

COLEFAX GROUP PLC



ANNUAL REPORT AND ACCOUNTS 2026

FINANCIAL HIGHLIGHTS

	2026 £'000	2025 £'000	Increase
Revenue	115,918	109,986	5.4%
Profit before finance income	9,932	8,422	17.9%
Profit before taxation	10,525	8,900	18.3%
Profit attributable to shareholders	7,750	6,508	19.1%
Basic and diluted earnings per share	140.7p	108.4p	29.8%
Dividends paid per share	6.3p	5.9p	6.8%
Equity	36,431	35,284	3.3%
Operating cash flow less lease payments	12,718	10,829	17.4%
Net cash	23,546	22,312	5.6%

CHAIRMAN'S STATEMENT

Financial Results

Group sales increased by 5.4% to £115.92 million (2025 – £109.99 million) and by 7.3% on a constant currency basis. Pre-tax profits increased by 18.3% to £10.53 million (2025 – £8.90 million). Earnings per share increased by 29.8% to 140.7p (2025 – 108.4p) partly reflecting the benefit of share buybacks during the current and prior year. The Group ended the financial year with net cash of £23.5 million (2025 – £22.3 million).

Sales in the Group's core Fabric Division increased by 10.7% on a constant currency basis and profit increased by 33.4% to £10.62 million (2025 – £7.96 million). This increase in sales and profit was mainly due to another strong performance in the US where sales increased by 15.9% on constant currency basis and by 10.2% excluding tariff surcharge income. The Group operates at the luxury end of the market and we believe that our results are closely correlated with the strength of the US stock market which has proven very resilient over the last 12 months.

In October 2025 the Group returned £6.1 million of surplus cash to shareholders by way of a share buyback in the form of a tender offer. The Group purchased and cancelled 691,680 shares representing 11.7% of the issued ordinary share capital at a price of £8.80 per share.

The Board is proposing to pay a final dividend of 3.3p per share (2025 – 3.1p) making a total for the year of 6.3p (2025 – 5.9p) an increase of 7%. This will be paid on 9 October 2026 to shareholders on the register at the close of business on 11 September 2026.

Product Division

- **Fabric Division – Portfolio of Five Brands:** “Colefax and Fowler”, “Cowtan and Tout”, “Jane Churchill”, “Manuel Canovas” and “Larsen”

Sales in the Fabric Division, which represent 90% of Group turnover, increased by 8.4% to £103.99 million (2025 – £95.92 million) and increased by 10.7% on a constant currency basis. Excluding US tariff surcharges the constant currency sales increase was 7.3%. Pre-tax profit increased by 33.4% to £10.62 million (2025 – £7.96 million) demonstrating the high level of operational gearing in the Fabric Division. The average US dollar exchange rate during the year was \$1.34 compared to \$1.28 for the prior year.

Sales in the US, which represent 63% of the Fabric Division's turnover, increased by 10.6% and by 15.9% on a constant currency basis. Excluding tariff surcharges US sales increased by 10.2% on a constant currency basis. This increase follows a 12.9% constant currency increase in sales in the prior year and reflects the ongoing strength of the US stock market which especially benefits confidence and spending at the luxury end of the market. As reported in our interim results we have continued to invest in our showroom network which covers all major US territories and in total these territories now account for 84% of US sales. In December we moved to a new showroom in Florida and in September 2026 we will be moving to new showroom premises in San Francisco.

Sales in the UK, which represent 15% of the Fabric Division's turnover, increased by 4.4%. This follows a 4.7% decrease in the prior year. Trading conditions in the UK have been challenging especially at the top end of the market where residential property transactions have been adversely affected by high rates of stamp duty, relatively high interest rates and uncertainty over potential tax increases. Historically, UK sales have been closely correlated with high-end housing transactions and tend to lag market activity.

Sales in Continental Europe, which represent 20% of the Fabric Division's turnover, increased by 6.0% and by 2.4% on a constant currency basis. This follows a constant currency increase of 6.5% in the prior year. Market conditions in Europe vary significantly by country but overall sales have held up well given the increased cost and complexity of doing business in Europe post Brexit. Import duty payable on EU sales amounted to £1.26 million. In France, which is our largest market in Europe, sales were down by 4% on a constant currency basis mainly due to a lower level of contract orders.

Sales in the Rest of the World, which represent just 2% of the Fabric Division's turnover, decreased by 1.7% during the year (2025 – decrease of 8.9%). Our largest market in the Rest of the World is the Middle East and sales were very adversely impacted by the Middle East conflict in the last two months of the financial year.

CHAIRMAN'S STATEMENT

- **Furniture – Kingcome Sofas**

Sales of Kingcome furniture, which represent 3% of Product Division sales, increased by 8.0% to £3.08 million (2025 – £2.85 million). Pre-tax profit decreased by 30.6% to £249,000 (2025 – £359,000). The decline in profitability despite higher sales reflects higher salary and premises costs during the year primarily due to a new showroom concession in Witney Oxfordshire which started trading in September. Market conditions for luxury furniture in the UK have become increasingly challenging and despite the new showroom concession, the order intake during the year was down by 4% and the outstanding order book at the year-end was down by 27% compared to the start of the year.

- **Interior Decorating Division**

Decorating sales, which represent 7% of Group turnover, decreased by 21.1% to £8.86 million (2025 – £11.22 million) resulting in a pre-tax loss of £339,000 (2025 – £582,000 profit). The Decorating Division operates at the very top end of the market and this has been the part of the Group most affected by the abolition of non-domiciled tax status in the UK in April 2025 and a sharp reduction in high end property transactions. Decorating Division sales and profits can fluctuate significantly depending on the timing of project completions. The full year loss was partly due to a delay in the installation of a Middle East project caused by the US-Iran conflict. As result we do expect a return to profitability next year despite challenging market conditions in the UK.

Prospects

The Group has delivered a strong full year result which significantly exceeded our expectations at the start of the year and also the half year. The main reason was an exceptionally strong sales performance in the US. We think this is closely correlated with the growth in the US stock market which particularly benefits the luxury sector in which we operate. This performance was despite significant turmoil during the year caused by additional US import tariffs, a weaker US Dollar and the conflict in the Middle East. Since the year-end sales have remained strong in the US and we are cautiously optimistic that this will continue at least for the first half of the current financial year. We consider a significant stock market correction to be the main external risk to US sales. Outside of the US trading conditions look set to remain challenging especially in the UK although this market now accounts for just 15% of Fabric Division sales. Our Decorating Division and Furniture Division also face headwinds from difficult trading conditions in the UK.

The Group has a strong balance sheet with cash of £23.5 million and we will continue to invest with confidence in our portfolio of brands and worldwide distribution network.

The Group's performance over the last year is a reflection of the talent, hard work and loyalty of all our staff and I would like to thank them for their contribution to the continued success of the Group.



David Green
Chairman
30 July 2026

STRATEGIC REPORT

Strategy and Business Model

The Group's core business is the design and distribution of luxury furnishing fabrics and wallpapers sold through a 'portfolio' of five luxury brands and collectively referred to as the 'Fabric Division'. The strategic rationale for having a portfolio of brands is that each brand has a distinctive look and price range and caters to a particular segment of the market. The Group's Fabric Division brands range in style from classic to contemporary and have different strengths in different markets and product categories which enable the Group to maximise sales through its worldwide distribution network.

The Group's fabric and wallpapers are sold in over 50 countries worldwide. The Group mainly sells to interior designers and retail fabric and wallpaper shops (the 'trade'). The sales approach depends on the size and complexity of individual markets. In major markets, the Group sells direct to trade customers using a combination of trade showrooms and regional sales representatives. In medium sized markets, the Group sells to the trade through agents who receive a sales commission and in complex or small markets the Group uses exclusive distributors.

The Group's largest and most important market is the US which accounts for approximately 63% of Fabric Division sales (2025 – 62%). The interior design industry is well developed in the US due to the very high number of luxury homes and high net worth individuals. For this reason, the US market continues to be the main focus for capital investment and new product investment. The Group currently has a network of 9 trade showrooms in the US and this is the main reason why the Group balance sheet has relatively high lease liabilities. The second largest market by country is the UK which accounts for approximately 15% of Fabric Division sales (2025 – 16%) followed by France which accounts for approximately 5% of sales (2025 – 5%).

The operational approach underpinning the Group's portfolio of brands strategy is that each brand has a separate design studio but shares a common operational platform in terms of marketing, sales, sampling, warehousing, purchasing, IT systems and accounting. This minimises costs and maximises efficiency whilst at the same time keeping the identity of each brand distinct and separate in the market.

The Group's core skills are design and distribution. A key component of the Fabric Division's strategy and business model is that it does not involve any manufacturing activity. Fabrics and wallpapers are sourced from over 130 different high-end manufacturers around the world but based primarily in Italy, India, Belgium and the UK. This diverse and flexible supplier base enables the Group to respond rapidly to changing market tastes and avoids the complexity and capital-intensive nature of manufacturing.

The Group's brand portfolio was built through acquisitions although the last acquisition was in 1998 and since that time the Group has mainly pursued an organic growth strategy combined with share buybacks to maximise return on capital employed. The Group is interested in acquiring additional brands provided they complement the existing portfolio and offer geographical and operational synergies. The high-end fabric industry is relatively fragmented with a large number of independent competitors. The main challenge making acquisitions is finding vendors who are prepared to sell at a realistic price. In the absence of acquisitions, we believe there are still good opportunities for organic growth within the Group's existing brand portfolio.

The Group's five fabric and wallpaper brands are all sold at the premium end of the market. Colefax and Fowler is a luxury English brand renowned for its subtlety and classical elegance. Jane Churchill is an English brand with a reputation for contemporary elegance and artistic style and envisioned for modern living. Larsen is a modern US brand famous for its luxurious textural woven fabrics. Manuel Canovas is an iconic, quintessentially French fabric brand based in Paris and famous for its bold designs and vibrant colour palette. Cowtan and Tout is a high-end luxury US brand sold exclusively in the US market and renowned for its unique, elegant and colourful designs.

The Group's objective is to maximise sales and operating profit from its existing portfolio of brands primarily through an annual cycle of new product investment. This is the key driver of sales growth and the market reaction to new product is one of the main business risks. The Group seeks to reduce business risk by targeting different brands at different markets and ensuring that each brand remains clearly differentiated with minimal product overlap.

In addition to the Group's core fabric and wallpaper brands (the Fabric Division) the Group owns a UK based luxury sofa manufacturer Kingcome Sofas (the Furniture Division). Production takes place at a freehold factory in Newton Abbot, Devon which employs 39 highly skilled staff and this is the Group's only manufacturing activity. The majority of furniture is made to order and financed by customer deposits. It is a relatively small part of the Group, accounting for approximately 3% of Group sales. For segmental reporting purposes the furniture company is grouped with the fabric and wallpaper brands to make up the 'Product Division'.

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The Group also owns an ultra-luxury interior design business founded in 1933 and trading as Sibyl Colefax and John Fowler Limited. This activity is the original business from which the rest of the Group evolved and is referred to as the 'Decorating Division'. For the year to 30 April 2026 it accounted for 7% of Group sales (2025 – 10%). The business undertakes interior design and decoration projects primarily for high end residential customers. All projects are funded by customer deposits. There are five Design Directors and two Associate Directors each with their own portfolio of clients. The majority of decorating sales relate to a relatively small number of high value projects which means that, depending on the timing of these projects, there can be significant fluctuations in sales and profits from year to year which sometimes have a material impact on the Group's results.

Key Performance Indicators

The Group's Key Performance Indicators are all financial in nature:

	2026	2025
Constant Currency Sales Growth	7.3%	4.2%
Gross Profit Margin	57.1%	57.5%
Pre Tax Profit Margin	9.1%	8.1%
Earnings Per Share	140.7p	108.4p
Operating Cash Flow less lease cash flows	£12.7m	£10.8m

Constant Currency Sales Growth

Group sales increased by 5.4% to £115.92 million (2025 – £109.99 million) and increased by 7.3% on a constant currency basis. The increase reflects another strong performance by the Fabric Division partly offset by a £2.4 million reduction in Decorating Division sales.

Sales in the Group's core Fabric Division increased by 10.7% on a constant currency basis compared to an increase of 7.8% in the prior year. The increase was mainly due another strong performance in the US market where sales increased by 15.9% on a constant currency basis. It is important to note that the US sales increase is distorted by the inclusion of £3.2 million of US tariff surcharge income on which the Group made no profit margin. Excluding tariff surcharges, US sales increased by 10.2% on a constant currency basis. Organic sales growth of this magnitude is historically unusual and as noted in the Chairman's Statement we believe it is closely correlated with the exceptional performance of the US stock market.

Fabric Division sales in the UK increased by 4.4% largely reversing a 4.7% decrease in the prior year when sales were impacted by uncertainty around the General Election in July and first Budget in October. Overall market conditions in the UK remained relatively challenging and the energy crisis caused by the US-Iran crisis removed the possibility of interest rate cuts that would have helped housing market activity. Fabric Division sales in Europe increased by 2.4% on a constant currency basis. This rate of increase was in line with expectations following three years of strong growth in Europe when sales increased by 8%, 6.5% and 8% in mixed market conditions.

Decorating Division sales decreased by 21.1% to £8.86 million (2025 – £11.22 million) which was the lowest level since 2021 when activity was severely curtailed by the Covid pandemic. Decorating sales can fluctuate significantly from year to year due to the timing of project completions because in accordance with IFRS 15 *Revenue from Contracts with Customers*, revenue is recognised on completion on projects. However, this was not the main reason for the decline in sales during the year and market conditions in the UK have become more difficult at the very top end of the market. In addition, the Decorating Division has historically derived significant revenue from international projects in Europe and the US but post Brexit tariffs and additional US import tariffs have made these projects much more challenging. Decorating projects are funded by customer deposits and the level of deposits at a given point in time is therefore a reasonable guide to future sales. At 30 April 2026 deposits were up by 4% compared to the prior year.

Gross Profit Margin

The Group's overall gross profit margin decreased by 0.4% from 57.5% to 57.1%. The reduction reflects a number of offsetting factors. The gross margin percentage benefitted from a lower proportion of Decorating Division sales as these have a much lower margin than Fabric Division sales. However, this benefit was offset by a weaker US dollar average exchange rate although the full impact of the weaker US Dollar was partly mitigated by hedging gains on forward contracts which are recorded through cost of goods sold. Finally the Fabric Division gross margin percentage was reduced by tariff surcharges to offset additional US import costs as these are recorded in revenue and cost of goods sold respectively but at zero margin.

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The US Dollar exchange rate averaged \$1.34 during the year compared to \$1.28 for the prior year and this adversely impacted the Groups' gross profit margin by approximately £1.1 million or 0.9% before offsetting hedging gains of £330,000. The US Dollar exchange rate is the main external financial risk facing the Group. It impacts gross profit margin because approximately 63% of Fabric Division sales are invoiced in US Dollars but the majority of goods sold are purchased from suppliers in Euros or Sterling. Based on the average rate for the year of \$1.34 a one cent weakening in the US Dollar rate adversely impacts gross profit by approximately £185,000. This amount reduces slightly with each one cent weakening in line with the proportion represented by one cent.

The Group does not have any significant exposure to the Euro Sterling exchange rate as there is a natural hedge between Euro costs and revenues. The average and closing US dollar and Euro rates were as follows:

	2026	2025	% change
US dollar average	1.34	1.28	-4.7%
US dollar closing	1.36	1.34	-1.5%
Euro average	1.15	1.19	-3.4%
Euro closing	1.16	1.18	-1.7%

Pre Tax Profit Margin

Group pre-tax profit increased by 18.3% to £10.53 million (2025 – £8.90 million) representing a pre-tax profit margin of 9.1% (2025 – 8.1%). The Group margin was reduced by 1.1 percentage points due the Decorating Division loss of £339,000.

The Fabric Division made a pre-tax profit of £10.62 million (2025 – £7.96 million) on sales of £103.99 million (2025 – £95.9 million) representing a pre-tax profit margin of 10.2% compared to 8.3% for the prior year. This is the first time that the Fabric Division has achieved a 10% operating margin since the Covid related housing boom in 2022. The improvement in operating margin is mainly due to another year of strong sales growth in the US and demonstrates the high level of operational gearing in the Fabric Division. Pre-tax profit is sensitive to quite small fluctuations in sales due relatively high gross profit margins and a high level of fairly fixed salary and premises cost. The Group uses the pre-tax profit margin rather than operating profit as a key performance indicator because since the introduction of IFRS 16 *Leases* in 2020 lease costs are somewhat illogically treated as finance not operating expenses. It is important to note that all of the Group's interest income of £593,000 is attributed to the Fabric Division and excluding this the pre-tax profit margin was 9.7%.

The Group will continue to target a Fabric Division pre-tax profit margin of 10% but this is only likely to be realistic in years with healthy sales growth and a relatively strong US Dollar exchange rate. Prior experience demonstrates that the business is not immune to economic cycles and is especially linked to high end housing market activity in our major markets

Earnings Per Share

Earnings per share increased by 29.8% to 140.7p (2025 – 108.4p) compared to an increase in pre-tax profit of 18.3%. The positive difference is mainly due to an 8.2% reduction in the weighted average number of shares in issue during the year following the £2.4 million share buyback in October 2024 and the £6.1 million Tender Offer and share buyback in October 2025. The Group corporation tax charge for the year decreased from 26.9% to 26.4% resulting in a small positive impact on Earnings per Share.

The Group has a long running strategy of returning surplus cash to shareholders by way of share buybacks. The primary objective of share buybacks is to maximise earnings per share and return on capital employed. Between 1 September 1999 and 30 April 2026 share buybacks returned £62.7 million to shareholders and reduced the number of shares in issue by 82% from 28.5 million to 5.2 million. Since the year end the Group has purchased and cancelled a further 3.2% of the issued capital at a cost of £2.2 million.

The Group has a strong balance sheet with cash of £23.5 million and the Board will continue to review options for share buybacks subject to the requirement that they are in the best interests of shareholders. At the Group's AGM on the 24 September 2026 the Board will be seeking to renew its authority to purchase up to 15% of the issued share capital of the company. As David Green and his family collectively own over 30% of the issued share capital of the company any future share buybacks would potentially further increase his family percentage holding and require him to make a bid for the entire issued share capital of the company under Rule 9 of the Takeover Code. The Group

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will therefore hold a General Meeting after the AGM to seek approval for a 'waiver' of Rule 9. A Circular will be sent to shareholders with the Annual Report and Accounts.

Operating Cash flow less lease cash flows

The Group's operating cash flow less lease cash flows increased by 17.4% to £12.71 million (2025 – £10.83 million). Following the introduction of IFRS 16 *Leases* in 2020, cash generated from operations is not considered a meaningful key performance indicator. This is because lease payments are recorded under financing activities despite being fundamental to operational performance. Lease payments during the year were broadly unchanged at £5.76 million (2025 – £5.74 million) but will increase next year due to a number of lease renewals at higher rents, notably our Head Office and Design Studios in London.

Operating cash flow is primarily determined by profitability and the effectiveness of controls over working capital. Finished goods are the most significant element of working capital and the year-end balance remained flat at £16.1 million. This compares to a 5.4% increase in Fabric Division sales excluding tariff surcharges which implies a slight improvement in stock turn but the nature of the business is that inventory fluctuates significantly during the year according to the timing of new product launches. Maintaining tight control over working capital is a closely monitored operational objective and the net increase in working capital during the year was just £189,000. The Group's Decorating Division and Furniture Division both require minimal working capital as work in progress is largely funded by customer deposits.

Group Statement of Financial Position

The Group ended the year with a strong balance sheet comprising net assets of £36.4 million (2025 – £35.3 million) including cash of £23.5 million (2025 – £22.3 million). This was after returning £6.1 million of surplus cash to shareholders via a share buyback in October 2025 and dividend payments during the year of £336,000.

Under IFRS 16 the Group's leases are included in the Group balance sheet as right of use assets and corresponding lease liabilities. The Group's Fabric Division has a high level of lease liabilities due to its network of US trade showrooms as well as trade showrooms in London, Paris, Munich and Milan. Changes in the right of use assets mainly reflect the timing and duration of new leases and rent reviews. During the year the right of use asset increased by £4.9 million to £28.1 million. The increase was mainly due to a 10 year lease renewal of our Head Office and Design Studio premises in London. Many of our leases have break clauses but are accounted for under IFRS 16, *Leases*, on the basis that the leases will run for the full term.

Excluding lease liabilities, the largest item in the Group balance sheet is inventory and work in progress amounting to £18.3 million (2025 – £18.0 million). The Fabric Division requires a significant investment in inventory to support the Group's fabric and wallpaper ranges. This is a requirement of the business and necessary for providing outstanding customer service.

The net book value of fixed assets in the balance sheet decreased by £0.3m to £7.3 million. Capital expenditure during the year was £2.4 million (2025 £2.1 million) compared to a Group depreciation charge of £2.6 million. Capital expenditure during the year was lower than planned because the Group was unexpectedly able to renew its Head Office and Design Studios lease rather than have to move to new premises. The Group has recurring capital expenditure of approximately £1.7 million per year mainly related to new product investment by the Fabric Division. For the year to April 2027 capital expenditure is expected to be broadly in line with depreciation.

Principal Risks and Uncertainties

The Group has put in place controls to identify, monitor and manage the principal risks and uncertainties faced by the Group. Risks are ranked according to their potential financial impact and probability and a Group Risk Assessment Report is presented bi-annually to the Audit Committee. The Group's Executive Directors provide input into the risk assessment process where relevant.

The principal risks can be summarised into business risks, financial risks and operational risks.

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Business risks

The main internal business risk relates to the market reaction to new product investment. The risk is mitigated by employing talented and experienced design studio staff together with tight budgetary controls over new product investment and regular feedback and financial analysis.

Historically the main external business risk has been a downturn in the high-end housing market. The business is not immune to economic cycles and current trading tends to lag changes in the strength of the housing market and in particular the number of high-end transactions. The main control for responding to changes in high-end housing market activity is the amount of investment in new product.

Financial risks

There are two major financial risks facing the Group. The first is the US Dollar exchange rate against Sterling. This can have a material impact on profitability because every one cent movement in the exchange rate impacts Group profits by approximately £185,000. The main way in which the Group mitigates exposure to the US Dollar is through forward contracts to sell US Dollars at fixed exchange rates during the course of the year. The Group policy is to hedge up to half of the Group's exposure in any given year. The Board keeps the Sterling versus US Dollar exchange rate under constant review and enters into forward contracts to sell US Dollars as deemed appropriate.

The second major financial risk relates to obsolete inventory. Each fabric brand consists of hundreds of individual fabric and wallpaper options and excluding off-setting lease assets and liabilities the largest component of the balance sheet is finished goods stock amounting to approximately £16.1 million at 30 April 2026. There are substantial fluctuations in inventory levels during the year relating to the timing of new product launches. Obsolete stock arises due to surpluses resulting from supplier minimum orders, risks associated with new product introduction and the discontinuation of slow selling items. Some obsolete inventory is an inevitable feature of the business but the Board seeks to mitigate the risk of obsolete inventory through tight purchasing controls and budgetary controls over new product investment.

Operational risks

There are two main operational risks. The first relates to the loss or failure of the Group's IT system in the UK or the US. The nature of the Fabric Division business is that it involves large numbers of stock items, large numbers of customers and a high volume of transactions. As a result the Group is highly dependent on its IT systems for managing stock and processing orders. The main way that the Group mitigates this operational risk is through security controls and real-time backup procedures in the UK and the US. In addition the Group has comprehensive business interruption insurance.

The second main operational risk relates to loss or damage to the Group's warehouse and operations facilities in the UK and the US including loss or damage to inventory. The risk is spread by having three warehouse buildings in the UK and one in the US. The main way that the Group mitigates this risk is by having alarm systems and disaster recovery plans as well as full inventory insurance and business interruption insurance.

Section 172 Statement

The Directors are aware of their responsibility to promote the success of the Company and the Group for the benefit of its members as a whole in accordance with section 172 of the Companies Act 2006 and in doing so to have regard to the matters set out in section 172(1)(a-f).

The Board considers that the Group's key stakeholders are its employees, customers, suppliers and shareholders. The Board recognises that the Group's long-term success is closely correlated with strong positive relationships with all stakeholders where no one group is favoured over any other group. This is primarily achieved by promoting an open, honest and fair culture throughout the business and having policies which promote and encourage a high level of loyalty and integrity in interactions between stakeholders. All meetings with stakeholders, both formal and informal, are used to obtain feedback on opportunities for improvement.

Having regard to the likely consequences of any decision in the long term

The main long term decisions taken by the Board primarily relate to capital expenditure on showrooms, design studio, office and warehouse facilities to grow the business and support operational performance. These decisions are carefully balanced against the need to attract and retain long term investors through dividends and share buybacks. In October 2025 the Group returned £6.1 million of cash to shareholders via a tender offer and during the year paid dividends of £336,000. The Group ended the year with cash of £23.5 million and no bank debt which is considered more than adequate for its long-term investment needs.

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Having regard to the Interests of the Group's employees

The Board recognises that the success of the Group is driven by the talent and motivation of its employees and benefits from a high number of long serving employees at all levels throughout the Group. The Board works hard to promote a friendly and enjoyable working environment for all its employees including funding various social events during the year. The Group pays competitive salaries including performance related bonuses and where possible the Group allows some home working and flexible working hours to suit employees' individual circumstances.

Having regard to the need to foster the Group's business relationships with suppliers, customers and others

The Group's core Fabric Division serves thousands of trade customers throughout the world. Regular repeat business is therefore a key feature of the business and the Board recognises the critical importance of building long term relationships with customers in a highly competitive marketplace. The primary way in which the Group seeks to foster close relationships with customers is by providing outstanding quality products and customer service levels which consistently exceed customer expectations.

Apart from upholstered furniture the Group does not manufacture any of the products that it sells. Our core Fabric Division is heavily dependent on the talent, expertise and reliability of over 120 different manufacturers in the UK and overseas. The primary way in which the Group fosters strong positive relationships with suppliers is through regular in person meetings with our design studios, prompt reliable payment for all goods purchased and regular honest and open communication about pricing, lead times and service.

Having regard to the impact of the Group's operations on the community and the environment

The Group's main Fabric Division operations are located in Wandsworth, South West London. The main way in which the Group supports the local community is by recruiting locally wherever possible which helps the local economy. The Group seeks to actively support charities and good causes and fundraising events during the year have included Save the Children, Macmillan Cancer Support and Mind UK.

The Group has a sustainability strategy which includes choosing suppliers who share the Group's environmental objectives. Many of our suppliers have OEKO-TEX status which certifies that their products have been manufactured in environmentally friendly facilities under safe and socially responsible working conditions. All of our suppliers are encouraged to make every effort to source their energy from renewable methods and reduce water consumption during manufacturing.

The desirability of the Group maintaining a reputation for high standards of business conduct

The Group seeks the highest standards of openness, honesty and integrity in its dealings with all stakeholders. This is achieved through regular formal and informal communication and not putting profit before principle. In practice, this means that all stakeholders are fairly treated and rewarded for their contribution to the Group and no one group of stakeholders is favoured over any other. Evidence of fair treatment is reflected in the long service of many employees and the loyalty of customers, suppliers and shareholders through multiple economic cycles.

Having regard to the need to act fairly as between members of the Company

The Company has just one class of share in issue and so all shareholders benefit from the same rights. As a small quoted company the Company's main methods of communication with shareholders are the Annual and Interim Report, the AGM and RNS announcements. For many years the Company has returned surplus cash to shareholders through share buybacks. The largest share buybacks have mainly been by way of Tenders Offers such as the £6.1 million Tender Offer in October 2025. This ensures that all shareholders are fairly treated and entitled to participate in direct proportion to their holdings.

The above report was approved by the Directors on 30 July 2026 and signed on its behalf by:



R. M. Barker ACA
Group Finance Director

DIRECTORS, BANKERS AND ADVISERS

Directors

D. B. Green, *Chairman and Chief Executive*
R. M. Barker ACA, *Finance Director*
W. Nicholls, *Decorating Director*
K. Hall, *Chief Executive Officer – USA*
T.B Green, *Commercial Director*
A. K. P. Smith, *Non-Executive Director*

Secretary and Registered Office

R. M. Barker ACA
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Solicitors

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Bankers

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Registrars and Transfer Office

Computershare Investor Services PLC
The Pavilions
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Bristol BS13 8AE

DIRECTORS' REPORT

Principal Activities

The principal activities of the Group are the design, marketing and distribution of luxury furnishing fabrics, wallpapers, trimmings; interior design and decoration mainly for private residential clients and luxury upholstered furniture manufacture.

Review of the Business and Future Developments

Details of the Group's activities during the year, key performance indicators and future plans are contained in the Chairman's Statement on pages 2 and 3, and in the Strategic Report on pages 4 to 9.

Share Capital

At the forthcoming Annual General Meeting, certain resolutions are to be proposed relating to the share capital of the company.

Resolution Number 7, proposed as an ordinary resolution, would authorise the Directors to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum of one third of the issued share capital of the Company as at the date of the Annual General Meeting for a period expiring on the date of the next Annual General Meeting or 15 months after the passing of the resolution, whichever occurs first.

In addition, Resolution Number 7 would also authorise the Directors to allot equity securities in connection with an offer for securities (whether by rights issue, open offer or otherwise) up to a maximum of one third of the issued share capital of the Company as at the date of the Annual General Meeting for a period expiring on the date of the next Annual General Meeting or 15 months after the passing of the resolution, whichever occurs first.

Resolution Number 8, proposed as a special resolution, would authorise the Directors to allot shares for cash, on rights issues and other issues to existing shareholders in proportion to their existing holdings and also allows issues of shares other than to existing shareholders in respect of a maximum of 5% of the issued share capital of the Company as at the date of the Annual General Meeting, for a period again expiring on the date of the next Annual General Meeting or 15 months after the passing of the resolution, whichever occurs first.

Resolution Number 9, proposed as a special resolution, would authorise the Directors to purchase up to a total nominal value of £75,880.90 of the Company's ordinary shares, representing 15% of the issued share capital as at the date of the Annual General Meeting, at prices from 10p up to a maximum of 5% above the middle market quotations for the preceding five business days. This power will only be exercised by the Board when it is satisfied that any purchase would have a beneficial impact on earnings per share, would not have a material adverse impact upon attributable assets and would be in the interests of the shareholders. In relation to this resolution, shareholders should read the accompanying circular entitled "Approval of waiver under Rule 9 of the Takeover Code to be granted by the Takeover Panel – Notice of General Meeting".

Results and Dividends

The Group's profit after tax was £7,750,000 (2025 – £6,508,000). An interim dividend of 3.0p (2025 – 2.8p) per share was paid to shareholders on 15 April 2026. The Directors recommend the payment of a final dividend of 3.3p (2025 – 3.1p) per share to be paid on 9 October 2026 to shareholders on the register at the close of business on 11 September 2026. The proposed final dividend has not been accrued for because the dividend was declared after the year end and is yet to be approved at the Annual General Meeting. The total dividend for the year is 6.3p (2025 – 5.9p) per share and the total of the interim and proposed final dividend is £337,000 (2025 – £355,000). Going forward it is the Board's intention to continue with a progressive dividend policy.

Employees

The Group values the involvement of its employees and keeps them informed on matters affecting them and on factors affecting the performance of the Group. Information is given at formal and informal meetings throughout the year.

The Group believes in a policy of equal opportunities. Recruitment and promotion are undertaken on the basis of merit, regardless of gender, race, age, marital status, sexual orientation, religion, nationality, colour and disability.

DIRECTORS' REPORT

Disabled Persons

It is the policy of the Group to employ disabled persons wherever appropriate. Such disabled employees are given the same opportunities for training and promotion as other employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues.

Events after the Reporting Date

On 2 June 2026 the Group purchased and cancelled 166,826 Ordinary Shares amounting to 3.2% of the issued share capital of the company at a price of £13 per ordinary share for a total consideration of approximately £2.2 million. No other significant events have occurred since 30 April 2026 and the date of approval of these financial statements.

Financial Risk Management

Detail of the use of financial instruments and financial risk management are contained in note 20 to the financial statements.

Freehold Property

The Group's freehold property was last valued on 30 April 2023 on an open market value basis by J P Stone FRICS, an independent chartered surveyor. The valuation was carried out in accordance with guidance issued by the Royal Institution of Chartered Surveyors. The market value determined under this basis was £1.1 million. The net book value of the Group's freehold property, on a historical cost basis was £391,000 at 30 April 2026 (2025 – £406,000).

Directors

The Directors listed on page 10 have held office throughout the year to 30 April 2026 and up to the date of this report.

David Green – Chairman and Chief Executive, Age 80

David Green has been Chief Executive of Colefax Group Plc since 1986 and Chairman and Chief Executive since 1996 with specific responsibility for leadership and strategy. Prior to joining Colefax he was a founder and executive director of Carlton Communications Plc. He was a non-executive director of Carlton Communications from 1986 until 2004. He is a member of the Remuneration Committee.

Robert Barker – Group Finance Director, Age 62

Robert Barker is a graduate of Bristol University and trained as a Chartered Accountant with Arthur Young (now Ernst and Young). He joined Colefax Group Plc in 1989 as Group Chief Accountant. He was Commercial Director of the Fabric Division from 1992 to 1994 and was appointed Group Finance Director in July 1994 with specific responsibility for finance, operations and risk management. He is a member of the Audit Committee.

Key Hall – Chief Executive of Cowtan and Tout Inc, Age 60

Key Hall joined the Group in 1993 to set up and run the company's Los Angeles showroom. Prior to joining the Group she held various sales positions in the high end fabric industry and has extensive experience in all aspects of product, sales, marketing and operations. She was made Chief Executive of the Group's US subsidiary company Cowtan and Tout in 1999 and joined the Group Board in 2000 with specific responsibility for running the US Fabric Division.

Wendy Nicholls – Decorating Division Director, Age 78

Wendy Nicholls joined Colefax and Fowler in 1975 and was made a partner in the Decorating Division in 1979. She has extensive experience in all aspects of interior decoration and was Managing Director of the Decorating Division from 1994 to 2021. She has been a Group Board Director since 1994.

Tim Green – Commercial Director, Age 51

Tim Green joined the Group in 2018 and was appointed Commercial Director of the Fabric Division in April 2019. He was appointed Group Commercial Director in November 2024. Tim is the son of Chief Executive David Green and prior to joining the Group he was Chief Executive of Tangent Communications Plc. His specific skills and responsibilities include strategy, planning, management and marketing.

Alan Smith – Non-Executive Director, Age 85

Alan Smith is a graduate of Edinburgh University and has held a wide variety of executive and non-executive directorships including 15 years as an executive director of Marks and Spencer Plc and two years as Chief Executive of Kingfisher Plc. He has been a non-executive director of Colefax Group Plc since 1994 and is a member of the Remuneration Committee and the Audit Committee.

DIRECTORS' REPORT

In accordance with Article 14.1 of the Company's Articles of Association, Key Hall and Robert Barker will retire by rotation at the Annual General Meeting. Resolutions 5 and 6 propose their re-election as Directors.

Directors' and officers' liability insurance

The Group maintains liability insurance for its Directors and Officers.

Directors' Remuneration

	Salary and fees £'000	Bonus £'000	Benefits in kind £'000	Pension contributions £'000	2026 Total £'000	2025 Total £'000
Executive Directors:						
D. B. Green	620	90	29	–	739	702
R. M. Barker	234	34	6	24	298	276
W. Nicholls	100	13	40	–	153	178
K. Hall	408	57	–	8	473	467
T. B. Green	268	41	10	16	335	128
Non-executive Director:						
A. K. P. Smith	35	–	–	–	35	35
	<u>1,665</u>	<u>235</u>	<u>85</u>	<u>48</u>	<u>2,033</u>	<u>1,786</u>

Directors' Interests

The Director's interests in the ordinary share capital of the company at the end of the financial year were as follows:

	Ordinary shares of 10p each	
	2026	2025
D. B. Green	917,587	1,079,513
R. M. Barker	61,200	72,000
W. Nicholls	39,437	49,437
K. Hall	105,970	110,970
A. K. P. Smith	40,000	45,000
T. B. Green	400,000	250,000

No Director has interests in the shares of any subsidiary company.

Share Options

There are no share options outstanding at 30 April 2026 (2025 – Nil). The Colefax Group Plc employee share ownership plan trust continues to hold 60,000 (2025 – 60,000) shares in the Company. The market price of the Company's shares at 30 April 2026 was 1,180p. The range of market prices during the financial year was between 750p and 1,180p.

Substantial Shareholdings as at 30 April 2026

	Number of shares	%
Schroder Investment Management Limited	955,000	18.9
D. B. Green	917,587	17.6
Rights and Issues Investment Trust PLC	522,452	10.0

On 2 June 2026 the company purchased and cancelled 166,826 ordinary shares representing 3.2% of the issued share capital and reducing the number of shares in issue to 5,058,732

Substantial Shareholdings as at 30 July 2026

	Number of shares	%
Schroder Investment Management Limited	932,500	18.4
D. B. Green	917,587	18.1
Rights and Issues Investment Trust PLC	398,447	7.9

DIRECTORS' REPORT

Corporate Governance

The Board is focussed on the long term success of the Group for the benefit of all stakeholders and recognises that good corporate governance is a key enabler of that success. The Board is committed to applying the highest standards of corporate governance and is keen to make improvements as far as it is practical to do so within the confines of a small quoted company. The Chairman's Statement on corporate governance is published in the Corporate Governance section of the Company's website at www.colefaxgroupplc.com. The Group has adopted the QCA Corporate Governance Code (2023 edition) as the code best suited to the size and scope of the Group's activities. The QCA code is based on ten corporate governance principles and the way in which the Group has applied the ten principles is set out in the Corporate Governance section of the Company's website. The areas where the Group does not comply fully with the Code are set out below:

- **Board Composition**

The Board works closely as a team and is collectively responsible for the vision and strategy of the Group. It has a Schedule of Matters reserved for its specific approval. The Board comprises one non-executive director and five full time executive directors each with specific skills relevant to the business. David Green currently serves as both Chairman and Chief Executive of the Group and Alan Smith is the sole independent non-executive Director. The Group does not currently comply with the QCA requirement for a minimum of two independent non-executive directors. At the present time the combined Chairman and Chief Executive role together with one independent non-executive director is considered by the Directors' to be the right balance for the Group based on its size and complexity, and the fact that the Group's strategy is currently focussed on one core business activity. The Group's strategy does not exclude the potential opportunities and risks of acquisitions but the primary emphasis has been on organic growth, cash generation and share buybacks. The Board has an Audit Committee which meets twice per year and a Remuneration Committee which meets once per year but does not have a Nomination Committee and this function is fulfilled by the whole board. The Audit Committee includes an executive director which is not in line with the QCA requirements. However, the independent non-executive director is Chairman of the Audit Committee, determines the agenda and can meet separately with the external auditors if considered necessary. The composition and functioning of the Board is regularly discussed including succession planning and will evolve according to the strategy, size and complexity of the business. Excluding the AGM there are four Board meetings per year which were attended by all Directors.

- **Board Independence**

Alan Smith has served as the Group's sole non-executive director since 1994 which is considerably longer than the maximum recommended tenure for a non-executive Director. His position is still considered to be independent as he has not worked directly in the business and is not compromised by having a substantial shareholding in the Group. He brings extensive knowledge and expertise to the Board from his wide range of business experience particularly in retail and inventory based businesses and this is considered a major asset to the Group. Succession planning for the non-executive director role is regularly discussed by the Board.

Audit Committee Report for the year ended 30 April 2026

- **Purpose**

The primary role of the Audit Committee is to oversee the accuracy and integrity of the Group's financial statements and review the effectiveness of the Group's system of internal controls. This includes considering the need for an internal audit function. Any significant matters arising from the Audit Committee Meetings are reported to the Group Board. The Audit Committee also oversees the relationship with the Group's external auditors by reviewing their audit effectiveness and advising the Board on their appointment and remuneration.

- **Composition**

The Audit Committee comprises Alan Smith, the Group's Non-Executive Director and Robert Barker the Finance Director. As Alan Smith is currently the sole Non-Executive Director it is not possible to have a committee comprised entirely of Non-Executive Directors as recommended by the QCA corporate governance code. The Group's external auditors attend Audit Committee meetings by open invitation. As Chairman of the Audit Committee Alan Smith sets the agenda and is able to separately discuss any matters of concern with the external auditors and vice versa.

DIRECTORS' REPORT

• Meetings

Audit Committee Meetings are held twice per year prior to the announcement of the Group's interim and final results. Both meetings are attended by the Group's external auditors. The Group's interim results are not audited. At the Audit Committee Meeting prior to the final results the auditors present a Report to the Audit Committee setting out their audit findings and commenting on key judgements made during the reporting period. The external auditors also report on any recommendations to management in respect of internal controls.

• Results for the year ended 30 April 2026

The Audit Committee reviewed the financial results for the year ended 30 April 2026 including all significant judgements and financial reporting issues. The key audit findings were discussed and reviewed. The main accounting issues examined by the committee were as follows:

1. Inventory Valuation. The committee discussed the validity of the Group's inventory valuation and provisioning methodology and reviewed the audit work performed and the results of audit testing.
2. Revenue recognition. The committee discussed the controls in place to ensure that revenue is recorded in the correct period in accordance with IFRS 15 Revenue Recognition and reviewed the audit work performed and the results of audit testing.

• Internal Controls

The Audit Committee reviews a report of the key risks facing the business and the effectiveness of the controls in place to manage those risks. This report is prepared bi-annually on a bottom-up basis throughout the Group. Major risks are categorised into business, financial and operational risks and further details are set out in the Strategic Report section of the Annual Report. The Audit Committee was satisfied that the Group's key controls had operated effectively during the year.

• Internal Audit

The Group does not have an internal audit department and the need for an internal audit function is reviewed annually. Given the relatively small size and scope of the Group's activities the Audit Committee concluded that no internal audit function is necessary at the present time.

• External Auditor

The Group's external auditor PKF Littlejohn LLP has reported to the Audit Committee that in its professional judgement it is independent within the meaning of regulatory and professional requirements and after due consideration the Audit Committee concurs with that view. A resolution to reappoint PKF Littlejohn LLP as external auditors will be proposed at the company's AGM in September.

Streamlined Energy and Carbon Reporting

The aim of SECR is to increase awareness of energy costs within organisations and provide data to inform the adoption of energy efficiency measures which reduce their impact on climate change.

The Group's UK energy usage is expressed below as an annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e). The amounts disclosed under SECR relate to the total UK energy use from electricity, gas and from transport where fuel is purchased directly by the Group. It is important to point out that transport does not include emissions where the Group pays indirectly for fuel consumption. As a distribution business the Group uses third party logistics companies for all inbound and outbound deliveries. The Board recognises that third party distribution costs make up a significant portion of the Group's environmental impact and closely monitors the sustainability progress of its major logistics suppliers.

DIRECTORS' REPORT

Energy emissions are divided into three categories:

1. Direct greenhouse gas emissions from UK activities owned or controlled by the Group that release emissions into the atmosphere such as gas heating and fuel for company owned vehicles (scope 1)
2. Indirect greenhouse gas emissions from UK consumption of purchased electricity (scope 2)
3. Other indirect greenhouse gas emissions resulting from UK activities where the source is not directly owned or controlled by the Group such as business travel in private cars (scope 3)

The data used to measure annual gas and electricity emissions is taken directly from utility bills during the year and pro-rated where appropriate. For company vehicles emissions are based on the size, fuel type and annual mileage of each company car during the year. The conversion rates used to calculate CO₂e vary according to the type of energy and vehicle and are taken from the UK Government GHG conversion factors for company reporting 2026 Version.

	2026	2025	%Inc/(Dec)
Scope 1: Natural Gas	104.60	91.44	14%
<i>(Gas consumption – KWh to CO₂e conversion rate used 0.18231 (prior year 0.18296)</i>			
Scope 1: Company – owned vehicles <i>(conversion rate used varies by vehicle)</i>	44.30	39.61	12%
Total Scope 1 emissions	148.9	131.1	14%
Scope 2: Purchased electricity <i>(Electricity – KWh to CO₂e conversion rate used 0.13096 (prior year 0.17700)</i>	67.60	83.07	(19%)
Scope 3 emissions (not material)	–	–	–
Total Gross Emissions	216.50	214.12	1%
Intensity ratio (tonnes of CO ₂ e per UK full time employee)	0.98	0.95	4%

The intensity ratio is used to measure the efficiency of the Group's UK carbon emissions. The Group is committed to reducing its carbon footprint wherever possible and will continue to strive for efficiency improvements. The 4% increase in the intensity ratio follows a 7% reduction in the prior year and a 17% reduction in 2024. Although the 'intensity ratio' increased by 4% during the year the actual increase in UK emissions was just 1% in a year when Group revenue increased by 5.4%. The overall level of UK carbon emissions is relatively low due to the absence of significant manufacturing activity in the UK. The Board is aware that the bulk of Group's environmental impact is indirect and relates to the Group's third party manufacturers and third party carriers used for transporting goods inwards and outwards. As far as possible the energy efficiency and carbon emissions of the most important suppliers is closely monitored and continuous improvement is encouraged.

Going Concern

The Group ended the year with a strong balance sheet comprising net assets of £36.4 million including cash of £23.5 million and no bank borrowings. The Directors have prepared detailed profit and cash flow forecasts for each subsidiary covering a period of at least twelve months from the date of approving the financial statements and taking into account all of the principal risks and uncertainties facing the business. The forecasts have been stress tested by considering the profit and cash flow impact of a range of sales scenarios up to a maximum shortfall of 40% compared to the forecast. Even under the worst-case scenario the Group has significant headroom in terms of cash resources and has no need for any bank borrowing. As a result, the Directors are satisfied that the Group has adequate resources and that there is no material uncertainty that would prevent the Group from continuing in operational existence for the foreseeable future, and they have therefore adopted the going concern basis in preparing the consolidated financial statements for the year ended 30 April 2026.

DIRECTORS' REPORT

Auditors

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

A resolution to reappoint PKF Littlejohn LLP as auditors will be put to the members at the Annual General Meeting.

Annual General Meeting

This year's Annual General Meeting is due to take place on 24 September 2026. Further details and guidance can be found at note 1 to the Notice of Annual General Meeting.

A handwritten signature in black ink, reading 'R. M. Barker'.

By order of the Board
R. M. Barker ACA Secretary
30 July 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Company financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM.

In preparing these financial statements, the Directors are required to:

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

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

Opinion

We have audited the financial statements of Colefax Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2026 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Cashflows, the Company Statement of Cashflows, the Group statement of changes in equity, the Company statement of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and 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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- Obtaining an understanding of the controls in place around the preparation of the going concern forecast and future plans for the group through discussions with management;
- Obtaining management's assessment for the going concern period to 31 August 2027 and checking the mathematical accuracy of the cash flow forecasts and budgets prepared;
- Comparing budgeted performance for the year ended 30 April 2026 against actuals to assess management's historical forecasting accuracy;
- Challenging management where appropriate on the reasonableness of key assumptions and inputs underpinning the going concern model. These challenges included, but were not limited to;
 - Performing sensitivity analysis on key inputs and assumptions to assess the headroom across the going concern period. Key inputs and assumptions included: (i) Sales growth rates; and (ii) levels of operating expenditure.
 - Assessing management's reserve stress testing performed on sales and the corresponding mitigating actions;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

- Agreeing the opening cash position in the going concern forecast to the audited position as at 30 April 2026; and
- Assessing the prospective forecasting accuracy of management's forecast in 2026 against post year-end bank statements;
- Undertaking a review of subsequent events on matters impacting the going concern assessment; and
- Considering the adequacy of the disclosures and accounting policy in the financial statements.

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

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

Our application of materiality

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 in aggregate, on the financial statements as a whole.

	Financial statements – group	Financial statements – parent company
Overall materiality	£1,015,000 (2025 – £993,000)	£345,000 (2025 – £344,600)
Basis for determining overall materiality	1.25% of revenue (2025 – 1.25% of revenue)	1% of gross asset (2025 – 1% of gross assets)
Rationale for the benchmark applied	The nature of the business activities and operations results in the group being revenue-driven, and revenue is considered to be a core driver of the overall business. Revenue is a key performance metric for internal reporting purposes by group management and is a key figure within the financial statements for users of the financial statements, shareholders and wider stakeholders. On this basis, revenue was determined to be an appropriate basis for determining overall materiality.	Considering the nature of the parent company, being a holding company for the entities within the group, gross assets was determined to be an appropriate basis for the calculation of the overall materiality, given the significant asset base as at 30 April 2026.
Performance materiality	£710,500 (2025 – 695,100)	£241,000 (2025 – £241,000)
Basis for determining performance materiality	70% of the group overall materiality (2025 – 70% of the group overall materiality)	70% of the parent company overall materiality (2025 – 70% of the parent company overall materiality)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

Rationale for the benchmark applied

For determining the performance materiality, we have considered the following factors:

- The level of significant judgements and estimates;
 - The risk assessment and aggregation of risk, and the effectiveness of controls;
 - The control environment and the group's financial reporting controls and processes; and
 - The stability of key management personnel.
-

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the nature and extent of our testing of account balances, classes of transactions, and disclosures, for example in determining sample sizes.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £50,7000 (2025 – £49,600) for the group and for the parent company a value in excess of £17,000 (2025 – £17,000). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

We calculated the allocated component performance materiality based upon the significance of the component to the overall Group based on revenue. Thereafter, we set the appropriate performance materiality for each component with reference to the allocated component performance materiality and performed a reasonableness check between the aggregate component performance materiality and the maximum aggregate component performance materiality. The range of materiality allocated across components was ranging from £56,700 to £381,000 with performance materiality set at 70%.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the thirteen components of the group, a full scope audit was performed on the complete financial information of seven components as a result of our materiality, risk assessments and their significance to the group and contribution to overall revenue. Specific audit procedures were performed on four components with material balances and classes of transactions. For the remaining components not considered material, these were not in scope due to the nature and conditions present in each component, and a lack of material classes of transactions, account balances and disclosures.

Of the seven full scope components in the group, one was located in USA and one was located in France. The component in USA was audited by a firm within the PKF Network under our instruction. The component in France was audited by a firm outside of the PKF network operating under our instruction. The remaining components were located in the UK with audit procedures being conducted by PKF Littlejohn LLP using a team with specific experience of auditing publicly listed entities. The Senior Statutory Auditor interacted regularly with the component audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

Key Audit Matter	How our scope addressed this matter
Inventory valuation (Note 15) There is a risk that the value of inventory is materially misstated and that inventory is not accounted for in line with IAS 2 Inventories, and specifically that: • Inventory is not valued at the lower of cost and net realisable value; and • The provision for inventory is calculated using inappropriate inputs and assumptions. The group has inventory balances of £18.3m (2025 – £18.0m) which is stated net of provisions. The provision is calculated based on formula driven factors including whether the inventory is classified as a limited edition (and thus short life), the age of inventory and sales history. There is a significant amount of management judgement in relation to inventory provisioning as large quantities of finished goods are held which is common in the industry. There is also a risk of fraud through manipulation of the inventory provision. Owing to the magnitude of the finished goods held and the level of estimation and judgement required in provisioning, we determined the valuation of inventories to be a key audit matter.	Our work in this area included: • Obtaining a stock listing broken down by quantity and amount which reconciled to the amount within the trial balance; • Physically attending the year-end stock count to assess the adequacy of the count controls implemented and, on a sample basis, testing the accuracy and completeness of stock from the stock listing to the floor; • Reviewing movements in stock from the stocktake to the year-end and reconciling movements to purchases or sales and to confirm existence; • Performing cost price testing on inventory held at the year-end for accuracy of price and reviewing the appropriateness of components of cost in accordance with IAS 2; • Performing inventory cut-off testing by testing goods received and goods despatched around year-end and ensuring transactions are recorded in the correct period; • Performing net realisable value vs cost testing to ensure stock was valued at the lower of cost and net realisable value; and • Reviewing slow moving stock through analysis of inventory ageing, corroborating management's assumptions, and evaluating whether provisions recorded are adequate in light of historical usage, sales trends, and expected net realisable value.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

Key Audit Matter	How our scope addressed this matter
Revenue Recognition – Decorating Division (Note 3)	
Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. Due to the project-based nature of the decorating business there will be ongoing projects at the year-end. Group policy for management accounting purposes is that revenue is recognised when the customer approves the work which has been completed, and the customer is invoiced. The performance obligation is satisfied when control passes to the customer, which is when the goods are provided to the customer on completion of the project. Whilst deposits are received in advance, the Group does not have an enforceable right to payment for performance completed to date (as contemplated in IFRS15.37c) and revenue is therefore recognised at a point in time. (FY26: £8.9 million; FY25: £11.2 million)	Our work in this area included: • Updating our understanding of the information system and related controls relevant to each material income stream; • Evaluating the appropriateness of the information system and the effectiveness of the design and implementation of the related controls; • Testing a sample of projects to invoice and proof of installation through third party documentation. • Testing the largest WIP balances to ensure they are correctly classified and should not be recognised as revenue within the year ended 30 April 2026; • Testing a sample of sales invoices pre-year end and post year-end to ensure they are recognised in the correct period; and • Performing a review of the financial statement disclosures to ensure they are complete, accurate, and compliant with the applicable financial reporting framework.

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 contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, evaluation of internal control and application of cumulative audit knowledge.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
 - AIM Rules
 - QCA Corporate Governance Code
 - Companies Act 2006
 - Employment Act 2008
 - Money Laundering Regulations 2007
 - GDPR
 - Textile Regulation (EU) No 1007/2011
 - Furniture and Furnishings (Fire) (Safety) Regulations 1988, 1993 and 2010
 - Local laws and regulations, including tax, in the jurisdiction where each member operates

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLEFAX GROUP PLC

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations.
 - Discussions with management regarding potential non-compliance; and
 - Review of Board minutes of meetings of those charged with governance and Regulatory News Service updates (RNS)
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias in inventory provisions, trade receivable provisions, revenue recognition and the use of discount rates for leases. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates. Furthermore, we identified a fraud risk related to revenue recognition, which, as noted above, was addressed through substantive testing and by challenging management's assumptions.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; Reviewed accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- The audit team addressed matters of non-compliance with laws and regulations, including fraud at the group and component levels by communicating with component auditors and including procedures in the group instructions to detect non-compliance, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 July 2026

30 Churchill Place
Canary Wharf
London E14 5RE

GROUP INCOME STATEMENT

For the year ended 30 April 2026

	Notes	2026 £'000	2025 £'000
Revenue	3	115,918	109,986
Cost of sales		(49,755)	(46,760)
Gross profit		66,163	63,226
Operating expenses	5	(54,894)	(53,629)
Profit from operations		11,269	9,597
Finance income		593	478
Finance expense	8	(1,337)	(1,175)
Profit before taxation		10,525	8,900
Tax expense	9	(2,775)	(2,392)
Profit for the year attributable to equity holders of the parent		7,750	6,508
Basic and diluted earnings per share	11	140.7p	108.4p

*The notes on pages 33 to 54 form part of these Consolidated financial statements.
All of the activities of the group are continuing operations.*

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2026

	Notes	2026 £'000	2025 £'000
Profit for the year		7,750	6,508
Other comprehensive income / (expense):			
Items that will or may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		(48)	(436)
Cash Flow Hedges:			
Gain arising during the year		97	273
Reclassified to cost of sales		(273)	–
Deferred tax relating to cash flow hedges		44	(68)
Total other comprehensive income / (expense):		(180)	(231)
Total comprehensive income for the year attributable to equity holders of the parent		7,570	6,277

The notes on pages 33 to 54 form part of these Consolidated financial statements.

GROUP STATEMENT OF FINANCIAL POSITION

At 30 April 2026

	Notes	2026 £'000	2025 £'000
Non-current assets:			
Property, plant and equipment	12	7,267	7,542
Right of use asset	13	28,104	23,240
Deferred tax asset	19	196	179
		35,567	30,961
Current assets:			
Inventories and work in progress	15	18,334	18,013
Trade and other receivables	16	8,024	7,952
Cash and cash equivalents	17	23,546	22,312
		49,904	48,277
Current liabilities:			
Trade and other payables	18	17,846	17,291
Lease liabilities	13	3,960	4,340
Current corporation tax		(473)	257
		21,333	21,888
Net current assets		28,571	26,389
Total assets less current liabilities		64,138	57,350
Non-current liabilities:			
Lease liabilities	13	27,661	21,938
Deferred tax liability	19	46	128
Net assets		36,431	35,284
Capital and reserves attributable to equity holders of the Company:			
Called up share capital	21	523	592
Share premium account	22	11,148	11,148
Capital redemption reserve	22	2,351	2,282
ESOP share reserve	22	(113)	(113)
Foreign exchange reserve	22	706	754
Cash flow hedge reserve	22	73	205
Retained earnings	22	21,743	20,416
Total equity		36,431	35,284

The financial statements were approved by the Board of Directors and authorised for issue on 30 July 2026.



D. B. Green
Director



R. M. Barker
Director

The notes on pages 33 to 54 form part of these Consolidated financial statements.

Company No. 1870320

COMPANY STATEMENT OF FINANCIAL POSITION

At 30 April 2026

	Notes	2026 £'000	2025 £'000
Non-current assets:			
Investments	14	20,443	20,443
Current assets:			
Trade and other receivables	16	24,095	19,439
Cash and cash equivalents	17	3,032	3,374
		27,127	22,813
Current liabilities:			
Lease liabilities	13	1,500	1,640
Trade and other payables	18	108	108
Net current assets		25,519	21,065
Total assets less current liabilities		45,962	41,508
Non-current liabilities:			
Lease liabilities	13	11,561	7,132
Net assets		34,401	34,376
Capital and reserves attributable to equity holders of the Company:			
Called up share capital	21	523	592
Share premium account	22	11,148	11,148
Merger reserve	22	10,762	10,762
Capital redemption reserve	22	2,351	2,282
Retained earnings	22	9,617	9,592
Total equity		34,401	34,376

The Company profit for the year was £6,448,000 (2025 – £5,050,000). Total comprehensive income relating to the year for the Company consists of the profit for the year only. No income statement is presented by the Company as provided in S.408 of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 30 July 2026.



D. B. Green
Director



R. M. Barker
Director

The notes on pages 33 to 54 form part of these Consolidated financial statements.

Company No. 1870320

GROUP STATEMENT OF CASH FLOWS

For the year ended 30 April 2026

	Notes	2026 £'000	2025 £'000
Operating activities			
Profit before taxation		10,525	8,900
Finance income		(593)	(478)
Finance expense		1,337	1,175
Loss on disposal of property, plant and equipment		8	60
Depreciation on right of use assets	13	4,766	4,662
Depreciation	12	2,627	2,720
Cash flows from operations before changes in working capital		18,670	17,039
(Increase) / Decrease in inventories and work in progress		(345)	140
(Increase) / Decrease in trade and other receivables		(219)	447
Increase / (Decrease) in trade and other payables		375	(1,056)
Cash generated from operations		18,481	16,570
Taxation paid			
UK corporation tax paid		(1,716)	(866)
Overseas tax paid		(1,625)	(1,565)
		(3,341)	(2,431)
Net cash inflow from operating activities		15,140	14,139
Investing activities			
Payments to acquire property, plant and equipment	12	(2,431)	(2,068)
Interest received		593	478
Net cash outflow from investing		(1,838)	(1,590)
Financing activities			
Purchase of own shares		(6,087)	(2,395)
Principal paid on lease liabilities		(4,426)	(4,566)
Interest paid on lease liabilities		(1,337)	(1,175)
Equity dividends paid	10	(336)	(343)
Net cash outflow from financing		(12,186)	(8,479)
Net increase in cash and cash equivalents		1,116	4,070
Cash and cash equivalents at beginning of year		22,312	17,763
Exchange gains on cash and cash equivalents		118	479
Cash and cash equivalents at end of year	17	23,546	22,312

The notes on pages 33 to 54 form part of these Consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

For the year ended 30 April 2026

	Notes	2026 £'000	2025 £'000
Operating activities			
Profit before taxation		6,527	5,082
Dividend income for the year		(6,329)	(4,822)
Finance income		(326)	(315)
Cash flows from operations before changes in working capital		(128)	(55)
Decrease in trade and other receivables		1,270	304
Cash generated from operations		1,142	249
Taxation paid			
UK corporation tax paid		(1,716)	(865)
Net cash (outflow) from operating activities		(574)	(616)
Investing activities			
Interest received		326	315
Dividends received from subsidiaries		6,329	4,822
Net cash inflow from investing		6,655	5,137
Financing activities			
Purchase of own shares		(6,087)	(2,395)
Equity dividends paid	10	(336)	(343)
Net cash outflow from financing		(6,423)	(2,738)
Net (decrease) / increase in cash and cash equivalents		(342)	1,783
Cash and cash equivalents at beginning of year		3,374	1,591
Cash and cash equivalents at end of year	17	3,032	3,374

The notes on pages 33 to 54 form part of these Consolidated financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2026

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	ESOP share reserve £'000	Foreign exchange reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total equity £'000
At 1 May 2025	592	11,148	2,282	(113)	754	205	20,416	35,284
Profit and total comprehensive income for the year	–	–	–	–	–	–	7,750	7,750
Foreign exchange	–	–	–	–	(48)	–	–	(48)
Movement in cash flow hedge	–	–	–	–	–	(132)	–	(132)
Total comprehensive income for the year	–	–	–	–	(48)	(132)	7,750	7,570
Share buybacks	(69)	–	69	–	–	–	(6,087)	(6,087)
Dividends paid	–	–	–	–	–	–	(336)	(336)
At 30 April 2026	523	11,148	2,351	(113)	706	73	21,743	36,431
At 1 May 2024	623	11,148	2,251	(113)	1,190	–	16,646	31,745
Profit and total comprehensive income for the year	–	–	–	–	–	–	6,508	6,508
Foreign exchange	–	–	–	–	(436)	–	–	(436)
Movement in cash flow hedge	–	–	–	–	–	205	–	205
Total comprehensive income for the year	–	–	–	–	(436)	205	6,508	6,277
Share buybacks	(31)	–	31	–	–	–	(2,395)	(2,395)
Dividends paid	–	–	–	–	–	–	(343)	(343)
At 30 April 2025	592	11,148	2,282	(113)	754	205	20,416	35,284

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2026

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 1 May 2025	592	11,148	10,762	2,282	9,592	34,376
Profit and total comprehensive income for the year	–	–	–	–	6,448	6,448
Share buybacks	(69)	–	–	69	(6,087)	(6,087)
Dividends paid	–	–	–	–	(336)	(336)
At 30 April 2026	523	11,148	10,762	2,351	9,617	34,401
At 1 May 2024	623	11,148	10,762	2,251	7,280	32,064
Profit and total comprehensive income for the year	–	–	–	–	5,050	5,050
Share buybacks	(31)	–	–	31	(2,395)	(2,395)
Dividends paid	–	–	–	–	(343)	(343)
At 30 April 2025	592	11,148	10,762	2,282	9,592	34,376

The notes on pages 33 to 54 form part of these Consolidated financial statements.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

1. Accounting policies

General Information

Colefax Group Plc is a public limited company (Company No. 1870320) incorporated and domiciled in England and Wales and listed on the AIM market. The principal activity of the Company is to act as a holding company for the Group's trading subsidiaries. The address of its registered office and principal place of business are disclosed on page 10. The principal activities of the Group are the design, marketing, distribution and retailing of furnishing fabrics, wallpapers, trimmings, related products and upholstered furniture in the UK and overseas and the sale of antiques, interior and architectural design, project management, decorating and furnishing for private individuals and commercial firms.

Basis of Preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The policies have been applied to the Group and Company, unless otherwise stated.

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Going Concern

In adopting the going concern basis for preparing the financial statements the Directors have prepared detailed profit and cash flow forecasts for each subsidiary covering a period of at least twelve months from the date of approving the financial statements and taking into account all of the principal risks and uncertainties facing the business. The forecasts have been stress tested by considering the profit and cash flow impact of a range of sales scenarios up to a maximum shortfall of 40% compared to the forecast. As a result of stress testing, the Directors are satisfied that the Group has adequate resources and that there is no material uncertainty that would prevent the Group from continuing in operational existence for the foreseeable future.

Adoption of new and revised Accounting Standards

During the year the Group adopted the following revised standards. Adoption has not had any significant impact on the preparation of the financial statements:

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

The following new standards are not yet effective and will be adopted from their effective dates:

- IFRS 18 Presentation and disclosure in Financial Statements. Issue date: April 2024. Effective date: 1 January 2027 (Specifies the requirements for presentation and disclosure of information in financial statements for all entities applying IFRS);
- IFRS 19 Subsidiary without Accountability. Issue date: May 2024. Effective date: 1 January 2027 (Sets out the disclosure requirements an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards).

The following principal accounting policies have been applied consistently in the preparation of the financial statements:

Basis of Consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the Company to use its power to affect those variable returns. The consolidated financial statements present the results of Colefax Group Plc and its subsidiaries as if they formed a single entity.

No income statement is presented for the Company as provided in S.408 of the Companies Act 2006.

Goodwill

The Group has not made any acquisitions since 30 April 1998. Goodwill arising on acquisitions prior to 30 April 1998 was set off directly against reserves. Goodwill previously eliminated against reserves has not been reinstated upon transition to IFRS.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

1. Accounting policies

continued

Investments in Subsidiaries

Investments in subsidiaries in the Company statement of financial position are stated at cost less any provision for impairment.

Revenue Recognition

Revenue, which excludes value added taxes, represents the amounts receivable from customers for goods and services supplied including disbursements, and net of rebates and discounts provided. Revenue is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'.

Revenue from the Product Division is recognised on point of delivery, which is when control over the goods passes to the customer and the Group has a present right to payment. There is no financing element to payment.

In the Decorating Division goods supplied under a decorating contract are components of an overall finished and usable end product and are inextricably linked together as one performance obligation. The performance obligation is satisfied when control passes to the customer which is when the goods are provided to the customer on completion of the project. Whilst deposits are received in advance, the Group does not have an enforceable right to payment for performance completed to date (as contemplated in IFRS15.37c) and revenue is therefore recognised at a point in time. Decorating contracts do not contain any financing element.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price and costs directly incurred in bringing the asset into use. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided on all property, plant and equipment other than freehold land at rates calculated to write off the cost less estimated residual value evenly over its expected useful life, as follows:

Freehold property	50 years
Leasehold property and improvements	over the shorter of the life of the lease or the life of the asset
Furniture, fixtures and equipment	5 – 10 years
Motor vehicles	4 years
Screens and originations	4 years

Depreciation of property, plant and equipment is expensed under administrative costs which are included in operating expenses in the Group Income Statement.

Leases

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.

Lease accounting

At the lease commencement date, a right of use asset is recognised for the leased item with a corresponding lease liability for any payments due. Right of use assets are initially measured at cost based on the present value of the lease payments paid or payable (net of any incentives received from the lessor) plus any initial direct costs.

Right of use assets

Right of use assets are depreciated on a straight line basis from the commencement date of the lease to the earlier of the end of the asset's useful life or the end of the lease term, whichever is the shorter. The lease term is the non-cancellable period of the lease plus any periods for which the group is reasonably certain to exercise any extension options. If right of use assets are considered to be impaired, the carrying value is reduced accordingly. Depreciation of right of use assets is expensed under administrative costs which are included in operating expenses in the Group Income Statement.

Lease modifications

A lease modification is accounted for from the effective date of the modification. Where a lease modification is not accounted for as a separate lease, the Group remeasures the lease liability using a revised discount rate at the effective date of the modification. The corresponding adjustment is made to the carrying amount of the related right-of-use asset.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

1. Accounting policies *continued*

Lease liabilities

The Group recognises lease liabilities based on the present value of total lease payments at the commencement date of the lease. The discount rate is determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. After the lease commencement date, the lease liability is adjusted for interest on the lease liability and reduced by lease payments made. The carrying value of lease liabilities is re-measured if there is any contractual change made to the lease such as the lease term or payment profile.

The Company as inter-company lessor

In order to secure the best possible lease terms and avoid the need for a security deposit Colefax Group Plc (the Company) has signed a number of UK property lease agreements on behalf of its UK subsidiaries. The substance of these transactions is that the Company acts a guarantor of the lease liabilities and payment for and use of the leased property is by the subsidiary company. The legal form of these transactions (which is reflected in the Company Statement of Financial Position) is that the lease liability resides with the Company and instead of a corresponding right of use asset there is a sub-lease and inter-company lease receivable from the subsidiary company. The lease liability and finance lease receivable reduce in line with payments made by the subsidiary company which include notional interest on the lease liability in accordance with IFRS 16. As the Company leases are all on behalf of 100% owned subsidiary companies, no risk management measures have been put in place by the Company in respect of its rights as lessor. At a Group level, the full value of the right of use asset and the associated lease liability are reflected in the Group Statement of Financial Position.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition, with the majority of inventories being valued on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Provision is made for obsolete and slow moving stocks.

Work in Progress

Work in progress is valued at cost. Cost includes all direct expenditure on physical goods and materials acquired in advance of installation.

Taxation

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

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in the territories in which the taxable income is earned by the date of the statement of financial position.

Deferred Taxation

Deferred tax is recognised 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 generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the date of the statement of financial position. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

1. **Accounting policies**
continued
- 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.

Current and Deferred Tax for the year

Current and deferred tax are recognised as an expense or income in the income statement, except when they relate to items credited or debited directly to other comprehensive income or equity, in which case the tax is also recognised directly in other comprehensive income or equity.

Retirement Benefits

Defined Contribution Schemes

The Group operates defined contribution pension schemes which are externally administered. Payments made to the funds are charged to the income statement as part of employment costs in the period to which they relate.

Foreign Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Great British Pounds ('GBP'), which is the functional currency of the Company and the presentational currency for the consolidated financial statements.

Group

The assets and liabilities of overseas subsidiary undertakings are translated at the rate of exchange ruling at the date of the statement of financial position and the results of overseas subsidiaries are translated at the average rate of exchange for the year. The exchange differences arising on the retranslation of opening net assets and on loans which form part of the net investment are recognised in the Statement of other Comprehensive Income and taken to the foreign currency reserve in the Group Statement of changes in Equity. Loans are designated as part of the net investment, when settlement is neither planned nor likely to occur in the foreseeable future.

Company and all subsidiaries

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies including loans to subsidiaries are retranslated at the rate of exchange ruling at the date of the statement of financial position. All differences are taken to the income statement.

Financial Instruments

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

Cash and Cash Equivalents

Cash and cash equivalents are defined as including short-term deposits with original maturity within 3 months.

Trade and Other Receivables

Trade and other receivables do not carry interest and are stated at their nominal (invoiced) value as reduced by appropriate allowances for estimated irrecoverable amounts. When a trade receivable is considered uncollectable, it is written off against the allowance. Subsequent recoveries of amounts previously written off are credited against the allowance. Changes in the carrying amount of the allowance are recognised in the income statement. Impairment of trade receivables is determined under IFRS 9 *Financial Instruments* using the simplified expected credit loss model that focusses on the risk that a debtor will default rather than whether a loss has been incurred. The model uses a provision matrix based on historical default rates and adjusted for forward looking considerations.

Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method.

Forward Foreign Currency Contracts

The Group uses forward foreign currency contracts to hedge its risk associated with foreign currency fluctuations. Such forward foreign currency contracts are stated at fair value which is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

-
1. **Accounting policies**
continued
- It is the Group's policy not to hold forward foreign currency contracts for speculative purposes.
- Hedge accounting can be applied to financial assets and financial liabilities only where all of the relevant hedging criteria under IAS 39 are met. These financial statements have continued to apply the same accounting policy for cash flow hedges under IAS 39 through the transition period. The Group accounts for forward foreign currency contracts as a cash flow hedge. The effective part of the contracts designated as a hedge of the variability in cash flows of foreign currency risk arising from highly probable forecast transactions, are measured at fair value with changes in fair value recognised directly in equity (the "cash flow hedge reserve").
- The cumulative gain or loss is initially recognised in other comprehensive income and accumulated in the cash flow hedge reserve. It is subsequently recycled through the consolidated income statement at the same time as the hedged transaction affects the income statement, and reported within the cost of sales line of the income statement. If, at any point, the hedged transaction is no longer expected to occur, the cumulative gain or loss is recycled through the consolidated income statement immediately.
- Dividends**
Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is in the year in which they are paid. Final dividends are not accrued until the proposed dividend has been approved by the shareholders at the Annual General Meeting.
- Segmental Reporting**
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.
-
2. **Critical accounting estimates and judgements**
- In preparation of consolidated and parent company financial statements under international accounting standards in conformity with the Companies Act 2006 the Group makes estimates and assumptions regarding the future. Estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.
- Decorating Division Revenue Recognition**
In the Decorating Division goods supplied under a decorating contract are components of an overall finished and usable end product and are linked together as one performance obligation. The performance obligation is satisfied when control passes to the customer which is when the goods are provided to the customer on completion of the project. There is no enforceable right to payment until completion of a project. Management applies judgement in determining the completion of a project which is when the customer takes physical possession of the goods and obtains the ability to substantially enjoy the risk and rewards of ownership of the end product.
- Impairment Review of Investments in Subsidiaries**
The Company assesses investments for indicators of impairment at each reporting date. Where indicators exist, the recoverable amounts of cash generating units are determined based on value-in-use (VIU) calculations which use estimated assumptions regarding future performance of the underlying business, estimated expected cash flows and appropriate discount rates. Changes in these assumptions could result in an impairment charge or reversal.
- Inventories**
The Group reviews the net realisable value of, and demand for, its Inventories (see note 15) to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. There have been no changes in the provisioning methodology in the year.
- Expected Credit Loss on Trade Receivables**
The Group applies the simplified approach under IFRS 9 to measure expected credit losses on trade receivables. The provision is based on historical default experience, adjusted for current and forward-looking information, together with an assessment of individual customer credit risk. Changes in these assumptions could materially affect the level of impairment recognised.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

2. Critical accounting estimates and judgements *continued***Leases**

Under IFRS 16 *Leases* the discount rate used to discount lease liabilities is based on the incremental borrowing rate. This is the market rate at which the Group believes it could borrow funds if it were to buy the leased asset outright. The Group uses its best estimate of the market rate that would be payable in the territory concerned based on a fixed margin above central bank base rates in force at the time when the lease liability is first recorded or re-measured.

Lease Modifications

Management exercises judgement in determining whether changes to lease arrangements constitute lease modifications under IFRS 16 and whether such modifications should be accounted for as separate leases or as remeasurements of existing lease liabilities. Judgement is also applied in determining the revised lease term and appropriate incremental borrowing rate where required.

Income Taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises tax liabilities under IFRIC 23 *Uncertainty over income tax treatments* based on the expected value method of whether additional taxes and interest will be due. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact current and deferred tax expenses and balances in the period in which such determination is made.

		Product Division		Decorating Division		Total	
		2026	2025	2026	2025	2026	2025
		£'000	£'000	£'000	£'000	£'000	£'000
3. Revenue	Primary geographical markets:						
	United Kingdom	18,146	17,397	4,213	6,749	22,359	24,146
	United States	64,649	58,674	504	677	65,153	59,351
	Europe	20,646	19,421	3,864	2,365	24,510	21,786
	Rest of World	3,622	3,273	274	1,430	3,896	4,703
		<u>107,063</u>	<u>98,765</u>	<u>8,855</u>	<u>11,221</u>	<u>115,918</u>	<u>109,986</u>
	Revenue arise from:						
	Sale of goods	107,063	98,765	7,849	10,057	114,912	108,822
	Provision of services	–	–	1,006	1,164	1,006	1,164
		<u>107,063</u>	<u>98,765</u>	<u>8,855</u>	<u>11,221</u>	<u>115,918</u>	<u>109,986</u>

Revenue on Product Division sales and Decorating Division sales (including antique sales) are recognised at a point in time.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

4. Segmental analysis The Board of Colefax Group Plc manages the operations of the Group as two divisions:

Product division – This comprises the design and distribution of furnishing fabrics (Fabric division), wallpapers, upholstered furniture and related products (Furniture division). The fabric and furnishing divisions are not separately disclosed in the below analysis as the furniture division is not material to this segmental analysis.

Decorating division – This division is involved in interior and architectural design and decoration, primarily for private individuals.

The reportable segments are distinct business units each run by a separate management team. The financial performance of each division is reported separately to the Board and forms the basis of strategic decision making.

Business segments	Product Division		Decorating Division		Total	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Revenue from external customers	107,063	98,765	8,855	11,221	115,918	109,986
Segment result:						
Profit from operations	11,608	9,015	(339)	582	11,269	9,597
Finance income	590	478	3	–	593	478
Finance expense	(1,334)	(1,166)	(3)	(9)	(1,337)	(1,175)
Profit before taxation	10,864	8,327	(339)	573	10,525	8,900
Tax (expense)/credit	(2,818)	(2,119)	43	(273)	(2,775)	(2,392)
Profit for the year attributable to equity holders of the parent	8,046	6,208	(296)	300	7,750	6,508
Total assets	79,130	72,429	6,341	6,809	85,471	79,238
Total liabilities	(45,640)	(40,259)	(3,400)	(3,695)	(49,040)	(43,954)
Net assets	33,490	32,170	2,941	3,114	36,431	35,284
Capital expenditure	5,008	9,149	25	210	5,033	9,359
Depreciation	6,961	6,940	432	442	7,393	7,382

No single external customer represents a significant proportion of the Group's revenues.

The figures for capital expenditure and depreciation include expenditure on right of use assets and right of use amortisation.

Geographical segments	External revenue by location of customers		Non-current assets by location of assets	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
United Kingdom	22,359	24,146	18,708	15,344
United States	65,153	59,351	13,793	13,963
Europe	24,510	21,786	3,066	1,654
Rest of World	3,896	4,703	–	–
	115,918	109,986	35,567	30,961

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

		2026 £'000	2025 £'000
5. Operating expenses	Distribution and marketing costs	38,065	37,653
	Administrative costs	16,829	15,976
	Total operating expenses	<u>54,894</u>	<u>53,629</u>
		2026 £'000	2025 £'000
6. Profit from operations	This has been arrived at after charging/(crediting):		
	Audit services – group	44	43
	Audit services – subsidiaries	228	206
	Depreciation of owned property, plant and equipment (see note 12)	2,627	2,720
	Depreciation on right of use assets (see note 13)	4,766	4,662
	(Profit)/loss on the disposal of property, plant and equipment (see note 12)	(8)	(60)
	Exchange losses/(gains)	(286)	153
	Pension costs (see note 23)	717	685
		<u>2026 £'000</u>	<u>2025 £'000</u>
7. Staff costs	Staff costs, including Executive Directors, were as follows:		
	Wages and salaries	20,682	19,878
	Social security costs	2,692	2,376
	Pension costs	717	685
		<u>24,091</u>	<u>22,939</u>

The average monthly number of employees during the year, including Executive Directors, was made up as follows:

	No.	No.
Distribution and marketing		
Executive directors	2	2
Other employees	297	301
Administration		
Executive directors	2	2
Other employees	59	51
	<u>360</u>	<u>356</u>

The holding Company directors received their remuneration, as detailed in the Directors' Report, from other group companies. The holding Company had no other employees during the year (2025 – nil).

	2026 £'000	2025 £'000
Directors' (key management personnel) remuneration was as follows:		
Emoluments	1,985	1,750
Pension contributions	48	36
Employers' social security costs on directors' emoluments	231	183
	<u>2,264</u>	<u>1,969</u>
Emoluments of the highest paid director:		
Emoluments	<u>739</u>	<u>702</u>

A full analysis of Directors' remuneration is provided on page 13 in the Directors' Report.

As the directors have the authority and responsibility for planning, directing and controlling the activities of the Group they are seen to be key management.

Three directors participated in Group defined contribution pension schemes in 2026 (2025 – three).

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

		2026 £'000	2025 £'000
8. Finance income and expense	Finance income:		
	Bank interest received	593	478
		<u>593</u>	<u>478</u>
	Finance expense:		
	Finance costs on leases	1,337	1,175
		<u>1,337</u>	<u>1,175</u>
		2026 £'000	2025 £'000
9. Tax expenses	(a) Analysis of charge for the year		
	UK corporation tax		
	UK corporation tax on profits of the year	1,303	1,184
	Adjustments in respect of previous years	76	(48)
		<u>1,379</u>	<u>1,136</u>
	Overseas tax		
	Overseas tax on profits of the year	1,428	1,463
	Adjustments in respect of previous years	25	44
		<u>1,453</u>	<u>1,507</u>
	Total current tax	<u>2,832</u>	<u>2,643</u>
	UK deferred tax		
	Origination and reversal of temporary differences	(38)	(28)
		<u>(38)</u>	<u>(28)</u>
	Overseas deferred tax		
	Origination and reversal of temporary differences	(19)	(223)
		<u>(19)</u>	<u>(223)</u>
	Total deferred tax	<u>(57)</u>	<u>(251)</u>
	Total income tax expense	<u>2,775</u>	<u>2,392</u>
	(b) Factors affecting the tax charge for the year		
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK.		
	The differences are explained below.		
		2026 £'000	2025 £'000

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

9. Tax expenses <i>continued</i>	Profit before taxation	10,525	8,900
	Profit before taxation multiplied by the standard rate of corporation tax in the UK of 25.0% (2025 – 25.0%)	2,631	2,225
	Effect of:		
	Disallowed expenses	177	144
	Adjustments in respect of prior period (current tax)	100	(4)
	Differences in foreign tax rates	(258)	(197)
	Other differences (deferred tax)	(107)	47
	State and local taxes	232	177
	Total tax expense	2,775	2,392
	From 1 April 2023, the UK rate of corporation tax increased from 19% to 25%. The current and prior year corporation tax rate is 25%.		
		2026	2025
		£'000	£'000
10. Dividends	Final (paid) of 3.1p (2025 – 2.9p)	181	179
	Interim (paid) of 3.0p (2025 – 2.8p)	155	164
		336	343

A final dividend of 3.3p per share has been proposed for the year ended 30 April 2026 (2025 – 3.1p).

11. Earnings per share	Basic earnings per share have been calculated on the basis of profit on ordinary activities after tax of £7,750,000 (2025 – £6,508,000) and on 5,508,555 (2025 – 6,006,133) ordinary shares, being the weighted average number of ordinary shares in issue during the year. Shares owned by the Colefax Group Plc Employees' Share Ownership Plan (ESOP) Trust are excluded from the basic earnings per share calculation.
	Diluted earnings per share are the same as basic earnings per share as there are no outstanding share options in force at 30 April 2026.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

	Freehold property £'000	Leasehold improvements £'000	Furniture fixtures and equipment £'000	Motor vehicles £'000	Screens and originations £'000	Total £'000
12. Property, plant and equipment						
Group Cost:						
At 1 May 2025	538	8,616	5,291	324	5,773	20,542
Exchange adjustment	–	(83)	4	–	(85)	(164)
Additions	–	406	561	80	1,383	2,430
Disposals	–	(405)	(1,806)	(37)	(1,956)	(4,204)
At 30 April 2026	538	8,534	4,050	367	5,115	18,604
Depreciation:						
At 1 May 2025	132	5,861	3,669	102	3,236	13,000
Exchange adjustment	–	(57)	7	–	(44)	(94)
Charge for the year	15	558	694	81	1,279	2,627
Disposals	–	(403)	(1,805)	(32)	(1,956)	(4,196)
At 30 April 2026	147	5,959	2,565	151	2,515	11,337
Net Book Value:						
At 30 April 2026	391	2,575	1,485	216	2,600	7,267
At 1 May 2025	406	2,755	1,622	222	2,537	7,542
Group Cost:						
At 1 May 2024	534	9,006	4,854	343	4,990	19,727
Exchange adjustment	–	(358)	(59)	–	(335)	(752)
Additions	4	99	576	167	1,222	2,068
Disposals	–	(131)	(80)	(186)	(104)	(501)
At 30 April 2025	538	8,616	5,291	324	5,773	20,542
Depreciation:						
At 1 May 2024	117	5,580	3,078	151	2,244	11,170
Exchange adjustment	–	(245)	(28)	–	(176)	(449)
Charge for the year	15	657	697	79	1,272	2,720
Disposals	–	(131)	(78)	(128)	(104)	(441)
At 30 April 2025	132	5,861	3,669	102	3,236	13,000
Net Book Value:						
At 30 April 2025	406	2,755	1,622	222	2,537	7,542
At 1 May 2024	417	3,426	1,776	192	2,746	8,557

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

	2026 £'000	2026 £'000	2026 £'000	
	Land & Buildings	Other	Total	
13. Leases				
Group Right of use assets				
As at 1 May 2025	23,017	223	23,240	
Additions to right of use assets – new leases	2,574	29	2,603	
Modifications	7,122	23	7,145	
Depreciation on right of use assets	(4,660)	(106)	(4,766)	
Disposals of right of use assets	–	–	–	
Foreign exchange movements	(118)	–	(118)	
At 30 April 2026	27,935	169	28,104	
	2025 £'000	2025 £'000	2025 £'000	
	Land & Buildings	Other	Total	
As at 1 May 2024	20,443	169	20,612	
Additions to right of use assets – new leases	7,226	64	7,290	
Modifications	575	93	668	
Depreciation on right of use assets	(4,560)	(102)	(4,662)	
Disposals of right of use assets	–	–	–	
Foreign exchange movements	(667)	(1)	(668)	
At 30 April 2025	23,017	223	23,240	
	2026 £'000	2026 £'000	2026 £'000	
	Group Land & Buildings	Group Other	Group Total Company Land & Buildings	
Lease liabilities				
At 1 May 2025	26,058	220	26,278	8,772
Additions	2,136	58	2,194	–
Modifications	7,740	–	7,740	5,889
Finance costs on leases	1,332	5	1,337	475
Disposals	–	–	–	–
Lease payments	(5,650)	(113)	(5,763)	(2,075)
Foreign exchange movements	(167)	2	(165)	–
At 30 April 2026	31,449	172	31,621	13,061
	2025 £'000	2025 £'000	2025 £'000	2025 £'000
	Group Land & Buildings	Group Other	Group Total	Company Land & Buildings
Lease liabilities				
At 1 May 2024	23,253	165	23,418	7,347
Additions	8,074	159	8,233	3,041
Modifications	–	–	–	–
Finance costs on leases	1,169	6	1,175	385
Disposals	–	–	–	–
Lease payments	(5,631)	(110)	(5,741)	(2,001)
Foreign exchange movements	(807)	–	(807)	–
At 30 April 2025	26,058	220	26,278	8,772

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

13. Leases

continued

Lease liabilities are split between current and non-current liabilities as follows:

	Group		Company	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Current	3,960	4,340	1,500	1,640
Non-current	27,661	21,938	11,561	7,132
	31,621	26,278	13,061	8,772

The majority of the Group's leases do not contain early termination options.

At 30 April 2026 there were no variable lease payments associated with any of the Group's leases.

The maturity of lease liabilities is as follows:

	Group	Company
	£'000	£'000
Undiscounted amounts payable:		
Within one year	6,116	2,366
In two to five years	20,944	7,569
In over five years	11,434	6,173
Total gross future liability	38,494	16,108
Effect of discounting	(6,873)	(3,047)
Lease liability at 30 April 2026	31,621	13,061

The Company as lessor

As set out in the accounting policies note on leases the Company acts as a sub-lessor on a number of property leases used by UK subsidiary companies. The notional interest income receivable and payable by the Company on these leases for the year ended 30 April 2026 amounted to £475,000 (2025 – £385,000).

The total value and maturity profile of the inter-company lease receivables exactly matches the maturity of the Company lease liabilities as set out above. The undiscounted value of the inter-company lease receivables by the Company is £16,107,000 and the related unearned income is £3,047,000.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

		Shares £'000	Loans £'000	Total £'000
14. Investments	Company			
	At 30 April 2025	19,443	1,000	20,443
	At 30 April 2026	19,443	1,000	20,443

The subsidiaries of the Group, all of which have been included in these consolidated financial statements, are as follows:

Name of Company	Notes	Principal Products	Registered Address
Colefax and Fowler Limited	*,1	Fabrics and Wallpapers	19-23 Grosvenor Hill, London W1K 3QD
Sibyl Colefax & John Fowler Limited	*,1	Interior & Architectural Design	19-23 Grosvenor Hill, London W1K 3QD
Kingcome Sofas Limited	*,1	Upholstered Furniture	19-23 Grosvenor Hill, London W1K 3QD
Colefax and Fowler Holdings Limited	*,1	Holding Company for Colefax and Fowler Inc	19-23 Grosvenor Hill, London W1K 3QD
Manuel Canovas Limited	*,1	Dormant	19-23 Grosvenor Hill, London W1K 3QD
Jane Churchill Limited	*,1	Dormant	19-23 Grosvenor Hill, London W1K 3QD
Colefax and Fowler Incorporated	2	Fabrics and Wallpapers	148 39th Street, Space B319 New York, NY 11232
Cowtan and Tout Incorporated	2	Fabrics and Wallpapers	148 39th Street, Space B319 New York, NY 11232
Manuel Canovas SAS	3	Fabrics and Wallpapers	23, Rue Royale, 75008 Paris
Colefax and Fowler GmbH	4	Fabrics and Wallpapers	13, Ottostrasse, 80333 Munich
Colefax and Fowler Srl	5	Fabrics and Wallpapers	8 Via Palermo, 20121 Milan
Colefax and Fowler SL	6	Fabrics and Wallpapers	No. 115 Bis Portal 5 08008 Barcelona
Cowtan and Tout Canada Limited	7	Fabrics and Wallpapers	2600-1066 West Hastings Street, Vancouver BC Canada V6E 3X1

(*) Owned directly by parent company.

(1) Incorporation/Principal Country of Operation is England and Wales.

(2) Incorporation/Principal Country of Operation is USA.

(3) Incorporation/Principal Country of Operation is France.

(4) Incorporation/Principal Country of Operation is Germany.

(5) Incorporation/Principal Country of Operation is Italy.

(6) Incorporation/Principal Country of Operation is Spain.

(7) Incorporation/Principal Country of Operation is Canada.

The effective percentage of issued Share Capital held by the Group is 100% for all Group subsidiaries.

There was no movement in the number of shares held in subsidiary undertakings during the year.

At 30 April 2026, the ESOP Trust owned 60,000 (2025 – 60,000) ordinary shares of 10p in the Company at cost, with a market value of £708,000 (2025 – £471,000). Dividends on these shares have been waived.

The ESOP can provide benefits to all employees of the Group.

There were no shares under option in the ESOP or otherwise at the date of the statement of financial position.

The Directors considered whether there were any indicators of impairment in respect of the Company's investment in subsidiaries at 30 April 2026 in accordance with IAS36. In making this assessment, the Directors considered factors including the subsidiaries' trading performance, forecast future cash flows, net asset position and any significant adverse changes in the economic or operating environment.

No indicators of impairment were identified and, accordingly, no impairment review was required. No impairment charges has been recognised in the current year (2025 – Nil).

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

		2026 £'000	2025 £'000
15. Inventories and work in progress	Finished goods for resale	16,112	16,096
	Work in progress	2,222	1,917
		18,334	18,013

The cost of inventories recognised as an expense and included in cost of sales amounted to £25,409,625 (2025 – £26,726,354). The value of stock impaired/written off in the period amounted to £790,712 (2025 – £1,412,807).

		Group		Company	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
16. Trade and other receivables	Trade receivables	4,238	3,856	–	–
	Less: provision for impairment of trade receivables	(604)	(467)	–	–
	Trade receivables net	3,634	3,389	–	–
	Lease receivable owed by subsidiary undertakings	–	–	13,061	8,772
	Amounts owed by subsidiary undertakings	–	–	10,405	10,550
	Other receivables	2,810	2,644	113	113
	Prepayments and accrued income	1,580	1,919	516	4
		8,024	7,952	24,095	19,439

There is no difference between the carrying amount and the fair value of the trade and other receivables.

The only impaired assets are within trade receivables. No intercompany receivables balances are considered to be impaired.

The only financial asset that is subject to IFRS 9's expected credit loss model is trade receivables.

The Group has applied the IFRS 9 simplified approach to measure expected credit losses for trade receivables.

Under this approach, lifetime expected credit losses are recognised for all trade receivables without assessing whether there has been a significant increase in credit risk. Expected credit losses are measured on a collective basis, with receivables grouped according to shared credit risk characteristics and ageing. The expected loss rates are based on the Group's historical credit loss experience, adjusted where appropriate for current and forecasted conditions.

	Current £'000	Up to 3 months overdue £'000	3-6 months overdue £'000	6-12 months overdue £'000	More than 12 months overdue £'000	Total £'000
Expected loss rate	5%	14%	42%	41%	60%	
Trade receivables	2,597	946	257	135	303	4,238
Loss allowance	121	136	108	56	183	604

Credit quality of financial assets**(i) Current**

Included in the Group's trade receivable balances are receivables with a carrying value of £2,597,000 (2025 – £2,598,000) which are not overdue. Under the expected credit loss model, a provision is held for the lifetime credit loss on these balances of £50,000 (2025 – £50,000).

(ii) Current – individually impaired

As at 30 April 2026, trade receivables totalling £71,000 which were not overdue (2025 – £41,000) were individually determined to be impaired and provided for.

The main factor used to assess the impairment of trade receivables is the circumstances of the individual customer.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

16. Trade and other
receivables
*continued***(iii) Overdue**

Included in the Group's trade receivable balances are receivables with a carrying value of £1,641,000 (2025 – £1,258,000) which are overdue at the reporting date for which the Group does not consider the need to create a specific impairment provision against individually identified receivables, but an expected credit loss provision has been made of £30,000 (2025 – £5,000).

(iv) Overdue – individually impaired

As at 30 April 2026, trade receivables of £453,000 (2025 – £371,000) were individually determined to be impaired and provided for. The amount of the provision was £453,000 (2025 – £371,000).

The main factor used to assess the impairment of trade receivables is the circumstances of the individual customer.

Movements in the Group provision for impairment of trade receivables is as follows:

	2026 £'000	2025 £'000
At beginning of year	467	592
Provided during the year	87	65
Receivables written off as uncollectable	(55)	(53)
Unused amounts reversed	108	(105)
Exchange differences	(3)	(32)
At end of year	604	467

The Group's trade receivables are denominated in the following currencies:

	2026 £'000	2025 £'000
Euro	14	13
Sterling	1,866	1,904
US Dollar	1,568	1,317
Other	186	155
	3,634	3,389

17. Cash and cash
equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Cash at bank and in hand	23,546	22,312	3,032	3,374

The fair value of cash and cash equivalents are considered to be their book value.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

		Group		Company	
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
18. Current liabilities	Amounts owed to subsidiary undertakings	–	–	58	58
	Trade payables	5,169	4,685	–	–
	Accruals	7,257	7,127	50	50
	Payments received on account	2,915	3,146	–	–
	Other taxes and social security costs	820	628	–	–
	Other payables	1,685	1,705	–	–
		<u>17,846</u>	<u>17,291</u>	<u>108</u>	<u>108</u>

Payments received on account represent contract liabilities comprising amounts received from customers in advance of the Group satisfying its performance obligations under customer contracts. These amounts are recognised as revenue when the related performance are satisfied. At 30 April 2026, contract liabilities amounted to £2.915m (2025 – £3.146m) and principally relate to the Group's decorating division. Significant changes in payments received on account of £231,000 (2025 – £885,000) solely relates to cash received in advance of performance not recognised as revenue and amounts are taken to revenue upon satisfaction of the relevant performance obligation in our decorating division.

		2026	2025
		£'000	£'000
19. Deferred taxation	Deferred taxation has been provided as follows:		
	Accelerated capital allowances on property, plant and equipment	(476)	(477)
	Short-term temporary differences	370	358
	Charge/(credit) to reserves	(44)	68
		<u>(150)</u>	<u>(51)</u>

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences where the directors believe it is probable that the assets are recoverable.

This is made up as follows:

Deferred taxation included in non-current assets	(196)	(179)
Deferred taxation included in non-current liabilities	46	128
	<u>(150)</u>	<u>(51)</u>

	2026	2025
	£'000	£'000
At 1 May	(51)	130
Charged to the income statement (note 9)	(57)	(251)
Charged to reserves	(44)	68
Translation adjustment	2	2
At 30 April	<u>(150)</u>	<u>(51)</u>

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

20. **Financial instruments** The financial instruments of the Group as classified in the financial statements as at 30 April 2026 can be analysed under the following IFRS 9 categories:

	Amortised cost	
	2026	2025
	£'000	£'000
Financial assets		
Trade and other receivables	6,371	5,828
Forward foreign currency contracts	73	205
Cash and cash equivalents	23,546	22,312
Total	29,990	28,345
	Other financial liabilities	
	2026	2025
	£'000	£'000
Financial liabilities		
Trade and other payables	12,426	11,812
Total	12,426	11,812

The Group's principal financial instruments comprise of cash, short-term deposits, bank overdrafts, forward foreign currency contracts and various items such as trade and other receivables and trade and other payables that arise directly from its operations. All trade and other payables disclosed above fall due for payment within one year.

Forward foreign currency contracts are carried at fair value, measured using level 2 of the fair value hierarchy.

The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of forward foreign currency contracts is based on broker quote, derived from the quoted price of similar investments.

There are no assets or liabilities at fair value through profit or loss.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged.

Liquidity Risk

The Group's objective is to maintain an appropriate balance between continuity of funding and flexibility through the use of multi-currency overdrafts and bank loans. The Group currently has no borrowing facilities.

Group borrowing facilities are reviewed annually with HSBC.

The Group's trade and short-term creditors all fall due within 60 days. At 30 April 2026 the Group's trade payables were £5.2 million (2025 – £4.7 million) and trade receivables were £3.6 million (2025 – £3.4 million) giving a ratio of 1.4 (2025 – 1.4). This, together with the Group's cash balances and unused borrowing facility, constitutes a relatively low liquidity risk.

The Group manages lease maturity risk by monitoring the timing of cash outflows arising from financial liabilities and lease commitments, ensuring sufficient liquidity is maintained to meet obligations as they fall due. See note 13 for lease maturity analysis.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

20. Financial instruments *continued*

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

In the Product Division credit risk is spread over a large number of customers and historically bad debt experience has been extremely low. In the Decorating Division it is not unusual to undertake large projects which can give rise to significant debtor balances from time to time. Risk is reduced by requiring a 50% deposit at the start of the project and a further 25% deposit prior to completion.

Credit risk also arises from cash and cash equivalents and deposits with banks. For banks, only independently rated parties with minimum rating "A" are accepted.

Foreign Currency Risk

Due to the international nature of its operations, the Group faces currency exposures in respect of exchange rate fluctuations against sterling. The most significant of these is the US where revenue in US dollars represents 56% of Group revenue.

The majority of the US subsidiary's revenue from the sale of goods is sourced by imports from the UK and Europe. This revenue is invoiced in US dollars. The Group minimises the currency translation exchange risk by the use of forward foreign currency contracts. At 30 April 2026 there were forward foreign currency contracts in place with a fair value of £73,000 asset (net of tax).

The Group's profit is reduced by approximately £185,000 for every one cent deterioration in the US dollar against Sterling. The Group has a natural hedge between Euro costs and Euro revenues but this is dependent on maintaining Euro revenue at current levels.

About 23% of Group revenue is to customers in countries other than the UK and US. Most of this revenue is invoiced in the currencies of the countries involved. The Group does not hedge currency exposures on this revenue using forward foreign currency contracts as any exchange rate risk is considered to be insignificant due to the offsetting effect of imports.

The Group has continued its policy of not hedging statement of financial position translation exposures except to the extent that overseas liabilities, including borrowings, provide a natural hedge. It is also the Group's policy not to hedge income statement translation exposures.

The statements of financial position of overseas operations are translated into sterling at the closing rates of exchange for the year and any exchange difference is dealt with as a movement in the foreign exchange reserve. The income statements of overseas business are translated at an average rate of exchange.

Interest Rate Risk

As the Group has net cash of £23.5 million (2025 – £22.3 million), the Group does not consider interest rate risk to be a significant risk.

Forward Foreign Currency Contracts

The Group uses forward foreign currency contracts to forward-buy and sell foreign currency in order to hedge future transactions and cash flows. The Group is party to forward foreign currency contracts denominated in US dollars to eliminate transactional currency exposures on future expected revenue in the US.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

20. **Financial instruments** At 30 April 2026, the Group had forward foreign currency contract arrangements to sell US dollars. All hedged transactions held at the previous year end have now occurred. The fair value of the Group's forward foreign currency contracts at the date of the statement of financial position is as follows:

continued

	2026 £'000	2025 £'000
Fair value of forward foreign currency contracts – asset / (liability)	73	205

Capital Disclosures

The Directors consider the Group's capital to consist of its share capital and reserves.

The Group's objective when maintaining capital is to safeguard the Group's ability to continue as a going concern so that that it can continue to provide returns for shareholders and benefits for other stakeholders.

To the extent that the Group considers it has surplus capital it has been Group policy to return this to shareholders through share buy backs.

Other Financial Instruments

The book amount for trade and other receivables, cash and cash equivalents, bank overdrafts, and trade and other payables with an expected life of 12 months or less, is considered to reflect its fair value.

The financial instruments of the Company as classified in the financial statements at 30 April 2026 can be analysed under the following IFRS 9 categories:

	Amortised cost 2026 £'000	2025 £'000
Financial assets		
Cash and cash equivalents	3,032	3,374
Intercompany and other receivables	23,580	19,435
Total	26,612	22,809
	Other financial liabilities 2026 £'000	2025 £'000
Financial liabilities		
Finance lease liabilities	13,061	8,772
Intercompany and other payables	58	58
Total	13,119	8,830

The Company acts as a holding company for the Group's subsidiaries and does not trade.

Its financial instruments comprise cash, bank overdraft, amounts receivable and payable from subsidiary undertakings and other receivables and payables.

The Company faces liquidity risk on managing cash flows from its subsidiary undertakings.

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

		Authorised		Allotted, called up and fully paid	
		2026	2025	2026	2025
21. Share capital	Ordinary shares of 10p each	£3,300,000	£3,300,000	£522,556	£591,724
	Number of shares	33,000,000	33,000,000	5,225,558	5,917,238
		Allotted, called up and fully paid			
		2026	2026	2025	2025
		Number	£	Number	£
	Ordinary shares of 10p each				
	At beginning of year	5,917,238	591,724	6,224,280	622,428
	Purchase of own shares for cancellation	(691,680)	(69,168)	(307,042)	(30,704)
	At end of year	5,225,558	522,556	5,917,238	591,724

Details of shareholdings of Directors are shown in the Directors' Report on page 13.

22. Reserves	The following describes the nature and purpose of each reserve within owners' equity:	
	Reserve	Allotted called up and fully paid
	Share capital	Amount subscribed for share capital at nominal value.
	Share premium	Amount subscribed for share capital in excess of nominal value.
	Capital redemption	Amounts transferred from share capital on redemption of issued shares.
	ESOP share	Weighted average cost of own shares held by the ESOP trust.
	Merger	Premium on shares issued to fund acquisitions prior to 1999, which was used for write-off of goodwill on consolidation.
	Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement less distributions made.
	Foreign exchange	Unrealised cumulative net gains and losses arising on the retranslation of the opening net assets and loans of overseas subsidiary undertakings.
	Cash flow hedge	Unrealised gains and losses, net of deferred tax, arising on the revaluation of forward foreign currency contracts at the date of the statement of financial position.

23. Pension commitments	Group companies make pension contributions for eligible employees to group personal pension schemes. These schemes are independently administered. The pension cost charge represents contributions payable by Group companies to the schemes during the year and amounted to £717,000 (2025 – £685,000).
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24. Guarantees	The Company has given an unlimited guarantee to HSBC Bank plc to secure all the present and future indebtedness and liabilities to the Bank of the Company, Colefax and Fowler Incorporated and Cowtan & Tout Incorporated. There is a cross guarantee between the Company and each of its UK subsidiaries in respect of their overdraft balances. At 30 April 2026, the value of subsidiary overdrafts covered by the guarantee amounted to £nil (2025 – £nil).
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The Company acts as guarantor on certain US leases in the name of its US subsidiary Cowtan and Tout Inc.

The minimum undiscounted value of lease liabilities at 30 April 2026 amounted to £5.7 million (2025 – £5.7 million)

NOTES TO THE ACCOUNTS

For the year ended 30 April 2026

25. Related party transactions	The Company undertook the following transactions with its subsidiary undertakings in the year:		
		2026 £'000	2025 £'000
	Interest charged on long-term loans to Colefax and Fowler Holdings Limited	50	50
	At the year end the following amounts were owed to/(by) the Company by/(to) its subsidiaries:		
		2026 £'000	2025 £'000
	Colefax and Fowler Holdings Limited	(58)	(58)
	Colefax and Fowler Limited	23,117	18,395
	Kingcome Sofas Limited	350	207
	Sibyl Colefax and John Fowler Limited	7	373
		23,416	18,917
	The Company received dividend income from subsidiaries in the year of £6,329,000 (2025 – £4,822,000).		
	Details of Directors' remuneration (key management personnel) are given in Note 7 to the accounts.		
26. Subsequent Events	In June 2026, the Group returned £2.2 million of surplus cash to shareholders by way of a share buyback.		
	The Group purchased and cancelled 166,826 shares representing 3.2% of the issued ordinary share capital at a price of £13.0 per share.		
	No other significant events have occurred between 30 April 2026 and the date of approval of these financial statements.		
27. Ultimate Controlling Party	In the opinion of the directors, there is no ultimate controlling party of the Company.		
28. Contingent Liabilities	The Company had no contingent liabilities at 30 April 2026 (2025 – none).		

FIVE YEAR REVIEW

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Revenue	115,918	109,986	107,162	104,818	101,796
Profit before taxation	10,525	8,900	7,732	8,544	10,823
Profit attributable to shareholders	7,750	6,508	5,794	6,687	8,493
Basic and diluted earnings per share	140.7p	108.4p	88.3p	89.7p	102.5p
Dividends paid per share	6.3p	5.9p	5.5p	5.3p	2.5p
Equity	36,431	35,284	31,745	33,960	33,147
Operating cash flow less lease payments	12,718	10,829	10,151	9,100	12,789
Cash and cash equivalents	23,546	22,312	17,763	19,746	21,785
Capital expenditure	2,431	2,068	2,991	2,625	2,255

NOTICE OF MEETING

Notice is hereby given that the 2026 Annual General Meeting of Colefax Group plc will be held at 19-23 Grosvenor Hill, London W1K 3QD on 24 September 2026 at 11.00 a.m. to transact the following business:

Ordinary Business

1. To receive, and if thought fit, to adopt the audited Annual Accounts of the Company for the year to 30 April 2026, together with the reports of the directors and the auditors thereon.
2. To re-appoint PKF Littlejohn LLP as auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
3. To declare a final dividend of 3.3p per ordinary share.
4. To authorise the Directors to determine the remuneration of the auditors.
5. To re-elect K. Hall who retires by rotation.
6. To re-elect R. M. Barker who retires by rotation.

Special Business

To consider and, if thought fit, to pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8 and 9 will be proposed as special resolutions.

7. THAT, in place of all existing authorities (save to the extent relied upon prior to the passing of this resolution), the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act"):
 - (a) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £168,624 (or such lower number as shall equal one-third of the nominal value of the issued share capital of the Company at the date of the Annual General Meeting) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the date falling 15 months following the date of the Annual General Meeting and the end of the next annual general meeting of the Company, save that the Company may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if this authority had not expired; and
 - (b) in addition, to allot equity securities (within the meaning of section 560 of the Act) in connection with an offer of such securities or an invitation to apply to subscribe for such securities (whether by way of rights issue, open offer or otherwise) in favour of holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the Directors consider necessary or expedient in connection with treasury shares, fractional entitlements, record dates or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory) up to a maximum nominal amount of £168,624 (or such lower number as shall equal one-third of the nominal value of the issued share capital of the Company at the date of the Annual General Meeting) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the date falling 15 months following the date of the Annual General Meeting and the end of the next annual general meeting of the Company, save that the Company may before expiry of this authority make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority and the Directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.
8. THAT, subject to the passing of resolution 7 above and in place of all existing powers, the Directors be generally and unconditionally authorised pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 7 above as if section 561 of the Act did not apply to any such allotment. This power shall be limited to:

NOTICE OF MEETING

- (a) the allotment of equity securities in connection with an offer of such securities or an invitation to apply to subscribe for such securities or an invitation to apply to subscribe for such securities (whether by way of rights issue, open offer or otherwise) in favour of holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares but subject to such exclusions or other arrangements as the Directors consider necessary or expedient in connection with treasury shares, fractional entitlements, record dates or any legal or practical issues arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange authority in, any jurisdiction or territory; and
- (b) the allotment (other than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £25,293 (or such lower number as shall equal 5% of the nominal value of the issued share capital of the Company at the date of the Annual General Meeting).

This power shall expire on the earlier of the date falling 15 months following the date of the Annual General Meeting and the conclusion of the next annual general meeting of the Company, but the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.

This power also applies in relation to a sale of treasury shares, which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words “subject to the passing of resolution 7 above” and “pursuant to the authority granted by resolution 7 above” were omitted.

9. THAT, in place of all existing authorities (save to the extent relied upon prior to the passing of this resolution), the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act (the “Act”) to make one or more market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company (“ordinary shares”) provided that:
- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 758,809 (or such lower number as shall equal 15% of the nominal value of the issued share capital of the Company at the date of the Annual General Meeting);
 - (b) the minimum price which may be paid for an ordinary share is 10p;
 - (c) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is purchased;
 - (d) this authority expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months following the date of the Annual General Meeting; and
 - (e) the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority and may make a purchase of ordinary shares in pursuance of any such contract.

By order of the Board
R. M. Barker ACA
Secretary
30 July 2026

Registered Office
19-23 Grosvenor Hill
London W1K 3QD

NOTICE OF MEETING

Procedural Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, to speak and, both on a show of hands and on a poll, to vote in his or her stead at the meeting. A proxy need not be a member of the Company but must attend the meeting in person. The appointment of a proxy does not preclude a member from attending and voting in person at the meeting should he or she subsequently decide to do so. A form of proxy which may be used is attached.
2. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her.
3. To be valid, a form of proxy together with, if applicable, the power of attorney or other authority under which it is signed, or a certified copy thereof, must be received by Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY not later than 11.00 a.m. on 22 September 2026.
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 22 September 2026 shall be entitled to attend or vote (whether on a show of hands or on a poll) at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the register after 6.00 p.m. on 22 September 2026 (or after 6.00 p.m. on the day which is two days before any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at 29 July 2026 (being the last business day prior to the date of this notice) the Company's issued share capital consisted of 5,058,732 ordinary shares each carrying one vote per share. Accordingly the total number of voting rights in the Company as at 29 July 2026 was 5,058,732.
6. CREST members who wish to appoint a proxy or proxies for the meeting or any adjournment thereof by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

NOTICE OF MEETING

7. Any member attending the meeting has the right to ask questions.
8. If a shareholder has a general query about the Annual General Meeting or wishes to give the Company prior notification of any question he wishes to ask at the Annual General Meeting, he should call our shareholder helpline on 0370 889 3295 if calling within the United Kingdom or +44 370 889 3295 if calling from outside the United Kingdom. The Shareholder Helpline is available from 8.30 a.m. to 5.30 p.m. Monday to Friday (except public holidays). The cost of calls to the helpline may vary depending on the service provider. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes.

NOTICE OF MEETING



HEAD OFFICE: 19/23 GROSVENOR HILL, LONDON W1K 3QD
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