditor
Forvis Mazars LLP
Two Chamberlain Square
Birmingham B3 3AX

Banker
Barclays Bank Plc
3 Hardman Street,
Spinningfields
Manchester M3 3HF

Registrar
Link Group
Central Square
10th Floor,
29 Wellington Street
Leeds LS1 4DL

Solicitor
Osborne Clarke LLP
One London Wall
London EC2Y 5EB

Financial PR Adviser
Citigate Dewe Rogerson
8th Floor, Holborn Gate
26 Southampton Buildings
London WC2A 1AN

Broker
Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

Corporate Governance Report

PAUL FORMAN
Chair

"Through a focused commercial and pragmatic lens, the Board has provided its input and perspective in an atmosphere that is open and constructive."

I am pleased to present our Corporate Governance Report for the period ending 28 September 2024 (the 'Period').

Dear Shareholder,

The role of the Board is to provide effective leadership that promotes the long-term sustainable success of the Group, generating value for Shareholders and contributing to the communities in which we operate. This report outlines the Group's corporate governance framework and how it, and the Board, supports delivery of the Group's Strategy.

During the Period, from 1 February 2024, Denise Jagger joined the Board as SID Designate in succession to Keith Down, who as at February 2024 had served nine years as an Independent Non-executive. A well-managed search for a new Chair of the Audit Committee began in the spring of this year, led by the Nomination and Governance Committee and myself as Chair. Then, on 20 September 2024, we announced that Martin Payne was to join the Board, with effect from 1 October 2024, as Non-executive Director and Audit Committee Chair Designate. Both Denise and Martin will take up their roles as SID and Audit Committee Chair respectively, when Keith retires from the Board at the 2025 AGM, enabling an effective handover and continuity during a transition period.

The Company has also welcomed to the Executive team a new Sales and Operations Director, Simon Robinson and a new Human Resources Director, Joanne Shawcroft during the Period, both of whom continue to build upon the strength and depth of the Executive team.

The Board has continued to focus on delivery of the Group's Strategy and has supported the business with the positive development of its Mission 365 Goal, details of which are set out in the Strategic Report. Through a focused commercial and pragmatic lens, the Board has provided its input and perspective in an atmosphere that is open and constructive, while upholding high standards of governance and with stakeholder value uppermost in mind.

Statement of Compliance with the UK Corporate Governance Code

In maintaining good governance, the Company is fully cognisant of the requirements of the UK Corporate Governance Code 2018 (the 'Code') and has complied with it during the Period. Its application is detailed below and in the Audit Committee, Nomination and Governance Committee, and ESG Committee Reports and also in the Strategic Report and Directors' Remuneration Report.

Annual General Meeting

We will be welcoming Shareholders to our 2025 Annual General Meeting ('AGM'), to be held at the Marriott Hotel, Smith Way, Grove Park, Leicester LE19 1SW and to which all Shareholders are invited to attend. To assist with the efficient running of proceedings, we are asking Shareholders who wish to attend to:

- register their intention to do so in advance. In the event that it is no longer possible or practical for Shareholders to attend the meeting, we will provide notification of any changes to the arrangements on our website and make a public announcement via a Regulatory Information Service;
- provide any questions in advance of the meeting, wherever possible. The AGM is a chance to meet and question all the Directors, who will be at the meeting; and
- vote in advance online by proxy. Voting on all resolutions will be conducted by way of a poll rather than a show of hands, which is a more transparent method of voting with Shareholders' votes counted according to the number of shares registered in their names, rather than according to the number of Shareholders who attend the AGM.

Each substantive issue considered at the AGM is the subject of a separate resolution, see the details below. The results will be published on our website (www.toppsgroup.com), and also released to the London Stock Exchange via a Regulatory Information Service.

Please see the Notice of AGM, and accompanying notes, for details of the resolutions, when and how to vote and how to ask a question in advance. The Notice of AGM will be available to view at www.toppsgroup.com. The Board would like to thank Shareholders for their engagement and support throughout the year.

Resolutions at 2024 AGM

At the Company's 2024 AGM, Resolution 3 (Directors' Remuneration Report), Resolution 8 (Re-election of Diana Breeze as Director), and Resolution 12 (Directors' power to allot shares) passed with fewer than 80% of votes cast in favour and Resolution 13 (authority to purchase shares), which was a special resolution requiring 75% in favour, did not receive sufficient support to be passed.

Since the AGM, in accordance with provision 4 of the Code, the Board has engaged with the relevant Shareholders to understand and discuss their views with respect to these resolutions, but no feedback has been received to date. It is acknowledged that resolutions 3 and 12 also passed with fewer than 80% of votes cast against them at the previous AGM and appeared on the Investment Association's public register in 2023.

While the Board fully respects and acknowledges that a Shareholder may choose to vote against specific resolutions, the Board considers all the resolutions proposed at the AGM to be in the best interests of all Shareholders.

While certain special resolutions concerning share capital management are considered standard for UK-listed companies, and in line with market practice, the Board is aware that some non-UK resident investors may take different views on these matters and may have a policy of not supporting resolutions which, when passed, grant the Board specific authorities without the need for further Shareholder approval.

The views of all Shareholders are important to the Company and the Board is committed to ongoing engagement with its Shareholders.

Pronto™ Meranti Walnut Luxury Vinyl Tile

Corporate Governance Report continued

Dialogue and Being Available to Shareholders

The Board maintains ongoing dialogue with its Shareholders and Rob Parker, our Chief Executive, and Stephen Hopson, our Chief Financial Officer, meet regularly with investors and analysts to discuss the Company's performance. All Shareholders have access to the Chair and SID, as well as the Company Secretary, who are available to discuss any questions regarding the running of the Company.

The Directors build on a mutual understanding of objectives between the Company and its Shareholders, with annual presentations and regular communications over the year. There has been extensive engagement with the Company's major Shareholders, both prior and subsequent to the 2024 AGM to understand their views on governance and performance against the Strategy, while the Committee Chairs also engage on significant matters related to their areas of responsibility.

Financial information is published on the Company's website www.toppsgroup.com. The Chairs of the Audit Committee, Remuneration Committee, Nomination and Governance Committee and ESG Committee make themselves available to answer Shareholders' questions.

The Board recognises the need to ensure that all Directors are fully aware of the views of major Shareholders. Copies of analysts' research, relating to the Company are circulated to Directors and the Company receives a monthly Investor Relations Report. This includes an analysis of the Company's Shareholder register, details of which are provided to all members of the Board.

Division of Responsibilities

Chair and Chief Executive

The Chair leads the Board and ensures its effectiveness. Paul Forman was independent upon appointment and remains so as assessed against the criteria set out in provision 10 of the Code.

The roles of the Chair and Chief Executive are divided, and the Board has approved a written statement of the division of key responsibilities between them, which is available on the Group's corporate website.

The Chair, with support from the Company Secretary, is responsible for the performance of the Board, encouraging open communication and mutual respect between all Board members and that it functions effectively. He is responsible for setting the Board's agenda and ensuring that there is adequate and appropriate time allocated to agenda items. Further, that there is challenge and debate devoted to the discussion of all agenda items in order to facilitate the effective engagement, contribution and inclusion of all Directors in the Board's decision-making process.

The Chief Executive, as leader of the Executive team, has responsibility for developing and proposing the Group's Strategy, purpose and vision. Also, in accord with the Strategy and policies approved by the Board, he is responsible for the operations and day-to-day management of the Group. This includes implementing and promoting the Board's expectations, regarding culture, values and behaviours, within the Group.

Senior Independent Director and Non-executive Directors

The Board ensures that at least half of its members, excluding the Chair, are independent Non-executives and annually reviews any relationships or circumstances that are likely to affect their independence.

As SID, Keith Down acts as a sounding board for the Chair and an intermediary for Directors and Shareholders, and is also available to Shareholders should they wish to raise an issue through an alternative channel.

The Non-executive Directors, led by the SID, meet annually, without the Chair present, to discuss the Chair's performance and any other matters as required. The Non-executive Directors provide constructive challenge, strategic guidance and, with the Chair, meet regularly without the Executive Directors present to appraise the performance of the Executive Directors against agreed performance targets.

Time Commitment

When making new appointments, the Board carefully considers the competing demands on candidates' time and candidates are required to disclose any significant commitments together with the associated time commitment. Each Non-executive Director's letter of appointment sets out the time commitment expected of them, and these letters will be available for inspection at the Annual General Meeting.

The Company allows Executive Directors to hold no more than one external Non-executive Directorship with a listed entity. So far as is practicable, the Company liaises with the Non-executive Directors to ensure the schedule of meetings for the year does not clash with external appointments. Directors can attend meetings remotely by web conferencing or telephone if necessary.

Conflicts of Interest and Raising Concerns

Declarations of any actual or potential conflicts of interest with items on the agenda are requested and made at the start of every Board meeting. Should a matter be raised, the potential conflict of interest would be considered by the Board as a whole and if necessary, mitigating actions taken. The impact of any relationships or involvements are considered carefully to ensure that they do not compromise or override the Directors' ability to exercise independent judgement.

Concerns about the operation of the Board can be raised with the Chair or the SID. No such concerns were raised during the year.

The Group promotes a culture of integrity, competence, fairness and responsibility and, under its whistleblowing procedure, colleagues are encouraged to raise any concerns about malpractice or unlawful conduct that they suspect may be taking place at work. The whistleblowing procedure is outsourced to a specialist third party so as to assist with the perception of independence and encourage colleagues to raise any concerns they may have. Summaries of reports are reported to the Audit Committee.

The Board

Role of the Board

The Board of Directors has overall responsibility for determining the Company's purpose, values and Strategy, and for ensuring high standards of governance. The primary aim of the Board is to provide effective leadership, which promotes the long-term sustainable success of the Group, generating value for Shareholders and contributing to the communities in which we operate.

The Board comprises eight members. Paul Forman chairs both the Board and the Nomination and Governance Committee, Diana Breeze chairs the Remuneration Committee, Keith Down chairs the Audit Committee and is the SID (and will be retiring at the 2025 AGM). Kari Daniels is responsible for Employee Engagement. Denise Jagger is SID Designate and chairs the ESG Committee, Martin Payne is Audit Committee Chair Designate.

Reserved Matters

Certain defined matters are reserved for the Board including:

- Approval of corporate communications
- Approval of Financial Statements and circulars
- Approval of operating and capital expenditure budgets
- Approval of the Strategy and business plan
- Approval of corporate transactions of material value and changes to capital structure, core activities or listing status
- Approval of key policies including Modern Slavery and Ethical Trading, Anti-Bribery, Health and Safety, and Diversity
- Directors' appointments
- Corporate governance
- Key external and internal appointments
- Remuneration including pensions and incentive plans

Corporate Governance Report continued

Board Composition

The current composition of the Board is set out below:

Director	Appointed	Role	Independent Director	Audit	Nomination and Governance	Remuneration	ESG
PAUL FORMAN	01-07-2023	Non-executive/Board Chair	I	I	C	I	M
DIANA BREEZE	01-02-2021	Non-executive	I	M	M	C	M
ROB PARKER	10-04-2007	Executive/Chief Executive		I	I	I	M
KARI DANIELS	01-04-2021	Non-executive/Employee Engagement Director	I	M	M	M	M
STEPHEN HOPSON	02-11-2020	Executive/Chief Financial Officer		I	I	I	I
DENISE JAGGER	01-02-2024	Non-executive and SID Designate	I	M	M	M	C
KEITH DOWN	02-02-2015	Non-executive/Senior Independent Director	I	C	M	M	M
MARTIN PAYNE	01-10-2024	Non-executive and Audit Chair Designate	I	M	M	M	M

C Chair M Member I Invitation – may attend at the invitation of the Chair I Independent Director

	P Forman	R Parker	S Hopson	K Down	D Breeze	K Daniels	D Jagger*
Board of Directors	10 10	10 10	10 10	10 10	10 10	10 10	6 6
Audit Committee	I	I	I	4 4	4 4	4 4	2 3
Remuneration Committee	I	I	I	5 5	5 5	5 5	3 3
Nomination and Governance Committee	3 3	I	I	3 3	3 3	3 3	1 2
ESG Committee	1 1	1 1	I	1 1	1 1	1 1	1 1

Meetings attended Possible meetings I Invitation – may attend at the invitation of the Chair

Ad hoc meetings of the Board and its Sub-Committees and Committees were also held as required during the year

* Audit Committee – Denise was traveling and unable to attend because of a commitment organised before she joined the Board. With regards to the Nomination and Governance Committee, Denise was unable to join because of technical issues.

Board Meetings

The Board held ten scheduled meetings during the Period, based on an annual plan agreed with the Chair, including an annual Strategy review. The annual plan, together with scheduling and frequency of meetings, is reviewed on a regular basis.

Ahead of each meeting, the Directors receive detailed papers, which provide current information about trading performance, the Group's overall financial position and its achievement against the prior year, budgets and forecasts. Regular agenda items include updates on health and safety, sustainability, diversity and inclusion, the Group's performance against key performance indicators and progress towards strategic objectives. Members of the Executive team and leaders of the various businesses within the Group are regularly invited to attend and update the Board on their specific responsibilities/areas and are invited to give feedback to the Board.

At Board meetings, the Chair ensures that each Director can make an effective contribution within an atmosphere of transparency and constructive debate, and feedback is given at the end of each meeting.

Between Board meetings, financial and other relevant information is circulated to the Directors; the Chair maintains frequent direct contact with the Executive and Non-executive Directors and keeps the Non-executive Directors informed of material developments.

Directors regularly meet with senior managers and opportunities are provided for time to meet and discuss a topic of strategic interest.

The Directors visit stores during the Period, meeting with the colleagues in store and receiving product updates.

Contribution of Directors

The Nomination and Governance Committee considers the role and contribution of Directors annually as part of its work on succession planning. It believes that each member of the Board continues to be important to the Company's long-term sustainable success with their skills and experience, including:

- **Paul Forman:** an experienced director of both listed and private equity-backed businesses, gained in a variety of executive and Non-executive roles. He sets the agenda for meetings in consultation with Rob Parker our Chief Executive, Stephen Hopson our Chief Financial Officer and Joanne Steer our Company Secretary, chairs the meetings and promotes a culture of openness and debate, including inviting and encouraging the Executive and Non-executive Directors to debate and challenge the Group's Strategy.
- **Rob Parker:** a qualified accountant with over 15 years of board experience who has led the Group since 2019, including through the challenges of Covid-19. Rob formulates and proposes the strategic direction of the Group and incorporates this into business plans for regular discussion and agreement by the Board. He has overall responsibility for the operational and financial performance of the Group.
- **Stephen Hopson:** a qualified accountant and experienced Finance Director. Stephen is responsible for the management of the Group's financial affairs and supporting Rob in the delivery of our strategic plan.
- **Keith Down:** a qualified accountant and experienced Chief Financial Officer, with substantial retail and consumer experience. Keith chairs the Audit Committee and, as SID, provides a sounding board for the Chair, serving as an intermediary for the other Directors when necessary, and is available to Shareholders.
- **Diana Breeze:** an experienced HR Director, with extensive experience on all people-related matters and substantial retail and consumer experience to contribute to the Board, as well as chairing the Remuneration Committee.
- **Kari Daniels:** an experienced chief executive, with substantial commercial, marketing, retail and consumer experience to contribute to the Board. Kari acts as Employee Engagement Director.
- **Denise Jagger:** a corporate finance lawyer by background who has worked at board level in large Plcs in the UK and internationally including in a range of consumer-facing businesses. She contributes her broad experience particularly of governance and regulatory matters as well as in the field of diversity and inclusion. Denise chairs the newly established ESG Committee and is our SID designate.
- **Martin Payne:** a qualified management accountant with experience as an executive and Non-executive in both private and public businesses. He also has experience of tile retailing and manufacturing. He joined the business on 1 October 2024 as the Audit Committee Chair designate.

Board

Key Responsibilities

- Risk management
- Approval of corporate communications
- Approval of Financial Statements and circulars
- Approval of operating and capital expenditure budgets
- Approval of the strategy and business plan
- Approval of corporate transactions of material value and changes to capital structure, core activities and listing status
- Approval of key policies
- Directors' appointments
- Corporate governance
- Key external and internal appointments
- Remuneration including pensions and incentive plans

Remuneration Committee

Key Responsibilities

- Chair and Executive Directors' remuneration
- Senior management remuneration
- Share incentive plans
- Colleague benefits structures

Audit Committee

Key Responsibilities

- Financial Reporting
- Narrative Reporting (fair, balanced and understandable)
- Internal controls and risk management systems
- Compliance, whistleblowing and fraud
- Internal audit
- External audit

Nomination and Governance Committee

Key Responsibilities

- Board structure
- Board evaluation
- Board, Committee, and Senior Executive appointments
- Board, Committee and Senior Executive succession and development plans

Environmental, Social and Governance Committee

Key Responsibilities

- Sustainability Strategy – review and performance measurement
- ESG developments and best practice
- Oversight of diversity, equity and inclusion matters, colleague well-being, charitable and community engagement
- Company culture, policies and governance structures

Independence

The Board reviews the independence of Non-executive Directors on an ongoing basis and is satisfied that all Non- executive Directors remain independent in accordance with the Code.

As of February 2024, Keith Down has served as a Non-executive Director for nine years. However, the Board has reviewed his performance and concluded that he continues to demonstrate objective judgement and promoted constructive challenge among other Board members over the period, and therefore remains independent.

As noted in the 2023 Annual Report, Keith continued in his role after February 2024 to ensure continuity in the senior Non-executive positions on the Board whilst the Board searched for a new Chair of the Audit Committee, particularly given the relatively short tenure of the Chair and the SID designate. He provided valuable input into the succession planning for the role of Audit Committee Chair and is ensuring a smooth and orderly handover. He has also been working with the SID designate, Denise Jagger, to ensure an orderly handover.

On 1 October 2024, Martin Payne joined the Board as an independent Non-executive Director. Martin will succeed Keith Down as Audit Committee Chair at the AGM in January 2025, at which point Keith will retire from the Board. Further, Denise Jagger will succeed Keith Down as SID following the AGM.

Re-election

In line with best practice and the Code, all Directors, apart from Keith Down who is retiring, will be subject to annual re-election at the AGM in January 2025.

Advice

Where required, a Director may seek independent professional advice at the expense of the Company. All Directors have access to the Company Secretary, and they may address issues to the SID.

Development

While all Board members are responsible for their own development, they are provided with access to the Company's advisers and regularly attend external presentations and workshops on areas considered relevant and appropriate, including ESG issues. All members of the Board have access to various technical seminars and professional updates on a range of relevant topics useful for enhancing the Board's knowledge and understanding of corporate governance. Provision is made within the Board's annual timetable for regular updates, including from the Company's advisers, on key areas covering the economy, the market, Directors' duties and corporate governance, and developments in remuneration practice, each of which were received by the Board during the Period.

Board Committees

The Board operates four committees: the Nomination and Governance Committee, the Remuneration Committee, the Audit Committee and the ESG Committee. All Committees meet regularly and have formal written terms of reference, which are available on the Company's website.

Governance Framework

Good governance is essential to the successful delivery of our Strategy, and the Board is committed to meeting the highest standards for all stakeholders.

ESG

The Company has long recognised the value of good governance as a means to operating fairly and transparently and of protecting its colleagues, customers, suppliers and broader stakeholders. It has kept up to date with developments in this field and introduced appropriate policies and processes in response to emerging best practice. Equally it has been developing a Sustainability Strategy based around the three pillars of Carbon, Circularity and Community, which is reviewed at quarterly Sustainability Council meetings attended by a cross section of colleagues within the business. In order to pull the strands of its ESG activity together, which, of course, also includes the work undertaken by colleagues centrally and in store around diversity and inclusion, the decision was taken to establish an ESG Committee. The ESG Committee meets twice a year and is chaired by Denise Jagger. The Committee receives for comment, review and approval, as appropriate, all key policies and activity that fall within the description of ESG, thus ensuring that there is focus, challenge and support at the highest level. Given that work in each of the areas of ESG are key to our Strategy and woven throughout our operations, detail can be found in separate sections in this report. Please see the report on the Taskforce for Climate-related Financial Disclosures on pages 60 to 66, for environmental initiatives. The section on pages 54 to 56 in relation to diversity and inclusion and colleague well-being. Pages 57 to 59 contain details of our community and engagement, and charitable activity and finally the Nomination and Governance Report on pages 100 to 104 details some of the policy reviews and new processes introduced in the Period to ensure that our governance is of the highest standard.

Corporate Governance Report continued

Board Effectiveness

The Company considers Board effectiveness in the Board and Committee evaluation review process. The aim is to stimulate the Board's thinking on how members of the Board can carry out their roles and encourage them to focus on continually improving their, the Board, and its Committees' effectiveness. The evaluation process and outputs are detailed within the Nomination and Governance Committee Report.

Risk Review

The Company carries out a robust assessment of the emerging and principal risks through a risk review process, details of which are set out on pages 67 to 73.

Culture, Purpose and Values

The Company's annual Strategy review considers how corporate culture is aligned with the purpose, values and Strategy set by the Board.

For more on our culture see pages 54 to 56.

Colleague Engagement

We recognise the value that active, ongoing engagement and consultation with colleagues brings to the performance and success of the business. Kari Daniels is the appointed Employee Engagement Director.

Section 172

Our Company Secretary sets out guidance on s172 of the Companies Act 2006 on every Board agenda to support the Board's consideration of its requirements. The interests of our stakeholder groups are considered in a variety of ways, as set out in our Section 172 Statement on pages 40 to 42.

Fair, Balanced and Understandable

The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy. A summary of the process undertaken by the Audit Committee, at the request of the Board, to assess whether the Annual Report is fair, balanced and understandable is outlined on pages 94 to 99. A summary of the Directors' responsibilities in respect of the Annual Report and Financial Statements is set out on page 110.

Maintenance of a Sound System of Internal Control

The Board has established a continuous process for identifying, evaluating and managing the significant risks the Group faces and regularly reviews this process. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. This process is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group has established internal control and risk management systems concerning the process for preparing the Consolidated Financial Statements. Management regularly monitors changes in accounting standards and financial reporting requirements and reflects any relevant changes in the Financial Statements where appropriate.

The full-year Financial Statements are subject to external audit. The Audit Committee receives reports from management and the external Auditors on significant judgements, changes in accounting policies, changes in accounting estimates and any other appropriate changes to the Financial Statements.

The Audit Committee assists the Board in discharging its responsibilities in this regard. The outcomes from the recent key risks and uncertainties review are detailed in the Strategic Report section of this report, and the Board has considered all significant aspects of internal control in conjunction with the review of the work of Internal Audit.

During its review of the system of internal control, the Board has not identified, nor been advised of, any failings or weaknesses that it has determined to be significant. Therefore, a confirmation in respect of necessary actions has not been considered necessary.

Group Sourcing Policy

To ensure that there is appropriate governance and control, and to, wherever possible, deliver competitive commercial advantage, the Group has, for a number of years, operated and adhered to a Sourcing Policy. This governs all commercial relationships with suppliers, including those that are Shareholders, whereby, subject to Executive Management approval, no more than 10% of the Group's total coverings purchase value is sourced from any single supplier within the EU. Where sourcing is from outside the EU, purchases shall not exceed 15% of spend, and no more than 25% for essential products, particularly grouts and adhesives, which tend to have a narrower supply base. This policy was reviewed and approved by the Board during the year.

Modern Slavery

The Board is committed to ensuring that acts of modern slavery and human trafficking do not occur in relation to the Group, or its supply chain. To meet this commitment, the Group introduced The Topps Tiles Responsible Sourcing Code, which is explained in our Modern Slavery Statement on the Group's website at www.toppsgroup.com. This Code is reinforced by commercial agreements that require our suppliers to be fully compliant with local laws, and we pay attention to labour standards and factory conditions. Our Responsible Sourcing Code has been rolled out to, and agreed upon by, all core factories supplying our retail and commercial businesses. During this year, the Group has updated its Standard Operating Procedure where it has reviewed the existing countries of supply, sought risk scores, and gathered further advice from external parties including Intertek our third-party CSR audit provider. The associated supply chain risks consider country, sector and product type. By having this data, the Group has been able to determine the countries that it will not source from as a business and established risk levels for others. Where any potential risks have been identified, Intertek is carrying out Workplace Conditions Assessment Audits at these facilities.

Anti-Corruption and Anti-Bribery

The Board is committed to ensuring that our business is conducted honestly and ethically. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. This commitment includes the implementation of a mandatory Anti-Bribery Policy. New colleagues are required to review the policy requirements and make relevant declarations. It is compulsory for all colleagues to conduct annual refresher training and update their declarations. We enforce an effective system of control through our dedicated internal audit team. This team works to a plan agreed with the Audit Committee and reports progress to the Audit Committee on a twice-yearly basis.

PAUL FORMAN
Non-executive Chair

6 December 2024

Mayer™ Onyx Blue

Corporate Governance Report continued

Audit Committee Report

KEITH DOWN
Chair of the Audit Committee

Other Members:
Diana Breeze
Kari Daniels,
Denise Jagger

Meetings Held:
4

2024 Key Achievements

- Provided oversight of the external Auditor Forvis Mazars LLP ("Forvis Mazars"), following their appointment in 2023.
- Challenged management to continue to optimise year-end processes to support the delivery of an efficient external audit.
- Continued development of the Audit Universe to focus the internal audit function on the most value-adding areas.
- Scrutiny of business compliance with key policies, including the Treasury Policy, in the context of M&A activity and challenging trading reducing the Group's cash balances over the course of the year.
- Oversight of the internal audit agenda and review of progress of internal audit priorities for FY24 and FY25.
- Progress towards simplification of the Group corporate structure, to reduce unnecessary complexity.
- Initial review of financial controls of the Group's CTD acquisition and reviewed management's assumptions concerning the valuation of its assets in the Financial Statements.

Areas of Focus in 2025

- Transition from Keith Down to Martin Payne as Chair of the Committee.
- Implementation of corporate structure simplification plans.
- Oversight of work to continue the development of an improved internal audit function.
- Oversight of the completion of the transition of IFRS 16 accounting to a business-as-usual process.
- Development of response to new UK Corporate Governance Code requirements regarding internal controls.
- Continued oversight of development of internal and financial controls for CTD.

I am pleased to present the Audit Committee Report for the Period ended 28 September 2024. This report covers the Committee's work in relation to financial and narrative reporting, key judgements, internal and external audit, and risk management.

The Committee

The Committee held four scheduled meetings during the Period, based on an annual plan agreed with the Chair of the Committee.

As at the year-end, the Audit Committee comprised four independent Non-executive Directors: Keith Down (Committee Chair), Diana Breeze, Kari Daniels and Denise Jagger.

As reported in last year's Annual Report, I have now served for nine years on the Board of Directors and, as such, the Nomination and Governance Committee led a search for a new Chair of the Committee over the course of 2024. As announced on 20 September, Martin Payne joined the Committee following his appointment to the Board of Directors on 1 October 2024 as Chair Designate. Martin has been able to shadow the Committee, in particular myself and Stephen Hopson, our CFO, over the course of the 2024 year-end process, and will be appointed as Chair of the Committee following my retirement at the AGM in January 2025. I have been very impressed with Martin's early input over this period and, given his extensive financial expertise and wider business experience, I am confident the Committee is in good hands under his leadership.

The qualifications and experience of Committee members are detailed on pages 80 and 81. As current Chair I have recent and relevant financial experience, being a qualified chartered accountant and a former chief financial officer of a variety of listed and non-listed companies, including my role as chief financial officer of Selfridges Group until summer 2023. The Chair Designate also has recent and relevant financial experience, being a qualified chartered accountant, the current Audit Committee Chair at Stelrad Group Plc and Churchill China Plc and, in his executive career, the CFO of Genuit Group Plc and Norcros Plc among other senior roles.

The Chief Executive Officer, the Chief Financial Officer, the Chair of the Board, the Head of Internal Audit, the Group Financial Controller, the external Auditor and other colleagues and advisers may attend meetings by invitation.

Role of the Audit Committee

The Audit Committee is responsible for monitoring the integrity of the Financial Statements and results announcements of the Company, including its annual and half-year reports, encompassing both narrative and financial reporting, and for reviewing significant financial reporting issues and judgements.

The Committee considers the nature, scope and effectiveness of the audit process (both internal and external) to ensure that the programme is aligned to key risks. It reviews and monitors the external Auditor's independence and objectivity, supports the audit process by ensuring the external Auditors have full access to Company staff and records, challenges the quality of the external audit and the effectiveness of the audit process, and is responsible for recommending the appointment or the removal of the external Auditor. The Committee regularly meets with the external Auditor without Executive Management present. The Committee also directly challenges management's judgements and considers the integrity of the annual Financial Statements, in detail and as a whole, before making its recommendations to the Board.

The Committee is responsible for the monitoring and oversight of the Group's internal control framework and risk management systems. It monitors, reviews, and approves the internal audit annual plan and receives regular internal audit reports on specific areas of the Company, it challenges the reports and may ask for additional work where necessary. The Committee meets the Head of Internal Audit without Executive Management present to ensure the full independence of this function, and to allow any sensitive issues to be raised directly with the Committee.

The Audit Committee Chair, in conjunction with the Company Secretary, ensures that there is an annual evaluation of the Committee's effectiveness and its processes. During the year, an external evaluation was conducted, the results of which are discussed on pages 103 and 104.

The Board is updated on key matters and recommendations following each Audit Committee meeting.

The Work of the Audit Committee

The Audit Committee has focused on a number of key areas this year:

- Provided oversight of Forvis Mazars, following their appointment in 2023 – please see the next section on the external audit for more information.
- Reviewed the Company's emerging and principal risks. Although the Board retains overall responsibility for the effective management of risk throughout the organisation, including relevant mitigating actions and determining its risk appetite, the Committee supported this work by conducting an annual review of emerging and principal risks and inviting a cross-section of the Company's management to present to ensure that the review includes a detailed understanding of the business. The review highlights the principal risks based on a combination of likelihood and impact, and then considers what appropriate mitigating effects should be implemented. Emerging risks are identified as part of this process and discussed in a more general sense. The output of this process is presented to the Board for discussion and approval, with quarterly updates presented against the finalised list of strategic risks. This year the process has developed to include more consideration of emerging risks, in line with best practice, and more disclosure of these risks is given in this report. The output of this process can be seen on pages 67 to 73.
- Reviewed the Internal Control Framework – the Committee is responsible for reviewing the output of the annual review of internal controls, which involves all senior management across the Company and covers financial, operational and compliance controls, and ensuring appropriate follow-up actions are undertaken. As a result of this review, the Committee concluded that the internal control system was effective in the year. In preparation for the implementation of the 2024 UK Corporate Governance Code, the Committee considered the new requirements in respect of internal controls and agreed a plan of work to ensure compliance by the required date, which, for Topps Group, is the accounting period beginning October 2026. This work will focus on the systematic identification and categorisation of all material controls, together with consideration of the most appropriate means for the Committee to

Corporate Governance Report continued
Audit Committee Report

gain assurance on their effectiveness over the whole reporting period.

- Oversaw the continued development of the Audit Universe, examining all possible areas of the business suitable for internal audit and ranking them based on various criteria, this year based on a more sophisticated scoring system than in previous periods. Based on this work, the Committee worked with management to prioritise the areas of the business most suitable for an internal audit and agreed the 2025 internal audit plan.
- Supported the management team in developing their plans to simplify the corporate structure of the Group, including the removal of various historic intercompany loans. The objective is to reduce the complexity of the Group structure, reducing audit complexity and improving Shareholders' ability to understand the performance and position of the Group and its subsidiary companies.
- Reviewed the output of new internal audits and updated actions on older internal audits on a variety of areas and agreed time-bound follow-up actions.
- Developed and approved a new Internal Audit Charter, including benchmarking against the Chartered Institute of Internal Auditors' standards.
- Approved the Group Tax Policy, which is reviewed annually and published on the Company's website, and the Tax Risk Register.
- Approved the Group Treasury Policy and monitored compliance on a quarterly basis. This has been the focus of increasing attention over the year, given the reduction in cash balances of the Group following the acquisition of the final 40% of shares of Pro Tiler Limited and the acquisition of certain assets from CTD Tiles (in administration), in addition to a continued difficult trading environment.
- Reviewed the Going Concern and Long-term Viability Statement – Stephen Hopson, our Chief Financial Officer, provides an assessment of the Company's ability to continue to trade on both a 12-month forward-looking basis and a three-year forward-looking basis, including downside cases and stress-tests. The conclusions of those reviews are included in the Strategic Report.
- Monitored the Group's compliance with Accounting Standards, reviewed all material judgemental accounting areas, and robustly challenged all items considered by management to be adjusting to support external understanding of underlying performance.

Pikko™ Antique White Mosaic

2024 External Audit

A key focus area for the Committee this year has been supporting Forvis Mazars ("Forvis Mazars") as they conduct their work and continue to build their understanding of the business following their appointment in January 2023, while encouraging them to maintain appropriate professional scepticism and challenge of management, as well as deliver an effective audit process. The Committee kept the effectiveness of the external audit under continuous review throughout the year. It did this by:

1. Debrief on the audit findings and conclusions raised in the 2023 period end audit.
2. Reviewing the audit strategy memorandum presented to the May 2024 meeting, and the update presented in September as Forvis Mazars developed their audit approach, and challenging the areas of focus.
3. Completion of planning procedures in anticipation for the 2024 period end audit.
4. Regular communication between the Audit Committee Chair and the Chief Financial Officer, as well as the Lead Audit Partner.
5. Considering the results of interim audit procedures, to prepare for the year-end period.
6. Considering the manner in which the audit was conducted, the robustness of the external Auditor in their handling of key accounting and audit judgements, the level of professional scepticism demonstrated, and the audit areas in which most time was spent.
7. Considering the content, quality of insights, and challenge in the final Audit Committee Report, issued by Forvis Mazars, including their key findings from the audit and any control recommendations raised.
8. After year-end, the Committee will review the results of a survey conducted by Topps Group's management on the team's experience with the external Auditor in respect of areas such as strategy, professional scepticism, technical competence, communication and planning.

Throughout this process, the Committee was satisfied that the external Auditor had demonstrated appropriate levels of challenge and professional scepticism throughout the audit process, in particular this year through their challenge of management's assumptions surrounding recoverability of store assets and the acquisition accounting considerations for CTD, the use of external data and third-party confirmations, and the recalculation of management schedules where appropriate. The Committee concluded that Forvis Mazars possessed the skills and experience necessary to fulfil its duties effectively, and that the audit was effective.

The Committee also reviews the independence of the external Auditor. The Company has a policy for the provision of non-audit services, which is published on the Company's website. Under the policy, the external Auditor has not provided any non-audit services to the Company during the period. Forvis Mazars was determined to be independent on appointment in January 2023 and has confirmed to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements, and the objectivity of the Lead Audit Partner and audit staff is not impaired.

Having reviewed the Auditor's independence and the effectiveness of the audit, the Committee is satisfied that a resolution to re-appoint Forvis Mazars should be proposed at the 2025 AGM, which the Board has accepted and endorsed.

The audit fee for the statutory audit of the Company's Consolidated Financial Statements and audit-related services for the Period is £486,000 (2023: £376,000).

Corporate Governance Report continued
Audit Committee Report

Significant Matters and Judgements for the Year Ended 28 September 2024

The Audit Committee has assessed whether suitable accounting policies have been adopted by the Group and whether management has made appropriate judgements and estimates. The following key areas were subject to review and challenge by the Committee and were discussed with our external Auditor throughout the audit process. There were no significant differences between management and the external Auditor in these areas. This is not a complete list but includes those that the Committee believes are the most significant.

Area of Focus	Details of Committee Review
Inventory valuation	Inventory is one of the largest balance sheet items, at £37.2 million, and any error in its valuation is likely to be material. The Board reviews monthly reporting on stock valuation and impairment, and the Committee challenges management to understand movements over time. The finance function performs ongoing detailed checks of supplier invoices comparing to system pricing, and management conducts a regular review of any products sold, or likely to be sold, below their original cost price. There is an ongoing focus on the calculation of inventory provisions, with increasing amounts of data now available covering historical trends on sell through or discontinued or low-selling product lines, which helps to improve the accuracy of estimates required to value stock at the lower of cost and net realisable value. The Committee challenged management to continue to reduce the amount of judgement in this area and rely on historical data to forecast appropriate provisions, and based on this review, concluded that the approach taken was appropriate.
Lease accounting	IFRS 16 is a complex area of accounting, the Group has a large number of leases, and the value of lease liabilities and right-of-use assets is significant. The Committee has had regular updates throughout the year on the progress made by the finance team to maintain a high level of accuracy within its IFRS 16 system, however, the Committee challenged management on key assumptions driving the valuations of assets and liabilities and discussed the audit approach with the external Auditors. Based on this review, the Committee concluded the approach to IFRS 16 accounting was appropriate.
Store impairment	Given the large value of right-of-use assets and property, plant and equipment, together with the ongoing challenges facing the retail and construction sectors and the Group's decline in profits this year, this Committee had a keen focus on possible impairment indicators and subsequent impairment of store assets. The Committee viewed the business's performance and general macroeconomic situation as an impairment indicator across the whole estate and subsequently challenged the assumptions used in the financial modelling to calculate the value in use of each CGU. A keen focus was paid to judgments and estimates used in the modelling, for example the assumed level of growth in each future year, the methodology used to allocate central costs to each CGU and the treatment of web sales. Based on this review, a significant number of assets were impaired, with a total impairment of right of use assets of £17.1 million and of fixtures & fittings of £2.3 million, as detailed in the notes to the accounts, which the Committee concluded was an appropriate outcome.
Acquisition of CTD	The Group acquired 30 stores, stock and various intellectual property assets from CTD in August 2024. The Committee challenged management's assumptions concerning the valuation of these assets in the financial statements, mindful that the acquisition was completed close to year-end, that not all data was straightforward to analyse given the acquiree's situation as a business in administration, that information flows were challenged by the requirements of the ongoing CMA investigation into the acquisition, and that IFRS 3 allows a measurement period up to 12 months. As such, the Committee expects adjustments to be made to the value of acquired assets and liabilities in the subsequent financial year but was satisfied with the proposed valuation in the current Financial Statements.
Adjusting items	The Committee considered the presentation of the Group's Financial Statements, in particular the presentation of adjusting items. The Committee agreed with management that the presentation of adjusting items was clear and helped investors understand the quality of earnings within the Group.

Pronto™ Carrick Oak Herringbone Luxury Vinyl Tile

Whistleblowing

The Committee is responsible for ensuring that arrangements are in place to enable colleagues, in confidence, to raise any concerns about possible improprieties in matters of financial reporting or other issues. This process happens through an established process using a third party to encourage colleagues to raise any concerns. The Audit Committee is advised of every whistleblowing incident raised, how it was investigated and the outcome. It is noted that there are many other opportunities for colleagues to raise issues with the Company, including through the area and regional sales managers, the internal audit team, the TeamTalk programme, HR business partners, and many other channels.

Audit Committee Evaluation

While recognising certain areas for improvement, which will be considered in 2025, the evaluation for 2024 concluded that the Committee continues to operate effectively.

Fair, Balanced and Understandable

At the request of the Board, the Committee reviewed the Group's Annual Report and Accounts and considered if, taken as a whole, it is fair, balanced and understandable, as required by the Code, and provides the necessary information for Shareholders to assess the Company's position, performance, business model and Strategy. The Committee is provided with the relevant information to perform its duties and has access to management, as it requires. The Committee and the Board meet regularly and are given adequate time to probe, debate and challenge business performance. Having gained a thorough understanding of the business and reviewed the financial out-turn for the year as well as key accounting judgements as described above, each member of the Committee has had the opportunity to review and influence the Annual Report and Accounts and has concluded in line with the statement above. Therefore, the Committee recommended that the Board approve the report on this basis.

KEITH DOWN
Chair of the Audit Committee

6 December 2024

Corporate Governance Report continued

Nomination and Governance Committee Report

PAUL FORMAN
Chair of the Nomination and Governance Committee

Other Members:		**Meetings Held:**
Diana Breeze	Kari Daniels	**3**
Keith Down	Denise Jagger	

2024 Key Achievements

- Board succession
  - as referenced in last year's Annual Report, for the role of SID, in line with best practice and the requirements of the Code, with the search, selection and recruitment of Denise Jagger as SID Designate (and Chair of the ESG Committee) in preparation for Keith Down's retirement.
  - for the role of Audit Committee Chair in line with best practice and the requirements of the Code, with the search, selection, and recruitment of Martin Payne as Audit Committee Chair Designate, having taken place in preparation for Keith Down's retirement.
- Implementing plans for the orderly succession and transition of the SID and Audit Committee Chair roles in January 2025 post Keith's retirement
- Executive succession and development plans to ensure that the Group's medium and longer-term organisational requirements are met. The appointment of a new Sales and Operations Director and a new Human Resources Director.
- Support for, and development of, the Company's ESG agenda with the creation of the new ESG Committee.
- Oversight of the Company's developing strategy on diversity, equity and inclusion, including the Company's response to new reporting requirements under the Listing Rules, in respect of management levels below the Board.
- Executive and Non-executive Directors' succession and planning; reviewing the size, diversity, skills, and experience of the Board; and considering the future needs of the Group.
- Board and Committee evaluations – commissioning a comprehensive external Board evaluation incorporating both observations and interviews and implementing recommended action raised in the previous year's evaluation feedback.

Areas of Focus in 2025

- The orderly succession of the role of SID and Chair of the Audit Committee in line with best practice and the requirements of the Code so as to ensure continuity and focus.
- Executive development and succession planning to meet medium and longer-term requirements.
- Board and Committee evaluations – planning for the annual evaluation.

The Committee

During the Period, the Committee, comprised independent Non-executive Directors Paul Forman (Committee Chair), Keith Down, Diana Breeze, Kari Daniels and Denise Jagger. It held three scheduled meetings during the Period, based on an annual plan agreed with the Committee Chair.

Role of the Committee

The principal responsibilities of the Committee are to regularly review the structure, diversity, size and composition of the Board and to support the Board in fulfilling its responsibilities to ensure that effective succession planning processes and pipelines are in place for Directors and other senior management. The Committee ensures there are formal, rigorous and transparent processes in place for the appointment of Directors and other senior managers.

The Nomination and Governance Committee leads the process for appointments, ensuring plans are in place for orderly succession to both the Board and senior management positions, and oversees the development of a pipeline for succession recognising the importance and benefits that can arise from diversity of background, experience, ethnicity, and gender. Furthermore, the Committee oversees the delivery of high standards of corporate governance throughout the Group.

The Committee is actively involved in guiding the planning and selection process for Board roles and is consulted on all senior-level appointments and developments. In addition, the Committee draws up and regularly reviews long, medium and short-term succession plans for all key senior management positions within the Company. As well as having short-term contingency plans in place, the aim is to ensure that the Company identifies, develops and promotes candidates into appropriate positions of leadership.

Board Succession

All appointments to the Board are based on merit against objective criteria and are subject to a formal, rigorous and transparent process. A key focus for the Committee this year was the appointment of a new SID Designate and a new Audit Committee Chair Designate, to succeed Keith Down when he retires from the Group at the 2025 AGM. As referenced last year, the appointment process for Denise was as follows:

a. There was a review of the skills, attributes and competencies required for the role of SID. The Committee, led by the Committee Chair, Paul Forman, appointed Teneo, which has no connection with the Group or any individual Director, as the search firm to support the recruitment.
b. A candidate profile for the role of SID was agreed and, following a selection process, Teneo was engaged to support the recruitment of a Designate.
c. Teneo prepared a longlist of candidates, for review by the Committee, and conducted first interviews to assess their fit with the role.
d. On behalf of the Committee, the Chair considered a shortlist of candidates and interviews were initially held with him and the Company Secretary with all Board members subsequently meeting preferred candidates.
e. The Committee made a recommendation to the Board for its consideration and approval, following which the appointment of Denise Jagger as SID Designate was announced on 21 November 2023.

With regards to the Audit Committee Chair Designate, the appointment process was as follows:

a. A candidate profile for the role of Audit Committee Chair was agreed and the Committee, led by Paul Forman, conducted a detailed review of the skills, attributes and competencies required for the role. Following a careful and considered selection process involving interviews with a number of search firms, and a rigorous evaluation of their experience in this area, MWM Boardroom Consulting LLP ('MWM'), which has no connection with the Group or any individual Director, was appointed to support the recruitment of a Chair Designate.
b. MWM prepared a longlist of candidates, for review by the Committee, and conducted first interviews to assess their fit with the role.
c. On behalf of the Committee, the Chair considered a shortlist of candidates and interviews were initially held with him, Denise Jagger, the SID Designate, and Stephen Hopson, the Chief Financial Officer. All Board members subsequently met the preferred candidates. Despite the fact that Stephen Hopson is not a member of the Committee, his input was sought owing to his role as CFO and the close degree to which the CFO role interacts with the Audit Committee Chair.
d. The Committee made a recommendation to the Board for its consideration and approval, following which the appointment of Martin Payne as Audit Committee Chair Designate was announced on 20 September 2024.

Diversity, Equity and Inclusion

The Board, in line with recruitment activities throughout the Group, is committed to consider diversity as a key element in senior appointments and recognises the importance of and benefits that diversity of background, gender, experience and ethnicity can bring to debate and decision-making.

On 21 November 2023, Denise Jagger was announced as SID Designate with effect from 1 February 2024, and succeeding Keith Down who will retire from the Board at the 2025 AGM. At the time of this appointment, the rule that at least 40% of the individuals on the Board are women was satisfied. Then, when Denise becomes SID after the AGM in 2025, subject to Shareholder re-election, this will satisfy the Listing Rules target that at least one of the senior positions on the Board (Chair, Chief Executive Officer, SID or Chief Financial Officer) is held by a woman.

The Company has not been able to satisfy the Listing Rules targets in the Period with regards to ethnicity. It fully recognises the importance of diversity of background and of thought, around the Board table and across the wider company. The Board is relatively small, consisting of seven members after the retirement of Keith Down, which is viewed as appropriate in scale for a Group of this size. After conducting a rigorous recruitment process for Keith's replacement, which critically assessed candidates against the requirements of the Board, the Group was not able to source a candidate that met those requirements as well as the ethnicity requirements stated in the Listing Rules. It will, however, continue to be mindful of the continuing diversity of the Board in future recruitment processes.

Numerical diversity data, in the format required by the Listing Rules, is outlined below as at 28 September 2024. The Board and Executive Management were asked to disclose which characteristic they identified with. The diversity data is collected on a voluntary basis via the Company's HR Portal "MyView".

Corporate Governance Report continued
Nomination and Governance Committee Report

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	4	57%	4	4	67%
Women	3	43%	–	2	33%
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	7	100%	4	5	83%
Mixed/Multiple Ethnic Groups	–	–	–	1	17%
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Board Evaluation
2023 Evaluation
In last year's Annual Report, we set out the evaluation process that was used in 2023. The evaluation highlighted some areas for attention in 2024, which we have addressed, as set out below

	Findings	Actions Taken
Board	Continue to develop the revised composition of the Board with the recruitment of an Audit Committee Chair Designate in mid 2024	This recruitment activity has now been completed
	Continue to develop a revised risk assessment process and to do deep dives as deemed necessary	There is an ongoing commitment to this activity and this year the Board has reviewed risk on a quarterly basis
	Ensure that the Board is continuing to challenge and debate and thereby ensure constructive tension	This is ongoing
	Ensure that Board matters and discussions are sufficiently forward-looking and strategic in nature	Strategic updates are a recurring item on the Board agenda
Nomination and Governance Committee	Human Resources Director to support the CEO with talent assessment and development at senior level	The new Human Resources Director will provide this support on an ongoing basis and join the Nomination and Governance Committee meetings as necessary
	The talent assessment and development plan would be linked to the identified requirements of the new strategic plan	This will be monitored and developed by the new Human Resources Director
	Board would ensure, potentially through new Sustainability Committee, that we monitor developments in people and governance generally	An ESG Committee was established and met during the year. It will continue to review developments going forward

	Findings	Actions Taken
Audit Committee	Continued progress of the internal audit function	The audit plan was reconfirmed as being both necessary and sufficient for the current year. With regard to resource, there was a plan for a second person to be recruited this year, but this had been put on hold due to the current trading position
	Continue progress in risk management and internal controls	The risk process changed last year and improvements have been made, and it will be reviewed further in light of the changes to the Code. The management team is being encouraged to address risk in all areas, and not just quarterly. When Board proposals are put forward, the team is also being encouraged to explicitly think about and document risks with appropriate mitigations
	Ensure right balance of skills and experience in the Committee, especially in the context of Keith Down's departure	Training has been provided and the external audit team will continue to focus on areas of development in their sessions. All Committee members are encouraged to ask for training if required at any point
Remuneration Committee	Utilise the transition to a new Human Resources Director to enhance the analysis/support and information flow to ensure that the Committee works optimally	The recruitment of a permanent Human Resources Director was completed during the year
	With regards to performance targets – review the relevance of the four strategic objectives and the ability to be able to focus on the whole dashboard	This was reviewed by the Remuneration Committee during the year
	With regards to performance targets – consider the introduction of individual performance goals for the Executive Team (they are incentivised on Group performance)	Feedback was sought and it was recommended that this was reviewed again in 2025

2024 Evaluation

The Company has continued with its process of annual evaluation of the Board, its Committees, the Chair and individual Directors, using a formal and thorough process. This year, the decision was taken to carry out an external evaluation, the previous external evaluation having been carried out in 2019. The evaluation is welcomed as a chance to continue with ongoing enhancements to the effectiveness of the Board. The services offerings of several providers were considered and the decision was taken to select the consultancy CalibroConsult ('Calibro'). Calibro has no connection with the Group or any individual Director. As part of the evaluation, the process included the following:

- Discussions with the Chair, CEO and Company Secretary to agree timing, deliverables, progress on previous Board objectives, and any specific areas of focus
- Attendance and observation of a Board meeting and Committee meetings; reviewing appropriate Board and Committee papers, including those relating to the previous Strategy Day, previous internal and external Board performance reviews and action plan, along with understanding how actions arising from Board meetings are dealt with.
- Through a series of in-depth, confidential, working sessions with each of the Non-executive Directors, and direct reports to the CEO, individually, calibrating current Board effectiveness and defining the skills, experience and behaviours required for the Board and its Committees, focusing on:

i. Understanding Topps Tiles' Strategy and future growth ambitions.
ii. Key challenges for the Board and management team linked to the Strategy.
iii. Internal culture.
iv. External factors – the changing business environment.

Corporate Governance Report continued
Nomination and Governance Committee Report

- Feedback on a confidential basis, to the Chair in the first instance, followed by a presentation to the full Board.
- Development of an action plan and framework which allows the Board to measure its progress against key Board and Committee objectives and creates a truly cohesive Board.

The report identified many positive points of strength, including the following:

- The Board is composed of high-quality successful individuals with a diverse range of experience.
- The CEO/CFO partnership is especially strong and brings considerable benefit to the business.
- The Board had been energised and encouraged by the Strategy that had been shared by the business in a constructive and positive way.
- The Executive is strong and performing well.
- The culture within the business is highly people orientated, transparent, diligent, caring and supportive.
- Good progress has been made with sustainability ambitions.

Following on from a thorough review of the report and its suggestions, the Board and each Committee have identified the following actions that will be focused on in the coming year:

Board:

1. Post various Board changes ensure continuity and stability and review respective roles and responsibilities across Board and Committees.
2. Continue to provide support and challenge to the Group's Mission 365 strategy.
3. Foster regular interactions between the Non-executive Directors and Group colleagues.

Nomination and Governance Committee

1. Develop and embed a high quality framework and process for senior management assessment, development and succession planning.
2. Identify incremental skills/experience required to optimise the development and delivery of Mission 365.
3. Ensure the transition of colleague engagement plans and activities to the ESG Committee.

Audit Committee

1. Work to ensure the successful induction of the new Audit Chair.
2. Encouraging Committee members to remain cognisant of the need to provide independent challenge in addition to support.
3. Review the resourcing within the Internal Audit team.

Remuneration Committee

1. Following the appointment of the new Human Resources Director, develop the role's support for and to the Committee.
2. Work closely with the Committee advisors to ensure maximum utilisation of expertise.
3. Ensure optimal support to the delivery of Mission 365 via consideration of an appropriate remuneration strategy.

An action plan will be put in place to address these points during the course of the coming year and will form a regular part of the Board's activities. Progress will be disclosed in next year's report.

Nomination and Governance Committee Evaluation

The Nomination and Governance Committee Chair, in conjunction with the Company Secretary, ensures that there is an annual evaluation of all of the Committees effectiveness processes (with the exception of the ESG Committee that was not assessed this year being newly convened). While recognising certain areas for improvement, which will be considered in 2025, the evaluation for 2024 concluded that the Committees continue to operate effectively.

PAUL FORMAN
Chair of the Nomination and Governance Committee

6 December 2024

Corporate Governance Report continued

ESG Committee Report

DENISE JAGGER
Chair of the ESG Committee

Other Members:		**Meetings Held:**
Paul Forman	Diana Breeze	**1**
Kari Daniels	Keith Down	
Rob Parker		

2024 Key Achievements

- Review and confirmation of the Environmental Leadership strategy and Roadmap
- Review of the business' Sourcing Policy
- Review of the latest employee engagement forum and outputs

Areas of Focus in 2025

- Establish an effective modus operandi for this new Committee and a forward agenda of key topics for in depth discussion and review, ensuring in particular that it does not duplicate work of the Board or other Committees and that it covers all strategic level ESG topics
- Ensure that key sustainability targets for FY 2025 which include reduction in scope 1 and 2 emissions, waste reduction and recycling are presented to the Committee for approval and that progress against them is measured on a regular basis
- Ensure the inclusion of Pro Tiler Tiles and the recently acquired CTD stores in the measurement of Scope 3 emissions, improve carbon data quality and our engagement with suppliers
- Support the establishment of a working party to set a near term science based target, validated within 24 months
- Following the colleague survey, consider how to engage colleagues throughout the business in sustainability awareness and positive action and promote greater awareness and support for sustainable activity throughout our supply chain
- Develop a coordinated strategy around the social aspect of ESG including the promotion of a diverse and inclusive workplace where everyone is treated fairly, focus on hiring well, providing first class training and recognising and rewarding talent all whilst ensuring colleague well being
- Receive reports on and encourage community engagement and charitable activity in the areas in which we operate
- Review the work on Task Force on Climate Related Disclosures and agree the list of material climate related risks and opportunities to be included in the TCFD narrative of the Annual Report and Accounts

The Committee

During the Period, the Committee comprised independent Non-executive Directors Denise Jagger (who was Chair), Paul Forman, Keith Down, Diana Breeze, Kari Daniels, and Chief Executive Rob Parker. Their qualifications and experience are detailed on pages 80 and 81. The Chief Financial Officer and other employees and advisers may attend meetings by invitation. It held 1 scheduled meeting during the Period, based on an annual plan agreed with the Committee Chair.

Role of the ESG Committee

The principal responsibilities of the Committee are to oversee, review and recommend for approval by the board, the Company's ESG Strategy, ensuring that it is effective, aligned with prevailing regulations and good practice and integrated with the Company's business plan, values and objectives. It oversees the implementation of the ESG Strategy through various operational initiatives developed in response and ensures that appropriate resource and governance processes are in place to enable timely delivery of the ESG Strategy.

Corporate Governance Report continued
ESG Committee Report

It reviews and recommends for approval by the board appropriate strategic ESG goals and progress against key objectives and medium and short terms targets in furtherance of these objectives. It keeps up to date with current and emerging ESG related issues and best practice and regulatory or legislative developments including participation in external benchmarking indices. It monitors and/or establishes appropriate ESG related policies, codes of conduct and procedures for incident reporting including an annual review of adequacy and effectiveness.

It oversees the Company's interactions with, and responsibilities towards, its stakeholders in relation to ESG related issues including, but not limited to, its employees, customers, suppliers and the communities in which it operates and supports the Board in monitoring the culture of the Company, the safety and well-being of its employees and the adequacy of its supply chain contracts in relation to modern slavery and human rights risks. It liaises with other Board committees as necessary to ensure that ESG matters are appropriately covered.

ESG Committee Evaluation

Because the Committee was established during the year, with its first meeting held in July 2024, it was not included in the annual evaluation process but will be when the 2025 review is undertaken.

DENISE JAGGER
Chair of the ESG Committee

6 December 2024

Kapital™ Graphite, Pikko™ Antique White Mosaic

Directors' Report

The Directors of Topps Tiles Plc (the 'Directors' or the 'Board') present their Annual Report on the affairs of the Group (comprising Topps Tiles Plc and its subsidiary companies), together with the Financial Statements and Auditor's Report, for the 52-week period ended 28 September 2024 (the 'Period'). The Corporate Governance Report forms part of this report.

Principal Activity

The principal activity of the Group is the sale and distribution of ceramic and porcelain tiles, natural stone, and related products.

Strategic Review

The Company is required by the Companies Act 2006 to set out in this report a fair review of the business of the Group during the Period, and of the position of the Group at the end of that Period. The Company is also required to set out a description of the principal risks and uncertainties facing the Group. This information is in the Chair's Statement on pages 10 and 11 and the Strategic Report on pages 67 to 73, which includes information on ESG issues, which form part of the Directors' Report.

The prospects of the Group are highlighted in both the Chair's Statement and the Strategic Report. The Directors monitor several financial and non-financial key performance indicators for the Group. The most significant of these are detailed on pages 32 and 33.

Results and Dividends

The audited Financial Statements of the Group for the Period are set out on pages 144 to 197. The Group's loss for the Period from continuing operations, after taxation, was £12,820,000 (2023: profit of £3,919,000).

An interim dividend of 1.2 pence per share was paid on 12 July 2024. Following careful consideration, and for the reasons given in the Chair's Statement, the Board is recommending the payment of a final dividend of 1.2 pence per share which, taken together with the interim dividend, will give a total dividend of 2.4 pence per share for the year (2023: 3.6 pence per share). The final dividend will, subject to shareholder approval at the 2025 Annual General Meeting ('AGM'), be payable on 30 January 2025 to Shareholders on the register on 20 December 2024.

The ex-dividend date will be 19 December 2024.

Board of Directors

The Directors of the Company, in office at the date of this report, and their biographical details, are listed on pages 80 and 81. The Directors of the Company who served during the Period and up to the date of this report, are shown below:

Director	Position	Service in Period and to date of report
Paul Forman	Non-executive Chair	Served throughout Period
Rob Parker	Chief Executive	Served throughout Period
Stephen Hopson	Chief Financial Officer	Served throughout Period
Keith Down	Senior Independent Non-executive Director	Served throughout Period
Diana Breeze	Non-executive Director	Served throughout Period
Kari Daniels	Non-executive Director	Served throughout period
Denise Jagger	Non-executive Director	Served from 1 February 2024
Martin Payne	Non-executive Director	Served from 1 October 2024

Darren Shapland, former Non-executive Chair, retired on 1 October 2023

The Board considers that the contribution of each of the Directors standing for election is important to the Company's long-term sustainable success. Further details are set out in the Corporate Governance Report on page 89.

Directors' Report continued

Directors' and Officers' Insurance

The Company provides insurance against Directors' and Officers' liabilities to a maximum value of £15,000,000.

Articles of Association

The internal regulation of the Company is set out in its Articles of Association, which can be amended by a special resolution of the Company's Shareholders. They cover matters such as the rights of Shareholders, the appointment or removal of Directors, and the conduct of Board and general meetings. A copy of the Articles is available upon request and on the Company's website. In accordance with the Articles of Association, Directors can be appointed or removed by the Board, or by Shareholders in general meetings. Subject to company law and the Articles of Association, the Directors may exercise all the powers of the Company and may delegate authorities to Committees. The principal Board Committees are the Audit Committee, the Nomination and Governance Committee, the Remuneration Committee and the ESG Committee. Details of the work of these Committees can be found in the Corporate Governance Report on pages 84 to 106 and Directors' Remuneration Report from pages 111 to 133.

Share Capital

Details of the Company's issued share capital, together with details of the movements in the Company's issued share capital during the Period, are shown in note 23 to the Financial Statements.

The Company has one class of ordinary shares in issue, which carries no right to fixed income. Each share carries the right to one vote in a general meeting of the Company.

The Company imposes no restrictions on the size of a holding or on the transfer of shares, which are governed by the general provisions of the Articles of Association and company law. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

No person has any special rights of control over the Company's share capital. All issued shares are fully paid.

Substantial Shareholdings

In addition to the Directors' shareholdings noted on page 128, as at 28 September 2024, the Company had been notified, in accordance with the Disclosure Guidance and Transparency Rules, of the following notifiable voting rights:

Name of holder	Number of ordinary shares	% of total voting rights
MSG Galleon AG	58,569,649	29.8
Aberforth Partners LLP	28,898,766	14.7
Rex Partners LLP	21,597,274	11.0
Invesco Asset Management	9,823,789	5.0
Chelverton Asset Management Limited	8,500,000	4.3
Axa Investment Managers SA	8,416,667	4.3

The interests in the table above are as stated by the Shareholder at the time of the notification and current interests may vary.

In the period from 28 September 2024 to the date of this report, no notifications have been made to the Group.

Share Option Schemes

The Directors' interests in the shares of the Company, and details of the Directors' share options, are given in the Directors' Remuneration Report on page 130.

Significant Agreements

The Group is a party to significant agreements, including commercial contracts, financial and property agreements, and colleagues' share plans, which contain certain termination and other rights for the counterparties in the event of a change of control of the Company. Should any counterparties choose to exercise their rights under such agreements on a change of control, these arrangements may have to be renegotiated or replacement suppliers, or premises, be found. None of these are considered significant in terms of the likely impact on the business of the Group as a whole. There are no agreements between any Group company and any of its employees or Directors that provides for compensation to be paid to the employee or Director for termination of employment or for loss of office as a consequence of a takeover of the Company, other than provisions that would apply on any termination of employment.

ESG

The Company has a long-standing ESG agenda covering, among other matters, Community, Charity, the Environment and Our People, which includes our continuing focus on diversity, equity and inclusion. Details of our current activities are set out in the Strategic Report, our Section 172 Statement, the ESG Committee Report and our report under the Task Force for Climate-related Financial Disclosures.

We take the impact of our business on our environment extremely seriously, having introduced a new ESG Committee and adopted a range of environmental metrics, details of which are set out in the Strategic Report and pay particular attention to labour standards and factory conditions.

Reporting Requirements

As permitted by section 414C of the Companies Act 2006, certain information required to be included in the Directors' Report has been included in the Strategic Report and its location, together with other information forming part of the Directors' Report, is set out below.

Reporting Requirements	Location
Likely future developments of the business and Group	Strategic Report on pages 12 to 76
Statement on corporate governance	Corporate Governance Report, Audit Committee Report, Nomination and Governance Committee Report and Directors' Remuneration Report on pages 84 to 133
Board of Directors	Corporate Governance Statement on page 142
Colleague and stakeholder engagement	Strategic Report: How we Engage with our Stakeholders Report on pages 40 to 43
Diversity and inclusion	Strategic Report: Sustainability Report – Communities on page 54 to 55 and the Nomination and Governance Committee Report on pages 100 to 104
Colleague consultation and engagement	Strategic Report: Engaging with our Stakeholders on pages 40 to 43
Going concern and viability statement	Strategic Report pages 74 to 76
Greenhouse gas emissions and carbon reporting	Strategic Report: Sustainability Report pages 45 to 51
Financial risk management, objectives and policies	Strategic Report: Risks and Uncertainties pages 67 to 73
Post balance sheet events	Notes to the Financial Statements: note 34 on page 185

Information Given to the Auditor

Each of the Directors at the date of approval of this Annual Report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of the Company's Auditor

A resolution to reappoint Forvis Mazars LLP as the Company's Auditor will be proposed at the forthcoming AGM.

On behalf of the Board

ROB PARKER
Director

6 December 2024

Directors’ Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group Financial Statements in accordance with UK-adopted International Financial Reporting Standards (‘IFRSs’) and applicable law and Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law). 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 Company and of the profit or loss of the Group and Company for that Period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted IFRSs have been followed for the Group Financial Statements, and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company Financial Statements, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the Financial Statements and the Directors’ Remuneration Report comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Confirmation Statement

We confirm that to the best of our knowledge:

- the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for Shareholders to assess the Company’s performance, business model and Strategy;
- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors’ Report includes a fair review of the development and performance of the business, the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

ROB PARKER
Director

6 December 2024

Directors' Remuneration Report

DIANA BREEZE
Chair of the Remuneration Committee

Other Members:	**Meetings Held:**
Kari Daniels Keith Down Denise Jagger	**5**

Remuneration Committee

The Committee held four scheduled meetings during the Period, based on an annual plan agreed with the Chair of the Committee.

The Committee comprises four Independent Non-executive Directors, Diana Breeze (Chair), Kari Daniels, Denise Jagger and Keith Down.

Paul Forman, Rob Parker, Stephen Hopson and Joanne Shawcroft (HR Director) attend by invitation and absent themselves from meetings when the Committee considers matters concerning their own remuneration.

Role and Responsibilities

The role of the Remuneration Committee is set out in its Terms of Reference, which are available on the Group's website. The Committee's primary purpose is to develop and determine the Group's remuneration policies for the Executive Directors, Chair, and senior management. For more on the role of the Committee, see the section "Consideration by the Directors of Matters Relating to Directors' Remuneration". The Committee also has responsibility for reviewing pay and conditions across the Group and the alignment of incentives and rewards with a high-performance culture.

Statement from the Chair of the Remuneration Committee

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the 52 weeks ended 28 September 2024 (the 'Period').

This report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the 'Regulations'), the UK Corporate Governance Code 2018 (the 'Code') and the Financial Conduct Authority's Listing Rules and takes into account the accompanying Directors' Reporting Guidance and the relevant guidelines of the shareholder representative bodies.

The report is split into three parts:

1. This annual statement, from the Chair of the Remuneration Committee.
2. Directors' Remuneration Policy (the 'Policy').
3. The Annual Report on Remuneration, which sets out payments made to the Directors and details the link between Company performance and remuneration for the Period.

The Chair's statement and Annual Report on Remuneration is subject to an advisory Shareholder vote at the Annual General Meeting (AGM) in January 2025.

Remuneration Framework

The Remuneration Policy was revised in 2022 and agreed at the AGM in January 2023 with a number of changes to the Policy to ensure that:

- it aligns to emerging best practice;
- it reflects the feedback received from our Shareholders prior to the 2023 AGM; and
- it complies with the UK Corporate Governance Code 2018 (the 'Code').

The revised policy was designed to ensure it supported our remuneration principles, which are that:

- we are able to attract and retain the best talent;
- it drives behaviours that support the Group's Strategy and business objectives, which are developed in the long-term interests of the Company and its Shareholders;
- it rewards senior management appropriately for their personal and collective achievements;
- it provides incentives that help to maintain commitment over the longer term and align the interests of senior management with those of Shareholders;

Directors’ Remuneration Report
continued

- it ensures that a significant percentage of the overall package for the Executives and senior managers remains at risk dependent upon performance, and that their pay and benefits adequately take account of reward versus risk;
- it ensures the overall remuneration structure is simple and clear, and that colleagues understand how their performance is linked to reward;
- it maintains appropriate proportions of fixed and performance-related pay, to help drive performance over the short and longer term, maintain a flexible cost base, and avoid creating incentives for excessive risk taking; and
- it achieves consistency with the general remuneration philosophy applied to the Group’s colleagues as a whole.

At the AGM in January 2024, we received support from most of our Shareholders for the vote on the statement of the Chair and the Annual Report on Remuneration. However, because our largest shareholder voted against this resolution, we received support of 63.33% for this resolution. As previously announced, the Board did seek specific feedback from the Shareholder, but none was received. While the Board fully respects and acknowledges that a Shareholder may choose to vote against specific resolutions, the Board still considers that the way that we implemented the Remuneration Policy in FY23 was in the best interests of all Shareholders.

Performance in FY24 and Remuneration Outcomes

For FY24, the Committee took into consideration the continued ongoing challenges to the UK economy and its impact on the Group in terms of pay inflation and margin.

The level of adjusted profit before tax generated in the year was insufficient to trigger payment of the financial element of the Executive Directors’ annual bonus scheme. This elements accounts for 70% of the potential maximum award.

The non-financial element accounts for 30% of the annual award and includes targets for strategic and ESG objectives. Against these targets, the overall achievement was 58.2% of the maximum which would normally result in a total bonus payment of approximately 22% of salary. In light of the overall financial performance the Committee decided that it was appropriate to exercise their discretion and reduce the pay-out by 50%. This has resulted in a total bonus payment equivalent to approximately 11% of salary. Details of performance against bonus targets can be found on page 128 of this report.

Cotto, Cotto Décor, Ribbon™ Bone

The Long-Term Incentive Plan ('LTIP') awards granted in December 2021 were based upon FY24 final year performance. The awards required a minimum adjusted earnings per share ('EPS') of 4.38 pence for 10% vesting, increasing to 7.85 pence for full vesting of the awards. Final adjusted EPS was 2.4 pence and therefore no awards will vest under the scheme.

The Committee has satisfied itself that this is appropriate in light of the Company's performance.

Changes to the Board

As announced on 21 November 2023, Denise Jagger joined the Board on 1 February 2024 as Senior Independent Director Designate. Denise is also a member of the Remuneration Committee.

As announced on 20 September 2024, Martin Payne joined the Board 1 October 2024 as Audit Committee Chair Designate.

Martin and Denise will succeed Keith Down at the AGM in January 2025 when Keith retires from the Board after serving nine years.

Remuneration Decisions for FY25

Salary/Fees

During the Period, the Committee reviewed the base salary level for the CEO and CFO by reference to external benchmarks, facilitated by its remuneration consultant. The Committee also considered the remuneration of the wider workforce.

The Committee concluded that the CEO should be awarded an increase in base salary from October 2024 of 2%, which was in line with the wider workforce. Accordingly, the CEO's salary moved to £450,077.

During the year, the CFO's role was enlarged and given additional responsibilities including in the Commercial Property area. The Committee took this change in role into account, together with the CFO's continued strong performance in role since his appointment in 2020, and decided to increase the CFO's base salary to £275,000 from January 2024, which would bring his salary to the lower quartile of our comparator. The CFO has also received the 2% annual increase in line with the wider workforce and accordingly his salary moved to £280,500 from October 2024.

Annual Bonus

The Annual Bonus Plan for FY25 will continue to be subject to full year targets for all participants of the scheme. The maximum bonus opportunity continues to be 125% of base salary for the CEO and the CFO. Of this, 30% of any bonus payable will be deferred into shares for two years in line with the Policy that came into effect at the 2023 AGM.

The Annual Bonus Plan is assessed through a balanced scorecard of financial and non-financial measures.

The financial element of the award will continue to be measured against adjusted profit before tax and will account for a 70% weighting of the award. The non-financial element, which accounts for a 30% weighting of the maximum bonus, will be aligned with the Company's Strategy for FY25 and include two Strategic Business Objectives and two Environmental, Social, Governance (ESG) metrics, which for FY25 will be focused on Environment and People.

Long-Term Incentive Plan

During FY25, the Committee intends to grant LTIP awards to the Executive Directors with a maximum opportunity of 100% of salary under the new Topps Tiles Plc 2023 Share Plan. These levels are unchanged from previous years. The Committee has determined that it will again be appropriate for these awards to be measured against the EPS performance of the last financial year of the three-year performance period (being FY27). In addition, the Committee has again determined that it will be appropriate to set the threshold level of performance at 10% of the LTIP awards, with an EPS threshold of 3.48 pence. Full details of the performance targets are provided on pages 117 to 118. The Committee will monitor the performance over the three-year vesting period and review the vesting outcome to ensure it is a true reflection of the Company's performance during the performance period.

Remuneration Committee Evaluation

While recognising certain areas for improvement, which will be considered in 2025, the evaluation for 2024 concluded that the Committee continues to operate effectively.

New Remuneration Policy

As the current policy is due to expire at the 2026 AGM, the Remuneration Committee will be reviewing the current policy over the course of 2025 and intends to consult with shareholders as part of this process.

Annual General Meeting

On behalf of the Committee, I would like to thank Shareholders for their continued support. Arrangements for the Annual General Meeting, and how to ask questions, are explained in the Notice of AGM. I will be pleased to answer any questions concerning remuneration, and I am always pleased to hear from the Company's Shareholders. You can contact me via the Company Secretary at other times, if you have any questions in relation to the Company's remuneration policy and implementation.

DIANA BREEZE
Chair of the Remuneration Committee

6 December 2024

Directors’ Remuneration Report
continued

Directors’ Remuneration Policy

The current Directors’ Remuneration Policy (the ‘Policy’) was approved by Shareholders at the General Meeting on 18 January 2023 and became effective from that date for a three-year period. The Policy as approved by Shareholders can be found in last year’s Annual Report and on the Company’s website. We have included a version of the Policy below, which has been updated where appropriate to reflect the passage of time. (These are minor changes reflective of the Non-executive Directors such as length of service or change of members).

Executive Directors’ Remuneration Policy Table

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
Base salary			
Core element of fixed remuneration set at a market competitive level with the aim to attract and retain Executive Directors of the calibre required.	Salaries are usually reviewed annually taking into account: • underlying Group performance; • role, experience, and individual performance; • competitive salary levels and market forces; and • pay and conditions elsewhere in the Group.	While there is no maximum salary, increases will normally be no higher than the typical level of salary increase awarded (in percentage of salary terms) to other colleagues in the Group. Salary increases above this level may be awarded in certain circumstances, such as, but not limited to: • where an Executive Director has been promoted or has had a change in scope or responsibility; • an individual’s development or performance in role (for example, to align a newly appointed Executive Director’s salary with the market over time); • where there has been a change in market practice; or • where there has been a change in the size and/or complexity of the business. Such increases may be implemented over such time period as the Committee deems appropriate. For new Executive Director hires, the Committee has the flexibility to set the salary at a below-market level initially and to realign it over the following years as the individual gains experience in the role. In exceptional circumstances, the Committee may agree to pay above-market levels to secure or retain an individual who is considered by the Committee to possess significant and relevant experience, which is critical to the delivery of the Group’s Strategy.	Not applicable.

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
Benefits			
Fixed element of remuneration set at a market competitive level with the aim to attract and retain Executive Directors of the calibre required.	Executive Directors receive benefits in line with market practice, and these include, principally, life insurance, income protection, private medical insurance, company car or car allowance and fuel allowance and, where relevant, relocation expenses. Other benefits may be provided based on individual circumstances. These may include benefits, which are introduced for the wider workforce on broadly similar terms. Any reasonable business-related expenses (including the tax thereon) can be reimbursed.	While the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level that the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances.	Not applicable.
Pensions			
Provides appropriate post-employment benefits (or cash equivalent).	Executive Directors are eligible to participate in the defined contribution pension scheme. In appropriate circumstances, such as where contributions exceed the annual or lifetime allowance, Executive Directors may be permitted to take a cash supplement instead of contributions to a pension plan.	Contributions of up to the rate available to the majority of the workforce (currently 5% of salary).	Not applicable.
All Colleague Share Plans			
To create alignment with the Group and promote a sense of ownership.	Executive Directors are entitled to participate in a tax-qualifying all employee SAYE scheme under which they may make monthly savings contributions over a period of three or five years linked to the grant of an option over the Company's shares with an option price, which can be at a discount of up to 20% to the market value of shares at grant. The company is not currently making new awards of shares under this scheme while it reviews alternative options for colleague alignment and engagement. Executive Directors are also entitled to participate in any HMRC-approved plans that may be introduced by the Company for all colleagues.	Participation limits are those set by the UK tax authorities from time to time.	Not subject to performance measures in line with HMRC practice.

Directors’ Remuneration Report
continued

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
Annual bonus			
Rewards performance against annual targets, which support the strategic direction of the Group.	Awards are based on annual performance against key financial and/or strategic and ESG targets. Pay-out levels are determined by the Committee after the year-end based on performance against those targets. The Committee has discretion to amend the pay-out should any formulaic output not reflect the Committee’s assessment of overall business performance. 30% of any bonus payable will be deferred into shares for two years under the Topps Tiles Plc 2023 Share Plan. Dividend equivalents may be paid in respect of a vested deferred bonus award by reference to the value of dividends payable during the award’s vesting period. Malus and clawback provisions apply.	The maximum bonus opportunity for an Executive Director will not exceed 125% of salary.	Targets are set annually reflecting the Company’s Strategy and are aligned with key performance indicators. Up to 70% of the maximum bonus will be based on financial objectives, which may include, but are not limited to, profit, cash/debt, revenue, and ROCE. The balance will be assessed against non-financial objectives, which may include, but are not limited to, strategic, personal and ESG metrics, which are aligned with the Company’s business and ESG strategies. **Financial Metrics** There is no fixed minimum payment at threshold performance, with 50% of the maximum potential and 100% of the maximum potential being paid out for target and stretch performance respectively, with scaled vesting in between. **Non-financial Metrics** Vesting of the awards based on non-financial objectives will be determined by the Committee’s assessment of the extent to which the non-financial targets have been met, which may, if appropriate, be based on threshold, target and stretch levels of performance with scaled vesting in between.

Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Measures
LTIP			
To incentivise Executive Directors, and to deliver genuine performance-related pay, with a clear line of sight for Executives and direct alignment with Shareholders' interests.	Long-term incentive awards are granted under the Topps Tiles Plc 2023 Share Plan scheme rules. Under the LTIP, awards of nil cost share options or conditional shares may be made. While there is no current intention to do so, awards may (technically) be settled in full or in part in cash at the discretion of the Committee (for example, in respect of shares that would otherwise be sold to satisfy tax withholding requirements or in response to local law constraints). The vesting of awards will be subject to the achievement of specified performance conditions, ordinarily measured over a period of at least three years. Dividend equivalents may be paid on shares that vest in connection with LTIP awards by reference to the value of dividends payable during the award's vesting period (and holding period where relevant). A two-year post-vesting holding period will apply to shares awarded, which will require Executives to ordinarily retain any shares vesting (net of tax) until the fifth anniversary of grant. Malus and clawback provisions apply.	The normal maximum award is 100% of salary in respect of a financial year. Under the share plan rules, the overall maximum opportunity that may be granted in respect of a financial year is 200% of salary. The normal maximum award limit will only be exceeded in exceptional circumstances, such as the recruitment or retention of an Executive Director. The market value of the shares subject to an award is based on the three-day average share price immediately after the Company's quarter four trading statement unless the Committee determines otherwise.	Relevant performance measures are set that reflect business performance. Specific disclosures on the performance measures that have been set in any given year are provided in the relevant Directors' Remuneration Report for that year. The Committee retains discretion to adjust the vesting outcome of any LTIP award to reflect the underlying financial performance of the Company, notwithstanding the extent to which the specific performance targets applicable to the award have been met. Performance measures and their weighting (where there is more than one measure) are reviewed annually to maintain appropriateness and relevance. For achievement of threshold, no more than 10% of the maximum opportunity will vest. There will usually be straight-line vesting between threshold and maximum performance.

Directors’ Remuneration Report
continued

In-employment and Post-employment Shareholding Requirement

Executive Directors are subject to a shareholding requirement to build and maintain a shareholding in Topps Tiles equivalent to 200% of salary for the Chief Executive Officer and the Chief Financial Officer.

The Executive Directors will be subject to a two-year post-employment shareholding requirement of 200% of salary (or the actual holding on departure, if lower).

Legacy Incentive Plans

The Executive Directors retain one existing, in flight LTIP award granted under the previous Remuneration Policy, the “2022 awards”. This award is subject to performance conditions based on the final year performance period to FY25. The award will be allowed to vest on the terms on which it was granted, subject to achievement of the applicable performance targets.

Malus and Clawback Provisions of Annual Bonus and LTIP Awards

The Committee has the right to reduce, cancel or impose further conditions on annual bonus awards in respect of the financial year starting on or after 30 September 2023, and any outstanding LTIP awards, or to claw back amounts from participants within a period of two years following the payment of any annual bonus and vesting of any deferred bonus and LTIP awards, if an act or omission or a failure to apply reasonable skill and judgement leads to a material loss to the Group, or serious reputational damage to the Group, or a material misstatement of the Company’s financial results, or if there has been a material failure of risk management by the Company. Malus and clawback may also apply in instances of corporate failure, discovery of serious misconduct and/or error of calculation and may also apply in instances of unreasonable failure to protect the interest of colleagues and customers.

Explanation of Performance Measures Chosen for the Incentive Schemes

Performance measures are selected that are aligned with the performance of the Group and the interests of Shareholders. Stretching performance targets are set each year for the annual bonus and long-term incentive awards. When setting these performance targets, the Committee will take into account a number of different reference points, which may include the Company’s business plans and Strategy and the economic environment. Full vesting will only occur for what the Committee considers to be a stretching performance.

The annual bonus can be assessed against financial and non-financial objectives as determined by the Committee. Bonuses are currently based on adjusted profit before tax, strategic objectives and ESG targets, which are aligned to delivering the overall business strategy, and encourage behaviours that facilitate profitable growth and the future development of the business.

Long-term performance measures are chosen by the Committee to provide a robust and transparent basis on which to measure the Company’s performance over the longer term and to provide alignment with the business strategy. They are selected to be aligned with the interests of Shareholders and to drive business performance, while not encouraging excessive risk-taking. LTIP awards are currently based on the earnings-per-share targets being met at the end of the performance period, providing an assessment of the overall financial performance of the business, and rewarding sustainable long-term performance.

The Committee retains the ability to adjust the targets or set different performance measures for the annual bonus and share awards if events occur (such as a change in Strategy, a material acquisition and/or a divestment of a Group business or a change in prevailing market conditions), which cause the Committee to determine that the original measures or targets are no longer appropriate and that amendment is required so that they achieve their original purpose.

Awards and options may be adjusted in the event of a variation of share capital in accordance with the rules of the deferred bonus and 2013 and 2023 LTIP schemes.

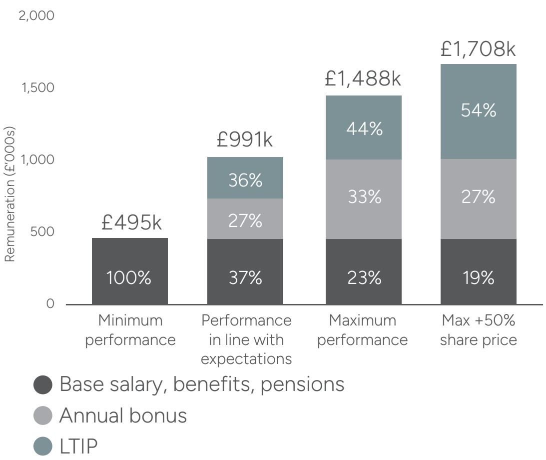
Committee Discretion in Operation of the Annual Bonus and 2023 Share Plan

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to Shareholder approval or approval from the Board. These rules provide the Committee with certain discretions which serve to ensure that the implementation of the Policy is fair, both to the individual Executive Director and to Shareholders. The Committee also has discretion to set components of remuneration within a range, from time to time. The extent of such discretion is set out in the relevant rules. To ensure the efficient administration of the annual bonus and LTIP, the Committee will apply certain operational discretions. These include, but are not limited to, the following:

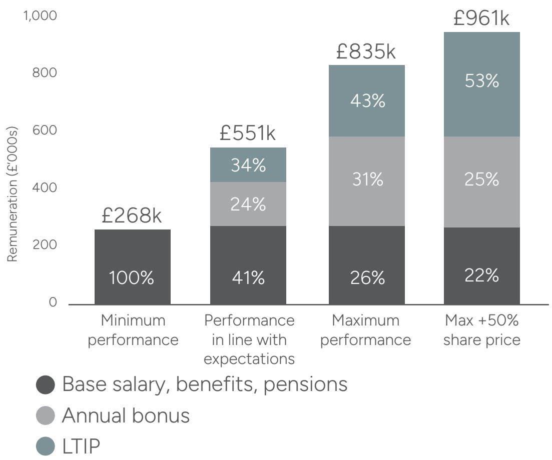
- Selecting the participants in the plans;
- Determining the timing of grants of awards and/or payments;
- Determining the quantum of awards and/or payments (within the limits set out in the Policy);
- Determining the choice of (and adjustment of) performance measures and targets for each incentive plan in accordance with the Policy and the rules;
- Determining the extent of vesting based on the assessment of performance and discretion relating to measurement of performance in certain events such as a change of control or reconstruction;
- Overriding formulaic annual bonus and LTIP vesting outcomes, taking account of overall or underlying Company performance;
- Whether malus and clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which they shall be applied;
- Making appropriate adjustments required in certain circumstances, for instance for changes in capital structure;
- Determining "good leaver" status for incentive plan purposes and applying the appropriate treatment; and
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus and LTIP award, where applicable, from year to year.

Illustrations of Applications of the Remuneration Policy for FY25

Rob Parker
CEO



Stephen Hopson
CFO



Directors' Remuneration Report
continued

In illustrating the potential reward for 2025, assumptions have been made as detailed below.

	Fixed Pay	Annual Bonus	LTIP
Minimum performance	Fixed elements of remuneration only – base salary (being the salary as of 1 October 2024), benefits as disclosed in the single figure table on page 125 for the year FY24 and pension of 5% of salary.	No bonus.	No LTIP vesting.
Performance in line with expectations		62.5% of salary awarded for achieving target performance across both financial and non-financial measures.	50% of maximum award vesting (equivalent to 50% of salary) for achieving target performance.*
Maximum performance		125% of salary awarded for achieving maximum performance across both financial and non-financial measures.	100% of maximum award vesting (equivalent to 100% of salary) for achieving maximum performance.*
Maximum performance plus share price growth		125% of salary awarded for achieving maximum performance across both financial and non-financial measures. (A share-based bonus would be worth more if share price growth occurred).	100% of maximum award vesting for achieving maximum performance plus an assumption for share price growth (50% increase).

* LTIP awards are included in these scenarios at face value with no share price movement included

Non-executive Directors

Purpose and Link to Strategy	Approach of the Company
Set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience.	Fees are normally reviewed annually. Fees paid to Non-executive Directors for their services are approved by the Board. Fees may include a basic fee and additional fees for further responsibilities (for example, chairing the Board Committees, holding the office of SID, other additional responsibilities, or a temporary increase in time commitment). Fees are based on the level of fees paid to Non-executive Directors serving on the boards of similar-sized UK listed companies and the time commitment and contribution expected for the role. Typically, any fee increase will be in line with the wider workforce. Fee increases may be awarded above this level in certain circumstances such as (but not limited to): • where there has been a change in market practice; • where there has been a change in the size and complexity of the Company; or • where there has been an increase in the Non-executive Director's time commitment to the role. Overall, fees paid to Non-executive Directors will remain within the limits set by the Company's Articles of Association. Non-executive Directors cannot participate in any of the Company's share incentive schemes and are not eligible to join the Company's pension scheme. Non-executive Directors may be eligible to receive benefits such as the use of secretarial support, travel costs (including any tax incurred thereon) or other benefits that may be appropriate.

Approach to Recruitment Remuneration

The Policy aims to facilitate the appointment of individuals of sufficient calibre to lead the business and execute the Strategy effectively for the benefit of Shareholders. When appointing a new Executive Director, the Committee seeks to ensure that arrangements are in the best interests of the Company and not to pay more than is appropriate.

The Committee will take into consideration a number of relevant factors, which may include the calibre of the individual, the candidate's existing remuneration package, and the specific circumstances of the individual including the jurisdiction from which the candidate was recruited.

When appointing a new Executive Director, the Committee will typically align the remuneration package with the above Policy for existing Directors. The Committee may include other elements of pay that it considers are appropriate; however, this discretion is capped and is subject to the principles and the limits referred to below.

- Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. For new Executive Director hires, the Committee has the flexibility to set the salary at a below-market level initially and to realign it over the following years as the individual gains experience in the role. In exceptional circumstances, the Committee may agree to pay above-market levels to secure or retain an individual who is considered by the Committee to possess significant and relevant experience that is critical to the delivery of the Group's Strategy.
- Benefits will be provided in line with the above Policy.

The pension contribution (or cash allowance in lieu thereof) will be set in line with the maximum rate provided to other below-Board colleagues (which is currently 5%).

Other elements may be included in the following circumstances:

- an interim appointment being made to fill an Executive Director role on a short-term basis;
- if exceptional circumstances require that the Chair or a Non-executive Director takes on an executive function on a short-term basis;
- if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance; and
- if the Executive Director will be required to relocate in order to take up the position, it is the Company's Policy to allow reasonable relocation, travel, and subsistence payments. Any such payments will be at the discretion of the Committee and may include sums to cover the tax payable thereon.

The Committee may also alter the performance measures, performance period and vesting period of the annual bonus and deferred bonus, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the following Directors' Remuneration Report.

The maximum level of variable remuneration that may be granted (excluding "buyout" awards as referred to below) is 325% of salary.

The Committee may make payments or awards in respect of appointing an Executive Director to "buyout" remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of relevant factors, including any performance conditions attached to the forfeited arrangements and the time over which they would have vested.

The Committee will generally seek to structure buyout awards or payments on a like-for-like basis to the remuneration arrangements forfeited. Any such payments or awards are limited to the expected value of the forfeited awards. Where considered appropriate, such special recruitment awards will be liable to forfeiture or "malus" and/or "clawback" on early departure.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary, and subject to the limits referred to above, buyout awards may be granted outside of these plans as permitted under section 9.3.2 (2) of the Listing Rules, which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue according to the original terms.

Fees payable to a Chair or Non-executive Director will be in line with the Fee Policy in place at the time of appointment.

Service Contracts

It is the Company's Policy that Executive Directors are offered permanent contracts of employment with no more than a 12-month notice period. Under an event of contract termination, any severance payment would be subject to negotiation but would take the length of service and prevailing notice period into account.

Company Policy also states that Non-executive Directors should have contracts of services with an indefinite term providing for a maximum of six months' notice. The role of Chair is also Non-executive, with an indefinite term contract and a maximum of six months' notice.

Directors' Remuneration Report
continued

These contracts are available for inspection, upon request from the Company Secretary, at the Group's registered office.

In accordance with the Code, all Directors offer themselves for annual re-election by Shareholders. The date of appointment of each Non-executive Director who served during the year is set out in the table below.

Non-executive Director	Original Date of Appointment to Board	Date of Letter of Appointment	Total Length of Service
Paul Forman	01/07/2023	17/05/2023	1 years and 3 months
Keith Down	02/02/2015	02/02/2015	9 years and 8 months
Diana Breeze	01/02/2021	23/11/2020	3 years and 8 months
Kari Daniels	01/04/2021	23/11/2020	3 years and 6 months
Denise Jagger	01/02/2024	21/11/2023	0 years and 8 months

Martin Payne joined the Board on 01/10/24 and as such is not included in the table of Non-executive Directors that served during the year.

Payments for Loss of Office

The principles on which the determination of payments for loss of office will be approached are set out below:

	Policy	
Payment in lieu of notice	The Company has discretion to make a payment in lieu of notice. Such a payment would be calculated by reference to basic salary and shall include compensation for any employer pension contributions for the unexpired period of notice. The payment may also include compensation for benefits and pension for the period. If the participant is terminated within six months of a change of control, the payment in lieu, (as defined in the service agreement) shall include any bonus or commission payments, contractual benefits, and holiday entitlement they would have received during the period for which the payment in lieu is made.	
Annual bonus	**"Bad leaver"** Annual bonus awards will normally lapse in their entirety in the event an individual is no longer employed or serving their notice period at the time of pay-out. Unvested deferred bonus awards held by leavers will ordinarily be forfeited on cessation of employment.	**"Good leaver"** If the participant leaves due to death, illness, injury, disability, redundancy, sale of their employer or other reasons at the discretion of the Committee, a bonus may become payable at the discretion of the Committee. Where the bonus is payable, the Committee retains discretion as to whether it is prorated by reference to the period worked during the year, or whether all is payable in cash, or whether part of it is deferred either in cash or as deferred bonus awards. Deferred bonus awards held by leavers will ordinarily vest on the normal timetable. The Committee can permit early vesting at its discretion. Shares acquired under deferred bonus awards will ordinarily continue to be subject to the post-employment shareholding requirement unless the Committee determines otherwise at its discretion.

	Policy	
LTIP	**"Bad leaver"** Unvested LTIP awards held by leavers will ordinarily be forfeited on cessation of employment.	**"Good leaver"** If the participant leaves due to death, illness, injury, disability, redundancy, sale of their employer or any other reason at the discretion of the Committee, any unvested awards will ordinarily continue to be capable of vesting at the normal vesting date (or, exceptionally and at the Committee's discretion, at an earlier date). In either case, the extent of vesting will be determined by the Committee taking into account the extent to which the performance condition is satisfied and, unless the Committee determines otherwise, subject to prorating by reference to the period of time elapsed from the start of the performance period to the date of cessation relative to the full performance period (although the Committee may disapply (in full or in part) time prorating if it considers it appropriate to do so). Where the Committee determines that awards shall vest at the date of cessation, performance shall be assessed on such basis as the Committee considers appropriate over the curtailed performance period. Once vested, awards held by leavers may then be exercised during such period as the Committee determines. The post-vesting holding period for LTIP awards granted from the date of the AGM in January 2020 onwards, and the post-employment shareholding requirement for awards granted on or after 1 October 2023, will ordinarily continue to apply irrespective of employment status unless the Committee determines otherwise at its discretion. Awards that have already vested at the date of cessation may be exercised for such period as the Committee determines.
Mitigation	The Committee's practice is that if an Executive Director's employment is terminated, any compensation payment will be calculated in accordance with normal legal principles, including the application of mitigation to the extent appropriate to the circumstances of the termination.	
All colleague share plans	Payments may be made either in the event of a loss of office or a change of control under the all colleague share plans, which are governed by the rules and the legislation relating to such tax-qualifying plans. There is no discretionary treatment for leavers or on a change of control under these schemes. In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees.	
Post-cessation shareholding requirements	LTIP awards granted after the AGM in January 2020 will be subject to their applicable post-vesting holding period and awards (if any) retained on departure will not ordinarily be accelerated. Deferred bonus and LTIP awards granted on or after 2 October 2022 will be subject to a two-year post-cessation shareholding requirement of 200% of salary (or the actual level of holding on departure, if lower). Shares purchased by the Executives through their own funds (or which have been acquired through the vesting of earlier LTIP grants) will not be subject to the post-cessation shareholding requirement.	

Where a buyout award is made under section 9.3.2 (2) of the Listing Rules, then the leaver provisions would be determined at the time of the award.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing contractual, statutory or legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

Where the Committee retains discretion, it will be used to provide flexibility in certain situations, taking into account the particular circumstances of the Director's departure and performance. Where applicable, the Committee may impose additional conditions on the vesting or exercise of incentive awards as appropriate, taking into account the circumstances of the Executive's departure.

There is no entitlement to any compensation in the event of a Non-executive Director's appointment being terminated.

Treatment on a Change of Control or Other Corporate Events

The extent to which unvested deferred bonus and LTIP awards will vest on a change of control or other corporate events will be determined in accordance with the rules of the deferred bonus and LTIP scheme.

Deferred bonus and LTIP awards will normally vest early on a takeover, merger, winding-up or other relevant corporate event. The Committee will determine the level of vesting of LTIP awards taking into account the extent to which the performance conditions are satisfied over the curtailed performance period (on such basis as the Committee determines appropriate) and, unless the Committee determines otherwise, time prorating by reference to the period of time elapsed from the start of the performance period to the date of the relevant corporate event relative to the full performance period.

Alternatively, the Committee may provide that deferred bonus and LTIP awards shall be automatically exchanged for new awards over shares in another company (for example, an award over shares in the new holding company following an internal reorganisation).

The Committee may adjust the number of shares under any deferred bonus and LTIP award, or the performance conditions applicable to such awards, in the event of a variation in the share capital of the Company or on the occurrence of any other events (such as a demerger or rights issues) that impact the Company's share price.

A full or pro rata time-based bonus may be awarded on a change of control, and this may be paid either at the time of the change of control or on the normal payment date, either in cash or in part cash part deferred shares at the Committee's discretion.

Existing Contractual Arrangements

The Committee retains discretion to make any remuneration payment or payment for loss of office outside the Policy in this report:

- where the terms of the payment were agreed before the Policy came into effect;
- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company; and
- to satisfy contractual commitments under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Policy for the Remuneration of Employees More Generally

Remuneration arrangements are determined throughout the Group based on the same principle that reward should be achieved for delivery of the business strategy and should be sufficient to attract, retain and motivate high-calibre employees.

When determining the remuneration arrangements for Executive Directors, the Committee takes into consideration, as a matter of course, the pay and conditions of employees throughout the Group. In particular, the Committee is kept informed on:

- salary increase for the general employee population;
- benefit and pension policies;
- overall spend on annual bonus; and
- participation levels in the annual bonus and share plans.

The Group has various ways of engaging colleagues collectively, as teams and one-to-one, which provide a forum for colleagues to express their views on the Company's Executive and wider colleague reward policies.

External Appointments

The Committee recognises that Executive Directors may be invited to become Non-executive Director in other companies and that these appointments can enhance their knowledge and experience to the benefit of the Company.

Subject to the pre-agreed conditions, and with the prior approval of the Board, each Executive Director is permitted to accept one appointment as a Non-executive Director in another listed company. The Executive Director is permitted to retain any fees paid for such service.

Statement of Consideration of Shareholder Views

The Committee is committed to an ongoing dialogue with Shareholders and welcomes feedback on Directors' remuneration. Prior to the current Policy being formally put to Shareholders at the AGM in January 2023, the Committee engaged with major Shareholders and institutional bodies setting out the proposals and rationale for the changes.

Annual Report on Remuneration

Single Figure Table (Audited Information)

The tables below detail the total remuneration receivable by each Director for the 52-week period ended 28 September 2024 and the 52-week period ended 30 September 2023.

2023/2024	Salary and fees £'000	Benefits £'000	Annual bonus £'000	LTIP £'000	Pension £'000	Other £,000	Total remuneration £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Executive Directors									
R Parker, CEO	**438**	**31**	**50**	–	**19**	–	**538**	**488**	**50**
S Hopson, CFO	**267**	**3**	**30**	–	**13**	–	**313**	**283**	**30**
Non-executive Directors									
P Forman	**135**	**1.5**	–	–	–	–	**136.5**	**136.5**	–
K Down	**54**	–	–	–	–	–	**54**	**54**	–
D Breeze	**51**	–	–	–	–	–	**51**	**51**	–
K Daniels	**48**	–	–	–	–	–	**48**	**48**	–
D Jagger	**32**	**0.5**	–	–	–	–	**32.5**	**32.5**	–

2022/2023	Salary and fees £'000	Benefits £'000	Annual bonus £'000	LTIP £'000	Pension £'000	Other £,000	Total remuneration £'000	Total fixed remuneration £'000	Total variable remuneration £'000
Executive Directors									
R Parker, CEO	420	31	308	116	21	1	897	473	424
S Hopson, CFO	240	3	176	58	12	4	493	259	234
Non-executive Directors									
D Shapland	136	3.5	–	–	–	–	139.5	139.5	–
P Forman	11	–	–	–	–	–	11	11	–
K Down	51	–	–	–	–	–	51	51	–
D Breeze	48	0.5	–	–	–	–	48.5	48.5	–
K Daniels	45	0.5	–	–	–	–	45.5	45.5	–

Directors' Remuneration Report
continued

The figures in the single figure tables are derived from the following:

Salary and fees	The amount of salary/fees received in the relevant period.
Benefits	The taxable value of benefits received in the relevant period. These are, principally, life insurance, income protection, private medical insurance, company car or car allowance. In the case of the Non-executive Directors, taxable expenses are shown as being paid by way of benefits.
Pension	The pension figure represents the cash value of Company pension contributions paid to Stephen Hopson as part of the Company's defined contribution scheme and the cash supplement taken in lieu of contributions to the pension plan in respect of Rob Parker.
Annual bonus	The annual bonus earned in respect of the Period (where applicable) will have 70% of the total amount payable as a cash payment and 30% of the total amount payable deferred into shares for a two-year period. A description of performance against the objectives that applied for the relevant Period is provided on page 131.
LTIP	The LTIP figure for the period 2023/2024 represents the awards granted in December 2021. The vesting of these awards is based on Adjusted EPS for the financial year 2023/2024. No award vested under this scheme due to performance below the minimum required level. The LTIP figure for the period 2022/2023 represents the awards granted in December 2020. The vesting of these awards was based on Adjusted EPS for the financial year 2022/2023. This scheme vested at 26.9% based on an adjusted EPS of 4.49 pence. This resulted in 222,544 shares vesting to the CEO and 111,272 shares vesting to the CFO, which have been valued at a share price of 52 pence being the share price on the date of vesting. This has been re-stated from last year when the three-month average share price was used in accordance with the regulations to estimate the value awards before they vested.
Other	This includes the value of SAYE scheme options granted during the relevant Period.

Chief Executive Pay Ratio

The tables below compare the single total figure of remuneration for the Chief Executive with that of the Company's colleagues who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK colleague population, giving the ratios and underlying remuneration levels at those percentiles that were used to calculate the ratios.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY24	**Option A**	**23: 1**	**20:1**	**17:1**
FY23	Option A	39:1	34:1	27:1
FY22	Option A	36:1	31:1	23:1
FY21	Option A	36:1	32:1	23:1
FY20	Option A	23:1	21:1	16:1

	25th percentile	Median	75th percentile
Salary	£21,208	£24,606	£27,238
Total remuneration	£23,756	£26,725	£31,960

The remuneration figures used for the colleague at each quartile were determined using reference data on the 28 September 2024 for FY24. The Company chose Option A as this provides the most accurate method for calculating the CEO pay ratio. Option A determines a full-time equivalent ('FTE') for all relevant colleagues in the performance period across the three percentile groups.

There has been a decrease in the ratios this year (FY24) but this is reflective of the reduction from last year in pay-outs for the variable element of the CEO package, particularly LTIP and STIP. The approach to fixed pay remains in line with our approach to the wider workforce.

While none of the three colleagues identified at the 25th, 50th and 75th percentiles are eligible to receive LTIP awards, all three received a bonus within the year.

Individual Elements of Remuneration (Audited Information)

Base Salary and Fees

Base salaries for individual Directors are reviewed annually by the Committee and the Committee considered the base salary levels by reference to external benchmarks, facilitated by its remuneration adviser. In line with the Remuneration Policy, salaries are generally increased in line with any increase awarded to the wider workforce, which was 2%, effective from 1 October 2024. Accordingly, the CEO's salary moved to £450,077.

During the year, the CFO's role was enlarged and given additional responsibilities including in the Commercial Property area. The Committee took this change in role into account, together with the CFO's continued strong performance in role since his appointment in 2020, and decided to increase the CFO's base salary to £275,000 from January 2024, which would bring his salary closer to market levels. The CFO also received the 2% annual increase in line with the wider workforce and accordingly the CFO salary moved to £280,500 from October 2024.

	Base salary 1 October 2023	**Base salary 1 October 2024**	% increase
R Parker – CEO	£441,252	**£450,077**	2.0%
S Hopson – CFO	£252,000[1]	**£280,500**	2.0%[1]

1 The CFO's base salary was subject to an in-year increase to £275,000 as explained above. The % increase shown in the table reflects the increase applied at year-end in line with the increase applied to the rest of the workforce.

During the Period, there were no changes to the fees payable to Non-executive Directors other than the annual increase awarded to the wider workforce.

Details of the current Fee Policy for the Non-executive Directors are set out in the table below:

	Base salary 1 October 2023	**Base salary 1 October 2024**	% increase
Chair's fee	£135,795	**£138,511**	2.0%
Non-executive Directors' basic fee	£44,500	**£45,390**	2.0%
Additional fees			
Senior Independent Director	£7,000	**£7,000**	0%
Committee Chair (Audit, Nomination and Remuneration)	£7,000[1]	**£7,000**	0%
ESG Committee Chair	£3,500[2]	**£3,500**	0%
Employee Engagement Director	£3,500	**£3,500**	0%

Note: The Chair waived the Committee Chair's fee for the Nomination and Governance Committee

1 Due to one NED holding the roles of SID and audit chair it was agreed that the committee chair fees for the current incumbent, Keith Down, would be £10,000.

2 Effective from February 2024

Total Pension Entitlements

During the year, the Company pension benefit represented 5% of salary for the Executive Directors (amounts in excess of £10,000 taken as cash in lieu of contributions to the pension plan in the case of the CEO).

Annual Bonus (Audited Information)

For the Period, the maximum annual bonus opportunity was 125% of salary. To encourage behaviours that facilitate profitable growth and future development of the business, up to 70% of salary could be earned based on adjusted PBT performance and up to 30% of salary could be earned for the achievement of strategic business and ESG objectives to drive the delivery of the strategic plan. Aligned to the Remuneration Policy change last year, 30% of any bonus awarded will be deferred into shares for a period of two years for the Executive Directors.

Directors' Remuneration Report
continued

The following table sets out the performance outcome relative to targets and the resulting bonus pay-out to the Executive Directors for FY24.

Targets	Weighting	Threshold [2]	Target[3]	Stretch[4]	Actual Performance	Executive Director bonus earned as a percentage of salary[5]
Adjusted profit before tax[1]	87.5%	£12.0m	£14m	£16m	£6.3m	0%
Strategic objectives (37.5%):						
Sales growth from new business and initiatives (£m variance to PY)	9.4%	£4.0m	£8.0m	£12.0m	£7.0 m	1.88%
Customer satisfaction (OSAT)	9.4%	90.0%	91.5%	93.0%	91.2%	2.81%
Colleague retention (%)	9.4%	77.6%	79.6%	81.6%	81.0%	3.75%
Reduction in Group tile waste (%)	9.4%	4.0%	8.0%	12.0%	9.0%	2.81%
Total bonus earned						**11.25%**

1 Adjusted PBT as defined in the Financial Review section of this report
2 At threshold performance, 17.5% of the financial element would be paid out and 20% of the non-financial element would be paid out
3 At target performance, 50% of the financial element would be paid out and 60% of the non-financial element would be paid out
4 At stretch performance, 100% would be paid out
5 As outlined in the Director's Remuneration Report on page 112, the Committee exercised its discretion in the light of the financial performance to reduce the level of pay-out to the Executive Directors by 50% from 22.5% of salary to 11.25% of salary

Long-Term Incentives (Audited Information)

Awards Vesting in Respect of the Financial Year

Adjusted EPS 2023/2024	Percentage of the award that will vest
4.38 pence	10%
Greater than 4.38 pence but less than 6.39 pence	Determined between 10% and 50%
Greater than 6.39 pence but less than 7.85 pence	Determined between 50% and 100%
7.85 pence	100%

Adjusted EPS is defined as stated in the Company's accounts for the relevant financial period excluding exceptional items.

Final adjusted EPS was 2.4 pence and therefore no awards will vest under the scheme. The Committee has satisfied itself that this is appropriate in light of the Company's performance.

Awards Granted During the Financial Year (Audited Information)

For the 52-week period ended 28 September 2024, the following awards were granted to Executive Directors in December 2023.

	Type of award	Percentage of salary	Number of shares	Face value at grant[1]	% of award vesting at threshold	Performance period
R Parker	Nil-cost option	100%	908,300	£441,252	10%	3 years
S Hopson	Nil-cost option	100%	518,732	£252,000	10%	3 years

1 Valued using a share price of 48.58 pence based on the average three-day share price ending on 6 October 2023

The vesting of these awards will be based on adjusted EPS for the financial year FY26 (adjusted EPS 2026):

Adjusted EPS 2025/2026	Percentage of the award that will vest
4.35 pence	10%
Greater than 4.35 pence but less than 6.26 pence	Determined between 10% and 50%
Greater than 6.26 pence but less than 7.65 pence	Determined between 50% and 100%
7.65 pence	100%

These targets were based on adjusted profit before tax of between £12.5 million and £20 million for the financial year 2025/2026, excluding exceptional items and subject to such adjustments as the Board in its discretion determines are fair and reasonable.

Notwithstanding the EPS 2026 target above, the extent to which the awards will vest will be subject to the Committee's assessment of the quality of earnings over the performance period. The Committee may reduce the extent to which the award would otherwise vest if the Committee determines that the EPS for 2026 achieved is not consistent with the Company's overall underlying financial performance, taking into account such factors as the Committee considers appropriate, including market share, margin performance, net debt, overall returns to Shareholders and Shareholder value creation.

Long-Term Incentives for FY25

LTIP Awards

The maximum LTIP opportunity will remain at 100% of salary, with the percentage of the award vesting for threshold performance remaining at 10% of salary.

The vesting of these awards will be based on Adjusted EPS for the financial year 2026/2027 (Adjusted EPS 2027).

The Remuneration Committee considers that the stretch target is challenging in the light of the growth environment and current business expectation.

Adjusted EPS 2026/2027	Percentage of the award that will vest
3.48 pence	10%
Greater than 3.48 pence but less than 7.67 pence	Determined on a straight-line basis between 10% and 50%
7.67 pence	100%

These targets are based on an Adjusted PBT of between £10.0 million and £22.0 million for the financial year 2026/2027, excluding exceptional items and subject to such adjustments as the Board in its discretion determines are fair and reasonable.

EPS is defined as stated in the Company's accounts for the relevant financial period excluding exceptional items and subject to such adjustments as the Board, in its discretion, determines are fair and reasonable.

Notwithstanding the EPS 2027 target above, the extent to which the awards will vest will be subject to the Committee's assessment of the quality of earnings over the performance period. The Committee may reduce the extent to which the award would otherwise vest if the Committee determines that the EPS for 2027 achieved is not consistent with the Company's overall underlying financial performance, taking into account such factors as the Committee considers appropriate, including market share, margin performance, net debt, overall returns to Shareholders and Shareholder value creation.

Directors' Remuneration Report
continued

All Colleague Share Plans

The Executive Directors may participate in the Company's all colleague share plans, the Topps Tiles Plc SAYE Scheme ('SAYE Scheme') and the Topps Tiles Plc Share Incentive Plan ('SIP'), on the same basis as other colleagues.

The SAYE Scheme provides an opportunity to save a set monthly amount (currently up to £500) over three years towards the exercise of a discounted share option, which is granted at the start of the three years. The SIP provides an opportunity for colleagues to buy shares from their pre-tax remuneration up to the limit permitted by the relevant tax legislation (currently £1,800 per year). No matching shares are awarded.

Options and awards under these plans are not subject to performance conditions. No awards were granted in 2023/2024 and the role of the scheme is currently under review due to low participation from colleagues and high administration costs.

Statement of Directors' Shareholding and Share Interests (Audited Information)

In order to further align the Executive Directors' long-term interests with those of Shareholders and in accordance with the Remuneration Policy, the Committee introduced shareholding guidelines, effective from the 2017 AGM and revised effective from the 2020 AGM, which required that Executive Directors build up a shareholding of 200% of salary. The table below sets out the number of shares held, or potentially held, (including by connected persons where relevant) as of 28 September 202

	Shareholding guidelines	Shareholding (as % of salary)
R Parker	200%	130 %
S Hopson	200%	27%

The interests of each Executive Director of the Company as of 28 September 2024 were as follows:

	Shares		Options					
Directors	Shares owned (as at 30 September 2023)	Total shares owned (as of 28 September 2024)	Type	Options exercised during the year	Vested but not exercised options	Unvested options, subject to performance conditions	Unvested options, not subject to performance conditions	Total options (as at 28 September 2024)
Executive Directors								
R Parker	965,280	965,280						
	n/a	–	LTIP	0	374,681	1,896,403	n/a	2,271,084
	n/a	–	SAYE	n/a	n/a	n/a	30,010	30,010
	n/a	–	STIP	0	n/a	n/a	108,744	108,744
S Hopson	–	–						
	n/a	–	LTIP	0	111,272	1,083,040	n/a	1,194,312
	n/a	–	SAYE	n/a	n/a	n/a	47,468	47,468
	n/a	–	STIP	0	n/a	n/a	108,744	108,744
Non-executive Directors								
P Forman	140,000	140,000		n/a	n/a	n/a	n/a	n/a
K Down	n/a	n/a		n/a	n/a	n/a	n/a	n/a
D Breeze	n/a	n/a		n/a	n/a	n/a	n/a	n/a
K Daniels	n/a	n/a		n/a	n/a	n/a	n/a	n/a
D Jagger	n/a	n/a		n/a	n/a	n/a	n/a	n/a
M Payne	n/a	n/a		n/a	n/a	n/a	n/a	n/a

Note: Directors' shareholdings include shares held by their closely associated persons where relevant

Between 28 September 2024 and the date of this report, Martin Payne, a Non-executive Director, purchased 25,000 shares. There were no other changes.

Payments Made to Former Directors During the Period (Audited Information)

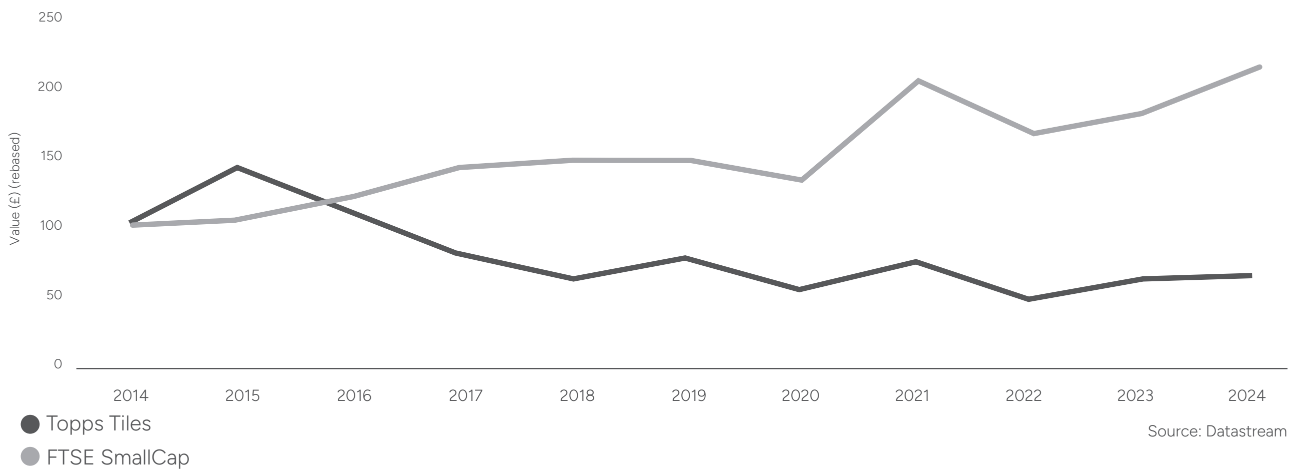
No payments were made to former Directors during the Period.

Payments for Loss of Office Made During the Period (Audited Information)

No payments for loss of office were made in the Period to any Director of the Company.

Performance Graph

The graph below shows the TSR performance for the Company's shares in comparison to the FTSE SmallCap Index for the ten years to 28 September 2024. For the purposes of the graph, TSR has been calculated as the percentage change during the ten-year period in the market price of the shares, assuming that dividends are reinvested. The graph shows the value, by the end of the 2023/2024 financial year, of £100 invested in the Group over the last ten financial years compared with £100 invested in the FTSE SmallCap Index, which the Directors believe is the most appropriate comparative index, given the nature of the index and the companies within it.



Historical Chief Executive Remuneration Outcomes

The table below shows details of the total remuneration and annual bonus and LTIP vesting (as a percentage of the maximum opportunity) for the Chief Executive over the last ten financial years.

	Total remuneration £'000	Annual bonus as a % of maximum opportunity	LTIP as a % of maximum opportunity
52-week period ended 28 September 2024	**538**	**11.25%**	**0%**
52-week period ended 30 September 2023	897	58.7%	26.9%
52-week period ended 1 October 2022	736	48%	25%
52-week period ended 2 October 2021	673	55%	–
52-week period ended 26 September 2020	403	–	–
52-week period ended 28 September 2019	541	16%	–
52-week period ended 29 September 2018	538	14%	–
52-week period ended 30 September 2017	765	9%	87%
52-week period ended 2 October 2016	1,180	67%	100%
52-week period ended 3 October 2015	2,027	83%	100%

Directors’ Remuneration Report
continued

Directors’ Pay Annual Change in Relation to All Colleagues

The table below sets out in relation to salary, taxable benefits, and annual bonus the percentage change in remuneration for all Directors compared to the wider workforce. For these purposes, the wider workforce includes all colleagues in the Group.

	FY24 vs FY23			FY23 vs FY22			FY22 vs FY21			FY21 vs FY20		
Percentage change	**Salary**	**Taxable benefits**	**Annual bonus**	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus
Executive Directors												
R Parker	**4.3%**	**0%**	**(83.8)%**	1.9%	(26.2)%	55.6%	1.0%	35.5%	(10)%	14.3%	3.4%	n/a
S Hopson	**11.3%**	**0%**	**(83.0)%**	9.1%	(81.3)%	66.0%	17.6%	6.7%	(1.0)%	n/a	n/a	n/a
Non-executive Directors												
D Shapland[1]	**n/a**	**n/a**	**n/a**	2.3%	133.3%	n/a	0.7%	(33.0)%	n/a	7.5%	(25.0)%	n/a
K Down	**5.9%**	**n/a**	**n/a**	2.0%	n/a	n/a	2.0%	–	n/a	14.3%	–	n/a
D Breeze	**6.3%**	**(100)%**	**n/a**	2.1%	n/a	n/a	56.7%	–	n/a	n/a	n/a	n/a
K Daniels	**6.7%**	**(100)%**	**n/a**	2.3%	–	n/a	100.0%	–	n/a	n/a	n/a	n/a
P Forman[2]	**336.4%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D Jagger[3]	**n/a**	**n/a**	**n/a**									
Wider workforce	**5.8%**	**(14.4)%**	**(53.2)%**	7.4%	0.1%	6.5%	7.2%	15.6%	(3.5)%	19.4%	4.7%	89.1%

1 Left September 2023
2 Started July 2023
3 Started Feb 2024

Executive Directors’ Remuneration from External Non-executive Roles

During the Period, neither Rob Parker nor Stephen Hopson received remuneration from Non-executive roles.

Spend on Pay

The following table sets out the percentage change in dividends and the overall expenditure on pay (as a whole across the organisation):

	52-week period ended 28 September 2024	52-week period ended 30 September 2023	Percentage change
Dividends and share buybacks	**2.4 pence per share**	3.6 pence per share	(33.3)%
Overall expenditure on pay	**£60,173,000**	£61,052,000	(1.4)%

Consideration by the Directors of Matters Relating to Directors’ Remuneration

The Committee is composed of the Company’s Independent Non-executive Directors, Diana Breeze (Chair), Keith Down, Kari Daniels and Denise Jagger. The Company Secretary attends the meetings as secretary to the Committee.

The role of the Committee is to:

- Set and keep under review the Remuneration Policy for the Executive Directors and Chair;
- Determine the remuneration of the Executive Directors, members of the Executive Committee and Chair, including short-term and long-term incentives, in line with the Remuneration Policy;
- Recommend and monitor the level and structure of remuneration for senior management;
- Approve the design of and determine targets for performance-related pay schemes and approve the payments made under them;
- Review the design of all share incentive plans and for those in place and determine what awards will be made; and
- Oversee any major changes in colleague benefits structures throughout the Company or Group.

Attendees and Advisers

Other regular attendees at meetings are the Chair, the CEO, the HRD and the Committee's external advisers.

The CEO is consulted on the remuneration of those who report directly to him and of other senior management.

The Committee recognises and manages conflicts of interest when receiving views from Executive Directors and other attendees. No Director or colleague is present or takes part in discussions in respect of matters relating directly to their own remuneration.

The executive compensation business of Alvarez & Marsal ('A&M') has acted as an independent adviser since August 2020.

Adviser	Details of appointment	Fees paid by the Company for advice to the Committee and basis of charge	Other services provided to the Company in the 52-week period ended 28 September 2024
Alvarez & Marsal	Appointed by the Committee in August 2020	£46,315 (excluding VAT) Charged on a time/cost basis or fixed fee dependent on the nature of the project.	None

A&M is a signatory to the Remuneration Consultant's Code of Conduct, which requires their advice to be impartial, and A&M confirmed their compliance with the Code to the Committee. A&M has not carried out any other work for the Company during the year. Based on the above, the Committee is satisfied that the advice is independent and objective.

Statement of Voting at Last AGM

The following table sets out actual voting in respect of the resolution to approve the Directors' Remuneration Report at the Company's AGM on (18 January 2024), together with the last Policy vote held at the Company's AGM on 18 January 2023. For further information on resolutions at the last AGM please refer to the Corporate Governance section.

Resolution	Votes for	% of vote	Votes against	% of vote	Discretion	% of vote	Votes withheld
Approve Remuneration Report (2024 AGM)	101,269,664	63.33%	58,641,565	36.67%	–	–	32,886
Approve Remuneration Policy	97,890,037	61.16%	62,156,763	38.84%	–	–	47,412

Approval

This report was approved by the Board on 6 December 2024 and signed on its behalf by:

DIANA BREEZE
Chair of the Remuneration Committee

6 December 2024

Our Financials

Statements™ Geomantic™ Raval, Minton Hollins China Blue

Our Financials

Independent Auditor’s Report to the Members of Topps Tiles Plc

Opinion

We have audited the Financial Statements of Topps Tiles PLC (the ‘Company’) and its subsidiaries (the ‘Group’) for the year ended 28 September 2024 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, 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 their preparation is applicable law and UK-adopted international accounting standards and, as regards the Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Company Financial Statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 “Reduced Disclosure Framework”.

In our opinion,:

- the financial statements give a true and fair view of the state of the Group’s and of the Company’s affairs as at 28 September 2024 and of the Group’s loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 “Reduced Disclosure Framework”, as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Group and the 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 public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 audit procedures to evaluate the Directors’ assessment of the Group’s and the Company’s ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the Directors’ going concern assessment;
- Making enquiries of the Directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Group’s and the Company’s future financial performance;
- Challenging the appropriateness of the Directors’ key assumptions in their cash flow forecasts, as described in note 2B, by reviewing supporting and contradictory evidence in relation to those key assumptions;
- Assessing the impact of reasonably possible downside scenarios on the Group’s funding position including forecast financial covenants and their compliance over the going concern period. This included assessing under what circumstances the Group would require additional funding and determining whether such a scenario was likely to occur together with the viability of mitigating actions within the Directors’ control;
- Testing the accuracy and functionality of the model used to prepare the Directors’ forecasts;
- Assessing the historical accuracy of forecasts prepared by the Directors;
- Assessing and challenging key assumptions and mitigating actions put in place in response to macroeconomic and industry specific factors;
- Considering the consistency of the Directors’ forecasts with other areas of the Financial Statements and our audit; and
- Evaluating the appropriateness of the Directors’ disclosures in the Financial Statements on going concern and whether the disclosures sufficiently provide a full and accurate description of any identified risks or dependencies.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the 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.

In relation to Topps Tiles PLC's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Director's considered it appropriate to adopt the going concern basis of accounting.

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) 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.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter
Recoverability of store-based assets (Group) Refer to Note 2J (Accounting policies), Note 2V (critical accounting judgements and key sources of Estimation Uncertainty) and Note 14 (Leases) to the consolidated financial statements. As at 28 September 2024 the Group held right-of-use assets and property, plant and equipment subject to impairment review of £69.2 million (2023: £96.9 million). At each reporting date, an assessment is performed as to whether there are any indicators of impairment within property, plant and equipment and right-of-use assets in accordance with the requirements of IAS 36 "Impairment of Assets". The assessment considers both internal and external factors. Should indicators be identified then a more detailed exercise is conducted to assess those assets' recoverable amounts. In the current period, performance for the Group declined versus the prior period, leading to the Group concluding that an impairment review should be performed across the whole store estate, with newly opened stores assessed separately. This resulted in the recognition of an impairment charge of £17.1 million to right-of-use assets and £2.3 million for property, plant and equipment. For the purposes of impairment assessment, the Group determines each store to be a cash generating unit ("CGU"). Recoverable amounts are determined with reference to the value in use of individual stores using risk-adjusted forecasts that derive from the Board approved three-year plan. The forecasts include assumptions around cash flow forecasting, discount rates and the allocation of central costs. Our risk assessment has determined that the carrying value of store assets includes a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements overall.	Our audit procedures included, but were not limited to: • Gaining an understanding of the Group's accounting policy and considering its compliance with IAS 36; • Obtaining an understanding of the design and implementation of the key controls in the assessment of impairment indicators and the impairment review; • Assessing the mechanical accuracy of the impairment model; • Assessing the completeness and integrity of the data used in the impairment assessment; • Assessing whether the assumptions used in the forecasts, in particular growth rates, basis of allocating corporate costs and web sales, were in line with our knowledge of the business and the industry. This also involved assessing assumptions surrounding newly opened stores with less mature cashflow profiles; • Performing sensitivity analysis over cash flow assumptions and the discount rate to assess whether reasonably possible changes in key inputs lead to materially different outcomes; and • Reviewing and challenging the Group's disclosures regarding key estimates, the impairment review and the impact of any reasonably possible changes in assumptions on the level of impairment recognised. **Our observations** We are satisfied that the key assumptions utilised in the impairment review performed, as noted above, together with the associated disclosures within the financial statements are appropriate.

Independent Auditor's Report to the Members of Topps Tiles Plc continued

Key Audit Matter	How our scope addressed this matter
Inventory valuation (Group) Refer to Note 2K (Accounting policies), Note 2V (critical accounting judgements and key sources of Estimation Uncertainty) and Note 16 (Inventories) to the consolidated financial statements. As at 28 September 2024, the Group held inventories of £37.9 million (2023: £36.4 million) which represent a material asset within the balance sheet and there is a risk that inventories may not be valued at the lower of cost and net realisable value ('NRV') as prescribed by IAS 2 "Inventories". The Group provides against the carrying value of inventories when it is anticipated that NRV will be below cost. For the determination of provisions, inventories are classified into three categories being 'continuing', 'discontinued' and 'expected to be discontinued', the largest population provided for relates to discontinued stock. The Group has recorded an inventory provision of £3.6 million as at 28 September 2024 (2023: £2.2 million). Given that the determination of the provision requires significant estimation we consider this area to be a key audit matter. Specifically, as to whether the provisions held against the above categories of inventories are valued accurately and that inventories are carried at the lower of cost and expected sale proceeds.	Our audit procedures included, but were not limited to: • Gaining an understanding of the Group's accounting policy and considering its compliance with IAS 2; • Obtaining an understanding of the design and implementation of the key controls in the recording of the inventory provision; • Examining inventory write offs included within the Consolidated Statement of Profit or Loss during the financial period; • Reviewing the accuracy of past estimates of net realisable value by considering whether inventory held at the prior year end was sold at or above cost, or if at a loss that this was reflected in the provision held; • Obtaining and assessing the mechanical accuracy of the model including verifying the completeness and accuracy of input data; • Challenging and corroborating key assumptions applied by management in calculating the inventory provision; • Performing detailed substantive testing to assess the accuracy of management's current estimate of net realisable value by comparing cost to the current selling price; and • Reviewing and challenging the disclosures made by the Group in relation to the key estimates and the inventory provision. **Our observations** The results of our audit work were satisfactory, and we conclude that the level of inventory provision is appropriate.
Lease accounting (Group) Refer to Note 2N (Accounting policies), Note 2V (critical accounting judgements and key sources of estimation uncertainty) and Note 14 (Leases) to the consolidated financial statements. The Group has a significant leasing portfolio consisting of retail stores, warehouse properties and equipment. The right-of-use assets carrying value was £55.3 million as at 28 September 2024 (2023: £80.9 million) and the lease liability was £86.0m (2023: £94.5 million). The application of IFRS 16 "Leases" across a large estate is complex and gives rise to a significant risk of material misstatement. Lease information is held within a separate IT system and the input of source data into the system is largely manual. This financial statement area involves a significant element of judgement and estimation derived from the key assumptions of the lease term and the incremental borrowing rate used to discount the lease liability. Given the magnitude of the balances and as a result of the judgement and estimation involved we have designated this as a Key Audit Matter, focussing on the additions in the year, modifications, index linked rate reviews, disposals and judgements management have made in respect of lease terms.	Our audit procedures included, but were not limited to: • Gaining an understanding of the Group's accounting policy and considering its compliance with IFRS 16; • Performing a walkthrough of Group's process for identifying leases, inputting them into the lease software (Horizon) and calculating the right-of-use asset and lease liability, to assess the design and implementation of controls; • Agreeing the list of leases within Horizon to the listing maintained by the property team and the list of stores included on the Topps Tiles website to ensure completeness of the underlying data; • For new or modified leases, agreeing the critical terms of lease contracts on a sample basis to Horizon to confirm the accuracy of the data input; • Understanding and challenging the appropriateness of the key assumptions used by management in calculating lease liabilities, including the judgement taken on whether extensions or break clauses are to be exercised; • Recalculating the lease liability and right-of-use asset for a sample of new leases entered into during the period or for any lease modifications or remeasurements ensuring that the system is calculating the accounting impact for each lease accurately and in line with the requirements of IFRS 16; and • Reviewing and challenging the disclosures made by the Group in relation to key estimates and lease accounting. **Our observations** We are satisfied that the significant assumptions utilised in the valuation of the lease liabilities, as noted above, are appropriate. Our testing did identify some input errors in respect to our procedures around critical terms however no material exceptions were identified and we are satisfied that the valuation and accuracy of the lease liabilities and right of use assets is appropriate.

<table>
<tr><th>Key Audit Matter</th><th>How our scope addressed this matter</th></tr>
<tr><td>

Accounting for CTD Tiles acquisition (Group)

Refer to Note 2C (Accounting policies) and Note 18 (Business Combinations) to the consolidated financial statements.

On 19 August 2024 the Group acquired certain trade and assets of CTD Tiles ("CTD") for a cash consideration of £9.0m. This is disclosed in Note 28 of the financial statements with the accounting policy for Business Combinations in Note 2C.

There is a risk of material misstatement to the consolidated financial statements from the application of IFRS 3 "Business Combinations" and the related fair value measurement of the assets acquired, and liabilities assumed in accordance with IFRS 13 "Fair Value Measurement". The Group is yet to finalise the initial accounting and as permitted by paragraph 45 of IFRS 3, plans to review the provisional amounts recognised at the acquisition date in the subsequent period of accounts, including consideration of potential intangible assets.

As at 28 September 2024 the Group held £6.3m of goodwill in relation to the acquisition of CTD. Refer to Note 10 (Goodwill). A goodwill impairment assessment has been prepared by the Group in accordance with IAS 36 Impairment of Assets to ensure that the Value In Use of the CTD business exceeds the carrying value of the goodwill arising on acquisition.

We therefore identified the accounting for CTD and the carrying of any associated goodwill as a key audit matter with respect to the accuracy, valuation, presentation and classification of the relevant events.

On the 3 October 2024 the Competition and Markets Authority ("CMA") commenced an investigation into this transaction to determine whether there was a reduction of competition within the Group's market. The investigation is yet to be concluded as at the date of this report.

</td><td>

Our audit procedures included, but were not limited to:

- Obtaining an understanding of the design and implementation of the key controls in assessment of the acquisition accounting;
- Obtaining and reviewing management's accounting papers to assess whether the acquisition accounting and fair value adjustments, with reference to the Sale and Purchase Agreement, are appropriate and in accordance with the financial reporting framework;
- Challenging management's judgements and estimates in relation to fair value adjustments of the acquired inventory and property, plant and equipment together with any associated goodwill or other intangible assets arising from the acquisition.
- Reviewing and challenging whether the consolidated financial statement disclosures in relation to the acquisition were appropriate.
- In respect of the impairment assessment performed by management, we reviewed the impairment testing process implemented by management, based on a fair value less cost to sell valuation using a revenue multiple derived from a quoted comparable peer group. In addition, we tested the mathematical accuracy of the impairment model and with the assistance of our valuation experts we challenged key assumptions. This included testing the sensitivity of the impairment analysis to changes in key assumptions.

Our observations

We are satisfied that the key assumptions in the acquisition accounting are appropriate and are based on the best available information at the time of reporting. We are also satisfied that the goodwill carrying value reflected in the financial statements is appropriate and that the key assumptions used by management in their impairment assessment were considered reasonable.

</td></tr>
<tr><td>

Carrying value of subsidiary undertakings and intercompany receivables (Parent company)

Refer to note 2D and Note 2E (Accounting Policies), Note 4 (Investments) and Note 5 (Debtors) to the company financial statements.

The parent company holds £9.8 million in investments (2023: £9.4 million) and intercompany receivables of £222.7 million (2023: £200.2 million).

Annually the Company considers whether impairment indicators exist. Where such indicators are identified a more in-depth impairment review is conducted taking in to account the carry value of net assets of each investment or if the carrying value is not supported by the net assets of the investment management prepare a discounted cashflow forecast for each relevant subsidiary. Intercompany receivables are recovered through a groupwide repayment plan that demonstrates how each balance will be settled.

For the Company Financial Statements, this is considered to be the area that had the greatest focus in our overall audit and therefore has been designated as a Key Audit Matter.

</td><td>

Our audit procedures included, but were not limited to:

- Challenging the Company's impairment indicators assessment;
- Evaluating the investment carrying value for indicators of impairment by comparing the carrying amount, net of all intercompany balances, to the investment to the net assets of the relevant subsidiaries;
- Where the carrying value of the investment was not supported by the net assets of the subsidiary, examining the impairment review prepared by the Company.
- Challenging the assumptions such as growth rates, discount rates and underlying assumptions within the budgets which comprised discounted cashflow forecasts for each relevant subsidiary; and
- Considering the recoverability of all remaining intercompany receivables alongside the impairment review for investments.

Our observations

We are satisfied that the carrying values of the Company's investments in its subsidiaries and intercompany receivables to be acceptable.

</td></tr>
</table>

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual Financial Statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the Financial Statements as a whole. Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

Group materiality

Overall materiality	£1,200,000
How we determined it	0.5% of Total Revenue
Rationale for benchmark applied	Total revenue was selected as the basis for materiality. This is considered the primary measure by which stakeholders and the market evaluate the Group's performance, following the announcement of the new growth strategy, "Mission 365". This represents a change from the previous year, where materiality was based on adjusted profit before tax.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the Financial Statements exceeds materiality for the Financial Statements as a whole. We set performance materiality at £600,000, which represents 50% of overall materiality. In determining performance materiality, we considered the history of misstatements detected in previous years, current year trading performance and the effectiveness of the control environment.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £12,500 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Company materiality

Overall materiality	£513,000
How we determined it	1% net assets
Rationale for benchmark applied	The Company does not trade, with its main operations being that of a holding company, we believe that the net assets are the primary measure used by shareholders in assessing the performance of the entity and this is a widely accepted materiality benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the Financial Statements exceeds materiality for the Financial Statements as a whole. We set performance materiality at £256,000, which represents 50% of overall materiality. We determined performance materiality in line with that of the Group. We considered the history of misstatements detected in previous years, current year trading performance and the effectiveness of the control environment.
Reporting threshold	We agreed with the Directors that we would report to them misstatements identified during our audit above £12,500 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the Financial Statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the Directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the Financial Statements as a whole. We used the outputs of our risk assessment, our understanding of the Group and the Company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all Financial Statement line items.

Our Group audit scope included an audit of the Group and the Company Financial Statements. Based on our risk assessment, four components were subject to full scope audit performed by the group audit team while one component was subject to specified procedures at Group level.

The components within the scope of our work accounted for 99% of the Group's revenue, 96% of Group's loss before taxation, 100% of the Group's total assets and 100% of the Group's net assets.

The Group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

We also considered the reporting of the impact of climate change on the Group, where appropriate (for example on the determination of useful economic lives of assets or consideration of climate change within future cash flow forecasts for asset impairments).

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the:

- Strategic Report or the Directors' Report; or
- information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

Independent Auditor's Report to the Members of Topps Tiles Plc continued

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company Financial Statements and the part of the Directors' Remuneration Report to be audited 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; or
- a corporate governance statement has not been prepared by the Company.

Corporate governance statement

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

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on pages 74 and 75;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on pages 74 and 75;
- Directors' statement on fair, balanced and understandable, set out on page 99;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 92;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 92; and;
- The section describing the work of the audit committee, set out on pages 94 to 99.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 110, 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and the Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the Financial Statements: employment regulation, health and safety regulation, anti-money laundering regulation, consumer rights laws and data protection.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the Company, the industry in which they operate, and the structure of the Group, and considering the risk of acts by the Group and the Company which were contrary to the applicable laws and regulations, including fraud;

- Inquiring of the Directors, management and, where appropriate, those charged with governance, as to whether the Group and the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities;
- Reviewing minutes of Directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the Financial Statements, such as tax legislation, pension legislation, and the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the Financial Statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion for transactional data and occurrence for manual journal postings), and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing;

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the members on 18 January 2023 to audit the Financial Statements for the year ending 30 September 2023 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ending 30 September 2023 to 28 September 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting our audit.

Our audit opinion is consistent with our additional report to the audit committee.

Use of the Audit Report

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

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules, these Financial Statements will form part of the electronic reporting format prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct. This auditor's report provides no assurance over whether the annual financial report will be prepared using the correct electronic format.

JENNIFER BIRCH
(Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Two Chamberlain Square
Birmingham
B3 3AX

6 December 2024

Consolidated Statement of Profit or Loss

For the 52 weeks ended 28 September 2024

	Notes	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Group revenue	3	**251,756**	262,714
Cost of sales		**(117,434)**	(123,466)
Gross profit		**134,322**	139,248
Distribution and selling costs		**(93,426)**	(93,573)
Other operating expenses		**(5,918)**	(6,846)
Administrative costs		**(19,492)**	(21,493)
Marketing and online costs		**(7,944)**	(6,582)
Property related impairments*	12, 14	**(19,360)**	(227)
Other income	14	**401**	579
Group operating (loss)/profit		**(11,417)**	11,106
Finance income	6	**665**	408
Finance costs	6	**(5,480)**	(4,699)
(Loss)/profit before taxation	4	**(16,232)**	6,815
Taxation	7	**3,412**	(2,896)
(Loss)/profit for the period		**(12,820)**	3,919
(Loss)/profit is attributable to:			
Owners of Topps Tiles Plc		**(13,033)**	3,206
Non-controlling interests		**213**	713
		(12,820)	3,919

All results relate to continuing operations of the Group.

* In the prior period, Property related impairments were included within Distribution and selling costs.

Earnings per ordinary share:	Notes	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
– Basic	9	**(6.63p)**	1.63p
– Diluted	9	**(6.63p)**	1.61p

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 28 September 2024

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
(Loss)/profit for the period	**(12,820)**	3,919
Total comprehensive (loss)/income for the period is attributable to:		
Owners of Topps Tiles Plc	**(13,033)**	3,206
Non-controlling interests	**213**	713
	(12,820)	3,919

Consolidated Statement of Financial Position

As at 28 September 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Goodwill	10	**8,365**	2,101
Intangible assets	11	**4,161**	4,755
Property, plant and equipment	12	**17,328**	19,306
Deferred tax assets	15	**4,461**	68
Right-of-use assets	14	**55,325**	80,921
Other financial assets	14	**1,653**	1,847
		91,293	108,998
Current assets			
Inventories	16	**37,850**	36,351
Other financial assets	14	**210**	327
Trade and other receivables	17	**13,350**	5,284
Current tax debtor		**1,015**	–
Derivative financial instruments	21	–	74
Cash and cash equivalents	18	**23,682**	23,368
		76,107	65,404
Total assets		**167,400**	174,402
Current liabilities			
Trade and other payables	20	**(57,463)**	(45,066)
Lease liabilities	14	**(14,584)**	(15,649)
Derivative financial instruments	21	**(378)**	–
Current tax liabilities		–	(368)
Provisions	22	**(714)**	(5,865)
		(73,139)	(66,948)
Net current assets/(liabilities)		**2,968**	(1,544)
Non-current liabilities			
Lease liabilities	14	**(71,381)**	(78,853)
Provisions	22	**(2,299)**	(2,213)
Bank loans	19	**(14,996)**	–
Total liabilities		**(161,815)**	(148,014)
Net assets		**5,585**	26,388
Equity			
Share capital	23	**6,556**	6,556
Share premium	24	**2,636**	2,636
Own shares	25	**(7)**	(112)
Merger reserve	29	**(399)**	(399)
Share-based payment reserve	30	**6,349**	6,035
Capital redemption reserve	31	**20,359**	20,359
Accumulated losses		**(29,909)**	(11,869)
Capital and reserves attributable to owners of Topps Tiles Plc		**5,585**	23,206
Non-controlling interests	32	**–**	3,182
Total equity		**5,585**	26,388

The accompanying notes are an integral part of these financial statements.

The financial statements of Topps Tiles Plc, registered number 3213782, on pages 144 to 185 were approved by the Board of Directors and authorised for issue on 6 December 2024. They were signed on its behalf by:

ROB PARKER
STEPHEN HOPSON
Directors

Consolidated Statement of Changes in Equity

For the 52 weeks ended 28 September 2024

	Share capital (note 23) £'000	Share premium (note 24) £'000	Own shares (note 25) £'000	Merger reserve (note 29) £'000	Share-based payment reserve (note 30) £'000	Capital redemption reserve (note 31) £'000	Accumu-lated losses £'000	Non-controlling interest (note 32) £'000	Total equity £'000
Balance at 1 October 2022	6,556	2,636	(415)	(399)	5,162	20,359	(7,319)	2,469	29,049
Profit and total comprehensive income for the period	–	–	–	–	–	–	3,206	713	3,919
Dividends	–	–	–	–	–	–	(7,462)	–	(7,462)
Own shares issued in the period	–	–	303	–	–	–	(303)	–	–
Credit to equity for equity-settled share-based payments	–	–	–	–	873	–	–	–	873
Current tax on share-based payment transactions	–	–	–	–	–	–	1	–	1
Deferred tax on share-based payment transactions	–	–	–	–	–	–	8	–	8
Balance at 30 September 2023	**6,556**	**2,636**	**(112)**	**(399)**	**6,035**	**20,359**	**(11,869)**	**3,182**	**26,388**
(Loss)/profit and total comprehensive loss for the period	–	–	–	–	–	–	(13,033)	213	(12,820)
Dividends	–	–	–	–	–	–	(7,077)	(1,111)	(8,188)
Transfer on acquisition of non-controlling interest	–	–	–	–	–	–	2,284	(2,284)	–
Own shares purchased in the period	–	–	(105)	–	–	–	–	–	(105)
Own shares disposed of on issue in the period	–	–	210	–	–	–	(210)	–	–
Credit to equity for equity-settled share-based payments	–	–	–	–	314	–	–	–	314
Deferred tax on share-based payment transactions	–	–	–	–	–	–	(4)	–	(4)
Balance at 28 September 2024	**6,556**	**2,636**	**(7)**	**(399)**	**6,349**	**20,359**	**(29,909)**	–	**5,585**

Consolidated Cash Flow Statement

For the 52 weeks ended 28 September 2024

	Notes	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Cash flow from operating activities			
(Loss)/profit for the period		**(12,820)**	3,919
Taxation	7	**(3,412)**	2,896
Finance costs	6	**5,480**	4,699
Finance income	6	**(665)**	(408)
Group operating (loss)/profit		**(11,417)**	11,106
Adjustments for:			
Depreciation of property, plant and equipment	12	**4,667**	5,024
Depreciation of right-of-use assets	14	**17,630**	18,157
Amortisation of intangible assets	11	**683**	767
Loss on disposal of property, plant and equipment		**160**	224
(Loss)/gain on sublease		**20**	(240)
Impairment of property, plant and equipment	12	**2,290**	91
Impairment of right-of-use assets	14	**17,094**	346
Gain on lease disposal		**(526)**	(100)
Share option charge	27	**314**	873
Increase in earn out liability and other provisions (excluding CTD acquired balances)	22	**3,394**	4,264
Non-cash loss on derivative contracts	21	**452**	444
Cash generated from operations before movements in working capital, tax and interest		**34,761**	40,956
(Increase)/decrease in trade and other receivables		**(8,066)**	761
Decrease in inventories (excluding CTD acquired balances)		**670**	2,255
Increase in payables		**12,344**	1,079
Cash generated from operations before tax and interest		**39,709**	45,051
Interest paid on borrowings		**(666)**	(161)
Interest received on operational cash balances		**610**	305
Interest element of lease liabilities paid	14	**(4,731)**	(4,176)
Settlement of earn out liability and other provisions	22	**(8,838)**	(484)
Taxation paid		**(2,314)**	(3,301)
Net cash generated from operating activities		**23,770**	37,234
Investing activities			
Interest received on sublease assets	14	**55**	58
Receipt of capital element of sublease assets		**467**	555
Purchase of property, plant and equipment (excluding CTD acquired balances)	12	**(4,193)**	(4,017)
Direct costs relating to right-of-use assets		**(188)**	(133)
Purchase of intangibles	11	**(89)**	(99)
Purchase of business	28	**(9,000)**	–
Proceeds on disposal of property, plant and equipment		**–**	25
Net cash used in investment activities		**(12,948)**	(3,611)
Financing activities			
Payment of capital element of lease liabilities		**(17,059)**	(18,841)
Dividends paid	8	**(8,188)**	(7,462)
Financing arrangement fees		**(152)**	(200)
Purchase of own shares	25	**(105)**	–
Receipt on disposal of own shares		**–**	7
Proceeds from borrowings	19	**23,500**	–
Repayment of borrowings	19	**(8,504)**	–
Net cash used in financing activities		**(10,508)**	(26,496)
Net increase in cash and cash equivalents		**314**	7,127
Cash and cash equivalents at beginning of period		**23,368**	16,241
Cash and cash equivalents at end of period	18	**23,682**	23,368

Notes to the Financial Statements

For the 52 weeks ended 28 September 2024

1 General Information

Topps Tiles Plc is a public limited company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England under the Companies Act 2006. The address of the registered office is given on page 194. The nature of the Group's operations and its principal activity are set out in the Directors' Report on page 107.

These audited financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

Adoption of New and Revised Standards

In the current period, there were no new or revised standards and interpretations adopted that have a material impact on the financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards Adopted in Current Period

The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements; disclosure of accounting policies;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; definition of accounting estimates;
- Amendments to IAS 12 Income Taxes; deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 12 International Tax Reform Pillar Two Model Rules;
- IFRS 17 Insurance Contracts; original issue;
- IFRS 17 Insurance Contracts (Amendment); Initial Application of IFRS 17;
- IFRS 9 Financial Instruments; Comparative Information.

2 Accounting Policies

The principal accounting policies adopted are set out below.

A) Basis of Accounting

The financial statements of Topps Tiles Plc have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The following accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

B) Going Concern

At the time of approving the financial statements, the Board is required to formally assess that the business has adequate resources to continue in operational existence and as such can continue to adopt the going concern basis in preparing the financial statements. This assessment has been done over a period of three years, and therefore covers the requirement to consider going concern for a period of not less than 12 months from the date of signing the financial statements.

The business activities of the Group, its current operations, and factors likely to affect its future development, performance and position are set out in the Chair's Statement on pages 10 and 11, and in the Financial Review on pages 34 to 39. In addition, note 21 on pages 175 to 179 includes an analysis of the Group's financial risk management objectives, details of its financial instruments and foreign exchange hedging activities and its exposures to credit and liquidity risk. The Group has a formalised process of budgeting, reporting and review, and information is provided to the Board of Directors in order to allow sufficient review to be performed to enable the Board to ensure the adequacy of resources available for the Group to achieve its business objectives.

At the year end the Group had adjusted net cash of £8.7 million (comprising cash and cash equivalents of £23.7 million less revolving credit facility draw down of £15.0 million) with unutilised bank facilities with available funding of £15.0 million. This was a reduction in the adjusted net cash position of £23.4 million since the prior year end largely reflecting the purchase of the remainder of the shares in Pro Tiler Limited and the acquisition of certain assets from CTD Tiles Limited. Operating cash generation was positive during the year, with net cash generated from operating activities of £23.8 million (2023: £37.2 million).

2 Accounting Policies continued

When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline in sales vs the base scenario, and a more severe decline in sales effectively forming a reverse stress test. Both result in much lower sales and gross profit than the base scenario, resulting in worse profit and cash outcomes. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for more than one year, with sales in FY25 falling 10% year-on-year in both our Topps Tiles brand and Pro Tiler brand, as well as a one percentage point year-on-year decline in gross margins in FY25.

The more severe downside scenario represents a reverse stress-tested scenario to assess the amount of sales reduction required before the Group begins to approach covenant breach. Even in this scenario the group retains an adjusted net cash position. This scenario assumes both businesses only recover back to FY25 budgeted levels of sales and gross margins by FY27. This scenario also assumes that variable costs would reduce in line with sales and also includes direct mitigating cost reduction actions, which would be taken if such a downturn occurred. Within all of the scenarios, the Group has included an estimate of costs that will be required in the future to meet its goal of becoming net zero by 2030. The scenarios also include the cost impact from the recently announced changes in the National Living Wage (up 6.7% from April 2025) and the changes in both the secondary threshold and the rate of employers' national insurance contributions, which is estimated to drive almost £4 million of additional costs into the business on an annual basis from April 2025, of which c. £2m will impact the FY25 financial year.

The Group has already taken a number of actions to strengthen its liquidity over the recent years, and the scenarios start from a position of relative strength. The going concern analysis, prepared for the Board, outlined an additional range of mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, further savings on store colleague costs and central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend. The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenarios. In no scenario modelled does the Group breach covenant compliance.

The current lending facility, of £30.0 million, was refinanced in October 2022 and expires in October 2027.

In all scenarios, the Board has concluded that there is sufficient available liquidity, with no further utilisation of the current lending facility, and sufficient covenant headroom for the Group to continue to meet all of its financial commitments as they fall due for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Board continues to adopt the going concern basis in preparing the Financial Statements.

C) Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquisition and the equity interest issued by the Group in exchange for control of the acquisition. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except for items that fall within scope of the exceptions prescribed by IFRS 3.

D) Basis of Consolidation

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

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

E) Financial Period

The accounting period is drawn up to a Saturday within seven days of 30 September resulting in financial periods of either 52 or 53 weeks.

2 Accounting Policies continued

Throughout the financial statements, Directors' Report and Strategic Report, references to 2024 mean "at 28 September 2024" or the 52 weeks then ended; references to 2023 mean "at 30 September 2023" or the 52 weeks then ended.

F) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill of £15,080,000 written off to reserves under UK GAAP prior to 1998 has not been reinstated and will not be included in determining any subsequent profit or loss on disposal.

G) Revenue Recognition

Revenue is measured at the transaction price received or receivable and represents amounts receivable for goods in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue from the sale of goods is recognised on the collection or delivery of goods, when all the following conditions are satisfied:

- the Group has satisfied its performance obligations to external customers, being the date goods are collected from store or received by the customers; and
- the customer has obtained control of the goods being transferred.

These conditions are met, predominantly, at the point of sale. The exceptions to this are for: goods ordered in advance of collection, where revenue is recognised at the point that the goods are collected; sales of goods that result in award credits for customers (see below); and web sales, where revenue is recognised at the point of delivery.

Sales of goods that result in award credits for customers, under the Company's Trader Loyalty Scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value being the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction, but is deferred and recognised as revenue when the award credits are redeemed and the Company's performance obligations have been satisfied.

2 Accounting Policies continued

The level of sales returns is closely monitored by management, and as such, the Group holds a refund liability in the Consolidated Statement of Financial Position to provide for the expected level of returns. The expected level of returns is an estimate based on historic returns data, expressed as a percentage of sales, limited by an average total sales value for the number of days available to return goods, stated in the Company's return policies. This is constrained as described below. The sales value of the expected returns is recognised within Accruals, with the cost value of the goods expected to be returned recognised as a current asset within Inventories.

All elements of revenue that are considered variable, such as customer rebate arrangements and the Trader Loyalty Scheme, are recognised as revenue to the extent they are highly probable not to reverse.

H) Intangible Assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at the fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at costs less accumulated amortisation.

Costs that are directly associated with identifiable software products controlled by the Group, and that will generate economic benefits beyond one year are recognised as intangible assets. These intangible assets are stated at cost less accumulated amortisation and impairment losses, and are amortised over four years.

Brands acquired by the Group are stated at cost less amortisation and impairment losses, and are amortised over their useful economic life. The Pro Tiler brand has an expected useful economic life of ten years.

I) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets, less estimated residual value, over their estimated useful lives, on the following bases:

Freehold and long leasehold buildings	2% per annum on cost on a straight-line basis
Short leasehold land and buildings	over the period of the lease
Fixtures and fittings (which includes computer equipment)	over ten years on a straight-line basis, except for the following: four years for computer equipment on a straight-line basis or five years for display stands on a straight-line basis, as appropriate
Plant and machinery	over ten years on a straight-line basis
Motor vehicles	25% per annum on a reducing balance basis

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

J) Impairment of Tangible, Intangible and Right-of-Use Assets

At each period-end, the Group reviews the carrying amounts of its tangible, intangible and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. This includes considering the impact, if any, arising from climate change. Environmental leadership is built into the Group's overall Strategy and the impact of this is considered within current financial plans and forecasts.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2 Accounting Policies continued

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

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

K) Inventories

Inventories are stated at the lower of cost and net realisable value and relate solely to finished goods for resale, net of supplier rebates. Cost is derived using the average cost method and includes an attributable proportion of distribution overheads based on normal levels of activity. Net realisable value represents the estimated selling price, less costs to be incurred in marketing, selling and distribution. Provision is made for those items of inventory where the net realisable value is estimated to be lower than cost. The net replacement value of inventories is not considered materially different from that stated in the Consolidated Statement of Financial Position.

L) Taxation

The tax expense represents the sum of current tax and deferred tax.

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

2 Accounting Policies continued

M) Foreign Currency

The individual financial statements of each Group company are presented in pounds sterling (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of transactions. At each period-end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of profit or loss for the period.

N) Leases

Leases in which the Group is a lessee

The Group leases assets that consist of properties, vehicles and equipment. Rental contracts are typically made for fixed periods but may have extension options or break options to maximise operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of property leases the Group determines the lease term to be the full term of the lease, assuming that any option to break or extend the lease is unlikely to be exercised. The Group considers the lease term to be the non-cancellable period and in assessing this applies the definition of a contract and determines the period for which the contract is enforceable.

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases.

The Group has elected to take advantage of the following recognition exemptions and account for lease payments as an expense on a straight-line basis over the lease term, or another systematic basis for the following two types of leases:

- leases with a lease term of 12 months or less and containing no purchase options – this election is made by class of underlying asset; and
- leases where the underlying asset has a low value when new – this election can be made on a lease-by-lease basis.

For leases where the Group has not taken the short-term lease recognition exemption and there are any changes to the lease term or the lease is modified to change the scope of the lease by adding one or more assets for a commensurate increase in lease rentals, the Group accounts for the lease as a new lease.

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment comprises an element of capital and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option.

2 Accounting Policies continued

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

After lease commencement, the Group measures right-of-use assets using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. The lease liability is also remeasured to reflect changes in:

- the lease term (using a revised discount rate);
- the assessment of a purchase option (using a revised discount rate);
- the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); and
- future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).

The remeasurements are matched by adjustments to the right-of-use asset.

Lease modifications may also prompt remeasurement of the lease liability unless they are determined to be separate leases.

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

The capital element of payments related to leases are presented under cash flow from financing activities in the Consolidated Cash Flow Statement, and the interest element of payments presented under cash flow from operating activities.

Once the lease term ends, there is often a period of holdover while a new lease is agreed. This period ensures that the store can continue trading while new terms are discussed, however a lease negotiation does not guarantee that a new lease will be agreed. These holdover leases are assessed as short-term leases.

Leases in which the Group is a lessor

At lease inception, lessors will determine whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is considered to be the case, then the lease is recognised as a finance lease, if not then it is recognised as an operating lease. As part of this assessment, the Group considers certain factors such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption, then it classifies the sublease as an operating lease.

The Group recognises a small number of subleases as finance leases, resulting in recognition of a finance lease receivable, being equal to the net investment in the lease. The Group recognises finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

There will be no change to the accounting for the remaining subleases, which continue to be accounted for as operating leases, and income from these leases will continue to be recognised on a straight-line basis over the term of the lease.

2 Accounting Policies continued

O) Retirement Benefit Costs and Employee Profit Sharing

For defined contribution schemes, the amount charged to the statement of profit or loss in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Employee profit sharing costs are classified as distribution and selling costs, and administrative costs.

P) Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ('FVTPL'), financial assets "at fair value through other comprehensive income" ('FVOCI'), and financial assets carried at "amortised cost". The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial Assets At FVTPL

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. Transactional costs of financial assets carried at FVTPL are expensed in the Consolidated Statement of Profit or Loss. The Directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied, such as discounted cash flows and assumptions regarding market volatility. Financial assets at FVTPL are subsequently measured at fair value, with net gains and losses, including any interest or dividend income being recognised in profit or loss.

Trade and Other Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

Other receivables that have fixed or determinable payments that are not quoted in an active market are initially recognised at fair value and then carried at amortised cost, using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets and liabilities classified as at FVTPL.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost.

2 Accounting Policies continued

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for financial assets. For all other financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. The Group will write off, either partially or in full, the gross carrying amount of a financial asset when there is no realistic prospect of recovery. This is usually the case when it is determined that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances including credit card receipts not yet cleared and deposits. All cash equivalents have an original maturity of three months or less.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities that are classified as FVTPL relate to derivatives that are not designated and effective as a hedging instrument. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Other Financial Liabilities

Other financial liabilities, including trade and other payables as well as borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

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

Derivative Financial Instruments

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates.

The Group uses foreign exchange forward contracts to manage its foreign currency risk. The Group does not hold or issue derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies, approved by the Board of Directors, on the use of financial derivatives.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each period-end date. The resulting gain or loss is recognised in profit or loss immediately. The fair values are determined with reference to the market prices available from the market on which the instruments involved are traded.

2 Accounting Policies continued

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Q) Share-Based Payments

The Group issues equity-settled share-based payments to certain colleagues. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model.

The Group provides employees with the ability to purchase the Group's ordinary shares at 80% of the current market value through the operation of its Sharesave scheme. The Group records an expense, based on its estimate of the fair value at the grant date related to shares expected to vest on a straight-line basis over the vesting period.

R) Non GAAP Measures

Alternative Performance Measures ('APMs')

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive suitable APMs. As set out on pages 32 to 33, APMs are used as management believes these measures provide additional useful information on the trends, performance and position of the Group. These measures are used for performance analysis by the Board. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

Adjusted Profit Before Tax

Included within profit before taxation are certain items that are not deemed to be reflective of the underlying operating performance of the Group. The Group's management uses adjusted profit before tax as a performance measure, to plan for, control and assess the performance of the Group. Adjusted profit before tax excludes the effect of one-off, non-trading and volatile items, allowing stakeholders to understand results across years in a more consistent manner.

In determining whether an item should be presented as adjusted, the Group considers items that are significant either because of their size or their nature, and that are non-recurring or do not reflect the underlying trading performance of the Group.

S) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

T) Supplier Income

Amounts receivable from suppliers are initially held on the balance sheet within the cost of inventory and recognised within the income statement once the contractual terms of the supplier agreements are met and the corresponding inventory has been sold.

Volume rebates and price discounts are recognised in the income statement as a reduction in cost of sales.

U) Other Operating Expenses

Included within Other Operating Expenses is depreciation, amortisation and certain property related costs that relate to the operation of the Group's trading activities.

V) Critical Accounting Judgements and Key Sources Of Estimation Uncertainty

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

2 Accounting Policies continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgements

The key accounting judgements used in the financial statements are as follows:

Lease Terms

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options and break clauses, which can significantly affect the amount of lease liabilities and right-of-use assets recognised.

At the commencement date of a property lease the Group normally determines the lease term to be the full term of the lease, assuming that any option to break or extend the lease is unlikely to be exercised and it is not reasonably certain that the Group will continue in occupation for any period beyond the lease term.

For property leases, the key factors that are normally the most relevant are the profitability of the leased store, the future plans of the business and whether there are any penalties associated with exercising an option.

Key Sources of Estimation Uncertainty

The significant accounting estimates with a significant risk of material change to the carrying amounts of the assets and liabilities within the next financial period, are discussed below:

Inventory Provision

The Group provides against the carrying value of inventories where it is anticipated that net realisable value ('NRV') will be below costs. For the determination of NRV provisions inventories are classified into three broad categories, being continuing, discontinued and expected to be discontinued. The key estimate within the inventory provision relates to the lines that are expected to be discontinued within the coming financial year as well as an estimate around the write-off rate of said discontinued inventory, which is derived from historic experience. The gross carrying value of inventory categorised as expected to be discontinued is £1.5 million, against which a provision of £0.2 million has been recognised. The provisions held are based upon the experience of write-offs in the preceding financial year. Analysis has shown that once inventory is discontinued, the likelihood of write off significantly increases. For inventory identified as "to be discontinued within 12 months" an increase in the expected write-off rate of 20% would result in increased provisions of approximately £0.2 million. Inventory, including the value of the NRV provisions, has been detailed in note 16.

Carrying Value of Goodwill

In respect of reviewing the provisional value of goodwill recognised on the acquisition of certain trade and assets of CTD Tiles for impairment, the Group has performed an impairment assessment. The key assumptions are considered to be key estimates. Further details are included within note 10.

Areas that are both Critical Judgements and Key Sources of Estimation Uncertainty

Store Impairment

Each store is evaluated for indicators of impairment in line with IAS 36. The Group has determined that each store is a separate CGU. An asset is impaired when the carrying amount exceeds its recoverable amount. IAS 36 defines recoverable amount as the higher of an asset or cash-generating unit's fair value less costs of disposal and its value in use.

The recoverable amount is calculated based on the CGU's current cash flows which are then extrapolated to cover the period to the lease expiry date, accounting for expected performance of the Topps Tiles trade. The key assumptions in the calculations are the growth rates and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model. The inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used, the assessment involves significant estimation uncertainty.

A sensitivity analysis has been performed on note 14 in respect of weighted average cost of capital and growth rates, as these are the most sensitive key assumptions.

2 Accounting Policies continued

Key Estimate

The cash flow forecast growth rates have been risk-adjusted to reflect past cash flow projects and actual cash flows and represent management's best estimate of the range of conditions that will exist over the remaining useful life of the asset.

Critical Judgements

After determining individual stores' cash flows for the current year, the Group allocates a share of the corporate costs to illustrate the cost of supporting the Group function. The corporate costs are allocated to each store on a revenue basis.

Stores are also allocated a share of the online retail revenue where home delivery orders were made by customers who visited the store before ordering online, allocated based on annual footfall of each store. Click and collect orders, collected from individual stores, are included in the store cash flows in full.

Where store CGUs contain property, plant and equipment (PPE) with a useful economic life greater than the remaining lease term, cashflows are extended to cover this period. A judgement has been taken that the PPE will be supported by future lease renewals. The extended period of assessment only considers the recovery of PPE balances and not the right-of-use assets.

3 Group Revenue

An analysis of Group revenue is as follows:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Revenue from the sale of goods	**251,756**	262,714
Total revenue	**251,756**	262,714

The Group trades in four related sectors, which are Topps Tiles, Parkside, CTD and Online Pure Play. The Board receives monthly financial information at this level and uses this information to monitor performance, allocate resources and make operational decisions. These sectors are considered to meet the aggregation criteria as set out in IFRS 8 since the nature of the products, customer base and distribution methods are consistent with each other and they have similar economic characteristics. The Group sells tiles and tile-associated products in each of these sectors, predominantly to UK-based retail, trade and commercial customers and offers a range of delivery and collection options for orders.

Revenue can be split by the following geographical regions:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
UK	**251,511**	262,315
EU	**176**	267
Rest of World	**69**	132
Total	**251,756**	262,714

3 Group Revenue continued

Revenue can be split into the following business areas:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Topps Tiles	**210,367**	230,905
Parkside	**7,592**	9,369
CTD	**3,303**	–
Online Pure Play	**30,494**	22,440
Total	**251,756**	262,714

The Group's revenue is driven by the consolidation of individual small value transactions and as a result, Group revenue is not reliant on a major customer or group of customers.

4 (Loss)/Profit Before Taxation

(Loss)/Profit before taxation for the period has been arrived at after charging/(crediting):

	Notes	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Depreciation of property, plant and equipment	12	**4,667**	5,024
Depreciation of right-of-use assets	14	**17,630**	18,157
Operating lease costs accounted for within IFRS 16 para 6 – low-value and short-term rentals		**2,917**	3,235
(Gain)/loss on lease disposal		**(506)**	124
Impairment charge of property, plant and equipment	12	**2,290**	91
Impairment charge of right-of-use assets	14	**17,094**	346
Loss on disposal of property, plant and equipment and intangibles		**160**	224
Amortisation of intangibles	11	**683**	767
Staff costs	5	**60,173**	61,052
Exchange losses recognised in profit or loss		**746**	970
Cost of inventories recognised as an expense		**113,996**	119,103
Write-down of inventories to net realisable value		**2,693**	3,393

In the reporting of financial information the Group uses certain measures that are not required under IFRS, the generally accepted accounting principles ('GAAP') under which the Group reports.

Adjusted profit before tax excludes the effect of one-off or fluctuating items, allowing stakeholders to understand results across years in a more consistent manner. The Group's management includes an adjusted profit before tax as a key performance indicator within the Strategic Report as one of the measures by which investors can assesses the performance of the Group.

4 (Loss)/Profit Before Taxation continued

The reconciliation of Adjusted Profit Before Tax to Statutory (Loss)/Profit Before Tax is as follows:

	Notes	**52 weeks ended 28 September 2024 £'000**	52 weeks ended 30 September 2023 £'000
Adjusted Profit Before Tax		**6,319**	12,514
Property			
Vacant property and closure costs		**(333)**	(1,098)
Store impairments and lease exit gains and losses		**(18,854)**	192
Business development			
Pro Tiler Tools deal costs		**–**	(5)
Pro Tiler Tools share purchase expense	22	**(3,166)**	(4,054)
Tile Warehouse set-up costs		**–**	(11)
Restructuring and other one-off costs		**–**	(723)
CTD trading, transaction costs and CMA investigation costs	28	**(198)**	–
Statutory (Loss)/Profit Before Tax		**(16,232)**	6,815

Property-related costs includes impairment charges or impairment reversals of right-of-use assets, derecognition of lease liabilities where we have exited a store, one-off gains and losses through sub-lets as well as costs relating to the store closure programme, which ended in 2022.

Business development costs include charges relating to the acquisition of Pro Tiler, including the cost associated with the purchase of the remaining 40% of shares, which completed in March 2024, and the financial impact of CTD, including trading performance, acquisition and integration costs, and the initial costs of the CMA investigation. Restructuring costs relate to Board-approved decisions such as business closures or major organisational changes.

Analysis of the Auditor's remuneration is provided below:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Fees payable to the Company's Auditor with respect to the Company's annual accounts	**486**	155
Fees payable to the Company's Auditor and their associates for other audit services to the Group:		
Audit of the Company's subsidiaries pursuant to legislation		221
Total audit fees	**486**	376
Total non-audit fees	**–**	–
Total fees payable to the Company's Auditor	**486**	376

Additional fees of £125,000 were incurred as part of the finalisation of the audit in 2023.

Notes to the Financial Statements continued

For the 52 weeks ended 28 September 2024

5 Staff Costs

The average monthly number of persons employed by the Group in the UK during the accounting period (including Executive Directors) was:

	52 weeks ended 28 September 2024 Number employed	52 weeks ended 30 September 2023 Number employed
Selling and distribution	**1,385**	1,388
Administration	**381**	360
	1,766	1,748

The average monthly number of persons (full-time equivalents) employed by the Group in the UK during the accounting period (including Executive Directors) was:

	52 weeks ended 28 September 2024 Number employed	52 weeks ended 30 September 2023 Number employed
Selling and distribution	**1,297**	1,303
Administration	**377**	354
	1,674	1,657

	2024 £'000	2023 £'000
Their aggregate remuneration comprised:		
Wages and salaries (including LTIP, see note 27)	**54,191**	55,261
Social security costs	**4,736**	4,654
Other pension costs (see note 26b)	**1,246**	1,137
	60,173	61,052

Details of Directors' emoluments are disclosed on pages 111 to 133. The Group considers key management to be the Directors only. Employee profit sharing of £4.1 million (2023: £8.5 million) is included in the above and comprises sales commission and bonuses.

The total charge for share-based payments recognised during the year was £0.3 million (2023: £0.9 million).

6 Finance Income and Finance Costs

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Finance income		
Bank interest receivable	**610**	350
Interest income from finance lease receivables	**55**	58
	665	408
Finance costs		
Interest on bank loans and overdrafts	**(749)**	(523)
Interest payable on lease liabilities	**(4,731)**	(4,176)
	(5,480)	(4,699)

No finance costs have been capitalised in the period, or the prior period.

7 Taxation

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Current tax – charge for the period	**265**	2,768
Current tax – adjustment in respect of prior periods	**720**	74
Deferred tax – credit for the period (note 15)	**(3,201)**	(64)
Deferred tax – adjustment in respect of prior periods (note 15)	**(1,196)**	118
Total tax (credit)/charge	**(3,412)**	2,896

The (credit)/charge for the period can be reconciled to the profit per the statement of profit or loss as follows:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Continuing operations:		
(Loss)/profit before taxation	**(16,232)**	6,815
Tax at the UK corporation tax rate of 25.0% (2023: 22.0%)	**(4,052)**	1,499
Expenses that are not deductible in determining taxable profit	**896**	1,165
Fixed asset differences (non-deductible expenses)	**220**	24
Remeasurement of deferred tax for changes in tax rates	**–**	16
Adjustment in respect of prior periods	**720**	74
Adjustments to tax charge in respect of prior periods – deferred tax	**(1,196)**	118
Tax (credit)/expense for the period	**(3,412)**	2,896

In the period, the Group has recognised a corporation tax credit directly to equity of £nil (2023: £1,000) and a deferred tax credit to equity of £4,000 (2023: £8,000) in relation to the Group's share option schemes.

The Group continues to fully provide within current tax liabilities and other creditors for a historic tax claim relating to EU loss relief in relation to the closed Dutch business of £1,071,000 (2023: £1,017,000).

The applicable UK Corporation tax rate to end of March 2023 was 19%, with 25% being applicable from 1st April 2023. The blended statutory rate in the prior period was 22%.

Notes to the Financial Statements continued
For the 52 weeks ended 28 September 2024

8 Dividends
Amounts recognised as distributions to equity holders in the period:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Final dividend for the period ended 30 September 2023 of £0.024 (2022: £0.026) per share	**4,717**	5,104
Interim dividend for the period ended 28 September 2024 of £0.012 (2023: £0.012) per share	**2,360**	2,358
Total dividend paid in the period	**7,077**	7,462
Proposed final dividend for the period ended 28 September 2024 of £0.012 (2023: £0.024) per share	**2,360**	4,716

The proposed final dividend for the period ended 28 September 2024 is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Dividends of £1.1 million were paid to non-controlling interests in the period ended 28 September 2024.

9 Earnings Per Share
The calculation of earnings per share is based on the earnings for the financial period attributable to equity Shareholders and the weighted average number of ordinary shares.

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
Weighted average number of issued shares for basic earnings per share	**196,681,818**	196,681,818
Weighted average impact of treasury shares for basic earnings per share	**(64,344)**	(381,300)
Total weighted average number of shares for basic earnings per share	**196,617,474**	196,300,518
Weighted average number of shares under option	**2,116,731**	2,973,070
For diluted earnings per share	**198,734,205**	199,273,588

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
(Loss)/profit after tax for the period attributable to the parent	**(13,033)**	3,206
Adjusting items	**17,730**	5,599
Adjusted profit after tax for the period attributable to the parent	**4,697**	8,805
Earnings per ordinary share – basic	**(6.63p)**	1.63p
Earnings per ordinary share – diluted	**(6.63p)**	1.61p
Earnings per ordinary share – adjusted*	**2.39p**	4.49p

* Adjusted earning per share is an adjusted performance measure used by the Group's management to plan for, control and assess the performance of the Group

9 Earnings Per Share

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

Adjusted earnings per share were calculated after adjusting for the post-tax impact of the following items: vacant property and closure costs of £273,000 (2023: £943,000), store impairment and lease exit gains and losses of £14,140,000 loss (2023: £150,000 gain), Pro Tiler Tools deal costs of £nil (2023: £5,000), Pro Tiler Tools share purchase expense of £3,166,000 (2023: £4,053,000), Tile Warehouse set up costs of £nil (2023: £11,000), CTD trading, transaction costs and CMA investigation costs of £151,500, restructuring and other one-off costs of £nil (2023: £618,000) and a deferred tax charge in respect of previous periods of £nil (2023: £119,000).

10 Goodwill

	Notes	£'000
Cost		
At 30 September 2023		5,450
Acquisition of business	28	6,264
At 28 September 2024		**11,714**
Accumulated impairment losses		
At 30 September 2023		3,349
At 28 September 2024		**3,349**
Carrying amount		
At 28 September 2024		**8,365**
At 30 September 2023		2,101

On 19 August 2024, the Group acquired certain trade and assets from CTD Tiles Limited. This included property, tangible assets and inventory. The excess of consideration paid against the fair value of assets and liabilities acquired was recognised as goodwill. Whilst the Group is recognising the fair values of assets acquired on a provisional basis in accordance with IFRS 3, the goodwill and related assets are being allocated as one single cash-generating unit. This may be revisited in the subsequent period. Further information in relation to the acquired assets is described within note 28. The remaining carrying value of goodwill relates to the acquisition of Pro Tiler Limited.

The accumulated impairment losses relate to the goodwill recognised on the acquisition of Parkside Ceramics Limited in 2017 and Strata Tiles Limited in 2019, which were written down to £nil in a prior year.

Where a balance exists, the Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. In accordance with Group accounting policies the recoverable amount is the higher of fair value, reflecting market conditions less costs to sell or value in use.

Pro Tiler

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following years. The growth rate applied does not exceed the average long-term growth rate for the relevant markets.

The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Group anticipates that its ambition to become carbon neutral across Scopes 1 & 2 by 2030 will likely result in a level of additional cost being incurred to achieve this in future years. Analysis to quantify the level of increased cost is ongoing and there is currently no specific estimate of cost incorporated into the future cash flows used in the assessment for goodwill impairment.

10 Goodwill continued

The key assumptions underlying the anticipated future cashflows are prudent, so an increase in future costs associated with meeting climate targets should not materially impact the Group's current year assessment of recoverable amounts. Management estimates discount rates based on the Group's weighted average cost of capital. The long-term growth rates of 1.9% (2023: 1.5%) are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. Discounted cash flows were calculated using a pre-tax rate of 16.0% (2023: 17.2%).

No reasonably possible changes to key assumptions would lead to an impairment scenario.

CTD

In respect of reviewing the provisional value of goodwill recognised on the acquisition of certain trade and assets of CTD Tiles for impairment, the Group prepared a calculation of fair value less costs of disposal using a revenue multiples valuation technique. This is categorised as a level 3 fair value measurement. This is calculated based on financial information for a quoted comparable peer group, less a private company discount and was applied to the revenue included as part of the most recent financial budget approved by the Board for the next year to determine fair value. The carrying amount of the cash-generating unit is reviewed against this calculation to ensure that the recoverable amount exceeds the carrying amount. The assumptions for the valuation are those regarding the private company discount, of 40%, as well as the forecasted revenue. A sensitivity analysis would not provide meaningful information in the context of the numbers being reported as provisional as detailed in Note 28.

11 Intangible Assets

	Brand £'000	Customer relationships £'000	Software £000	Total £'000
Cost				
At 1 October 2022	6,405	1,042	1,285	8,732
Additions	–	–	99	99
At 30 September 2023	6,405	1,042	1,384	8,831
Additions	–	–	89	89
Disposals	–	–	(156)	(156)
At 28 September 2024	**6,405**	**1,042**	**1,317**	**8,764**
Accumulated amortisation				
At 1 October 2022	1,356	1,042	911	3,309
Amortisation charge for the period	542	–	225	767
At 30 September 2023	1,898	1,042	1,136	4,076
Amortisation charge for the period	532	–	151	683
Elimination on disposal	–	–	(156)	(156)
At 28 September 2024	**2,430**	**1,042**	**1,131**	**4,603**
Carrying amount				
At 28 September 2024	**3,975**	**–**	**186**	**4,161**
At 30 September 2023	4,507	–	248	4,755

The carrying value of the brand assets were recognised on the acquisition of Pro Tiler Limited in 2022. Other brand and customer relationships assets relating to the acquisition of Parkside Ceramics Limited in 2017 and Strata Tiles Limited in 2019 were written down to £nil in a prior year.

Software is amortised on a straight-line basis over its estimated useful life of four years.

The Pro Tiler brand is amortised over a period of ten years on a straight-line basis.

Amortisation is included within Other Operating Expenses within the Consolidated Statement of Profit or Loss.

12 Property, Plant and Equipment

	Freehold land and buildings £'000	Short leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Plant and machinery £'000	Total £'000
Cost						
At 1 October 2022	1,304	1,675	86,975	109	301	90,364
Reclassification[1]	–	(114)	114	–	–	–
Additions	–	–	4,005	–	12	4,017
Disposals	–	–	(5,770)	(35)	–	(5,805)
Transfer to right-of-use-asset	–	(297)	–	–	–	(297)
At 30 September 2023	1,304	1,264	85,324	74	313	88,279
Additions	–	42	4,101	50	–	4,193
Additions from business combinations	390	475	81	–	–	946
Disposals	–	(81)	(2,440)	–	(44)	(2,565)
At 28 September 2024	**1,694**	**1,700**	**87,066**	**124**	**269**	**90,853**
Accumulated depreciation						
At 1 October 2022	315	1,005	68,118	25	13	69,476
Reclassification[1]	–	6	(6)	–	–	–
Charge for the period	26	23	4,920	18	37	5,024
Impairment charge	–	–	91	–	–	91
Eliminated on disposals	–	–	(5,548)	(8)	–	(5,556)
Transfer to right-of-use-asset	–	(62)	–	–	–	(62)
At 30 September 2023	341	972	67,575	35	50	68,973
Charge for the period	32	77	4,505	15	38	4,667
Impairment charge	–	–	2,290	–	–	2,290
Eliminated on disposals	–	(81)	(2,287)	–	(37)	(2,405)
At 28 September 2024	**373**	**968**	**72,083**	**50**	**51**	**73,525**
Carrying amount						
At 28 September 2024	**1,321**	**732**	**14,983**	**74**	**218**	**17,328**
At 30 September 2023	963	292	17,749	39	263	19,306

1 In the prior period, £114,000 of cost and £6,000 of accumulated depreciation has been reclassified from Short leasehold improvements to Fixtures and fittings for presentational purposes

Cumulative finance costs capitalised in the cost of tangible fixed assets amount to £nil (2023: £nil). Contractual commitments for the acquisition of property, plant and equipment are detailed in note 26. Details of the impairment recognised are included in note 14.

All assets classified as property, plant and equipment are UK based.

Notes to the Financial Statements continued

For the 52 weeks ended 28 September 2024

13 Subsidiaries

A list of all subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in note 4 to the Company financial statements.

14 Leases

As a Lessee

Right-of-use assets included in the Consolidated Statement of Financial Position were as follows:

	Land and buildings £'000	Equipment £'000	Total £'000
At 1 October 2022	**86,207**	**2,338**	**88,545**
Additions	9,113	1,950	11,063
Disposals	(416)	(3)	(419)
Transfer from property, plant and equipment	235	–	235
Depreciation	(16,811)	(1,346)	(18,157)
Impairment	(346)	–	(346)
At 30 September 2023	**77,982**	**2,939**	**80,921**
Additions	10,947	1,624	12,571
Disposals	(3,419)	(24)	(3,443)
Depreciation	(16,006)	(1,624)	(17,630)
Impairment	(17,094)	–	(17,094)
At 28 September 2024	**52,410**	**2,915**	**55,325**

During the period, the Group has continued to review the performance of its store portfolio and the Group has provided for the net book value of right-of-use assets in relation to 159 stores (2023: 4 stores) and property, plant and equipment in relation to 63 stores (2023: 3 stores) that are impaired. The carrying value of these assets that has been impaired, including both property, plant and equipment and right-of-use assets, is £68.1 million (2023: £96.9 million). Due to forecast sales performance being inadequate to ensure that future expected cashflows support the carrying values of their assets, impairments have been recognised to the right-of-use assets of £17.1 million (2023: £0.3 million) and to the property, plant and equipment of £2.3 million (2023: £0.1 million). There are other assets that are not linked to the store portfolio.

Lease liabilities included in the Consolidated Statement of Financial Position were as follows:

	Land and buildings £'000	Equipment £'000	Total £'000
At 1 October 2022	**(100,698)**	**(2,230)**	**(102,928)**
Additions	(9,278)	(1,904)	(11,182)
Disposals	764	3	767
Interest	(4,043)	(133)	(4,176)
Repayment of lease liabilities	21,848	1,169	23,017
At 30 September 2023	**(91,407)**	**(3,095)**	**(94,502)**
Additions	(10,729)	(1,624)	(12,353)
Disposals	3,807	24	3,831
Interest	(4,492)	(239)	(4,731)
Repayment of lease liabilities	19,889	1,901	21,790
At 28 September 2024	**(82,932)**	**(3,033)**	**(85,965)**

14 Leases continued

The maturity analysis of the lease liabilities is as follows:

	2024 £'000	2023 £'000
Current	**(14,584)**	(15,649)
Non-current	**(71,381)**	(78,853)
	(85,965)	(94,502)

The remaining contractual maturities of the lease liabilities, which are gross and undiscounted, are as follows:

	2024 £'000	2023 £'000
Less than one year	**21,890**	21,339
One to five years	**54,737**	59,554
More than five years	**34,524**	38,269
Total undiscounted lease liability	**111,151**	119,162

The following amounts have been recognised in the Consolidated Statement of Profit or Loss:

	Land and buildings 2024 £'000	**Equipment 2024 £'000**	**Total 2024 £'000**
Depreciation of right-of-use assets	**16,006**	**1,624**	**17,630**
Impairment of right-of-use assets	**17,094**	**–**	**17,094**
Interest expense	**4,492**	**239**	**4,731**
Expenses relating to short-term leases	**–**	**27**	**27**
Holdover lease expense	**2,736**	**154**	**2,890**

	Land and buildings 2023 £'000	Equipment 2023 £'000	Total 2023 £'000
Depreciation of right-of-use assets	16,811	1,346	18,157
Impairment of right-of-use assets	346	–	346
Interest expense	4,043	133	4,176
Expenses relating to short-term leases	–	104	104
Holdover lease expense	2,660	471	3,131

The total cash outflow for leases in scope of IFRS 16 during the financial period was £21.8 million (2023: £23.0 million). Cash outflow for leases outside the scope of IFRS 16 was £2.9 million (2023: £3.2million).

As a Lessor

Lease income from lease contracts in which the Group acts as a lessor is as below:

	2024 £'000	2023 £'000
Lease income (from operating leases)	**401**	579
Finance income (from finance leases)	**55**	58

14 Leases continued

The Group leases out a small number of properties, some of which are classified as operating leases, as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

In order to manage the risk associated with any rights retained in the underlying leased assets, the Group ensures that appropriate due diligence is undertaken in advance of formalising a lease arrangement with a lessee.

The carrying value of lease receivables is considered to be materially reflective of their fair value.

The following table sets out a maturity analysis of operating lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2024 £'000	2023 £'000
Less than one year	–	87
Total undiscounted lease payments receivable	–	87

Some of the properties that the Group leases out are classified as finance leases. These are shown as other financial assets on the Consolidated Statement of Financial Position.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted finance lease payments to be received after the reporting date:

	2024 £'000	2023 £'000
Less than one year	**317**	391
One to five years	**1,323**	1,594
More than five years	**452**	401
Total undiscounted lease payments receivable	**2,092**	2,386
Less: unearned finance income	**(226)**	(205)
Less: expected credit loss provision	**(3)**	(7)
Present value of minimum lease payments receivable	**1,863**	2,174
Current	**210**	327
Non-current	**1,653**	1,847
	1,863	2,174

Impairment

At the end of the financial year the carrying value of assets, including right-of-use lease assets, was assessed against their recoverable amount determined by reference to their value-in-use. Assets and expected cashflows were assessed at the lowest identifiable level of Cash Generating Unit ("CGU") where the expected cash inflows of each CGU were expected to be independent of those incurred by other CGUs. Individual retail stores are considered to be separate CGUs, which includes income from online orders that are click-and-collect. Pro Tiler Limited and the CTD trade and assets acquired are treated as separate CGUs as described in Note 10 and no impairment has been recognised.

The Group has determined that the macro-economic challenges in the current financial year are an indicator for potential impairment across the store estate. As a consequence, all stores have been assessed for impairment, leading to an impairment to the value of Right-Of-Use Assets of £17,094,000 in the current year. The impairment reviews include management's assessment of current economic factors, such as rises in inflation, interest rates and macro-economic challenges. For stores that have been opened less than two years prior to the balance sheet date, a separate indicator assessment is performed whereby the actual cash inflows are compared against investment appraisals. Impairments are recognised if there are significant variances against expected cash flow profiles.

14 Leases continued

The value-in-use calculations require the application of a number of assumptions. The key assumptions used in the estimation of recoverable amounts are set out below:

Assumption	Value	Sensitivity
Pre-tax discount rate	This is calculated by reference to the weighted average cost of capital of the Group. At the year-end, the pre-tax discount rate applied to forecast cash flows was 29.1% (2023: 17.6%).	An increase in pre-tax discount rate of 100bps at year-end would lead to an additional £0.3 million (2023: £0.1 million) impairment in the year.
Cash flow forecasts	Cashflows are derived from extrapolation of trading performance of identified CGUs. Management prepares growth rates applicable in the first five forecasted years based on expected year-on-year growth in cash contributions for stores. The long-term growth rate is applied to future years where relevant, however given the period of assessment does not always exceed five years, this is not considered to be a key assumption	A decrease in growth rate of 100bps (2023: no reasonable decrease) at year-end would lead to an additional £0.5 million impairment in the year.

15 Deferred Tax Assets

The following are the deferred tax assets/(liabilities) recognised by the Group and movements thereon during the current and prior reporting period:

	Property-related items £'000	Accelerated tax depreciation £'000	Share-based payments £'000	Intangible assets £'000	Total £'000
At 1 October 2022	519	719	76	(1,200)	114
Credit/(Charge) to income	(178)	47	76	119	64
(Debit)/Credit in respect of previous periods	(13)	(132)	73	(46)	(118)
Credit to equity	–	–	8	–	8
At 30 September 2023	**328**	**634**	**233**	**(1,127)**	**68**
Credit/(Charge) to income	**(74)**	**3,237**	**(95)**	**133**	**3,201**
Credit in respect of previous periods	**34**	**1,162**	**–**	**–**	**1,196**
Credit to equity	**–**	**–**	**(4)**	**–**	**(4)**
At 28 September 2024	**288**	**5,033**	**134**	**(994)**	**4,461**

The deferred tax asset at 28 September 2024 has been calculated at 25% (2023: 25%).

16 Inventories

	2024 £'000	2023 £'000
Goods for resale	**37,850**	36,351

Goods for resale includes a net realisable value provision of £3,487,000 (2023: £2,224,000). Write-downs of inventories to net realisable value amounted to £2,693,000 (2023: £3,393,000) and were recognised as an expense during the period, included within cost of sales in the Consolidated Statement of Profit or Loss.

17 Trade and Other Receivables

	2024 £'000	2023 £'000
Amounts falling due within one year:		
Amounts receivable for the sale of goods	**7,675**	2,209
Allowance for expected credit losses	**(59)**	(86)
Other debtors and prepayments	**5,734**	3,161
	13,350	5,284

The Directors consider that the carrying amount of trade and other receivables at 28 September 2024 and 30 September 2023 approximates to their fair value on the basis of discounted cash flow analysis.

Included within the trade and other receivables balances at 28 September 2024 are £4.2 million relating to CTD trading, which were not present in the prior period.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade receivables and lease receivables.

The Group considers that it has no significant concentration of credit risk. The majority of sales in the business are cash-based sales in the stores.

Total trade receivables (net of expected credit losses) held by the Group at 28 September 2024 amounted to £7.6 million (2023: £2.1 million). These amounts mainly relate to sundry trade account generated sales. In relation to these sales, the average credit period taken is 61 days (2023: 38 days) and no interest is charged on the receivables.

The Group will write off, either partially or in full, the gross carrying amount of a financial asset when there is no realistic prospect of recovery. This is usually the case when it is determined that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically.

Included in the Group's trade receivable balance are debtors with a carrying amount of £0.5 million (2023: £0.4 million) which are past due at the reporting date for which the Group has not provided provisions for impairment as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Expected loss rates are based on historical loss experience, adjusted to reflect information about current conditions and reasonable forecasts around future economic conditions.

The allowance for expected credit losses was £59,000 by the end of the period (2023: £86,000).

17 Trade and Other Receivables continued

The following is a reconciliation of changes in the allowance for expected credit losses:

	Total £'000
At 1 October 2022	306
Created in the year	177
Utilisation of provision	(142)
Release of provision	(255)
At 30 September 2023	**86**
Created in the year	134
Utilisation of provision	(10)
Release of provision	(151)
At 28 September 2024	**59**

18 Cash and Cash Equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits net of bank overdrafts, where there is a right of offset, with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. A breakdown of significant bank and cash balances by currency is as follows:

	2024 £'000	2023 £'000
Sterling	**22,814**	23,028
US dollar	**735**	327
Euro	**133**	13
Total cash and cash equivalents	**23,682**	23,368

Cash and cash equivalents are in the scope of the expected credit loss model under IFRS 9, however, balances are held with recognised financial institutions and therefore the expected impairment loss is considered to be minimal.

19 Bank Loans

	2024 £'000	2023 £'000
Revolving credit facility (all sterling)	**14,996**	–

	2024 £'000	2023 £'000
The borrowings are repayable as follows:		
Greater than one year	**15,000**	–
	–	–
Less: total unamortised issue costs	**(4)**	(200)
	14,996	(200)

The Directors consider that the carrying amount of the revolving credit facility at 28 September 2024 and 30 September 2023 approximates to its fair value since the amounts relate to floating rate debt.

Notes to the Financial Statements continued

For the 52 weeks ended 28 September 2024

19 Bank Loans continued

The following is a reconciliation of changes in financial liabilities to movement in cash from financing activities:

	Lease liabilities £'000	Current borrowings £'000	Non-current borrowings £'000	Unamortised issue costs £'000
As at 1 October 2022	**102,928**	**–**	**–**	**–**
Repayment of lease liabilities	(23,017)	–	–	–
Non-cash movement – Lease additions and disposals	10,415	–	–	–
Interest accrued on lease liabilities	4,176	–	–	–
Amortisation of issue costs	–	–	–	100
As at 30 September 2023	**94,502**	**–**	**–**	**100**
Repayment of lease liabilities	(21,790)	–	–	–
Non-cash movement – Lease additions and disposals	8,522	–	–	–
Interest accrued on lease liabilities	4,731	–	–	–
Proceeds from revolving credit facility	–	–	23,500	–
Repayment of revolving credit facility	–	–	(8,500)	–
Unamortised issue costs	–	–	(4)	–
Issue costs incurred in the year	–	–	–	(100)
Amortisation of issue costs	–	–	–	150
As at 28 September 2024	**85,965**	–	**14,996**	**150**

At 28 September 2024, the Group had a revolving credit facility of £30.0 million, expiring in October 2026 with an option to extend for a further one year. On 9 October 2024, the Group extended the facility by one year, with this expiring in October 2027. As at the financial period-end, £15.0 million of this was drawn (2023: £nil), leaving £15.0 million of undrawn committed banking facilities. The loan facility contains financial covenants, which are tested on a bi-annual basis. The Group did not breach any covenants in the period.

20 Trade and Other Payables

	2024 £'000	2023 £'000
Amounts falling due within one year		
Trade payables	**28,387**	19,457
Other payables	**10,481**	6,560
Accruals	**13,769**	14,408
Refund liability	**1,323**	1,286
Deferred income	**1,008**	1,037
Contract liabilities	**2,495**	2,318
	57,463	45,066

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.
The average credit period taken for trade purchases is 60 days (2023: 48 days). No interest is charged on these payables.

20 Trade and Other Payables continued

The Directors consider that the carrying amount of trade payables at 28 September 2024 and 30 September 2023 approximates to their fair value on the basis of discounted cash flow analysis.

Deferred income relates to consideration for trader loyalty points earned but not yet redeemed. The value of deferred income as at 30 September 2023 that was recognised as revenue for the 52 weeks ended 28 September 2024 was £497,154.

Contract liabilities relate to deposits received from customers for orders not yet fulfilled. These deposits are recognised in revenue when the ownership of goods is transferred to the customer, typically when the goods are delivered to, or collected by the customer. The contract liabilities outstanding at 28 September 2024 are expected to be recognised in revenue over the next 12 months. These contracts for the supply of goods do not contain a significant financing element. The value of contract liabilities as at 30 September 2023 that was recognised as revenue for the 52 weeks ended 28 September 2024 was £2,162,528.

21 Financial Instruments

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall Strategy remains unchanged from 2021. The capital structure of the Group consists of cash and cash equivalents disclosed in note 18 and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in notes 23 to 25, notes 28 to 30 and in the Consolidated Statement of Changes in Equity.

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

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 2P to the financial statements.

Categories of Financial Instruments

Carrying value and fair value	**2024 £'000**	2023 £'000
Financial assets		
Amortised cost (including cash and cash equivalents)	**33,593**	27,664
Fair value through profit and loss	**–**	74
Financial liabilities		
Amortised cost	**153,545**	134,927
Fair value through profit and loss	**378**	–

Financial assets at amortised cost comprises lease receivables, amounts receivable for the sale of goods, cash and cash equivalents.

Financial assets at fair value through profit and loss comprises the fair value of forward currency contracts, which are mandatorily measured at fair value.

Financial liabilities at amortised cost comprises lease liabilities, accruals, bank loans, and trade and other payables.

21 Financial Instruments continued

The Group considers itself to be exposed to risks on financial instruments, including market risk (including currency risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to mitigate the effects of these risks by using derivative financial instruments to hedge these risk exposures economically. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to hedge the exchange rate risk arising on the import of goods.

Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Euro	**190**	118	**4,716**	4,384
US dollar	**736**	373	**726**	545

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to the currency of China, India, Brazil and Turkey (US dollar currency) and to various European countries (euro) as a result of inventory purchases. The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies. Ten per cent represents management's assessment of the reasonably possible change in foreign exchange rates, based on historic volatility. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where sterling strengthens 10% against the relevant currency.

	2024 £'000	2023 £'000
Profit or loss movement on a 10% strengthening in sterling against the euro	**411**	388
Profit or loss movement on a 10% strengthening in sterling against the US dollar	**(1)**	16
Profit or loss movement on a 10% weakening in sterling against the euro	**(503)**	(474)
Profit or loss movement on a 10% weakening in sterling against the US dollar	**1**	(19)

21 Financial Instruments continued

Currency Derivatives

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group uses foreign currency forward contracts in the management of its exchange rate exposures. The contracts are denominated in US dollars and euros. Hedge accounting is not applied.

At the balance sheet date, the total notional amounts of outstanding forward foreign exchange contracts that the Group has committed to are as below:

	2024 £'000	2023 £'000
Forward foreign exchange contracts	**13,540**	16,160

These arrangements are designed to address significant exchange exposures for the first half of 2025 and are renewed on a revolving basis as required.

At 28 September 2024 the fair value of the Group's currency derivatives is a loss of £377,901 (2023: gain of £73,733).

Losses of £451,634 have been included in cost of sales during the period (2023: £444,444 loss).

Interest Rate Risk Management

The Group is exposed to interest rate risk on debt as the Group has drawn down on the revolving credit facility during the period, in addition to being exposed to fluctuations in interest rates on deposited funds. Funds are managed and deposited in line with the Group's Treasury policy which is reviewed by the Board annually. Several factors are considered when making decisions around deposits, including but not limited to, interest rate, counterparty credit rating and deposit term.

Had the Bank of England base rate been 100bps higher or lower throughout the year, the Group's interest income on deposited funds would have been higher or lower by £141,930 and (£112,450) and the Group's interest expense on the revolving credit facility would have been higher or lower by £21,180 and (£21,180).

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. Management has considered the counterparty risk associated with the cash and derivative balances and does not consider there to be a material risk. The Group has a policy of only dealing with creditworthy counterparties. Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit losses, represents the Group's maximum exposure to credit risk.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

21 Financial Instruments continued

Liquidity and Interest Risk Tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables include both interest and principal cash flows.

2024	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total £'000
Non-interest bearing	**53,743**	**–**	**–**	**–**	**–**	**53,743**
Lease liabilities	**3,183**	**4,242**	**14,465**	**54,737**	**34,524**	**111,151**
Revolving credit facility	**–**	**–**	**–**	**15,000**	**–**	**15,000**

2023	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total £'000
Non-interest bearing	41,711	–	–	–	–	41,711
Lease liabilities	1,121	4,466	15,753	59,553	38,269	119,162

The Group is financed through a £30.0 million (2023: £30.0 million) revolving credit facility, of which £15.0 million (2023: £nil) was utilised. At the balance sheet date, the total unused amount of financing facilities was £15.0 million (2023: £30.0 million).

The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instruments that settle on a net basis and the undiscounted gross inflows (and outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest and foreign currency rates as illustrated by the yield curves existing at the reporting date.

2024	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total £'000
Foreign exchange forward contracts payments	**(2,234)**	**(4,642)**	**(6,664)**	**–**	**–**	**(13,540)**
Foreign exchange forward contracts receipts	**2,335**	**4,805**	**6,778**	**–**	**–**	**13,918**

2023	Less than 1 month £'000	1–3 months £'000	3 months to 1 year £'000	1–5 years £'000	5+ years £'000	Total £'000
Foreign exchange forward contracts payments	(2,580)	(5,342)	(8,238)	–	–	(16,160)
Foreign exchange forward contracts receipts	2,553	5,373	8,307	–	–	16,233

21 Financial Instruments continued

Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The fair values are therefore categorised as Level 2 (2023: Level 2), based on the degree to which the fair value is observable. Level 2 fair value measurements are those derived from inputs other than unadjusted quoted prices in active markets (Level 1 categorisation) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

22 Provisions

	2024 £'000	2023 £'000
Dilapidations provision	**2,634**	2,443
Earn out liability	**–**	5,635
Retention of title provision	**379**	–
	3,013	8,078
Current	**714**	5,865
Non-current	**2,299**	2,213
	3,013	8,078

	Dilapidations provision £'000	Earn out liability £'000	Retention of title provision £'000	Total £'000
At 30 September 2023	**2,443**	**5,635**	**–**	**8,078**
Created in the year	279	2,973	379	3,631
Unwind of discount	–	142	–	142
Utilisation of provision	(88)	(8,750)	–	(8,838)
At 28 September 2024	**2,634**	**–**	**379**	**3,013**

The retention of title provision reflects the Group's liability to former CTD suppliers on acquisition of inventory from CTD Tiles Limited which was subject to retention of title clauses. The obligation was acquired by the Group through the acquisition. The nature of the claim is such that the timing of utilisation is uncertain, however it is probable that the majority of the provision will be settled during the next 12 months.

The dilapidations provision represents management's best estimate of the Group's liability under its property lease arrangements based on past experience and is expected to be utilised over the lease term of the various properties (average of 15 years, which includes an estimation of future renewals after the current leases end). The Group's methodology for the calculation of the dilapidations provision takes the following information into account:

- Average expected future dilapidations cost per property
- The number of properties exposed to possible dilapidations claims
- The likelihood of lease renewal at maturity

For each reporting period, the Group reviews the calculations and amends the input estimates based on the most recent data and forecasts.

The earn out liability represents remuneration costs in relation to the purchase of the remaining 40% of Pro Tiler Limited. The cash outflow associated with the earn-out provision was made in May 2024.

23 Share Capital

	2024 Shares	2023 Shares	2024 £'000	2023 £'000
Allotted, issued and fully paid ordinary shares of 3.33p (2023: 3.33p)				
At the start of the period	**196,681,818**	196,681,818	**6,556**	6,556
Issued in the period	**–**	–	**–**	–
At the end of the period	**196,681,818**	196,681,818	**6,556**	6,556

The authorised share capital of the Group is £8,000,000 (2023: £8,000,000), which consists of 240,000,000 ordinary shares (2023: 240,000,000).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

24 Share Premium

	2024 £'000	2023 £'000
At start of the period	**2,636**	2,636
Premium on issue of new shares	**–**	–
At end of the period	**2,636**	2,636

25 Own Shares

	2024 Shares	2023 Shares	2024 £'000	2023 £'000
At start of the period	**204,474**	796,486	**(112)**	(415)
Acquired in the period	**230,000**	–	**(105)**	–
Disposed of on issue in the period	**(417,749)**	(592,012)	**210**	303
At end of the period	**16,725**	204,474	**(7)**	(112)

A subsidiary of the Group holds 16,725 (2023: 204,474) shares with a value of £7,326 acquired for an average price of £0.44 per share (2023: £112,443 acquired for an average price of £0.55 per share) and therefore these have been classed as own shares. These shares are held in an employee benefit trust.

26 Financial Commitments

a) Capital Commitments

At the end of the period, there were capital commitments contracted of £nil (2023: £62,972).

b) Pension Arrangements

The Group operates a defined contribution pension scheme for colleagues. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £1,245,890 (2023: £1,136,512). At the period-end, the Group holds outstanding contributions of £296,388 (2023: £259,571).

27 Share-Based Payments

The Group operates four (2023: three) share option schemes in relation to Group colleagues; these are the Employee Share Purchase Plans, the 2013 Long-Term Incentive Plan, the 2020 Restricted Stock Unit Plan and the 2023 Short-Term Incentive Plan.

Employee Share Purchase Plans

Employee share purchase plans are open to almost all colleagues and there are no specific vesting conditions other than the requirement for continued colleague service. The share plans provide for a purchase price equal to the average market price over the three days prior to the date of grant, less 20%. The shares can be purchased during a two-week period each financial period. The shares purchased are generally placed in the employee share savings plan for a three or five-year period.

Movements in share-based payment plan options are summarised as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price £**	Number of share options	Weighted average exercise price £
Outstanding at beginning of the period	**5,753,756**	**0.60**	4,436,192	0.51
Issued during the period	**–**	**–**	3,671,524	0.38
Expired during the period	**(480,149)**	**0.60**	(639,628)	0.51
Forfeited during the period	**(1,146,919)**	**0.42**	(1,702,738)	0.47
Exercised during the period	**(11,664)**	**0.46**	(11,594)	0.49
Outstanding at end of the period	**4,115,024**	**0.42**	5,753,756	0.44
Exercisable at end of the period	**930,539**	**0.46**	474,317	0.60

During the financial period, the Group made the decision to not offer a share option scheme to Group employees. In the prior period the Group granted 3,671,524 share options under the existing share option scheme due to vest in April 2026 with a fair value of £619,717.

2013 Long-Term Incentive Plan

Long-Term Incentive Plans have been granted to senior management and have a vesting period of three years. Vesting is subject to achievement of certain performance conditions, which are detailed in the Remuneration Report.

Movements in the 2013 Long-Term Incentive Plan options are summarised as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price £**	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the period	**8,362,998**	**–**	6,932,436	–
Issued during the period	**2,493,413**	**–**	3,303,427	–
Forfeited during the period	**(4,404,092)**	**–**	(1,410,172)	–
Exercised during the period	**(264,305)**	**–**	(462,693)	–
Outstanding at the end of the period	**6,188,014**	**–**	8,362,998	–
Exercisable at the end of the period	**664,205**	**–**	229,583	–

During the financial period, the Group granted 2,493,413 share options under the existing share option scheme due to vest in December 2026 with a fair value of £992,528.

Notes to the Financial Statements continued

For the 52 weeks ended 28 September 2024

27 Share-Based Payments continued

The inputs to the Black-Scholes model are as follows:

Weighted average share price	– pence	50
Weighted average exercise price	– pence	Nil
Expected volatility	– %	33.29
Expected life	– years	3.00
Risk-free rate of interest	– %	4.21
Dividend yield	– %	7.60

Expected volatility for the additional share options was determined by calculating the historical volatility of the Group's share price over the previous one, two and three years (2023: one, two and three years).

The weighted average remaining contractual life of share options outstanding at the end of the period is 8.09 years (2023: 7.97 years).

The weighted average share price at the date of exercise of options exercised during the year ended 28 September 2024 is 45.10 pence (2023: 48.93 pence).

2020 Restricted Stock Plan

Under the plan a number of share options were granted to management level employees across the Group. There are three sets of options which are due to vest in December 2024, December 2025 and December 2026.

Movements in 2020 Restricted Stock Plan options are summarised as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price £**	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the period	**605,507**	**–**	515,724	–
Issued during the period	**335,632**	**–**	319,106	–
Forfeited during the period	**(189,580)**	**–**	(114,120)	–
Exercised during the period	**(141,780)**	**–**	(115,203)	–
Outstanding at the end of the period	**609,779**	**–**	605,507	–

During the financial period, the Group granted 335,632 share options under the new share option scheme due to vest in December 2026 with a fair value of £133,602.

The inputs to the Black-Scholes model are as follows:

Weighted average share price	– pence	50
Weighted average exercise price	– pence	Nil
Expected volatility	– %	33.29
Expected life	– years	3.00
Risk-free rate of interest	– %	4.21
Dividend yield	– %	7.60

Expected volatility for the additional share options was determined by calculating the historical volatility of the Group's share price over the previous one, two and three years.

The weighted average remaining contractual life of share options outstanding at the end of the period is 8.53 years (2023: 8.36 years).

27 Share-Based Payments continued

2023 Short-Term Incentive Plan

Under the plan, a number of share options were granted during the period to senior management as 30% of their annual bonus, and have a vesting period of two years. Vesting is subject to achievement of certain performance conditions, which are detailed in the Remuneration Report.

Movements in 2023 Short-Term Incentive Plan options are summarised as follows:

	2024		2023	
	Number of share options	**Weighted average exercise price £**	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the period	**–**	**–**	–	–
Issued during the period	**299,156**	**–**	–	–
Outstanding at the end of the period	**299,156**	**–**	–	–

During the financial period, the Group granted 299,156 share options under the new share option scheme due to vest in December 2025 with a fair value of £128,486. The inputs to the Black-Scholes model are as follows:

Weighted average share price	– pence	50
Weighted average exercise price	– pence	Nil
Expected volatility	– %	33.29
Expected life	– years	2.00
Risk-free rate of interest	– %	4.40
Dividend yield	– %	7.60

Expected volatility for the additional share options was determined by calculating the historical volatility of the Group's share price over the previous one, two and three years.

The weighted average remaining contractual life of share options outstanding at the end of the period is 9.21 years.

In total, the Group recognised a total expense of £314,470 (2023: £872,825 expense) relating to share-based payments.

28 Acquisitions

On 19 August 2024, the Group acquired certain intellectual property, tangible assets and inventory of CTD Tiles Limited (in administration), for cash consideration of £9.0 million, which is deemed to be the fair value of the consideration. The business was acquired to add to the existing store portfolio of the Group, in addition to the commercial business and to enter into the housebuilder segment where the Group has limited or zero representation.

On acquisition, the Group recognised property, plant and equipment of £0.9 million, £2.2 million of inventory, £0.4 million of provisions, and intangible assets consisting of the goodwill of £6.3 million. The goodwill generated on acquisition reflects the expected synergies from combining operations between the Group and the existing CTD trading operations as a result of leveraging the Group's supply chain and operations.

Inventories were subject to a small fair value adjustment of a £8,000 decrease, which relates to management's assessment of the price that would be paid for the acquired assets in an orderly transaction between market participants at the acquisition date. The fair value was calculated as the estimated selling price less the estimated costs necessary to make the sale and a reasonable profit allowance for the selling effort. At 28 September 2024, the fair values assigned to all of the acquired assets has been determined on a provisional basis in accordance with IFRS 3 'Business Combinations' given the ongoing CMA enquiries discussed elsewhere in the Annual Report. The fair values together with an assessment of goodwill and intangible assets acquired will be completed within the 12 month fair value period, as permitted by IFRS 3.

The fair value of the net assets acquired and liabilities assumed at the acquisition date were:

	Notes	Provisional Fair Value £'000
Property, plant and equipment	12	946
Inventories	16	2,169
Provisions	22	(379)
Fair value of assets acquired		**2,736**
Total consideration		**9,000**
Goodwill		**6,264**

Transaction costs of the acquisition of the assets totalled £0.1 million and these were recognised within administrative costs in the period. Since the date of control, the following amounts have been included within the Group's financial statements for the period:

	£'000
Revenue	3,303
Loss before tax	68

Given the limited trading period since acquisition, the nature of the transaction and significant differences between current and previous operations, it is impracticable to determine the revenue and profit or loss had the acquisition been included from the start of the period.

29 Merger Reserve

The merger reserve arose on pre-2006 acquisitions.

30 Share-Based Payment Reserve

The share-based payment reserve has arisen on the fair valuation of save-as-you-earn schemes, long-term incentive plans, restricted stock plans and short-term incentive plans.

31 Capital Redemption Reserve

The capital redemption reserve arose on the cancellation of treasury shares and as a result of a share reorganisation in 2006.

32 Non-Controlling Interests

Non-controlling interests held 40% of Pro Tiler Limited until the Group acquired these shares on 20 May 2024 after the exercise of the put option held by the non-controlling interests, detailed in note 22. The profit attributable to non-controlling interests was for the period to 30 March 2024. This was £0.2 million and dividends of £1.1 million were paid to non-controlling interests for that period.

33 Related Party Transactions

MS Galleon AG is a related party by virtue of their 29.8% shareholding (58,569,649 ordinary shares) in the Group's issued share capital (2023: 29.8% shareholding of 58,569,649 ordinary shares).

At 28 September 2024, MS Galleon AG is the owner of Cersanit, a supplier of ceramic tiles with whom the Group made purchases of £786,732 during the year, which is 0.7% of cost of goods sold (2023: purchases of £1,302,861 during the year, which is 1.1% of cost of goods sold).

An amount of £145,008 was outstanding with Cersanit at 28 September 2024 (2023: £278,815).

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note, in accordance with the exemption available under IAS 24.

34 Post Balance Sheet Events

On 30 September 2024, the Group agreed a lease for a new 140,000 sq ft facility at the Prologis Park Pineham. This will be operational by January 2025 and will provide operational capacity for Pro Tiler and future growth in the Group. The capital cost of fit out will be £2 – £2.5 million in 2025 and additional operational costs for Pro Tiler relating to the new property will be £0.4 million per year. The initial impact on the Group statement of profit or loss will be £0.7 million, reducing to £0.1 million by the end of the 15-year period.

Company Balance Sheet

as at 28 September 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Investments	4	**9,762**	9,448
Prepayments		**26**	100
Current assets			
Debtors	5	**224,413**	201,841
Cash at bank and in hand		**1,007**	18
Creditors: amounts falling due within one year	6	**(168,817)**	(144,627)
Net current assets		**56,603**	57,232
Non-current liabilities			
Provisions	7	**–**	(5,635)
Bank loans	8	**(14,996)**	–
Total liabilities		**(183,813)**	(150,262)
Net assets		**51,395**	61,145
Capital and reserves			
Called-up share capital	9	**6,556**	6,556
Share premium account	10	**2,636**	2,636
Own shares	11	**(7)**	(112)
Share-based payment reserve	12	**6,883**	6,569
Capital redemption reserve	13	**20,359**	20,359
Other reserves	14	**6,200**	6,200
Profit and loss account		**8,768**	18,937
Total shareholders' funds		**51,395**	61,145

The Company made a loss after tax for the financial period ended 28 September 2024 of £2,882,000 (2023: profit of £1,457,000).

The financial statements on pages 186 to 197 were approved by the Board of Directors on 12 December 2024 and signed on its behalf by:

ROB PARKER
STEPHEN HOPSON
Directors

Company Statement of Changes in Equity

For the 52 weeks ended 28 September 2024

Company	Called-up share capital (note 9) £'000	Share premium account (note 10) £'000	Own shares (note 11) £'000	Share-based payment reserve (note 12) £'000	Capital redemption reserve (note 13) £'000	Other reserves (note 14) £'000	Profit and loss account £'000	Total £'000
Balance at 1 October 2022	**6,556**	**2,636**	**(415)**	**5,696**	**20,359**	**6,200**	**25,245**	**66,277**
Profit for the period	–	–	–	–	–	–	1,457	1,457
Dividend paid to equity shareholders	–	–	–	–	–	–	(7,462)	(7,462)
Own shares issued in the period	–	–	303	–	–	–	(303)	–
Credit to equity for equity-settled share-based payments	–	–	–	873	–	–	–	873
Balance at 30 September 2023	**6,556**	**2,636**	**(112)**	**6,569**	**20,359**	**6,200**	**18,937**	**61,145**
Loss for the period	–	–	–	–	–	–	(2,882)	(2,882)
Dividend paid to equity shareholders	–	–	–	–	–	–	(7,077)	(7,077)
Own shares purchased in the period	–	–	(105)	–	–	–	–	(105)
Own shares disposed of on issue in the period	–	–	210	–	–	–	(210)	–
Credit to equity for equity-settled share-based payments	–	–	–	314	–	–	–	314
Balance at 28 September 2024	**6,556**	**2,636**	**(7)**	**6,883**	**20,359**	**6,200**	**8,768**	**51,395**

Notes to the Company Financial Statements
For the 52 weeks ended 28 September 2024

1 General Information and Basis of Accounting
Topps Tiles Plc is a public limited company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England under the Companies Act 2006. The address of the registered office is given on page 194.

The financial statements of Topps Tiles Plc have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') issued by the Financial Reporting Council ('FRC'). These financial statements have also been prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that Standard:

i) The requirements of IFRS 7 Financial Instruments: Disclosures
ii) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
   a) Paragraph 79(a)(iv) of IAS 1
   b) Paragraph 73(e) of IAS 16 Property, Plant and Equipment
iii) The requirements of IAS 7 Statement of Cash Flows
iv) The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
v) The requirements of paragraphs 10(d), 10(f), 40(a), 40(b), 40(c), 40(d) and 134 to 136 of IAS 1 Presentation of Financial Statements
vi) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
vii) IFRS 2 Share-Based Payments in respect of Group-settled share-based payments
viii) Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the prior periods
ix) Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

Where relevant, equivalent disclosures have been given in the Group financial statements of which the Company's results are included.

The financial statements have been prepared under the historical cost convention. Comparative data is for the period ended 30 September 2023.

Adoption of New and Revised Standards
In the current period, there were no new or revised standards and interpretations adopted that have a material impact on the financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards Adopted in Current Period
The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements; disclosure of accounting policies;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; definition of accounting estimates;
- Amendments to IAS 12 Income Taxes; deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 12 International Tax Reform Pillar Two Model Rules;
- IFRS 17 Insurance Contracts; original issue;
- IFRS 17 Insurance Contracts (Amendment); Initial Application of IFRS 17;
- IFRS 9 Financial Instruments; Comparative Information.

2 Accounting Policies

The principal accounting policies adopted are set out below. These policies have been applied consistently unless stated otherwise.

A) Going Concern

At the time of approving the financial statements, the Board is required to formally assess that the business has adequate resources to continue in operational existence and as such can continue to adopt the going concern basis in preparing the financial statements. This assessment has been done over a period of three years, and therefore covers the requirement to consider going concern for a period of not less than 12 months from the date of signing the financial statements.

The business activities of the Group, its current operations, and factors likely to affect its future development, performance and position are set out in the Chair's Statement on pages 10 and 11, and in the Financial Review on pages 34 to 39. In addition, note 21 on pages 175 to 179 includes an analysis of the Group's financial risk management objectives, details of its financial instruments and foreign exchange hedging activities and its exposures to credit and liquidity risk. The Group has a formalised process of budgeting, reporting and review, and information is provided to the Board of Directors in order to allow sufficient review to be performed to enable the Board to ensure the adequacy of resources available for the Group to achieve its business objectives.

At the year end the Group had adjusted net cash of £8.7 million (comprising cash and cash equivalents of £23.7 million less revolving credit facility draw down of £15.0 million) with unutilised bank facilities with available funding of £15.0 million. This was a reduction in the adjusted net cash position of £23.4 million since the prior year end largely reflecting the purchase of the remainder of the shares in Pro Tiler Limited and the acquisition of certain assets from CTD Tiles Limited. Operating cash generation was positive during the year, with net cash generated from operating activities of £23.8 million (2023: £37.2 million).

When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline in sales vs the base scenario, and a more severe decline in sales effectively forming a reverse stress test. Both result in much lower sales and gross profit than the base scenario, resulting in worse profit and cash outcomes. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for more than one year, with sales in FY25 falling 10% year-on-year in both our Topps Tiles brand and Pro Tiler brand, as well as a one percentage point year-on-year decline in gross margins in FY25.

The more severe downside scenario represents a reverse stress-tested scenario to assess the amount of sales reduction required before the Group begins to approach covenant breach. Even in this scenario the group retains an adjusted net cash position. This scenario assumes both businesses only recover back to FY25 budgeted levels of sales and gross margins by FY27. This scenario also assumes that variable costs would reduce in line with sales and also includes direct mitigating cost reduction actions, which would be taken if such a downturn occurred. Within all of the scenarios, the Group has included an estimate of costs that will be required in the future to meet its goal of becoming net zero by 2030. The scenarios also include the cost impact from the recently announced changes in the National Living Wage (up 6.7% from April 2025) and the changes in both the secondary threshold and the rate of employers' national insurance contributions, which is estimated to drive almost £4 million of additional costs into the business on an annual basis from April 2025, of which c. £2m will impact the FY25 financial year.

The Group has already taken a number of actions to strengthen its liquidity over the recent years, and the scenarios start from a position of relative strength. The going concern analysis, prepared for the Board, outlined an additional range of mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, further savings on store colleague costs and central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend. The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenarios. In no scenario modelled does the Group breach covenant compliance.

The current lending facility, of £30.0 million, was refinanced in October 2022 and expires in October 2027.

In all scenarios, the Board has concluded that there is sufficient available liquidity, with no further utilisation of the current lending facility, and sufficient covenant headroom for the Group to continue to meet all of its financial commitments as they fall due for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Board continues to adopt the going concern basis in preparing the Financial Statements.

2 Accounting Policies continued

B) Financial Period

The accounting period is drawn up to a Saturday within seven days of 30 September resulting in financial periods of either 52 or 53 weeks.

Throughout the financial statements, Directors' Report and Strategic Report, references to 2024 mean "at 28 September 2024" or the 52 weeks then ended; references to 2023 mean "at 30 September 2023" or the 52 weeks then ended.

C) Taxation

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

D) Investments

Fixed asset investments are shown at cost less provision for impairment.

E) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ('FVTPL'), financial assets "at fair value through other comprehensive income" ('FVOCI'), and financial assets carried at "amortised cost". The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are initially recognised at fair value and then carried at amortised cost, using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets and liabilities classified as at FVTPL.

Impairment Of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

2 Accounting Policies continued

The loss allowances for intercompany financial assets are based on assumptions on risk of default and expected loss rates. The Company recognises an allowance for expected credit losses based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. The Company will write off, either partially or in full, the gross carrying amount of a financial asset when there is no realistic prospect of recovery. This is usually the case when it is determined that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash And Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash within three months and are subject to an insignificant risk of changes in value.

Derecognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities that are classified as FVTPL relate to derivatives that are not designated and effective as a hedging instrument. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

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

F) Dividends

Dividends payable are recorded in the financial statements in the year in which they are approved by the Company's Shareholders.

Dividends receivable are recorded in the financial statements in the year in which they are declared by subsidiary undertakings.

Notes to the Company Financial Statements continued

For the 52 weeks ended 28 September 2024

2 Accounting Policies continued

G) Finance Income and Finance Costs

Interest receivable or payable is recognised on an accrual basis.

H) Share-Based Payments

The Company issues equity-settled share-based payments to certain colleagues. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share-based payment is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Fair value is measured by use of the Black-Scholes model.

The Company provides colleagues with the ability to purchase the Company's ordinary shares at 80% of the current market value through the operation of its Sharesave scheme. The Company records an expense, based on its estimate of the fair value at the grant date related to shares expected to vest on a straight-line basis over the vesting period.

I) Employee Benefit Trust

The Group holds own shares via an Employee Benefit Trust. The Company accounts for the Employee Benefit Trust as an Intermediate Payment Arrangement, with the Trust considered an agent of the Company. Consideration paid for the equity instruments is recognised as a deduction against equity, as own shares, until such time that the equity instruments vest unconditionally with employees.

J) Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying The Company's Accounting Policies

The key accounting judgement used in the financial statements is as follows:

Impairment of Investments

The Company considers whether investments in subsidiary undertakings are impaired. Where an indication of impairment is identified, the recoverable value of the investment is assessed. Due to the pervasive indicators for impairment described in note 14 of the Consolidated Financial Statements, an impairment review was undertaken for all investments held by the Company. The Company first assesses whether the subsidiary has sufficient net assets to distribute and where the carrying value of the investment exceeds the net assets, a value-in-use assessment is performed. Refer to note 4 for details of the balances affected.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the period-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Recoverability of Intercompany Balances

The Directors consider that the recoverability of intercompany balances is a key source of estimation uncertainty. The Company recognises an allowance for expected credit losses based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The Company assesses a repayment plan for all intercompany balances when evaluating the cash flows that the Company expects to receive. Refer to note 5 for details of the expected credit losses recognised. There is no reasonable possible change to scenarios within the payment plan that would lead to a materially different outcome.

3 (Loss)/Profit for the Period

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the period. Topps Tiles Plc reported a loss for the financial period ended 28 September 2024 of £2,881,000 (2023: profit of £1,457,000).

The Auditor's remuneration for services to the Company was £486,000 for audit-related work (2023: £280,000 for audit-related work). Fees relating to non-audit work totalled £nil (2023: £nil); see note 4 to the Group financial statements for further details.

The Company had no employees other than the Directors (2023: same), whose remuneration is detailed on pages 111 to 133.

The Company paid dividends of £7,077,000 (2023: £7,462,000) during the financial period, detailed in note 8 of the Group Financial Statements.

4 Investments

	£'000
Cost and net book value at 1 October 2022	**8,727**
Movemet in share options granted to colleagues	873
Impairment of investments in subsidiaries	(152)
Cost and net book value at 30 September 2023	**9,448**
Movement in share options granted to colleagues	314
Cost and net book value at 28 September 2024	**9,762**

The following were subsidiaries that the Company has investments in, both as at 28 September 2024 and 30 September 2023:

Subsidiary undertaking	**% of issued shares held**	**Principal activity**
Topalpha Limited*	100%	Property management and investment
Topalpha (Warehouse) Limited	100%	Property management and investment, and provision of warehousing services
Topalpha (Stoke) Limited	100%	Property management and investment
Tiles4less Limited*	100%	Intermediate holding company
Topps Tiles (UK) Limited	100%	Retail and wholesale of ceramic tiles, wood flooring and related products
Topps Tiles Holdings Limited*	100%	Intermediate holding company
Topps Tile Kingdom Limited	100%	Intermediate holding company
Multi-Tile Limited	100%	Retail and wholesale of ceramic tiles, wood flooring and related products
Topps Tiles Distribution Limited	100%	Wholesale and distribution of ceramic tiles, wood flooring and related products
Multi-Tile Distribution Limited	100%	Intermediate holding company
Topps Tiles IP Company Limited	100%	Ownership and management of Group intellectual property
Topps Tiles Employee Benefit Trust*	100%	Employee benefit trust
Strata Tiles Limited*	100%	Architectural ceramic sales and distribution
Parkside Ceramics Limited*	100%	Commercial distribution of ceramic and porcelain tiles, natural stone and related products
Pro Tiler Limited*	100%	Online specialist supplier of tiling-related consumables and equipment to trade customers
Topps Group Limited*	100%	Dormant company

* Held directly by Topps Tiles Plc

Notes to the Company Financial Statements continued

For the 52 weeks ended 28 September 2024

4 Investments continued

The investments are represented by ordinary shares.

All undertakings are incorporated in Great Britain and are registered and operate in England and Wales.

The registered address of all of the above entities (excluding Strata Tiles Limited and Parkside Ceramics Limited) is Thorpe Way, Grove Park, Enderby, Leicestershire, LE19 1SU, United Kingdom.

The registered address of Strata Tiles Limited and Parkside Ceramics Limited is Barnsdale Way, Enderby, Leicestershire, England, LE19 1SN, United Kingdom.

For the year ended 28 September 2024, the subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the Company guarantees all outstanding liabilities to which the subsidiary companies are subject.

Subsidiary undertaking	Company registration number
Topalpha Limited	03150850
Topalpha (Warehouse) Limited	04453090
Topalpha (Stoke) Limited	03714868
Tiles4less Limited	04123146
Topps Tiles (UK) Limited	04781209
Topps Tiles Holdings Limited	05840669
Topps Tile Kingdom Limited	01697061
Multi-Tile Limited	00808214
Topps Tiles Distribution Limited	05236219
Multi-Tile Distribution Limited	05008512
Topps Tiles IP Company Limited	05235969
Pro Tiler Limited	07154275
Strata Tiles Limited	04501077
Parkside Ceramics Limited	01732302
Topps Group Limited	14457743

5 Debtors

	2024 £’000	2023 £’000
Amounts owed by subsidiary undertakings	**222,721**	200,228
Prepayments	**186**	149
Other debtors	**1,506**	1,464
	224,413	201,841

Amounts owed by subsidiary undertakings are interest free, repayable on demand and not subject to any security.

During the period, the Company undertook a review of intercompany receivables and assessed them for likely recoverability. In the prior period, an increase in credit risk was identified for one receivable with no possibility of recovery, resulting from a change in aggregate exposure to intercompany debt. As a result, a lifetime expected credit loss was provided for, to the value of £1.3 million. The expected credit loss is unchanged in the current period.

6 Creditors: Amounts Falling Due Within One Year

	2024 £'000	2023 £'000
Trade and other creditors	**655**	339
Amounts owed to subsidiary undertakings	**167,637**	143,812
Accruals	**525**	476
	168,817	144,627

Amounts owed to subsidiary undertakings are interest free, repayable on demand and not subject to any security.

7 Provisions

	2024 £'000	2023 £'000
Earn out liability	**–**	5,635
Current	**–**	5,635
Non-current	**–**	–

	Earn out liability £'000
At 30 September 2023	**5,635**
Created in the year	2,973
Unwind of discount	142
Utilisation of provision	(8,750)
At 28 September 2024	**–**

The earn out liability in the prior period was for the purchase of Pro-Tiler and was all due in March 2024.

Refer to note 22 in the Consolidated Group Financial Statements for details on the earn out liability.

8 Bank Loans

	2024 £'000	2023 £'000
Revolving credit facility (all sterling)	**14,996**	–

	2024 £'000	2023 £'000
The borrowings are repayable as follows:		
Greater than one year	**15,000**	–
	–	–
Less: total unamortised issue costs	**(4)**	(200)
	14,996	(200)

The Directors consider that the carrying amount of the revolving credit facility at 28 September 2024 and 30 September 2023 approximates to its fair value since the amounts relate to floating rate debt.

8 Bank Loans continued

The following is a reconciliation of changes in financial liabilities to movement in cash from financing activities:

	Current borrowings £'000	Non-current borrowings £'000	Unamortised issue costs £'000
As at 1 October 2022 and 30 September 2023	**–**	**–**	**100**
Proceeds from revolving credit facility	–	23,500	–
Repayment of revolving credit facility	–	(8,500)	–
Unamortised issue costs	–	(4)	–
Issue costs incurred in the year	–	–	(100)
Amortisation of issue costs	–	–	150
As at 28 September 2024	**–**	**14,996**	**150**

At 28 September 2024, the Group had a revolving credit facility of £30.0 million, expiring in October 2026 with an option to extend for a further one year. On 9 October 2024, the Group extended the facility by one year, with this expiring in October 2027. As at the financial period end, £15.0 million of this was drawn (2023: £nil), leaving £15.0 million of undrawn committed banking facilities. The loan facility contains financial covenants which are tested on a bi-annual basis. The Group did not breach any covenants in the period.

9 Called-Up Share Capital

	2024 Shares	2023 Shares	**2024 £'000**	2023 £'000
Allotted, issued and fully paid ordinary shares of 3.33p (2023: 3.33p)				
At the start of the period	**196,681,818**	196,681,818	**6,556**	6,556
Issued in the period	**–**	–	**–**	–
At the end of the period	**196,681,818**	196,681,818	**6,556**	6,556

The authorised share capital of the Group is £8,000,000 (2023: £8,000,000), which consists of 240,000,000 ordinary shares (2023: 240,000,000).

During the period the Group issued and allotted nil (2023: nil) ordinary shares with a nominal value of £nil (2023: £nil) under share option schemes for an aggregate cash consideration of £nil (2023: £nil).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the year, dividends of £7,077,000 (2023: £7,462,000) were paid. See note 8 of the Consolidated Financial Statements for further details.

During the period 230,000 shares were purchased by Topps Tiles Employee Benefit Trust on behalf of the Group (2023: nil).

10 Share Premium

	2024 £'000	2023 £'000
At start of the period	**2,636**	2,636
Premium on issue of new shares	**–**	–
At end of the period	**2,636**	2,636

11 Own Shares

	2024 £'000	2023 £'000
At start of the period	**(112)**	(415)
Acquired in the period	**(105)**	–
Disposed of on issue in the period	**210**	303
At end of the period	**(7)**	(112)

The Group holds 16,725 (2023: 204,474) own shares with a value of £7,326 acquired for an average price of £0.44 per share (2023: £112,443 acquired for an average price of £0.55 per share). Market value of these shares at 28 September 2024 was £7,359. These shares are held in an Employee Benefit Trust and are typically used to facilitate employee shareholdings under remuneration schemes, on the advice of the Company. Share purchases are funded by payments made by the Company to the Employee Benefit Trust.

12 Share-Based Payment Reserve

The share-based payment reserve has arisen on the fair valuation of save-as-you-earn schemes, long-term incentive plans, restricted stock plans and short-term incentive plans.

13 Capital Redemption Reserve

The capital redemption reserve arose on the cancellation of treasury shares and as a result of a share reorganisation in 2006.

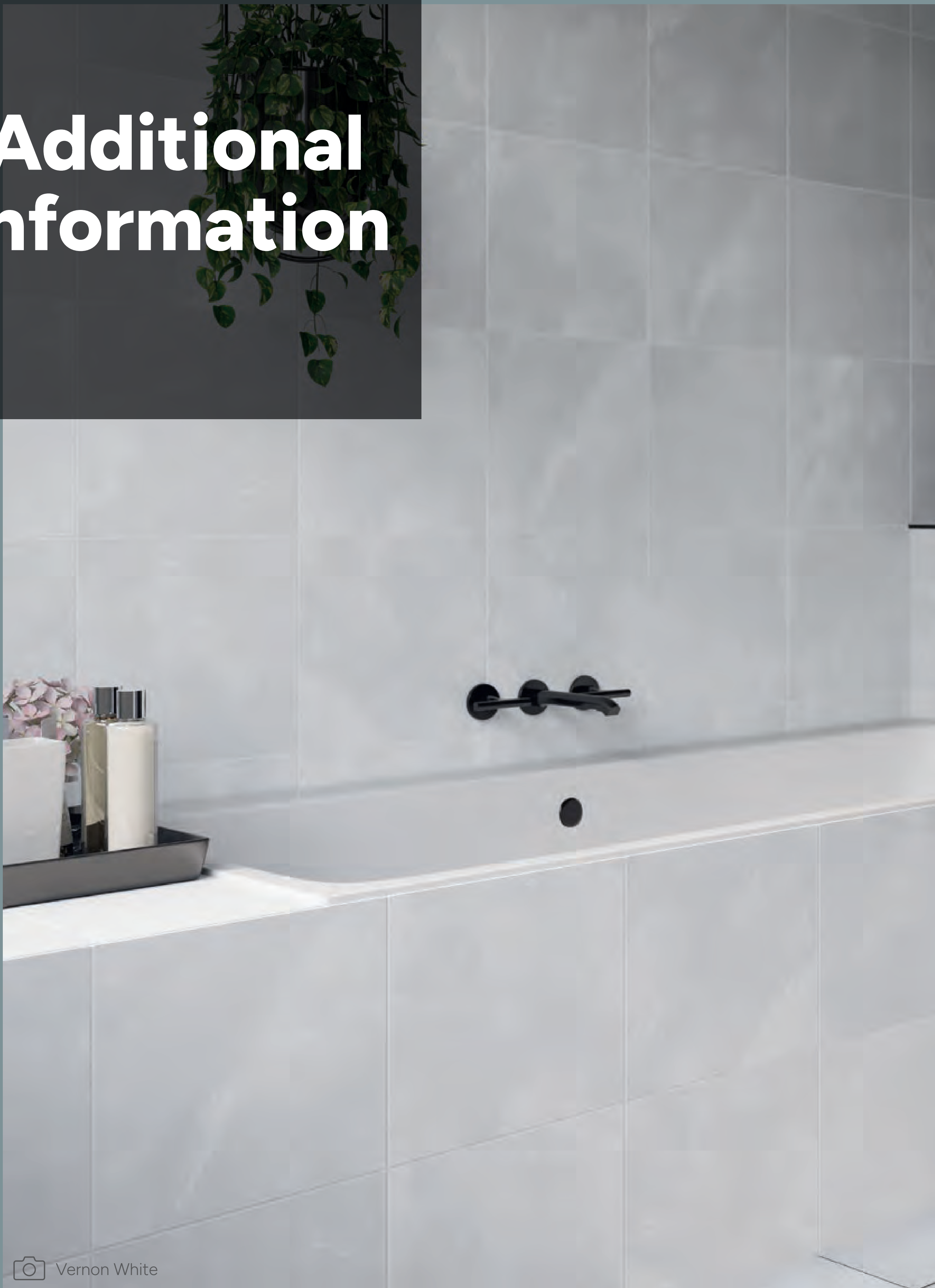
14 Other Reserves

The other reserves comprise an unrealised gain arising on the disposal of certain trademarks to a subsidiary company.

15 Controlling Party

The Company has no individual controlling party.

Additional Information



Additional Information

Five-Year Record

Unaudited

	52 weeks ended 26 September 2020 (restated)[1] £'000	53 weeks ended 2 October 2021 (restated)[1] £'000	52 weeks ended 1 October 2022 £'000	52 weeks ended 30 September 2023 £'000	**52 weeks ended 28 September 2024 £'000**
Group revenue	192,813	227,997	247,241	262,714	**251,756**
Group operating profit/(loss)	(6,141)	18,026	14,832	11,106	**(11,417)**
Profit/(loss) before taxation	(9,925)	13,955	10,945	6,815	**(16,232)**
Total equity	13,958	24,956	29,049	26,388	**5,585**
Basic earnings per share	(4.16)p	5.47p	4.60p	1.63p	**(6.63p)**
Dividend per share	Nil	3.10p	3.60p	3.60p	**2.40p**
Dividend cover	n/a	1.76x	1.28x	0.45x	**(2.76x)**
Average number of colleagues	2,001	1,847	1,751	1,748	**1,766**
Share price (period-end)	51.40p	65.60p	38.50p	48.40p	**44.00p**

All figures quoted are inclusive of continued and discontinued operations.

Reconciliations between Alternative Performance Measures ('APMs') and IFRS

For the 52 weeks ended 28 September 2024 – Unaudited

The Group's management uses adjusted performance measures to plan for, control and assess the performance of the Group. Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive suitable APMs.

As set out on pages 32 to 33, APMs are used as management believe these measures provide additional useful information on the trends, performance and position of the Group. These measures are used for performance analysis by the Board. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs. These measures are not intended to be a substitute for, or superior to, IFRS measurements.

The following reconciliations have been included in this report to demonstrate how these APMs can be reconciled back to statutory measures as defined by IFRS.

Topps Tiles Like-For-Like Revenue Year on Year

	2024 %	2023 %
Topps Tiles like-for-like revenue year on year (APM)	**(9.1%)**	3.1%
Stores trading for less than 52 weeks	**0.2%**	(1.4%)
Topps Tiles like-for-like revenue year on year (statutory)	**(8.9%)**	**1.7%**

Adjusted Revenue

	2024 £m	2023 £m
Adjusted revenue (APM)	**248.5**	262.7
CTD	**3.3**	–
Revenue (statutory)	**251.8**	**262.7**

Adjusted Gross Margin

	2024 %	2023 %
Adjusted gross margin (APM)	**53.3%**	53.0%
CTD	**0.1%**	–
Gross margin (statutory)	**53.4%**	**53.0%**

Adjusted Operating Profit

	2024 £m	2023 £m
Adjusted operating profit (APM)	**11.0**	16.6
Property		
Vacant property and closure costs	**(0.3)**	(1.1)
Store impairments and lease exit gains and losses	**(18.8)**	0.2
Business development		
Pro Tiler Tools share purchase expense	**(3.1)**	(3.9)
CTD trading, transaction costs and CMA investigation costs	**(0.2)**	–
Restructuring and other one-off costs	**–**	(0.7)
Operating (loss)/profit (statutory)	**(11.4)**	**11.1**

Reconciliations between Alternative Performance Measures ('APMs') and IFRS continued

For the 52 weeks ended 28 September 2024 – Unaudited

Adjusted Profit Before Tax

	2024 £m	2023 £m
Adjusted profit before tax (APM)	**6.3**	12.5
Property		
Vacant property and closure costs	**(0.3)**	(1.1)
Store impairments and lease exit gains and losses	**(18.8)**	0.2
Business development		
Pro Tiler Tools share purchase expense	**(3.2)**	(4.1)
CTD trading, transaction costs and CMA investigation costs	**(0.2)**	–
Restructuring and other one-off costs	**–**	(0.7)
(Loss)/profit before tax (statutory)	**(16.2)**	**6.8**

Adjusted Earnings Per Share

	2024 pence	2023 pence
Adjusted earnings per share (APM)	**2.39**	4.49
Property		
Vacant property and closure costs	**(0.14)**	(0.48)
Store impairments and lease exit gains and losses	**(7.19)**	0.07
Business development		
Pro Tiler Tools share purchase expense	**(1.61)**	(2.07)
CTD trading, transaction costs and CMA investigation costs	**(0.08)**	–
Restructuring and other one-off costs	**–**	(0.32)
Deferred tax adjustment in respect of prior periods	**–**	(0.06)
Earnings per share (statutory)	**(6.63)**	**1.63**

Adjusted Net Cash at Period-End

	2024 £m	2023 £m
Adjusted net cash at period-end (APM)	**8.7**	23.4
Lease liabilities	**(86.0)**	(94.5)
Net debt at period-end (statutory)	**(77.3)**	**(71.1)**

Return on Capital Employed

	2024 £m	2024 %	2023 £m	2023 %
Return on capital employed (APM)		**12.2%**		15.7%

Calculated as the annual operating profit divided by the average capital employed, as follows:

	2024 £m	2024 %	2023 £m	2023 %
Operating profit (adjusted)	**11.0**		16.6	
Net assets	**5.6**		26.4	
Cash and cash equivalents	**(23.7)**		(23.4)	
Bank loans	**15.0**		–	
Lease liabilities	**86.0**		94.5	
Capital employed	**82.9**		97.5	
Average capital employed (average of previous two financial periods)	**90.2**		106.6	
Return on capital employed (APM)		**12.2%**		**15.7%**

The Team

A

Aadil Mulla
Aaron Butler
Aaron Collins
Aaron Gerring
Aaron Goodman
Aaron Hanley
Aaron James
Aaron Morris
Aaron Powell
Aaron Ryan
Aaron Tompkins
Abdinasir Yabarow
Abdul Khaem
Abigail Rose
Adam Connor
Adam Cosgrove
Adam Crowe
Adam Fekecs
Adam Gilkes
Adam Heffer
Adam Howes
Adam Ireland
Adam Lever
Adam Malik
Adam Nugent
Adam Nuttall
Adam Pike
Adam Rendell
Adam Shearsmith
Aderemi Adediran
Adie Danvers
Adrian Gibbons
Adrian Gower
Adrian Haynes
Agnieszka Kozera
Agnieszka Skrzypczak
Aidan Dawes
Aidan Dickson
Aidan MacDonald
Aimee Gallagher
Aislin McCormack
Akshey Vadgama
Alain Gouro
Alan Duignan
Alan Kirton
Alan Maxwell
Alan Saunders
Aleena Kulasy
Alex Griffiths
Alex Reeves
Alex Saunter
Alex Whitmore
Alexander Abram
Alexander Handley
Alexander Shepherd
Alexander Stone
Alexander Thompson
Alexander Walton
Alexander Williams
Alexandros Poupazis
Alexandru Soim
Ali Khurum
Alice Harris
Alice Walker
Alisha Millward
Alison Mazzei-Foster
Alissa Yeoell
Ally McLean
Allysha Byrne
Amal Bathia
Amanda Lyon
Amanda Plumb
Amanda Smyth
Amanpreet Singh
Amelia Foster
Amelia Gohil
Amman Afzal
Amy McDaid
Amy Wirtz
Amy Yarnton
Ana Legin
Andrea Moon
Andrew Adaway-Fenner
Andrew Burt
Andrew Carter-Riley
Andrew Clapp
Andrew Collins
Andrew Davis
Andrew Dixon
Andrew Habbick
Andrew Harrison
Andrew Hawker
Andrew Hawkins
Andrew Haynes
Andrew James
Andrew Jones
Andrew Oliver
Andrew Playfoot
Andrew Rice
Andrew Robson
Andrew Roseby
Andrew Shaw
Andrew Sparks
Andrew Tibbetts
Andrew Warne
Andrew Waterfield
Aneta Akwe
Aneta Pawlowska
Angela Capp
Angela Cooke
Angela George
Ankit Mahes
Ann Karas
Anna Gosden
Anna Hibberd
Anna Mironiuk
Anna Skoczylas
Anna-Marie Putt
Anne Cattrall
Anne-Marie Cameron
Anne-Marie McCabe
Annette Ayriss
Anthony Ali
Anthony Benham
Anthony Cattell
Anthony Chamberlain
Anthony Daly
Anthony Davies
Anthony Dolan
Anthony Dunsmore
Anthony Gilbert
Anthony Lyth
Anthony Molyneux
Anthony Reynolds
Anthony Taylor
Antony Blabey
Anub Varghese
Anwar Marshall
Arif Aswat
Aron Hoff
Aruna Mistry
Ashish Kumar
Ashish Patel
Ashley Bennett
Ashley Burke
Ashley Cutler
Ashley Harwood
Ashley Hegarty
Ashley Hughes
Ashley Langstone
Ashley Leggett
Ashley Mansfield
Ashley Smith
Asim Khan
Astone Davids
Athina Sesay
Atul Patel
Ava Johns
Ayesha Nicklen

B

Bailey Richardson
Barbara Connor
Barbara Smith
Barinder Singh
Barry Beaver
Barry Gilbert
Barry Shane
Beata Gallus
Beata Skoczylas
Ben Canning
Ben Chapman
Ben Gaby
Ben Howard
Ben Johnson
Ben Wright
Benito Garrod
Benjamin Hale
Benjamin Hawes
Benjamin Mathews
Benjamin Rich
Bethan Storeham
Beverley Orton
Bhupinder Atkar
Blake Ladeinde
Blake Potter
Boban Velichkovski Burnell
Bolaji Adeyanju
Bonita Wright
Brad Kingsford
Bradley Hargraves
Bradley Quaye
Bradley Rockell
Brandon Abels
Brandon Battle
Brandon Lodge
Brandon Smith
Brendan Conlon
Brendan Flynn
Brett Simkiss
Brian Harvey
Brittany Davies
Brogan Baker
Bronnagh Stephenson
Bruce Fielding
Bruce Garrod
Bruno Bernasconi
Bryn Lewis
Buffy Harding-Attwood
Byron Tree

C

Cain Long
Caitlin Pipes
Caitlin Timbrell
Calla Stevenson
Callum Brewin
Callum Gove
Callum Keeler
Calum Holyoake
Calvin Christopher
Cameron Rushbrook

Cameron Wallace
Campbell Marr
Cara Massey
Cardoso Da Costa Fernandes
Carl Ainsworth
Carl Courtney
Carl Fraser
Carl Whatley
Carla Sinnott
Carlos Alford Maestre
Carlos Chowdhury
Carol Beattie
Carol Hawkes
Carol Hobbs
Carol Isherwood
Cassius Mpame
Catherine Doulton
Catherine Parry
Catherine Platt
Chakib Ayoub
Chantelle Gurney
Charjuan Knight
Charlene Clack
Charlene Walpole
Charles Hopper
Charles Rollins
Charles Taylor
Charlie Adams
Charlie Almond
Charlie Cox
Charlotte Baldwin
Charlotte Bessent
Charlotte Duffett
Charlotte Jackson
Charlotte Lammin
Charlotte Lane
Charlotte Self
Charlotte Shields
Charlotte Warby
Chelsea Bates
Chelsea Iannaccone
Chetna Shah
Chirag Shah
Chloe Basisto
Chloe Hall
Chloe Hunter-Crooks
Chloe Jackson
Chloe Rozier
Chloe Singleton
Chloe Smith
Chloe Willows
Chris Foster
Chris Loynes
Christian D'Agostino
Christian McCarthy
Christine Taylor
Christopher Bentham
Christopher Bentley
Christopher Bowden
Christopher Bree
Christopher Brown
Christopher Burrows-Simpson
Christopher Butler
Christopher Cooper
Christopher Curtis
Christopher D'Arts
Christopher Edwards
Christopher Farren
Christopher Fath
Christopher Foster
Christopher Harrison
Christopher Heyes
Christopher Holland
Christopher Hope
Christopher Howe
Christopher Lawrence
Christopher MacFarlane Leach
Christopher Moore
Christopher Nicholls
Christopher Nottle
Christopher Percival
Christopher Potter
Christopher Sansby
Christopher Slocombe
Christopher Sylvester
Christopher Taylor
Christopher Turley
Christopher Wells
Christopher Wescott
Ciaran Kennedy
Ciaran Morgan
Clair Jeffries
Clair Seary
Claire Cape
Claire Egan
Claire Herridge
Claire Lewis
Claire Ralphs
Claire Waters
Clare Barden
Clare Olding
Clifford Adams
Clifford Tomlinson
Cole Storer
Colin Clarke
Colin Harvey
Colin Markham
Colin Petch
Colin Rymer
Colin Smith
Colin Walker
Connagh Latham
Conner Bell
Connor Flett
Connor Francis
Connor Gane
Connor Garrow
Connor Hills
Connor Mckay
Connor Thompson
Conor Wallis
Conrad Cassidy
Conrad Harrup
Cora Morrison
Cory Conlon
Courteney Colville
Courtney Maglone-Gillies
Courtney Safe
Craig Cooper
Craig Dolling
Craig Frost
Craig Green
Craig Johnson
Craig Lewis
Craig McPike
Craig Murphy
Craig Reed
Craig Richards
Craig Shaughnessy
Craig Simpson
Cristian Olaru
Cristina Cimbru

D

Daisy Garnett
Damian Dudek
Damiano Seresini
Damion Founde
Dan Bevan
Dane Grant
Danial Holloway
Daniel Allen
Daniel Berkes
Daniel Brace
Daniel Brain
Daniel Cabral
Daniel Chambers
Daniel Cox
Daniel Edwards
Daniel Fairless
Daniel Fallows
Daniel Foster
Daniel Geoghegan
Daniel Gurita
Daniel Horrocks
Daniel Jenkins
Daniel Jones
Daniel Ladwa-Warren
Daniel Lewis-luscombe
Daniel Loft
Daniel McLean
Daniel Milner
Daniel Moyse
Daniel Musguin
Daniel Pimm
Daniel Poile
Daniel Reilly
Daniel Rowlands
Daniel Swanson
Daniel Thornley
Daniel Turner
Daniel Varney
Daniel Wildman
Daniel Willows
Daniella Winstone
Danielle Noyes
Danielle O'Mara
Daniel-Paul Petrut
Darius Bright
Darnelle Riley
Darran Langan
Darren Doughty
Darren Ealden
Darren Jones
Darren Mencarini
Darren Mitchell
Darren Morgan
Darren Smith
Darren Square
Darren Wagg
Darren Young
Darron Soos
Darryl Swatman
David Augustus
David Baggaley
David Baxter
David Coupland
David Fletcher
David Fox-Matthews
David Hance
David Hatton
David Henderson
David Hill
David Hooper
David Hope
David Hussey
David Jackson
David Kavanagh
David Kershaw
David Kettlewell
David Knight

The Team
continued

David MacArtney
David McGinnes
David Miller
David Mouland
David Oliver
David Pigott
David Reynolds
David Sheehy
David Simms
David Sinclair
David Thomasson
David Thompson
David Townsley
David Webb
David Wilson
Davis Bowring
Dayne Dewsbury
Dean Jones
Dean Marshall
Dean Rodger
Dean Sheppard
Dean Titchen
Dean Turner
Debbie Potts
Debra Bandghiree
Declan Baker
Declan O'Donnell
Decland Speede
Declyn Mccarthy
Demi Harris
Demi-leigh Hansen
Denis O'Brien
Denise Nichola Jagger
Dennis Jovellanos
Dennis Winterburn
Denzil Johns
Derek Robertson
Desmond Alleyne
Devindren Govender
Devonte Marshall
Dharmika Shah
Diana Breeze
Dipak Patel
Dipal Parikh
Doina Mesina
Dolton Gordon
Dominic D'Souza
Dominic Reilly
Dominic Saunders
Donald Magullian
Donald Williams
Douglas Nicol
Dylan Allen
Dylan Bayley
Dylan Holyoak
Dylan Roberts
Dylan Worley
Dylan James Lee

E

Eamonn Walsh
Eddy Hyde
Edward Goldman
Edward Onions
Edward Opare
Elaine Johnson
Elise Ford
Elisha Lelouet
Eliska Urbanovska
Elizabeth Fay
Elizabeth Fulton
Elizabeth Innes
Elizabeth Sutton
Elizabeth Wellington
Ella Jones
Ellena Boustead
Ellie Jordan
Elliott Browne
Elliott Davis
Elliott Jaulimsing-Brown
Elliott Moss
Elliott Preece
Ellis Molyneux
Elrond Pegg
Em Matthews
Emily Connelly
Emily Gardiner
Emily Hill-Smith
Emily Lenham
Emily Lenton
Emily Mansell
Emma Fitzpatrick
Emma Gotch
Emma Hammond
Emma Russo
Emma Shaw
Emma Westron
Emmanuel Melford-Rowe
Emran Mannan
Enrikas Kvietinskas
Erandika Senevirathna
Eren Ucman
Erikas Mazeikis
Ermiyas Girma
Esme Sparrow
Ethan O'Grady
Euan Preece
Evan Davies
Eve Roots
Eve Ruckwood
Eve White
Ewelina Szreder-Politowska
Ezra Deans

F

Fahim Islam
Faizar Ali
Farakh Nasar
Fay Blackwell
Filip Litwinski
Filipe Albarraque
Filipe Franco
Finley Loughlin
Fiona Bardoe
Frances Aylward
Francesca Barratt
Frank Hibbert
Fraser Lockley

G

Gareth Fogden
Garnet Hardy
Garry Baker
Gary Ashdown
Gary Davies
Gary Davies
Gary Gear
Gary Gee
Gary Nash
Gary Tipler
Gary Williams
Gavin Collins
Gavin Magwood
Gavin Meek
Gbolahan Atewologun
Gemma Cooper
Gemma Davies
Gemma Stephens
Gena Mitchell
Geoffrey Greenwood
Geoffrey Thomas
George Astill
George Birkley
George Carson
George Constandinou
George Griffin
George Newton
George Okha
George Wicks
Georgia Harding
Georgia Miles
Georgia Robinson
Georgina Preater
Geraint Griffiths
Gergo Poroszlai
Gergo Urszuly
German Ramirez Marin
Ghulam Bashir
Gillian Grace
Girish Nair
Gladys Massamba
Glenn Civil
Glenn Davies
Glenn Elgy
Glenn Smith
Glenn Tripp
Gloria Mugabi
Gokhan Karadogan
Grace Emery
Grace Newton
Gracjan Draheim
Graeme Geddes
Graham Brown
Graham Foster
Graham Hitchin
Graham Livingstone
Graham Orr
Graham Vance
Grant Harris
Grant Humphreys
Grant Smith
Grenville Davies
Gurinder Chana
Gurjeet Kaur
Gurminder Garcha
Guy Gorenski

H

Hadley Fordham
Hannah Booth-Howard
Hannah Emmott
Hardik Nimavat
Haroon Younus
Harriet Buckley
Harriet Goodacre
Harrison Leesmith
Harrison Vaughan
Harry Page
Harry Williams
Harvey Ketnor
Harvey King
Harwinder Singh
Hassan Barkatali
Hasseb Khourasani
Hayden Dugdale
Hayden Hart
Hayden Mason
Hazel Millington
Helen Meredith
Henry Baillie
Henry Hill
Hilary Colgan
Holly Ballinger

Holly Hayes
Holly Meager
Holly Nettleton
Holly Peck
Holly Skerritt
Hugh Butler

I

Iain Arnott
Iain Black
Ian Ashton
Ian Barber
Ian Bloomfield
Ian Carr
Ian Croton
Ian Fraser
Ian Marshall
Ian Merry
Ian Smithson
Ian Sykes
Idiris Farah
Ignas Kampas
Igors Koselevs
Ildiko Barta
Indiana Groves-Grist
Inshallah Hobson
Ioan-Sorin Caslariu
Iriana Andrade
Isaac Lees
Isaiah Khaoya
Ishaq Ahmed
Ismail Abdisalam
Ivan Paitoo

J

Jack Anderson
Jack Asher
Jack Beale
Jack Beesley
Jack Ellis
Jack Fairburn
Jack Gallagher
Jack Garton
Jack Holyoake
Jack Hughes
Jack Hustler
Jack Jones
Jack Ketchen
Jack Lester
Jack Mixture
Jack O'Neill
Jack Overton
Jack Relfe
Jack Richardson
Jack Rolph
Jack Sycamore
Jack Veall
Jack Walters
Jack Youmans
Jacob Allan
Jacob Machin
Jacob Powell
Jacqueline Desborough-Morehead
Jade Clements
Jade Girgensons-Coates
Jade Stone
Jadzia Webb
Jailuene Witterick Peake
Jake Bellamy
Jake Carter
Jake Lines
Jake Mcallister
Jake Payne
Jake Shopland
Jake Starling
Jake Woods
Jakub Jackowski
James Barnett
James Bennett
James Biesty
James Cameron
James Carroll
James Charles
James Coffield
James Cutler
James Desborough
James Harvey
James Heard
James Hollis
James Howard
James Hyland
James Joyce
James Mattin-Swain
James Mooney
James Morgan
James Morrison
James O'Driscoll
James Patston
James Peters
James Robertson
James Rolfe
James Saunders
James Tatton
James Taylor
James Thatcher
James Turnbull
James Watton
James White
James Wolstenholme
James Daniel Calvert
Jamie Austin
Jamie Calow
Jamie Cardall
Jamie Copland
Jamie Glenn
Jamie Martin
Jamie McErlain
Jamie Ormrod
Jamie Sia
Jamie Wenborn
Jamie Whitear
Jamie Woodham
Janaka Alahapperuma
Jane Williams
Janet Lee
Jarvis Toon
Jasbir Singh
Jasdev Nijjar
Jason Barker
Jason Coupland
Jason Ealden
Jason Ellison
Jason Frith
Jason Marques
Jason Nelson
Jason Trawford
Jason Wale
Jaspreet Sandhu
Javeed Parkar
Jay Gale
Jay Gurney
Jay Tinsley
Jayde Cheyne
Jayden Baker
Jayesh Kantibhai Mistry
Jayne Lowndes
Jayne Young
Jaytan Vadher
Jeannie Johnston
Jedrzej Politowski
Jennie-lee Hunt
Jennifer Flowers
Jennifer Glover
Jennifer Gregory
Jennifer Seabrook
Jennifer Wall
Jenny Inkson
Jeremy McMurray-Cole
Jerome Litchmore
Jessica Fermor
Jessica Hughes
Jessica Ireland
Jessica Jarman
Jessica Sawyer
Jessica Wood
Jessie Brunt
Jo Adamson
Joana Oakes
Joanna Jones
Joanne Cox
Joanne Elton
Joanne Parker
Joanne Shawcroft
Joanne Steer
Joao Degouveia
Jodie Jones
Joe Davies
Joe Dwyer
Joe Halton
Joe Lamond
Joe Marriott
Joe Mathews
Joe Smith
Joe Whalley
Joel Barker
Joel Bray
John Bourke
John Burton-Simm
John Curzon
John Fisher
John Harris
John McLaren
John Moat
John Morris
John Murphy
John Page
John Shaw
John Sweet
John Thompson
John Turnham
Johnathon Henshaw-McCreedy
Jomo Hutson
Jon O'Neill
Jon Reynolds
Jon Roulstone
Jon Paul Hughes
Jonatan Muti
Jonathan Bradshaw
Jonathan Davis
Jonathan East
Jonathan Hall
Jonathan Pinchbeck
Jonathan Sandifer
Jonathan Scott
Jonathan Sorrell
Jonathan Stearman
Jonathan Wallace
Jonathan Wiles
Jonathan Williams
Jonathon Wynder
Jordan Hodder
Jordan Lindsay

The Team
continued

Jordan Lowes
Jordan Matthews
Jordan Prydden
Jordan Riley
Jordan Scarbrow
Josef Chatwin
Joseph Ashcroft
Joseph Durham
Joseph Gregorace
Joseph Haughney
Joseph Hopper
Joseph Lewis
Josephina Lane
Josephine Clarke
Josh Keyworth
Joshua Barnwell
Joshua Brown
Joshua Burgess
Joshua Carroll
Joshua Clarke
Joshua Coulton
Joshua Crombie
Joshua Hall
Joshua Hubbard
Joshua Mcnamee
Joshua Norbury
Joshua Rapley
Josiah Andrew-Razemba
Josie Colehan
Juan Oliveira McDowell
Judith Duncan
Julia Kerr
Julian Sudre
Julie Brachtvogel
Julie Mitchell
Julie Poolford
Julie Wood
Julija Graumane
Jullah Jabbi
Junior Nkonda
Justin Marlow
Justyna Logozna-Lisowska
Juttinder Digpal

K

Kacper Falkowski
Kajetan Marcinek
Kamaldeep Dosanjh
Kamaljit Atkar
Kamaljit Singh
Kamaljit Thandi
Kamil Malinski
Kamlesh Shah
Karan Gill
Karen Dodds
Karen Walsh
Kari Daniels
Karl Davies
Karl Lusardi
Karl Reeves
Katarzyna Anna Lalak
Kate Floyd-Jewell
Katherine Jackson
Katherine Toomassi
Kathryn Pell
Katie Brindley-Hughes
Katie Hill
Katie Wright
Katy Todd
Kavita Vaghela
Kay Dwelly
Kayleigh Downs
Kaylum Gray
Kealey Yearsley
Keane Banks
Keely Powell
Kehnide Olayiwola
Keiran Brain
Keiran Ling
Keith Ambrose
Keith Down
Kellie Figueiredo
Kelly Blount
Kelly Curran
Kelly Edwards
Kelly Savile
Kelly Stewart
Kenneth Ostler
Kenneth Owen
Kenneth Rennison
Kerri Maguire
Kerrie Burcham
Kerry Hurst
Kevan Richardson
Kevin Atherton
Kevin Bingham
Kevin Downie
Kevin Fox
Kevin Frampton
Kevin Hardy
Kevin Oulton
Kevin Rabbatts
Kevin Thorne
Kieran Barnes-Warden
Kieran Carter
Kieran Gardiner
Kieran Scott
Kim Jones
Kim Kightley
Kim Moriarty
Kimberley Terry
Kimberley Vieira
Kirk Irvine
Kirk Randall
Kirk Taylor
Kirsten Cummings
Kirstie Leonard
Kirsty Harris
Kirti Patel
Kostas Kvietinskas
Kouakou Ange Davis
Kranthi Billakanti
Kristian Moore
Kristian Prosser
Kristian Pryor
Krystle Milan
Krzysztof Zielinski
Kurt Folkes
Kurt Page
Kyle Batley
Kyle Crichton
Kyle Hardie
Kyle Lawrence
Kyle Martin
Kyle Rigby
Kyran Read

L

Lana-Rose Palmer
Laney Taylor
Latifah Spence
Laura Alder-Rose
Laura James
Laura Johnson
Laura Li
Laura Madigan
Laura Racey
Lauren Bryant
Lauren Clinton
Lauren Munro
Lauren Sinnott
Lauren Smith
Laurence Bird
Lawrence Boi
Lawrence Devello-Waters
Leah Collings
Leah Holman
Leandro Gomes
Leanne Curry
Lee Breakwell
Lee Brightman
Lee Brown
Lee Butcher
Lee Elsom
Lee Fish
Lee Galloway
Lee Holyoake
Lee Hutchinson
Lee Myers
Lee Smith
Lee Sullivan
Lee Woodman
Leigh Astill
Leighton Davies
Lenny Finch
Leon Adeniran
Leon Park
Leon Pryce
Leonard Tann
Lesley Willcox
Levi Baker
Levi Holland
Lewis Adams
Lewis Elkin
Lewis Faley
Lewis Hill
Lewis Milligan
Lewis Stacey
Lewis Vilbro
Liam Bantin
Liam Coupe
Liam Hook
Liam Hutchinson
Liam Lishman
Liam Nutting
Lianne Harrison
Libby Field
Lily Gardner
Lily Yeo
Linda Smith
Lindsay Bond
Lindsey Flint
Linta Iftikhar Khan Zakir
Lisa Algar
Lisa Holmes
Lisa McNeil
Lloyd Allen
Lorraine Cummings
Louie Walker-D'Attoma
Louis Robinson
Louisa Hitchen
Louise Brassington
Louise Bunting
Louise Cox
Louise Groves
Louise Henbest
Lucia Garces
Lucy Brown
Lucy Jenner
Lucy Rock
Lucy Swain
Lukasz Pirga
Luke Abraham
Luke Barefield

Luke Colclough
Luke Kerr
Luke McNally
Luke O'Connor
Luke Phillips
Luke Read
Luke Roberts
Luke Saunders
Luke Seymour
Luke Stratford
Luke Woodward
Lydia Brown
Lynne Meldrum
Lynsey Smart

M

Macaulay Kirk
Macauley O'Boyle
Mahesh Wara
Maisie Bell
Malgorzata Bitrycka
Mandy Antenbring
Mandy Gilbert
Manraj Sandhu
Marc Cutting
Marc Davies
Marc Harris
Marcin Kupczyk
Marcus Bullock
Margaret Lawrie
Margarita Starcea
Maria Lacramioara Lacatusu
Marisa Mclune
Mark Alder
Mark Arnold
Mark Bray
Mark Brown
Mark Burgess
Mark Campbell
Mark Chantler
Mark Cook
Mark Davies
Mark Falcus
Mark Green
Mark Hayes
Mark Horsnell
Mark Hughes
Mark Hunter
Mark Johnston
Mark MacIver
Mark Mitchell
Mark Moseley
Mark Owen
Mark Palmer
Mark Pancott
Mark Rogers
Mark Sloan
Mark Tennant
Mark Waldock
Mark Williams
Mark Wordley
Mark Wright
Marks Akentjevs
Marshall Brewin
Marta Miszczak
Martin Brown
Martin Cotter
Martin King
Martin Oliver
Martin Osborne
Martin Pickard
Martin Searle
Martin Slade
Martin Sweet
Martin Towers
Martin Williams
Martin Williams
Martin Wys
Martina Way
Martine Robinson
Martyn Bearne
Martyn Spring
Marvin Lewis
Marwan Osman
Mary Morris
Matt Attwood
Matt Malloy
Matthew Atkinson
Matthew Barcas
Matthew Burgess
Matthew Fisher
Matthew Foster-Smith
Matthew Goldsmith
Matthew Grainger
Matthew Green
Matthew Lindsay
Matthew Lynch
Matthew McManus
Matthew Moore
Matthew Nichols
Matthew Ponsford
Matthew Ralfs
Matthew Richards
Matthew Sadler
Matthew Shute
Matthew Stevenson
Matthew Vinters
Matthew Ward
Matthew Whitlock
Matthew Winstanley
Matthew Woodhouse
Matthew Wright
Meda Halilaj
Medea Antal
Megan Boyle
Megan Cave
Megan Oldham
Megan Robinson-Green
Megan Walsh
Megan Watts
Mehlika Kilic
Mehmet Asdoyuran
Melissa Dearn
Melissa Richmond
Melissa Riggs
Mhairi Wade
Mia Calford
Michael Ball
Michael Beatty
Michael Buckley
Michael Butler
Michael Connolly
Michael Dinter
Michael Evans
Michael Finn
Michael Ford
Michael Gibson
Michael Goodfield
Michael Hopper
Michael Humphrey
Michael Jones
Michael Kirby
Michael Lovelock
Michael Quinn
Michael Sear
Michael Taylor
Michael Upton
Michael Wallace
Michael Ward
Michael John Cordery
Michaelangelo Ncube
Michal Glinka
Michelle Gowland
Michelle Moore
Mike Booth
Millie Henson
Minai Kanabar
Miroslaw Hebda
Mitchell Glover
Mkhonto Gumede
Mohammed Bahadur
Mohammed Khalid
Mohammed Sameer Islam
Mohammed Tanvir Ali
Mohammed Uddin
Mohammed Umayr Parkar
Mohammed Zain Shaikh
Mohd Jaji
Mohsin Ahmed
Mollie-Marie Young
Montana Mills
Morgan Gerrard
Mr Topps (Retired)
Mubashir Uddin
Muhammad Choudhury
Muhammed Abbus Uddin

N

Nancy Jacques
Naomi Baron
Narinder Chatha
Nasir Hussain
Natalie Grimes
Natalie Marsh
Natalie Paine
Natalie Winters
Nataliia Furness
Nathan Austin
Nathan Coulthard
Nathan Farmar
Nathan Hughes
Nathan Smith
Nathan Willcock
Nauris Vinkelis
Neale Youngman
Neely Stuart
Neha Shah
Neil Anderson
Neil Drage
Neil Homan
Neil Jones
Neil Lutterloch
Neil North
Neil Southgate
Neil Williams
Neville Lambert
Niall Chidwick
Niamh Mayoss
Nichola Buffam
Nicholas Bagley
Nicholas Culley
Nicholas Edwards
Nicholas Evans
Nicholas Gadd
Nicholas Hancox
Nicholas Jenner
Nicholas Lodge
Nicholas Stubbs
Nicholaus Buchanan
Nick Harris
Nick Walch
Nickheel Nuckchadee
Nicky Glenister
Nicola Brownley

The Team
continued

Nicola Greenaway
Nicola Howlett
Nicola McWatt
Nicola Monk
Nicola Rose
Nicola Tester
Nicola Yuill
Nicolas Shaw
Nicole Andrews
Nikhita Kaur
Nikita Bedford
Nikolay Georgiev
Nisha Sodha
Nishit Shah
Nixaal Patel
Nizam Mohamed
Norman Brown
Numan Usman
Nuta Musa

O

Oliver Hart
Oliver Verrier
Olivia Dettmer
Olivia Lynas
Olivia Newsome
Omar Bensadoune
Omer Onbasi
Oscar Cork
Osemeke Nwokoro
Owen Calaby
Owen Phillips
Owen Tudor
Oz Masaya

P

Paresh Nagar
Paris Gosling-Brown
Patrick Carroll
Patrick Galvin
Patrick Tompsett
Patryk Krulikowski
Paul Albert
Paul Baker
Paul Bourton
Paul Burrow
Paul Cowen
Paul Forman
Paul Haythorne
Paul Irving
Paul James
Paul Kelly
Paul Keymer
Paul Lant
Paul Lawty
Paul Lee
Paul McCulloch
Paul McGrogan
Paul Mills
Paul Mitchell
Paul Mitchell
Paul Nicholls
Paul Noyes
Paul Oyeniran
Paul Semple
Paul Smith
Paul Starkey
Paul Taylor
Paul Thomas
Paul Tregaskis
Paul West
Paul Whittington
Paul Wilkinson
Paulina Bilinska
Pauline Harrison
Pauline Scully
Paulius Markonis
Paulo De Oliveira Freire
Pawel Pudelko
Pawel Szczepanczyk
Pawel Warych
Perran Kelly
Peter Baker-Clements
Peter Callan
Peter Charles
Peter Charters
Peter Chatt
Peter Crimp
Peter Deegan
Peter Goodison
Peter Hanley
Peter Kelly
Peter Lees
Peter Little
Peter Turtle
Peter West
Peter White
Peter Wilson
Peter Young
Phil Johnson
Philip Cranston
Philip Dunn
Philip Eastwood
Philip Gallop
Philip Haynes
Philip Speed
Philip Stocks
Philippa Malone
Phillip Gilbert
Phillip Smith
Phillipa Hewitt
Portia Boehmer

R

Rachael Redwood
Radoslaw Doktorski
Radoslaw Naruszewicz
Rafael Lima
Raj Surani
Rajan Toora
Rajen Mehta
Rajesh Thanki
Rajiv Vadgama
Rajnish Gaur
Ratip Hassan
Raymond Riley
Rayyan Osman
Rebeca Wallis
Rebecca Godfrey
Rebecca Haywood
Rebecca Love
Rebecca Mills
Rebecca Muirhead
Rebecca Oblein
Rebecca Pask
Rebecca Rasch
Rebecca Richards
Rebecca Wild
Reece Brewin
Reece Buckley
Reece Charlton
Reece Lusmore
Reece Willmott-Rice
Rhett Hammond
Rhiannon Holland
Rhys Baird
Ria Croft
Ricardo Santos Pio
Richard Adamson
Richard Arciero
Richard Bate
Richard Bourne
Richard Capel
Richard Clark
Richard Eagland
Richard France
Richard Geare
Richard Harper
Richard Keane
Richard Lewis
Richard Napier
Richard Newbon
Richard Norman
Richard Oates
Richard Oldale
Richard Palfrey
Richard Prescott
Richard Small
Richard Swan
Rickie Byrne
Ricky Charalambides
Rita Serena Jardine
Rizwan Saleh
Rob Moody
Robbie Coleman
Robert Adams
Robert Bellingham
Robert Black
Robert Chawner
Robert Collins
Robert Hamill
Robert Hardie
Robert Howker
Robert Ireland
Robert James
Robert Kroll
Robert Kweli
Robert Lynch
Robert Moss
Robert Myers
Robert Parker
Robert Prince
Robert Saunderson
Robert Searle
Robert Sowerby
Robert Stevens
Robert Wyatt
Robin Shields
Robin Stagg
Robin Williams
Robyn Murray-Watchorn
Rodney Fata
Rodney Speirs
Rogan Ayres
Roger Lazenby
Roman Bednar
Romans Petuhovs
Romany Andrew
Rorie Meadows
Rory Reeves
Rose Bola
Rose Davey
Ross Langford
Ross Leitch
Rostyslav Kravets
Roxanne Daly
Roxanne Morris
Roxanne Seurre
Ruth Gent
Ryan Apark
Ryan Bailey
Ryan Buston
Ryan Dunn
Ryan Duut

Ryan Farquhar
Ryan French
Ryan Harris
Ryan Henson
Ryan Knauf
Ryan Lundberg
Ryan Lynch
Ryan Nunn
Ryan OConnor
Ryan Page
Ryan Randall
Ryan Russell
Ryan Saba
Ryan Salkeld
Ryan Sykes-Devlin
Ryan Wade
Ryan Wallace

S

Sacha Hughes-white
Saiyra Yasmin
Sally Cook
Sally Hope-Davis
Salvatore Marciante
Sam Bucknall
Sam Davis
Sam Hilling
Sam Meyrick
Sam Randle
Samantha Gray
Samantha Jackson
Samantha Leavis
Samantha Stewart
Samantha Wicks
Sameer Jamdar
Samuel Atkins
Samuel Innes
Samuel Knowles
Samuel Morris
Samuel Reffold
Samuel Underwood
Sandra Ramsay
Sandra Ricks
Sandra Van Spronsen
Sanjeev Pal
Sarah Bowles
Sarah Darby
Sarah Jordan
Sarah Kite
Sarah McLure
Sarah Millner
Sarah Peters
Sarai Aidoo-Richardson
Sashivithya Mahendran
Saskia Nicholls
Satham Hussain Raja Peer Mohamed
Satvinder Sandhu
Savio Coutinho
Scott Andrews
Scott Barrett
Scott Birdseye
Scott Bond
Scott Gallimore
Scott Gane
Scott Hopwood
Scott Keeton
Scott McCartney
Scott Morrison
Scott Rogers
Scott Thirlaway
Scott Wilson
Sean Brandist
Sean Cahill
Sean Cundy
Sean Dewis
Sean Gee
Sean Kimber
Sean Wilton
Seydina Mouhamed Mbaye Samb
Shafeek Mohamed
Shahid Mahmood
Shahiem Wilson
Shane Bryan
Shane Malone
Shane Till
Shane Trim
Shanee Gately
Shanika Onu
Shannon Dewdney
Shannon James
Sharif Islam
Sharon Buckley
Sharon Papantoniou-Barrett
Shaun Farey
Shaun Lawrence
Shaun Pawsey
Shaun Sargeant
Shauna Thompson
Shawn Fendley
Sheena Smith
Sheralyn Way
Shrina Shah
Sian Garvey
Sian Hoare
Sid Clarke
Silvi Atanasova
Silviu Oltean
Simon Badhams
Simon Briggs
Simon Chapman
Simon Chappell
Simon Davenport-Sharp
Simon Green
Simon Grimmett
Simon Lasham
Simon Leslie
Simon MacDonald
Simon Marks
Simon Neal
Simon Palmer
Simon Roberts
Simon Robinson
Simon Webb
Simon Whittington
Simon Witham
Simon Woodward
Simranjeet Bagga
Sinan Demir
Siobhan Ashman
Slavka Ivan
Sonia Doktorska
Sonia Green
Sophia Applewhaite
Sophie Lander
Sophie Ogunbadejo
Sophie Pearce
Sophie Swann
Sophie Sylvester
Spencer Clifford
Spencer Day
Stacey Allan
Stefan Andronic
Stefan Clark-Carter
Steffan Midwinter
Stephanie Bannister
Stephanie Dinnis
Stephanie Hogben
Stephanie McLean
Stephanie Shaw
Stephen Amos
Stephen Anthony
Stephen Aylward
Stephen Boyd
Stephen Breslin Burn
Stephen Carr
Stephen Congdon
Stephen Corkett
Stephen Getty
Stephen Gibbs
Stephen Harrington
Stephen Henson
Stephen Hopson
Stephen Lopes
Stephen Mabberley
Stephen Machin
Stephen Osbourne
Stephen Riley
Stephen Robinson
Stephen Smith
Stephen Velvick
Stephen Ward
Stephen Watson
Steve Brown
Steve Hall
Steve Smythe
Steve Stroud
Steven Barrowcliffe
Steven Dyer
Steven Gallagher
Steven Hardy
Steven Howells
Steven Hughes-Jones
Steven Kane
Steven Kernot
Steven Souter
Steven Whitehead
Steven Wood
Stuart Allman
Stuart Barrett
Stuart Clarke
Stuart Corlett
Stuart Fletcher
Stuart Munton
Stuart Rees
Stuart Ross
Stuart Smith
Stuart Stevenson
Stuart Tannock
Stuart Taylor
Stuart Whitby
Stuart Williams
Sukhdev Bains
Sukhvinder Dheandsa
Summer Ellison
Summer Hubbard
Sunil Patel
Sunny Patel
Susan Law
Susanna Horwood
Suzanne Curley
Sydney Bennett
Syed Ahsan
Syed Basit Naqvi
Syed Muttahar Ali Shah
Sylwia Wygachiewicz
Szymon Pospiech

T

Tammie O'Lone
Tanaka Mapfumo

The Team
continued

Tania Gibson
Tanya Dix
Tegan Rowe
Temidola Akinfe
Teotonio Jorge Goncalves
Terry Mason
Terry Morris
Terry Salisbury
Teslim Sodiq
Theophilus Danquah
Thitiwan Biggerstaff
Thomas Ashmore
Thomas Bostock
Thomas Browning
Thomas Carvey
Thomas Darlaston
Thomas Evans
Thomas Fuller-Winterburn
Thomas Garvie
Thomas Gibson
Thomas Harris
Thomas Knight
Thomas Langston
Thomas Lee
Thomas Martin
Thomas Maxwell
Thomas McGurk
Thomas McPherson
Thomas Murray
Thomas Otley
Thomas Rogers
Thomas Ryan
Thomas Ryan
Thomas Shepherd
Thomas Smith
Thomas Snell
Thomas Wade
Thomas White
Thomas Wilson
Thomas Wood
Thomas Yeadon
Tia Odong
Tiffany Lowry
Tillie Day
Tim Chatfield
Tim Redmond
Tim Richards
Tim Stretton-Smith
Timothy Bentley
Timothy Boardman
Timothy Stanhope
Timothy Tatlock
Timothy Watkiss
Tina Pain
Tobias Kinch
Toby Lisle
Toby Wright
Todd Routledge
Tom Cheevers
Tommy Falco
Tomos Jenkins
Tracey Mangan
Tracey Turner
Tracey Waterman
Tracie Martin
Tracy Wearmouth
Troy Ledgerwood
Troy Miller
Tsekani Barzey
Ty Anderson
Tyler King
Tyler Nossent
Tyrone Smith

U

Udo Jungbecker
Uwais Ikleriya

V

Valentin Dumitru
Valerie Doherty
Vicky Hall
Victor Hall
Victoria Cunday
Vincent Bonner
Vincent Hole
Vinod Joshi

W

Walter Fleming
Warren Hamlett-Evans
Warren Jackson
Wayne Mann
Wayne Randall
Wendy Martindale
William Aires
William Chapman
William Cragg
William Evans
William Fraser
William Goldsmith
William Harman
William Hunt
William Lantsbery
William Pollock
William James Renton
Wyn Dunn-Davies

Y

Yasir Osman
Yunus Ahmed
Yvonne Burgess
Yvonne Longbottom

Z

Zach Waterfield
Zara Warner
Zdenko Petrovic
Zoe Fox
Zoe Harcus
Zoe Hollocks
Zoe Stevens
Zuheb Mukhtar

Topps Tiles Store Locations

London

Acton
Battersea
Beckenham Topps
Beckton
Bow
Brentford
Brixton
Bromley Common
Catford Bromley Rd
Charlton
Cheam
Chingford
Croydon
Croydon Purley
Dagenham
Dartford
Denham
East Sheen
Eltham
Enfield
Epsom
Fulham Topps
Hayes Topps
Hemel Hempstead
Highgate
Hounslow
Ilford
Kings Cross
Leyton
New Southgate
North Finchley
Old Kent Road
Orpington
Penge
Raynes Park
Redhill
Romford
Ruislip
Sevenoaks
Shoreditch
South Bermondsey
Southall
St Albans
Staples Corner
Sunbury upon Thames
Surbiton
Uxbridge
Waltham Cross
Wandsworth
Wembley
Wimbledon

Midlands

Barnsley
Binley
Boston
Burton upon Trent
Cannock
Chesterfield
Coventry Tile Hill
Derby Osmaston
Doncaster
Enderby
Erdington
Fenton
Grantham
Grimsby
Kettering Baron
Kidderminster
Kings Norton
Leamington Spa
Leicester Thurmaston
Lichfield
Lincoln Outer Circle
Long Eaton
Loughborough
Mansfield
Nantwich
Newark
Newcastle-under-Lyme
Northwich
Nottingham Poulton
Nuneaton
Redditch
Sheffield
Shrewsbury
Solihull
Spalding
Stoke
Tamworth
Telford
West Bromwich
Worksop

North

Aintree
Anfield
Birkenhead
Blackburn
Blackpool
Bolton
Bury
Carlisle
Cheadle
Cheetham Hill
Chester
Darlington
Durham Dragonville
Gateshead
Harrogate
Huddersfield
Hull
Leeds
Macclesfield
Morecambe
Northallerton
Oldham
Ormskirk
Preston
Sale
Salford
Scarborough
Scunthorpe
Shipley
Snipe (Audenshaw)
St Helens
Stockport
Stockton
Tyneside
Wakefield Ings Road
Warrington
Widnes
Wigan
Workington
York Clifton Moor

Scotland and Northern Ireland

Aberdeen Wellington
Ayr
Belfast Boucher Road
Belfast Newtownabbey
Dundee
Edinburgh
Fort Kinnaird
Glasgow
Hillington
Inverness
Irvine
Kirkcaldy
Shawfield
Sighthill
Stirling
Wishaw

South

Abingdon
Amersham
Andover
Ashford
Aylesbury
Banbury
Barnstaple
Basildon
Basingstoke
Bath
Bedford Elms
Bexhill
Bicester
Bishops Stortford
Bodmin
Bognor Regis
Borehamwood
Bounds Green
Bournemouth
Braintree
Brentwood
Bridgwater
Brighton
Brighton Kemp Town
Bristol
Broadstairs
Burgess Hill
Bury St Edmunds
Byfleet
Camberley
Cambridge
Canterbury
Chelmsford
Chelmsford Springfield
Cheltenham
Chichester
Chippenham
Christchurch
Cirencester
Clacton on Sea
Clevedon
Colchester
Cribbs Causeway
Cromer
Didcot
Dorchester
Dover
East Molesey
Eastbourne
Egham
Erith
Evesham
Exeter Trusham Rd
Exmouth

Topps Tiles Store Locations
continued

Fareham
Farnborough
Farnham
Folkestone
Frome
Gatwick
Glastonbury
Gloucester
Gravesend
Great Yarmouth
Guildford
Harlow
Havant
Hedgend
Hereford
High Wycombe
Horsham
Huntingdon
Ipswich
Isle of Wight
Isleworth
Kings Lynn
Launceston
Leighton Buzzard
Letchworth
Loughton
Lowestoft
Luton
Maidstone
Maidstone Langley
Market Harborough
Martlesham
Millbrook (Southampton)
Milton Keynes
Moreton in Marsh
Newbury
Newhaven
Newton Abbot
Northampton
Norwich
Norwich Hall Road
Oxford Cowley
Penzance
Peterborough
Plymouth
Poole
Portsmouth
Rayleigh
Reading
Reading Rose Kiln Lane
Ringwood
Rugby
Rustington
Salisbury
Saltash
Sittingbourne
Slough
Southend
St Neots
Stamford
Stevenage
Strood
Stroud
Sudbury
Sutton
Swindon
Taunton
Thetford
Thurrock
Tonbridge
Torquay
Truro
Tunbridge Wells
Uckfield
Waterlooville
Watford Imperial
Wellingborough
Welwyn Garden City
Weston Super Mare
Winchester
Witney
Woking
Wokingham
Worcester
Yeovil

Wales

Bangor
Barry
Bridgend
Cardiff
Cardiff Newport Road
Carmarthen
Haverfordwest
Llanelli
Merthyr Tydfil
Newport
Rhyl
Swansea Cwmdu
Wrexham

Commercial Showrooms

Clerkenwell
Leicester
Material Source Glasgow
Material Source
Manchester

CTD Stores

Aberdeen
Basingstoke
Birkenhead
Cambridge Bar Hill
Chichester
Coatbridge
Coulsdon
Crawley
Darlington
Dorking
Edinburgh Seafield
Edinburgh Stenhouse
Fakenham
Farnham
Glasgow London Road
Hampton
Hull
Inverness
Newbury
Newcastle-under-Lyme
Norwich
Nottingham
Perth
Peterborough
Poole
Stockton
Warrington
Watford
Wimbledon
Woking

Planting trees to catch carbon · Planting trees to catch carbon
22039900788
Printed on Carbon Captured paper

The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.

Consultancy, design and production by:
jonesandpalmer.co.uk

TOPPS TILES PLC

Thorpe Way, Grove Park,
Enderby, Leicestershire, LE19 1SU

www.toppsgroup.com

Front cover: Regal® Vanilla Polished, Regal® Square Mosaic Vanilla, Natural Oak Wood Acoustic Panel

Back cover: Mayer™ Onyx Blue