

1 October 2024

JAMES HALSTEAD PLC
("James Halstead", the "Group" or the "Company")

PRELIMINARY ANNOUNCEMENT OF AUDITED RESULTS
FOR THE YEAR ENDED 30 JUNE 2024

James Halstead plc, the AIM listed manufacturer and international distributor of commercial flooring, announces its results for the year ended 30 June 2024:

Financial highlights

- Revenue at £274.9 million (2023: £303.6 million) – down 9.4%
- Profit before tax of £56.2 million (2023: £52.1 million) – up 7.9%
- Profit after tax of £41.5 million (2023: £42.4 million) – down 2.1%
- Earnings per ordinary share of 10.0p (2023: 10.2p) – down 2.0%
- Final dividend per ordinary share proposed of 6.0p (2023: 5.75p) – up 4.3%
- Cash of £74.3 million (2023: £63.2 million)

Operational highlights

- Gross margin improvement in all major markets – overall up by 6% to at 44% (2023: 38%)
- Continued investment in our operations:
 - Riverside – invested £350,000 to update new drive system for press and registration control systems
 - Royton - full upgrade to modern LED lighting at the cost of £200,000
 - Radcliffe - undertaking preparatory work for a £400,000 investment in solar panels
- New significant business secured in UAE, Colombia, Iceland, Italy, Mexico, Poland, Greece and South Africa
- Completion of projects around the world underpin our strong foothold in global markets

Outlook

- Prospects continue to look positive giving the board confidence in the outturn for the financial year ahead
- FY24 was a year of profitable growth - we look ahead with confidence in our long term strategy

Mr Mark Halstead, Chief Executive, commenting on the results, said:

“FY24 has been a largely positive year against the challenging economic backdrop with frustrations and further disruption to global trade routes. Our proposed dividend continues our unbroken chain of dividend payment increases from 1974.

We have continued to invest in process improvement as well as product development to improve output efficiency and our product offering. This has been substantial and I am pleased to say has already led to improved productivity and margin improvement.

During the year we have secured many prestigious projects around the world, demonstrating the continued demand for our high quality offering on a global scale.

We look ahead to FY25 in good stead and after delivering another year of profits growth.”

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Notes to editors

James Halstead is a group of companies involved in the manufacture and supply of flooring for commercial and domestic purposes, based in Bury, UK. James Halstead plc has been listed on the London Stock Exchange for 75 years. The Group was established in 1914 and continues to operate out of the original premises in Bury. In its factories in Bury and Teesside it manufactures resilient flooring for distribution in the UK and worldwide.

The Company’s strategy is to constantly develop its brand identity and its reputation for quality, product innovation, durability and availability, thereby enhancing and maintaining goodwill with the aim of achieving repeat business. James Halstead’s focus is to work with stockists who in turn distribute those bulk deliveries. However, the Company also promotes and represents the business’s range to the end users and specifiers who will purchase the stock from those stockists.

CHAIRMAN'S STATEMENT

Results

Revenue for the year at £274.9m (2023: £303.6m) was 9.4% behind the comparative year largely driven by headwinds in the UK and Europe. The year was largely positive and the challenges that the Group faced in its major markets were not unexpected and appropriate mitigating actions were already in place. There was further disruption to world trade routes as a result of the ongoing situation in the Red Sea. This has extended delivery times to many export markets, in some cases impacting sales and increasing freight transportation costs.

The geographic spread and diverse sectors to which we supply flooring can be illustrated this year by installations such as the Venetis Chain Stores (Bakeries) in Greece, founded in 1948, Vox Cinemas in Kuwait and the incredible Star of the Seas, which is the second ship from the Icon class mega cruisers, that will be built in Finland.

The reported profit before tax for the year of £56.2m (2023: £52.1m) was 7.9% ahead of the prior year comparative, a good result against a challenging array of market conditions.

Gross margins improved in most of our major markets. Overall, the margins moved from 38% to 44%. Principally this increase was driven by our manufacturing plants which ran longer hours thus improving plant utilisation, and output volumes.

Selling and distribution costs at £53.0m (2023: £53.3m) were slightly below last year and reflect the lower volume of sales (particularly in UK and Europe). Expenses were also mitigated by reduced freight costs and restricted marketing and sampling costs.

Administration overheads at £14.3m (2023: £10.5m) are some 35.7% higher than last year. However, the comparative included a receipt of £1.6m regarding an insurance claim receipt (a one off relating to a major breakdown at the Radcliffe site dating back to 2020) together with an increase in IT expenditure (Australia and New Zealand with new IT systems and major upgrades to our systems security in the UK) representing about 5% of the increase in overheads.

The standard rate of tax in the UK for the year increased to 25% (2023: 20.5%) which in effect added £2.6m to tax charges. As a consequence, profit after tax was £41.5m (2023: £42.4m), a decrease of 2.1%.

Consequent to the rise in the effective rate of tax, earnings per share are at 10.0p (2023: 10.2p) which is a decrease of 2%.

Re-investment

Over many years our strategy has also included a policy of continual investment in both process improvement and in product development to improve output efficiency and our product offering. To maintain our competitiveness as manufacturers supplying global markets, we continue to commit to capital investment in the upgrading of plant for efficiency, flexibility, durability and to reduce energy usage.

During the Covid pandemic, and for a period afterward, we had to severely curtail some investment and production improvements. In part this was because of the unavailability of labour due to the covid self-certification of workers and to far greater degree the severe shortage of spares and parts due to the disruption of global supply chains. Consequently, this year has been significant for investment in our various production lines which will continue to underpin growth.

At Riverside two major capital items were approved and work initiated which represented a £350,000 investment. Firstly, a new drive system for the press and registration control systems has been updated and improved. The new equipment will also use less energy.

In addition, preparations were made for replacing the Teesside plant's fume abatement systems. This will increase line efficiency, increase the level of fume extraction and removal thereby improving air quality, line performance and using less energy. This is a £1.6 million investment.

Royton (our UK main warehouse) is undertaking a full upgrade to modern LED lighting at the cost of £200,000 and our Radcliffe plant is undertaking preparatory work for a £400,000 investment in solar panels where 100% of the energy will be used on site.

The breadth of change has been significant and has already led to improved productivity and margin improvement.

Sustainability, social responsibility and the environment

We have recently published our 19th sustainability report that details our actions and ambitions in the areas of the environment, sustainability and social responsibility (available for download from our website).

Climate change has led to a greater focus on carbon dioxide levels but dealing with climate change is not, in our view, just a matter of trying to highlight any one single measure such as carbon emissions or setting net zero targets. As a manufacturer in the UK there are basic levels of environmental legislation that far exceed the standards of many countries and as users of energy we rely on government policies to achieve the greater use of greener energy. In addition, we look to go far beyond that in our ethical sourcing and we strive to have our claims independently audited to credible standards – none of which is required of “importers”. Further information on some of the actions that we have taken are referred to in the Chief Executive's Review.

Dividend

Cash balances increased to £74.3 million (2023: £63.2 million) helped by a further reduction in our stock-holdings. The inventory at the year-end is £82.3 million (2023: £87.4 million) which is about 6% lower than the prior year comparative.

During the year taxation paid was £15.5 million (2023: £11.9 million), fixed asset additions of £3.3 million (2023: £2.9 million) and equity dividends paid of £34.4 million (2023: £32.3 million).

The interim dividend of 2.5p (2023: 2.25p) was paid in June 2024. The board, having regard to the cash balances and profitability, is proposing a final dividend of 6.0p (2023: 5.75p) which will mean a total dividend for the year of 8.5p (2023: 8.0p) an increase of 6.25%. This is a record level of dividend and marks our 49th year of increased dividend. This final dividend will be paid on 13 December 2024.

Acknowledgements

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

In memoriam

Special acknowledgement must be made to the Life President, Geoffrey Halstead, who died on 22 August at the age of 94. Geoffrey was a director of the company for 60 years and guided the first steps that were taken to manufacture resilient sheet vinyl flooring and to moving the business from textiles to the focus on Polyflor. He will be sadly missed by staff, past and present and customers, suppliers and the many friends who knew him. Our condolences to the family are heart felt.

Outlook

The results, cash generation and proposed dividend stand testament to the resilience of the products, the business and the management of the Company. After 23 years as a non-executive director with currency crises, the great financial recession, Brexit and more recently the Covid recession and the Ukraine/energy inflation recession one thing has been constant – the Company's ability to progress even in the face of adversity.

As announced separately, I am stepping down as Chairman at the forthcoming AGM. I have been proud to serve as Chairman since 2017 after many years as a non-executive director. The Company has a strong team both on the board and in the subsidiary companies with solid foundations for continued growth.

Since I joined the board in 2001, turnover is near 300% higher and profit 525% higher. Quoting the late Sir John Harvey-Jones, back in 1993, "James Halstead has a consistency of aim and performance, with the results obtained highlighting sound management principles and spectacular growth".

As I step down, the Company's prospects continue to look positive into the new financial year and beyond. Projects such as the International Airport JSM in San Jose, capital of Costa Rica underline the reach and deep history of our global sales.

The malaise of the UK and European markets will end, the deferral of spending due to high inflation and the energy crisis will ease and our global markets offer continued opportunity.

James Halstead has operated for more than 100 years, withstanding and resilient to the numerous market challenges that it has faced. The Company is pleased to report a year of profitable growth in FY24 and looks ahead with confidence in the long term growth strategy.

Anthony Wild
Chairman

CHIEF EXECUTIVE'S REVIEW

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

Each market is given a focus and local management tasked with achieving targets.

Our various sales teams have secured many prestigious projects along with scores of thousands of corridors, stairwells and toilet areas that are the ubiquitous backbone of our day to day business. Products such as the corporate headquarters of Lidl Danone and Mitsubishi (in France); African Medical Centre Of Excellence located in Abuja, Nigeria; the Katima Mulilo campus of University of Namibia; St. Jacob's Medical Center in the city of Stryi, Ukraine and Hotel Croatia Cavtat a five-star resort and conference centre in the South Adriatic just 5km from Dubrovnik airport.

Looking at our businesses:

Objectflor / Karndean and James Halstead France, our European operations

The climate for our German and Central European business remains highly competitive and subdued. Volumes have been impacted and our turnover in most markets in the region was below last year with Germany 17% lower. Official figures suggest building permits issued for new builds in Germany for the first quarter of 2024 were 21% down on the previous year.

Though the year started well with more normal rates for shipping, the issues in the Red Sea have caused disruption once again in the container shipping industry with vessels avoiding the Suez Canal and travelling around the Cape. This added 2/4 weeks in transit times for the supply of LVT, but also had the knock on effect of tying up containers causing a shortage and ultimately leading to price increases in shipping. Whilst costs have not risen to the peaks of the immediate post Covid period, we have nonetheless encountered increased costs and our sales were impacted by our stock availability at the start of 2024 with product unable to be shipped.

Despite these factors, margins have held up following prices increases in early 2023 and for much of the year a more stable freight cost for imports from the Far East.

In addition, overheads were reduced with tight spending control and profits were above the prior year comparative.

Notable projects included the HARIBO corporate office in Bonn, Germany, Polo Motorcycle stores in Germany and XXXLutz furniture stores in Austria.

The lease on the largest of our current warehouses in continental Europe has been extended and a review of our warehouse requirements in Germany is under way.

Our business in France was similarly hit by customer confidence, reduced demand and the stock shortages noted above which contributed to a disappointing drop in sales from last year's highs (-18%). The election turmoil has not helped, causing uncertainty in the market and the effects of inflation on budgets and discretionary spend have also contributed to a decrease in consumer confidence. We have, however, added to our sales team to give greater coverage across the whole of France and allow a more dedicated approach to larger projects. The belief is that this will pull back volume next year.

As with Germany, the improved margin throughout the 12 months ensured net profit did not suffer.

Polyflor APAC – encompassing Australia, New Zealand and Asia

Our APAC region is made up of four distinct areas - Australia, New Zealand, North Asia and South East Asia. To give a better strategic focus in the region a new reporting structure has been established to oversee the region as a whole. These changes are aimed at enhancing collaboration, aligning strategies and ensuring efficient decision making across the region creating a stronger network, promoting regional initiatives and leveraging resources effectively.

In Australia, sales were 15% below the comparative. As production returned to normal, and stock availability improved, we were then hit by increased transit times caused by the Red Sea issues, further delaying stock reaching our overseas warehouses. Our stockholdings in the region do, to an extent, act as a buffer to this, and where possible stock was transferred between countries and states, but inevitably sales were lost.

This impact of shortages was experienced across all five warehouses in Australia. If available, stock would be moved across states, but with high transit costs, margins were impacted. The stock situation started to correct itself during the second half of the financial year as stock arrived and we entered the new financial year better placed to push for greater volume of sales.

Australia did start to benefit from the recent trade agreement with the UK, (CPTPP), with no duty charged on purchases from the UK, allowing Polyflor Australia to be more competitive in the market relative to our European sourced competition.

New Zealand sales were down 7.6% in the year. The year started with a slowdown in activity as projects stalled ahead of the general election in October 2023. As in Australia, domestic builds in New Zealand have slowed significantly brought about by high inflation and mortgage rate hikes which have impacted on consumer spend. Inflation has started to ease but the government have pulled back on spending across public facilities, though it is hoped this will drive more maintenance activities.

With an eye on costs, the decision was taken to close our smaller warehouse in Christchurch at the end of the year and move the stock back to the main warehouse facility Auckland. There has also been a consolidation of some roles within the wider APAC management team, allowing for future cost savings.

Our South East Asia business (centred in Malaysia) ended the year strongly with sales marginally ahead of last year despite trailing for the majority of the financial year. It was pleasing to see growth across Singapore, Vietnam, Thailand and Indonesia. Malaysia itself saw a small fall in sales compared to last year, affected by reduced purchases by one major customer. Looking forward, there is positive news with a significant investment in a “Tech Free” zone in southern Malaysia.

A change of the senior manager was made in North Asia at the start of the financial year and the role is now based in Shanghai rather than Hong Kong which is operationally beneficial. We have a renewed focus on increasing distribution within China along with the other countries serviced by our North Asia business. One prestigious project among many was Gansu Provincial Maternity and Child-care Hospital Lanzhou, China.

We have yet to see the full benefit of the UK joining the CPTPP which will reduce duty rates across the region. The required number of countries have now ratified the UK to join the bloc and the agreement will now officially enter into force on 15 December 2024. The UK Department for Business and Trade are pushing for remaining members to ratify the deal in their own countries. As a result, we should start to see benefits from the start of 2025.

From 1 July 2024, North Asia, which had operated as a branch of Polyflor Limited, will now operate independently, under the guidance of our APAC management and on the same ERP systems. Stock is being rationalised so there are common ranges across the APAC countries which will help with stock availability and quicker movement across the region if needed. Faster moving lines will still be held in local warehouses, whilst for some slower moving items, these can be held in a free zone warehouse in China and moved to whichever market as required. As a result, overall stockholding will be reduced with little impact on service to the customers.

The APAC region bore the brunt of production and delivery problems associated with labour restriction in the UK (Covid), raw material shortages and global shipping restrictions. These are largely resolved and the teams are focussed on rebuilding the Polyflor market share.

Polyflor and Riverside Flooring, based in UK

The core of the group is our manufacturing base in the UK producing the flooring that is distributed across the world.

The Polyflor business, that manufactures and sells product globally, reported a 4.4% reduction in turnover. UK sales were £110.7m (2023: £117.5m) a 5.8% reduction. However, sales of Polyflor sheet vinyl manufacture in Radcliffe for overseas markets rose 8% as our output increased to satisfy global markets.

In the UK, many distributors were significantly affected by the decline in domestic carpet sales which is not a product in our portfolio. Many looked to cut back on costs to offset sales shortfalls and increased debt costs. Inevitably, some distributors reduced their stock holdings of our products and it is clear this affected our sales into the distribution channel. Whilst it is difficult to identify the exact impact we believe this represented at least 50% of our reduction in UK sales. However, end customer service levels were unaffected and there were positive signs of investment by some of our distribution partners as the decline did not apply to every customer.

Notwithstanding the negative consumer confidence, in our experience, the effect of lower customer confidence and demand has always led distributors to rationalise ranges and as a manufacturer of branded flooring this has tended to be positive for us. In buoyant times there are a plethora of flooring options sourced from Europe and Asia but these are dropped when times are harder. This year has been no different.

We have updated and relaunched our Colonia luxury vinyl tile collection. Colonia is a commercial grade flooring but does sell significant quantities into the residential market. This relaunch took place in April and May of this year. There are now 100 new sales presentation stand locations, adding to the existing 400 locations. Each of these locations is nominated by our distributor partners. The delivery and installation of these stands were completed by our own sales force, and customer reaction and sales out via our distribution partners went well and continues to progress. In addition, we have successfully introduced “cashback” promotions. This type of promotion is for end users (principally flooring contactors) to encourage them to buy from our stockists and will offer incentive to divert sales from competitors to our ranges and in some cases from distributors’ “me too” products. Feedback has been positive on these initiatives.

Regarding the 5.8% reduction in UK turnover, of this manufactured sheet vinyl sales were c4% down with the luxury vinyl tiles nearer to 9% lower reflecting the greater exposure of LVT to the residential flooring sector.

Raw material costs reduced during the year to c5% below the prior year comparative but these costs are still over 50% higher than the pre-2022 levels. Energy costs remain high with the falls in warehouse prices of electricity being almost totally offset by increases in add-ons to the bare energy cost.

Whilst we mainly source from UK and European sources, we maintain key relationships with suppliers much further afield (Korea, North America and South America). This maintains supply and protects against sudden increases in costs and quality. In the latter months of the year a PVC supplier in Mexico closed as a result of the ongoing drought in the region which caused a ripple in the global supply chain. On the counter side, certain eastern European suppliers had cash flow problems and increased output volumes to sell at low prices. The global nature of business is not just on the sales side and, as ever, offers opportunity to those up to the task of managing supply.

Increased output with greater plant utilisation improved the gross margin within the UK businesses. As noted earlier, throughout the year there have been plant investments and improvements to continue the growth in output. New granulators on the non-directional production line will increase the speed of recycling edge trims, a £200,000 investment, with a further £700,000 on the calendar mixers on this line. The raw material tank farm has been updated and extended to offer smoother flow of raw materials into production and to give greater onsite storage for raw materials (£250,000). Other investment included the replacement of the UV curing lamp systems at Teesside (£950,000) and gel drum upgrades on the safety flooring production line (£120,000).

We have invested in IT infrastructure including the replacement and upgrade of computer servers and storage (£170,000), as well as a refresh of our whole firewall and data security protocols (£187,000). In addition, in January 2024, we went fully live with our own self-filing of customs entries for all our free carrier arrangement (FCA) customers. We extended this to include Middle Eastern and South American customers, and to many ex works (EXW) customers who are unfamiliar with accurate processing of export documentation.

Energy efficiency receives attention at subsidiary level and nowhere more so than at Polyflor, the manufacturing hub and the main user of energy in our business. Reducing energy usage drives down costs and reduces our carbon emissions.

We implemented a number of initiatives during the year, as we continue to focus on building our sustainability credentials and operating as a greener business.

In the UK, we enjoyed a record year for profits – testimony to the team and the foundations of our prior year work.

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

A solid performance with both Norway and Sweden seeing a 6.3% increase in sales over comparatives. Profitability has been supported by adding delivery charges for transport of goods, particularly to remoter areas.

Both the businesses improved profits.

A review of warehouse operations has resulted in the decision to move our stockholding from Stockholm to Gothenburg which will lower overall costs, reduce transit times from the UK and have the potential to hold further stocks for the Scandinavian market. This will take place Q1 of the new financial year.

Stocks have been reduced during the year, to both improve working capital and to ensure a tighter focus in these two large geographic but relatively lower populated regions.

Norway is currently in the process of upgrading its ERP system with a go live date planned for November 2024. The system will be the same as that introduced to the APAC region last year.

Our flooring has been selected for use in “Polestar” car showrooms and in the Silja – Tallink Ferry terminal the Sweden - Finland connection.

Polyflor Canada, based in Toronto

After last year’s record sales, there was a small drop in revenue this year (-5%), although this still represents a 29% increase from 2 years ago. Despite the lower sales, the margin improved with lower freight costs incurred and a favourable mix of products with the result of a further increase in net profit.

The decision to purchase more LVT direct from the Asian suppliers rather than to be supplied from the Europe based stock holdings helped the improvement in margins on those ranges and whilst this has led to higher stock levels, we have improved our service to the market.

A proposal for expanding our footprint across Canada is being developed and the pipeline of projects remains strong across all categories of product. The local management remain positive for the year ahead.

Rest of the World

Polyflor continues to expand across the globe selling direct to over 50 countries during the year other than those mentioned above.

Our sales have performed strongly again in the Middle East (+26%) and South America (+12%) where we continue to see good specification across various projects in health, education and housing. Both these regions achieved record sales. We will continue to seek to employ regional representation to augment our direct exports in growing markets – a policy that for over a generation has underpinned export growth.

Significant business in the year has taken place in territories such as UAE, Colombia, Italy, Mexico, Poland, Greece and South Africa to list a few.

It was a record year for sales in Saudi Arabia, Bulgaria, Georgia, Lithuania, Costa Rica, Brazil, Egypt and Belgium.

As with Canada, our USA sales were below the prior year record sales but remain ahead of 2022 revenues. The B2B arrangement remains positive with further products added to the portfolio for next year. Our small presence in India remains, but sales have once again gone backwards, and we are reviewing how to reverse this trend. We are impacted by higher duty costs than our competitors and have not been able to increase sales from our local stockholding. The significant portion of sales remain direct shipments from the UK to the healthcare sector, where Polyflor product is held in high regard.

It is encouraging that our representatives in Latin America are converting interest into sales and new markets that are currently being developed such as El Salvador, Guatemala, Nicaragua, Bolivia and Honduras should start generating some sales soon.

Sustainability, social responsibility and the environment

As highlighted in the Chairman's Statement, we recently published our 19th sustainability report for the Company. In this we detail the actions and ambitions that we have taken to addressing environment impact, sustainability and social responsibility.

For many years we have operated a vinyl take back scheme in the UK, Recofloor but there are regulatory difficulties in re-patriating recyclate from overseas markets and so during the year we have entered into a new recycling initiative in Australia, Resiloop. Together with the Australian Resilient Flooring Association (ARFA) our Australian business (Polyflor Australia Pty Ltd) has formed a product stewardship scheme aimed at reducing PVC going into landfill. A national scheme has been established with the funding to commence the recovery and recycling of resilient floor coverings with onshore recycling capacity. ARFA's members represent 60% of the market sales of resilient flooring and the take-back and recycle model is based on our own UK experience albeit that we are not manufacturing in Australia so the aim is to prepare recycled material for alternative uses locally.

In conclusion

Given the circumstances we can only be pleased with the results for the year. The levels of confidence in key markets (the UK and Europe) with reduced budgets for projects have been challenging. Different issues such as the challenges of transportation affected our APAC region but nevertheless there has been progress and increased profitability.

It has been another year of profitable growth in FY24 and the Group looks ahead with confidence.

Mark Halstead
Chief Executive

Audited Consolidated Income Statement
for the year ended 30 June 2024

	Year ended 30.06.24 £'000	Year ended 30.06.23 £'000
Revenue	274,881	303,562
Cost of sales	(153,760)	(188,099)
Gross profit	121,121	115,463
Selling and distribution costs	(52,945)	(53,338)
Administration expenses	(14,269)	(10,514)
Operating profit	53,907	51,611
Finance income	2,642	748
Finance cost	(325)	(260)
Profit before income tax	56,224	52,099
Income tax expense	(14,704)	(9,695)
Profit for the year attributable to equity shareholders	41,520	42,404
Earnings per ordinary share of 5p:		
-basic	10.0p	10.2p
-diluted	10.0p	10.2p

All amounts relate to continuing operations.

Audited Consolidated Statement of Comprehensive Income
for the year ended 30 June 2024

	Year ended 30.06.24 £'000	Year ended 30.06.23 £'000
Profit for the year	<u>41,520</u>	42,404
Other comprehensive income net of tax:		
Items that will not be reclassified subsequently to the income statement:		
Remeasurement of the net defined benefit asset /(liability)	564	(7,237)
	<u>564</u>	<u>(7,237)</u>
Items that could be reclassified subsequently to the income statement if specific conditions are met		
Foreign currency translation differences	(248)	(1,818)
Fair value movements on hedging instruments	(472)	(135)
	<u>(720)</u>	<u>(1,953)</u>
Other comprehensive income for the year	<u>(156)</u>	<u>(9,190)</u>
Total comprehensive income for the year	<u>41,364</u>	33,214
Attributable to equity holders of the company	<u>41,364</u>	33,214

Items in the statement above are disclosed net of tax.

Audited Consolidated Balance Sheet
as at 30 June 2024

	As at 30.06.24 £'000	As at 30.06.23 £'000
Non-current assets		
Intangible assets	3,232	3,232
Property, plant and equipment	34,965	35,887
Right of use assets	6,209	7,164
Retirement benefit obligations	14	-
Deferred tax	214	114
	44,634	46,397
Current assets		
Inventories	82,268	87,440
Trade and other receivables	44,042	46,979
Derivative financial instruments	482	773
Current tax	1,287	699
Cash and cash equivalents	74,282	63,222
	202,361	199,113
Total assets	246,995	245,510
Current liabilities		
Trade and other payables	57,487	60,738
Derivative financial instruments	106	213
Current tax	273	422
Lease liabilities	2,707	2,696
	60,573	64,069
Non-current liabilities		
Retirement benefit obligations	-	1,460
Other payables	410	400
Lease liabilities	3,680	4,582
Preference shares	200	200
Deferred tax	855	585
	5,145	7,227
Total liabilities	65,718	71,296
Net assets	181,277	174,214
Equity		
Equity share capital	20,839	20,838
Equity share capital (B shares)	160	160
	20,999	20,998
Share premium account	55	13
Currency translation reserve	3,846	4,094
Hedging reserve	334	806
Retained earnings	156,043	148,303
Total equity attributable to shareholders of the parent	181,277	174,214

Audited Consolidated Cash Flow Statement
for the year ended 30 June 2024

	Year ended 30.06.24 £'000	Year ended 30.06.23 £'000
Profit for the year attributable to equity shareholders	41,520	42,404
Income tax expense	14,704	9,695
Profit before income tax	<u>56,224</u>	52,099
Finance cost	325	260
Finance income	<u>(2,642)</u>	(748)
Operating profit	53,907	51,611
Depreciation of property, plant and equipment	4,093	3,461
Depreciation of right of use assets	3,046	3,060
Profit on sale of plant and equipment	(75)	(84)
Defined benefit pension scheme service cost	-	178
Defined benefit pension scheme employer contributions paid	(781)	(1,942)
Change in fair value of financial instruments	27	(776)
Share based payments expense	39	26
Decrease in inventories	4,884	22,966
Decrease in trade and other receivables	2,901	3,031
(Decrease) in trade and other payables	<u>(3,263)</u>	(20,365)
Cash inflow from operations	64,778	61,166
Taxation paid	<u>(15,450)</u>	(11,900)
Cash inflow from operating activities	<u>49,328</u>	49,266
Interest received	2,642	467
Purchase of property, plant and equipment	(3,313)	(2,854)
Proceeds from disposal of property, plant and equipment	108	134
Cash outflow from investing activities	<u>(563)</u>	(2,253)
Interest paid	(24)	(36)
Lease interest paid	(242)	(224)
Lease capital paid	(2,981)	(3,015)
Equity dividends paid	<u>(34,383)</u>	(32,298)
Shares issued	43	14
Cash outflow from financing activities	<u>(37,587)</u>	(35,559)
Net increase in cash and cash equivalents	<u>11,178</u>	11,454
Effect of exchange differences on cash and cash equivalents	(118)	(376)
Cash and cash equivalents at start of year	63,222	52,144
Cash and cash equivalents at end of year	<u><u>74,282</u></u>	<u><u>63,222</u></u>

NOTES

1. The final dividend of 6.0p per ordinary share will be paid, subject to the approval of the shareholders, on 13 December 2024 to shareholders on the register as at 15 November 2024. The annual report and accounts will be posted to shareholders on 18 October 2024.
2. The financial information in this statement does not represent the statutory accounts of the Group. Statutory accounts for the year ended 30 June 2023 have been delivered to the Registrar of Companies, carrying an unqualified audit report and no statement under section 498 (2) or (3) of the Companies Act 2006.
3. Statutory accounts for the year ended 30 June 2024 have not yet been delivered to the Registrar of Companies. They will carry an unqualified audit report and no statement under section 498 (2) or (3) of the Companies Act 2006.
4. Earnings per ordinary share

	2024	2023
	£'000	£'000
Profit for the year attributable to equity shareholders	41,520	42,404
Weighted average number of shares in issue	416,761,396	416,752,764
Dilution effect of outstanding share options	32,457	21,390
Diluted weighted average number of shares	416,793,853	416,774,154
Basic earnings per ordinary share	10.0p	10.2p
Diluted earnings per ordinary share	10.0p	10.2p

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