

SAMUEL HEATH AND SONS PUBLIC LIMITED COMPANY

Report and Accounts

for the year ended 31 March 2025

SAMUEL HEATH

Company Registration Number: 00031942

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DIRECTORS AND OFFICERS

Directors:	<p>Anthony R. Buttanshaw * † <i>(Non-executive Chair)</i> Martyn P. Whieldon <i>(Managing Director)</i> Martin P. Green * † <i>(Non-executive)</i> Ross M.H. Andrews * † <i>(Non-Executive)</i> Simon G.P. Latham, FCCA <i>(Financial Director)</i> Martin J. Harrison <i>(Manufacturing Director)</i></p> <p>* Member of remuneration committee † Member of audit committee</p>
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Secretary:	Simon Latham
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Group Management Board:	<p>Rolando Guselli Adam Daniels</p>
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Registered Office:	<p>Cobden Works Leopold Street Birmingham B12 0UJ Registered No. 00031942</p>
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Registrar:	<p>MUFG Corporate Markets 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL</p>
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Auditor:	<p>MHA Audit Services LLP Rutland House 148 Edmund Street Birmingham B3 2FD</p>
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Nominated Adviser and Broker:	<p>Cairn Financial Advisers LLP 9th Floor 107 Cheapside London EC2V 6DN</p>
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CHAIR'S STATEMENT

Trading

I am pleased to report that despite revenues being 3% down, we were able to improve our operating profit appreciably through a careful review of costs. Sales for the year ended at £14.769m compared to £15.237m in 2024, a decrease of £468k. The reduction was due to the factors mentioned at the half year: namely worsened economic conditions partly caused by the UK budget and the US Presidential elections. Our gross profit margin for the year came in at 46.3% (46.6% in 2024).

Management reviewed production staffing levels, sales & marketing activity and other costs which, together with a reduction in energy bills, helped improve operating profit to £1.026m (6.9% return on sales) compared to £832k (5.5%) last year an increase of £226k. Profit after tax was £888k (2024: £768k). Selling and distribution costs reduced by 6.6% and administrative overheads decreased by 6.5% compared to prior year.

Cash and cash equivalents at 31 March 2025 increased by £485k to £2.169m, from £1.684m at 31 March 2024.

Net Assets increased to £12.30m (2024: £12.18m), net of the £150k reduction in pension surplus discussed below.

The pension scheme remains in surplus and Company contributions were reduced by £609k to £300k (2024: £909k) after agreement with the scheme's trustees. Although the asset values have reduced in value in line with the markets, the discount rate has remained strong, reducing liabilities. In IAS19 accounting terms, a surplus has been recorded of £823k (2024: £1.02m); however, the Directors wish to highlight, as previously, that it is both their and the Trustees' aim to move the scheme to a Buyout once it is viable and affordable to do so. Therefore, any surplus recognised is unlikely ever to become distributable. The latest balance, net of the related deferred tax liability, is a surplus of £617k compared to £767k in 2024, a reduction of £150k.

Outlook

The start of the new financial year in April 2025 saw the imposition of tariffs by the US administration which created volatility in a key export market, as well as weakening the dollar in relation to sterling. The Company has however been successful in passing on in full the current 10% tariff level. Employment costs have risen higher than initially forecast due to the unexpected lowering of the national insurance threshold. We are also seeing evidence of the UK luxury market being affected by tax changes impacting on high net-worth individuals and families.

On the positive, the Company's continued product development, both in new finishes and specific fittings, is helping us outperform in a difficult market overall. In 2025, we have commenced new marketing ventures, such as joining the Fuorisalone Design Week at the Brera Design District in Milan and a collaboration with a high profile British interior designer at Wow!house in the Design Centre at Chelsea Harbour. We also organised VIP events for specifiers in North America, all of which are helping us reach a wider customer base. Further new markets are under development and should contribute new sales this financial year.

Despite changes at the macro level the Board is cautiously optimistic for the current year.

The directors recommend maintaining the final dividend at 8.5625p, which will be paid on 26 September 2025 to shareholders registered as at 22 August 2025, the ex-dividend date for the payment is 21 August 2025. This will bring the total declared for the year (Interim and Final) to 13.0625p per share or £331k (2024: £305k).

A handwritten signature in black ink, appearing to read 'Anthony Buttanshaw', with a stylized, cursive script.

Anthony Buttanshaw
Non-Executive Chair

24 July 2025

STRATEGIC REPORT

The directors present their annual strategic report for the year ended 31 March 2025.

Business Review and Key Performance Indicators

A review of the business of the Group and future developments is set out in the Chair's Statement on page 3 which forms an integral part of the strategic report.

The Board consider that the key financial performance indicators are those that communicate the financial performance and strength of the Company:

Net Assets at Group level increased to £12.30m (2024: £12.18m). The pension surplus has been maintained, although it has reduced to £617k net of deferred tax (2024: £767k) after a reduction in interest rates.

Cash Position remains very positive, and has increased over the last year, improving by £485k from £1.68m to a balance of £2.17m. Investing activities included £0.78m in fixed and intangible assets (2024: £0.90m).

Inventory has reduced to £4.62m (2024: £4.84m), supply chain tension has eased a little this year and allowed us to manage purchases a little more leanly.

Pension Surplus has been maintained this year. Contributions were reduced by £609k to £300k (2024: £909k) and although the asset values have reduced in value in line with the markets, the discount rate has remained strong. In IAS19 accounting terms the scheme has recorded a surplus of £823k (2024: £1.02m), however the Directors would highlight that it is both their and the Trustees' aim to move the scheme to a Buyout once it is viable and affordable to do so. Therefore, any surplus recognised is unlikely ever to become distributable. The latest balance, net of the related deferred tax liability, is a surplus of £617k (2024: surplus £767k).

Revenues have reduced to £14.77m (2024: £15.24m). The export proportion has increased by 1.8% to 49.8%.

Gross Profit Margin for the year has reduced from 46.6% in 2024 to 46.3%. Revenues have reduced 3.1%, and inflationary pressures from some costs such as utilities have eased.

Operating Profit has increased this year to 6.9% of turnover, compared to 5.5% last year with a review of sales & marketing spend and other costs.

Investments during the Year

The business has continued to reinvest some of its profit and cash during the year, including £596k (2024: £514k) on new tangible assets considered to boost growth in future years.

The business continued to invest in research and development this year. Total costs incurred were £515k (2024: £584k) of which £350k (2024: £355k) was capitalised in the year. Advantage has been taken of the various tax incentives where appropriate.

Staffing

The number of staff employed within the business has reduced during the year:

	2025 Number	2024 Number
Production	96	100
Distribution	21	20
Administration	12	16
Total	129	136
Average cost per head was	£49,915	£48,750

STRATEGIC REPORT

(continued)

Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled while employed. The policy is to give equal opportunity for training, career development and promotion.

The awareness and involvement of employees in the Group's performance is achieved by consultation and negotiation in meetings involving employees at all levels. An active Works Committee has been in operation for many years.

Strategy and Business Model

The Company uses its long-established skills and investments in manufacturing metals to produce high-quality products for the bathroom and door hardware markets.

The customer value proposition is supported by:

- Brand value and recognition through long standing targeted advertising and PR.
- High quality design, manufacture and in-house finishing.
- Effective customer service and support from regular direct contact with resellers and specifiers of our product ranges.
- Industry leading shipment/delivery times.

The shareholder value is supported by:

- Variety of geographical markets spreading economic risk.
- Strong balance sheet.
- Business growth financed internally from profits.
- Vertically integrated manufacturing facility affords total control of quality and availability of product to ultimate customer.
- Recruiting and retaining suitable staff with the necessary skills and abilities enables the Company to execute its strategy effectively. We foster initiatives to encourage the promotion of good staff engagement as well as ensuring that remuneration packages are competitive within the markets in which we operate.

Stakeholders and s172

The Company recognises that it operates within various communities and groups of interested parties and looks to consider the interests of these groups as an integral part of its decisions and activities. It aims to maintain high standards of business conduct, taking decisions with a view to the long-term consequences of the outcomes.

Shareholders

It is the Board's abiding aim to provide clear and transparent information as to the Company's activities, strategies and financial position to its shareholders. Details of all shareholder communications are available on the Company's website.

The Company is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. We communicate with shareholders through Annual Report and Accounts, full-year and half-year announcements and the annual general meeting (AGM) which we encourage shareholders to attend and participate at. Our website contains a range of corporate information (including all Samuel Heath announcements) which is available to shareholders, investors and the public.

Private shareholders: The AGM is the principal forum for dialogue with private shareholders, and we encourage all shareholders to attend and participate. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. The chairs of the board and all committees, together with all other directors whenever possible, attend the AGM and are available to answer questions raised by shareholders. Shareholders vote on each resolution, by way of a poll.

STRATEGIC REPORT

(continued)

The Company maintains a dedicated email address which investors can use to contact the Company which is prominently displayed on its website together with the Company's address and telephone number. As the Company is too small to have a dedicated investor relations department, the Financial Director is responsible for reviewing all communications received from members and determining the most appropriate response.

The Company also considers its actions to ensure that the effects will be fair amongst its various members.

Employees

The Works Committee meets 3 times a year as a forum to pass on information and for members to raise concerns. Matters are recorded and following appropriate consultation, reported on at the next meeting.

Customers

Our representatives meet regularly with all significant customers to inform them of new products with samples where possible, to pass on product knowledge and understand their business plans and aspirations. Reports are produced which form part of our sales forecasting and budgetary process, these are fed back to influence future product and services development.

Suppliers

Our purchasing department interacts regularly with suppliers to ensure minimal disruptions to the supply chain and to ensure best value for money for the Company. New suppliers are invited to quote for materials, components and services.

Community

The Company supports local charities, in particular St Mary's Hospice, encouraging employees also to join in through collections at work, the Company matching all employee donations.

Regulation

The business constantly reviews the relevant regulations governing its products to ensure current and future compliance within major markets. Door closers for use on fire doors are subject to performance standards. Taps and showers are subject to water usage restrictions and performance standards. The Company submits its products for third party testing both in the UK and in overseas markets and maintains 'listings' where appropriate.

Changes in legislation and approvals can have a material impact on product designs which are fed back through our new product development process.

Industry Bodies

The Company is a member of a number of influential trade bodies and attends Management and Technical committees to ensure we 'have a voice' in the development of best practice and are able to influence any applicable legislation. The Managing Director and Head of Design are involved in this process. Relevant outcomes are related to other Board members at monthly Board meetings.

Environment

Samuel Heath & Sons plc is committed to protecting the environment and recognises the importance of embedding environmental protection & sustainability into its business model and ethos. We are a responsible organisation that aims for excellence in environmental management through continuous improvement and engaging with our suppliers, customers, regulatory bodies and local community.

Our purpose is to produce high quality, environmentally friendly, long-lasting bathroom and hardware products for all our customers. We aim to achieve this by reducing the impact of our operations, challenging our supply chain and working with our customers to reduce their own environmental impact, all of which are critical to our objective of minimising our impact on the environment.

Guiding Principles

To ensure our environmental sustainability policy is relevant, progressive and regularly updated, our chief guiding principles are:

The recognition that our business has significant impact on the environment, and we respond to this through our embedded Quality & Safety management systems.

STRATEGIC REPORT

(continued)

Promoting resource efficiency through preventing and minimising waste production and diverting waste from landfill through increasing re-use, recycling and recovery.

Carefully selecting suppliers, raw materials, chemicals, equipment and processes that minimise our impact on the environment.

Ensuring that we comply with all relevant environmental legislation and take any additional measures that we feel are necessary, such as third-party approvals.

Promoting sustainable forms of transport.

The Board of Directors is responsible for the environmental performance of the company, but all employees share this responsibility and are supported by key staff who promote best practice, continual improvement and monitor performance.

Good Health & Wellbeing

Our Health & Safety management system is accredited to ISO45001 and as part of that process we rigorously risk assess all of our processes to ensure they are safe and that we meet or exceed all necessary safety & environmental regulations, thus ensuring we protect our employees and the environment from the impact of our activities when working with chemicals or hazardous materials.

We offer a cycle to work scheme, a health cash plan, a benefits portal and have a supportive critical illness policy. We consult regularly with occupational health on how we can improve the work environment for those with health issues.

Clean water & sanitation

We manufacture and supply fittings which help reduce water consumption through the inclusion of special aerators and flow limiters, which can be changed to suit a range of applications. Our brassware helps meet the needs of BREEAM.

Our raw brass is sourced from Germany with a very low lead content to ensure drinking water quality is at its finest, meeting stringent market regulations such as those in California or Australia. We are introducing on site facilities to produce demineralised water for use in some of our processes to reduce the need to have bottled water supplied.

Sustainable Communities

Historic England awarded Grade II listed status to our 19th century factory frontage, and we invest every year in maintaining and developing our building which plays a key role in the history of Birmingham and in employing the local community, a role the firm has played since 1820.

Being a city-centre employer helps reduce the time for local people to travel to work and we encourage the use of Birmingham's growing public transport network. We are located within Birmingham's Clean Air Zone.

Principal risks and uncertainties

The risks to the Group's future are the usual ones for an exporting manufacturing organisation. These include volatility in commodity prices and delivery disruption as we manufacture from bought in raw materials. Also, volatile exchange rate movements can be an issue because a substantial minority proportion of our revenue is earned in foreign currency, and we also source materials in foreign currency. There is also the general state of trade throughout the world.

By trading internationally, the Group mitigates the potential negative influence of any single market and allows it to capitalise on any growing markets. The UK remains the largest market at 50.2% (2024: 52.0%), with exports at 49.8% (2024: 48.0%) spread over a wide geographical base. The recent tariffs raised in the US market are recharged to customers.

STRATEGIC REPORT

(continued)

As a seller into the consumer marketplace, the business understands the effect that trends in the latest design style and particularly finish can have on the value of sales. Investment is therefore made into the look and feel of its products.

Currency risk, where this is viewed by the Directors as significant, is mitigated through the use of forward contracts.

Pension

The Defined Benefit Pensions scheme had been in deficit for some years, and the previous level of interest rates and yields did not help its recovery. The general increase in interest rates and yields in the autumn of 2022 improved this. With improved investment returns, and continued contributions, the scheme moved into a surplus on an IAS19 basis in 2024. This surplus has been recognised in these financial statements however the Directors would highlight this is both their and the Trustees' aim to move the scheme to a Buyout once it is viable and affordable to do so. Therefore, any surplus recognised is unlikely ever to become distributable. Contributions made during the 2025 financial year amounted to £300k (2024: £909k). The last Triennial Valuation took place at March 2024.

In the past, the scheme has held its assets in what was regarded as a safe harbour investment. This made poor returns relative to the equity market, and the scheme moved in a staged pattern over to equities and fixed interest investments during 2019/20 to diversify its holdings and allow it to gain from the market whilst still holding conservative investments which aim to match the movement in interest rates. This approach has been modified by moving the investments to a framework within Legal and General Investment Management (LGIM) which concentrates on matching assets and liabilities as yields change, with the intention of reducing volatility and keeping the scheme in surplus.

New Product

Late 2024 saw the launch of two new finishes: Anthracite and Old Brass Matt.

Anthracite is a rich, gunmetal tone, achieved through several layering processes that give a steely yet warm hue. It sits in our palette range between Stainless Steel Finish and Matt Black, bringing a contemporary feel to the brassware and has a soft, matt protected finish.

Old Brass Matt undergoes a meticulous colouring process, starting with a base of sumptuous chocolate tones that are carefully brushed by our master polishers to reveal varying degrees of golden striations. This artisanal journey ensures that no two pieces are identical, perfectly capturing the trend for bespoke, individual expression in home décor. A matt lacquer seals the finish, preserving its timeless patina.

Throughout 2025 we will be previewing a new Art Deco brassware collection, designed in collaboration with the renowned London interior designer, Laura Hammett. Spring 2026 will see the official launch, with several key events taking place in London, Milan and North America to showcase this highly anticipated new range.



Approved and signed on behalf of the board by:

Martyn Whieldon

Managing Director

24 July 2025

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2025.

Principal activities

The Group and Company engage in the manufacture and marketing of a wide range of products in the luxury interiors sector.

Financial Risk Management

The Group's financial risk management policies are disclosed in note 25.

Dividends

The directors recommend a final dividend of 8.5625 pence per share (2024: 8.5625 pence) which will be proposed as a resolution at the forthcoming Annual General Meeting. An interim dividend was paid during the year of 4.5 pence per share (2024: 4.5 pence). During the year, total dividends paid amounted to £331,000 (2024: £305,000).

Events After The Reporting Period

There are no significant events to report, post the reporting period.

Directors

The directors who served during the financial year and their interests, were as follows:

<i>Beneficial interests:</i>		31st March 2025	31st March 2024
A.R. Buttanshaw	Non-executive Chair	1,000	1,000
M.P. Whieldon	Managing Director	1,000	1,000
M.P. Green	Non-Executive	1,000	1,000
R.M.H. Andrews	Non-Executive	1,000	1,000
S.G.P. Latham	Financial Director	1,000	1,000
M.J. Harrison	Manufacturing Director	1,000	1,000
The Samuel Heath Discretionary Will Trust		455,800	455,800

Directors' remuneration is disclosed in note 22.

A.R Buttanshaw is one of four Trustees for the Samuel Heath Discretionary Will Trust, with the others being Loddors Trust Corporation , G.S. Heath and C.A. Heath.

The directors retiring by rotation are Mr A.R. Buttanshaw and Mr M.P. Whieldon who, being eligible, offer themselves for re-election. Resolutions will be proposed that they be re-elected at the Company's next Annual General Meeting.

The senior management of the Company is male dominated, and the directors are conscious of this and look to employ and develop more female senior staff in future.

Non-Executives

Our Non-Executive Directors all have had or still have significant business interests outside of the Group, maintaining independence as they are not financially reliant upon their positions with us, and at the same time, being able to contribute from their current and previous experiences outside of our business.

Mr A.R. Buttanshaw is an accountant and spent some 15 years in the GKN Group, as well as having experience in other companies, which has given him significant experience in the running of manufacturing and international businesses. He is the Senior Independent Director and has the role of Non-Executive Chair.

DIRECTORS' REPORT

(continued)

Mr M.P. Green is a solicitor who trained at Pinsent Masons in Birmingham before joining Loddors to specialise in wealth planning. Although now retired, he was senior partner of Loddors LLP benefitting from over 35 years' experience of acting as legal advisor to business and private clients. His experience offers guidance in the legal arena to the Company and he is Chair of the Remuneration Committee.

Mr R.M.H. Andrews is a highly experienced and accomplished Corporate Adviser with 30 years' experience advising companies and management teams on public market transactions and brings financial and commercial experience to the Board. He is Chair of the Audit Committee.

None of the non-executive directors have a material interest in any contract with the Company other than their service contract. They are therefore considered to be independent.

Executives

Mr M.P. Whieldon joined the Company in 1995 as a sales representative in Europe. Fluent in German and French, he went on to manage the sales team in both the export and home territories and has travelled widely, promoting the Company's products to customers and at numerous trade shows to dealers and specifiers alike. He was appointed to the board in 2010, and to the role of Managing Director in January 2021.

Mr S.G.P. Latham is a Certified Accountant, initially training at Arthur Andersen; since being a professional auditor he has worked in industry for over 30 years, working in a Financial Director role for over 27 years. He has a breadth of experience in growing companies and international operations. He was appointed to the board in 2017.

Mr M.J. Harrison is a Chartered Mechanical Engineer and has worked in the manufacturing industry for over 27 years. He has led manufacturing operations in a number of different sectors including beverage dispensing and cooling equipment, power generation and aerospace, and has experience of managing factories and installation teams across multiple sites, both at home and overseas. He was appointed to the Board in 2019.

Meetings

Meetings held during the last 12 months (to end of March 2025) and the attendance of directors is summarised below:

	Board Meetings		Audit Committee		Remuneration Committee	
	Possible	Attended	Possible	Attended	Possible	Attended
Martyn Whieldon	9	8	-	-	-	-
Simon Latham	9	8	-	-	-	-
Martin Harrison	9	9	-	-	-	-
Anthony Buttanshaw	9	9	2	2	2	2
Martin Green	9	8	2	2	2	2
Ross Andrews	9	9	2	2	2	2

Each board meeting takes about 4 hours, with preparation and attendance.

The directors keep abreast of our markets and industry through regular and frequent communication with our customers, designers and agencies, also attending various trade shows and exhibitions. Technical skills are kept up to date through communication with various external advisors, research and training updates.

All directors are encouraged to maintain individual continuing professional development programmes, and all have the opportunity, if required, to attend specialist courses to enhance their skills. The Company Secretary, from time to time, provides technical briefings related to regulatory compliance issues, supported by our Nominated Adviser, Cairn Financial Advisers LLP.

The Company retains the services of two external advisers.

- **Cairn Financial Advisers** are our nominated adviser and broker for our dealings with the London Stock Exchange and AIM.
- **Autonomy Wealth** support the financial planning for the business and provide advice on the legacy Pension Scheme.

DIRECTORS' REPORT

(continued)

In addition, in 2023 the business also engaged **John Chivers Commercial** to conduct a valuation of its property assets and **Tallon and Associates** to conduct a valuation of its plant and machinery assets. **Cooper Parry Group Ltd** (together with associated international firms) provided advice on taxation issues, both in the UK and abroad.

Board Evaluation

The Chair reviews the contributions of each board member on an ongoing basis, both individually and in relation to the performance of the Company as a whole. The reviews consider effectiveness in areas including general supervision and oversight, business risks and trends, communications, corporate governance and individual contribution. Any refinements identified in working practices can then be adopted.

The balance of the Board is also assessed, for numbers and diversity, skills and experience. The Chair has reviewed the current Board and concluded that its membership and effectiveness is suitable.

Other Major Shareholdings

On 1 July 2025, the Company had been notified, in accordance with chapter 5 of Disclosures and Transparency Rules, in addition to the directors, of the following voting rights as a shareholder of the Company:

	Percentage of voting rights and issued share capital	Number of shares
Samuel Heath Discretionary Will Trust	18.0	455,800
C.A. Heath	14.9	378,710
G.S. Heath	14.9	378,710
VOB&T UK Ltd	12.2	309,500
S.A. Perkins (née Heath)	10.8	272,810
P.S. Allen	4.1	103,600

Information to Shareholders

The Company has its own website (<http://www.samuel-heath.com>) for the purposes of improving information flow to shareholders as well as potential investors.

Corporate Culture

The Company promotes honesty and integrity in all its dealings.

In order to achieve this the Board provides strategic leadership for the Company and operates within the scope of a robust corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves setting the culture, values and practices that operate throughout the business. The Board defines a series of matters reserved for its decision and has approved terms of reference for its Audit and Remuneration Committees to which certain responsibilities are delegated.

- The Remuneration Committee sets and reviews the compensation of executive directors including the setting of performance frameworks for bonuses.
- Neither its directors nor management have significant interests in its suppliers or customers.
- Personnel policies and procedures include:
 - Bribery prevention policy
 - Communications policy
 - Disciplinary procedure
 - Equal opportunities policy
 - Grievance procedure
 - Health & safety policy (summary)
 - Redundancy policy & procedure (including selection criteria)
 - Retirement policy
 - Retirement counselling policy
 - Social media use policy
 - Stress policy

DIRECTORS' REPORT

(continued)

- The Works Committee discusses relevant issues affecting all employees.
- The business embeds principles into its processes and dealings through Quality Management System ISO 9001:2015 compliance and where necessary via mandatory industry standards and certification schemes.
- Company representatives meet with customers to discuss any issues and communicate with senior management on a regular basis.
- Suppliers also have relationships with both the Purchasing department and senior management.
- Compliance with the QCA code is cascaded through management.

Corporate Governance**Chair's Corporate Governance Statement**

All members of the board believe strongly in the value and importance of good corporate governance and in our accountability to all of Samuel Heath & Sons plc ("Samuel Heath" or the "Company") stakeholders including the shareholders, staff, advisers, regulators and other suppliers. Robust corporate governance improves performance and mitigates risk and therefore is an important factor in achieving the medium to long term success of the Company. In the statement which follows, we explain our approach to governance, and how the board and its committees operate. AIM companies are required to apply a recognised corporate governance code. Samuel Heath has chosen to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (revised in April 2023) to meet the requirements of AIM Rule 26.

The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the board judges these to be appropriate in the circumstances.

The Chair has the overall responsibility for implementing an appropriate corporate governance regime at the Company.

The Company aims to promote a strong culture of excellence in its products and dealings with stakeholders. It monitors these through its infrastructure, using feeds to and from customers (for instance via advertising, and direct communication through sales representatives) and employees (via the works committee).

The Chair's Corporate Governance Statement can be viewed on the Company's website at <https://www.samuel-heath.com/investor-relations/corporate-governance> and the Company's QCA Corporate Governance Code Disclosure can be viewed at the link below:
https://samuel-heath-aim.cdn.prismic.io/samuel-heath-aim/d65ba298-f4c7-47b5-971c-347dafa7ad05_qca-2.pdf

Governance Structures

The Company has both internal and external infrastructure to support the business:

Internal

- Board committees to support independence (Audit and Remuneration).
- Quality processes such as the BS EN ISO 9001:2015 Quality Management System.

External

- Independent Audit;
- Trade body membership. Actively participates in membership of The Door Hardware Federation (DHF), The British Woodworking Federation (BWF) and The Guild of Architectural Ironmongers (GAI);
- Industry governance. Attend Management and Technical committees to ensure the Company has a voice in the development of best practice and are able to influence any applicable legislation; and
- AIM regulation.

DIRECTORS' REPORT

(continued)

The matters reserved for the board are:

- Setting long-term objectives and commercial strategy;
- Approving annual operating and capital expenditure budgets;
- Changing the share capital or corporate structure of the Group;
- Approving half year and full year results and reports;
- Approving dividend policy and the declaration of dividends;
- Approving major investments, disposals, capital projects or contracts;
- Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars; and
- Approving changes to the board structure.

Board Communication

The Board has a schedule of regular business, financial and operational matters, and each board Committee has compiled a schedule of work to ensure that all areas for which the board has responsibility are addressed and reviewed during the course of the year. The Chair is responsible for ensuring that, to inform decision-making, Directors receive accurate, sufficient and timely information. The Company Secretary compiles the board and Committee papers which are circulated to Directors prior to meetings. The Company Secretary provides minutes of each meeting, and every Director is aware of the right to have any concerns minuted and to seek independent advice at the Group's expense where appropriate.

The board believes that its blend of relevant experience, skills and personal qualities and capabilities is sufficient to enable it to successfully execute its strategy. Directors attend seminars and other regulatory and trade events to ensure that their knowledge remains current.

Communication to and from stakeholders is encapsulated within the department processes and fed up through management to the Board.

Shareholders are invited and welcomed to the AGM held on Company premises, to be able to meet with the Board.

Audit Committee

The Audit Committee consists of Ross Andrews (Chair), Martin Green and Anthony Buttanshaw. The committee meets twice a year and the external auditor and financial director are invited to attend these meetings. Consideration is given to the auditor's pre- and post-audit reports, and these provide opportunities to review the accounting policies, internal control and the financial information contained in both the annual and interim reports. The committee monitors the integrity of financial statements and oversees risk management and control. The committee also meets with the auditors with no executives present.

During Audit Planning, the Committee considered issues which would be considered significant in relation to the annual report and accounts and how they would be dealt with, including significant estimates, judgements and risks. Of particular note this year were:

- **Stock Provisions**
The committee considered the appropriateness of the methodology underpinning the stock provision, the level of provisioning recognised at the balance sheet date of the financial statements, and the Committee agreed with the conclusions reached.
- **Pension**
The treatment of the surplus arising from the defined benefit pension scheme was reviewed and agreed by the Committee.

The Committee has reviewed the cost effectiveness of the audit process, and as a result has appointed MHA (trading name of MHA Audit Services LLP) as the company's auditors for the year to 31 March 2025 and are seeking to reappoint them as auditors for this next year's audit.

DIRECTORS' REPORT

(continued)

Remuneration Committee

The remit of the Remuneration Committee is to determine the framework, policy and level of remuneration, and to set the remuneration of executive directors and senior managers. The committee approves annual salary and bonuses where appropriate and will consult outside of the Company for relevant benchmark data from time to time. The Remuneration Committee consists of Martin Green (Chair), Anthony Buttanshaw and Ross Andrews. The Remuneration of Non-Executive Directors is a matter for the Board. No Director or officer is allowed to participate in any decisions as to their own remuneration. Details of directors' remuneration is included in note 22.

Nomination Committee

Due to the nature and size of the Company, the Directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than a Nomination Committee.

Derivatives and other Financial Instruments

UK-adopted international accounting standards require us to explain the role that derivatives and other financial instruments play in the Group's activities.

The Group is financed by operational cash flow and any surplus cash is placed short term on the money market.

Some trading takes place in foreign currencies but exposure at any one time is managed to a level that the Board consider to be an acceptable currency risk. The Group will enter into forward currency exchange contracts to mitigate potential exposure as the Board deem appropriate.

Supplier Payment Policy

The policy for payment of suppliers is to make payment in accordance with the agreed terms and conditions of trade.

At 31 March 2025 creditor days compared to the value of supplier invoices received in the year was 25 days (2024: 34 days). Purchasing in the last few months of the year has been lower as the supply chain stocks have been managed.

Information in the Strategic Report

The Company has chosen, in accordance with the Companies Act 2006 s414C(11), to set out in the S172 statement included within the strategic report, information relating to engagement with employees and the need to foster the company's business relationships with suppliers, customers and others.

Future Developments

In accordance with section 414C(11) of the Companies Act 2006, information regarding the future developments of the business has been set out within the Chair's Statement.

Research and Development

The Group undertakes research and development, using existing staff. In the opinion of the directors, continuity of investment in this area is essential for the maintenance of the Group's market position and for future growth.

The Company spend on research and development for the year was £515,000 (2024: £584,000) and advantage is taken of the various tax incentives where appropriate.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report each confirm the following:

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

DIRECTORS' REPORT

(continued)

Auditor

MHA Audit Services LLP was appointed to perform the audit this year after RSM LLP resigned due to fee pressure and has expressed its willingness to continue in office as auditor and a resolution is to be proposed that MHA be reappointed as auditor at the forthcoming Annual General Meeting in accordance with section 489 of the Companies Act 2006.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the group financial statements in accordance with UK-adopted international accounting standards and have elected under company law to prepare the company financial statements in accordance with UK-adopted international accounting standards and applicable law.

The group and company financial statements are required by law and UK-adopted international accounting standards to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

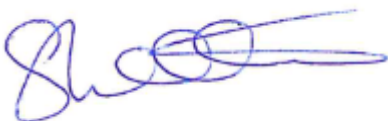
In preparing each of the group and company financial statements, the directors are required to:

- 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 UK-adopted international accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Samuel Heath and Sons Plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



On behalf of the Board
Simon Latham
Company Secretary

24 July 2025

Independent auditor's report to the members of Samuel Heath & Sons plc

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Samuel Heath & Sons plc. For the purposes of the table on pages 18 to 21 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Samuel Heath & Sons plc and its subsidiaries (the "Group"). The "Parent Company" is defined as Samuel Heath & Sons plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of Samuel Heath & Sons plc for the year ended 31 March 2025.

The financial statements that we have audited comprise:

- Consolidated Income Statement
- Consolidated Statement of Comprehensive Income
- Consolidated and Company Statements of Financial Position
- Consolidated Statement of Changes in Equity
- Statement of Changes in Equity (Parent Company)
- Consolidated and Company Statement of Cashflows
- Note 4 to 28 to the consolidated financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company's financial statements is applicable law and UK adopted International Accounting Standards.

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 31 March 2025 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- 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 Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 ethical responsibilities in accordance with those 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 the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewed post year end turnover and assessed whether any key variances from budget were reasonable, including obtaining explanations from management where applicable.
- Evaluated management's gross profit margin analysis, and investigating significant fluctuations.
- Reviewed levels of cash in hand, taking into consideration any known significant future cash outflows.
- Evaluated management's revenue and profit forecasts for reasonableness by comparing them to current year actuals, any significant fluctuations were agreed to supporting documentation.
- Stress tests were performed on the forecasts to evaluate whether the Company will remain a going concern if forecasted profit were to increase by only 3.5% or 0.5% compared to the current forecast of 7%.
- The Company's reliance on key customers was reviewed. Where instances of reliance of key customers is observed, terms of trading were reviewed to see if any agreements secure levels of trade for a set period of time, we also reviewed post year end sales with said customer to provide assurance that levels of trade are continuing at sufficient levels to meet the Company's needs.
- We reviewed legal and professional expense codes for any indications of ongoing litigation/claims against the Group. We inquired of management if there are any cases of ongoing litigation/non-compliance.
- Reviewed going concern disclosure within the financial statements.
- We reviewed any changes to laws and regulations that affected or may affect the group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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.

Overview of our audit approach

Scope

Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

This is the first year we have been appointed as auditors to the group. We undertook the following transitional procedures:

- We held meetings with senior management to gain an understanding of the Group's operations and strategic objectives
- We held meetings with the predecessor auditors, including reviewing their audit working papers for the prior financial period to gain an understanding of the Group's processes, their audit risk assessment, and the design of their audit approach for the year ended 31 March 2024.

The results of these procedures were considered in our audit planning and risk assessment for our audit for the year ended 31 March 2025.

Overall Materiality	2025	2024	
Group and Parent Company	£116,300	£81,410	10% (2024: 10% profit before tax)
Key audit matters			

Group and Parent Company (recurring)

- Inventory valuation
- Defined benefit pension scheme – existence and valuation
- Revenue recognition - cut-off

Key Audit Matters

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

Group and Parent Company: Inventory valuation – valuation (note 15)

Key audit matter description	The group maintains significant inventory, of £4.6m (2024: £4.8m) with a risk of overstated valuation in the financial statements due to insufficient inventory provisions. Assessing inventory valuation requires judgment, particularly in estimating potential slow-moving inventory and net realisable value. This risk is also increased due to the volume of inventory and complexity of the provisions. There is also a risk that inventory is misstated due to incorrect treatment of overhead absorption.
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How the scope of our audit responded to the key audit matter	<p>We performed the following audit procedures to address the risk of misstatement in inventory valuation:</p> <ul style="list-style-type: none"> • Obtained a copy of the inventory provision and performed an initial check for arithmetical accuracy. • Obtained the underlying basis of the provision which includes sales forecast by inventory item and tested a sample of inventory lines to assess compliance with the stated policy. Where manual adjustments have been made, we challenged management and obtained supporting documentation. • We performed substantive testing to ensure inventory is valued at the lower of cost and net realisable value by: <ul style="list-style-type: none"> Raw material: vouched a sample of items to purchase invoices and agreed brass prices to year-end pricing. Work in progress: vouched to bills of materials, then sampled and vouched associated raw material purchases and post-year-end sales invoices. Finished goods: vouched to bills of materials breakdowns and sampled purchase invoices for raw materials used, as well as sales data post year-end. • For a sample of inventory lines, we tested the overhead absorption calculation by assessing its reasonableness and tracing to the Income Statement. We also recalculated labour absorption.
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Key observations communicated to the Group's Audit Committee	Based on the audit procedures performed, nothing has come to our attention that would indicate a material misstatement in the inventory valuation.
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Group and Parent Company: Defined benefit pension scheme – existence, valuation and disclosure (note 23)

Key audit matter description	The Defined benefit pension scheme asset value is a significant balance for the year ended 31 March 2025 at £617k (2024: £767k). The valuation of defined benefit pension schemes involves significant judgment and is inherently subjective. It relies on a range of actuarial assumptions, estimates, and metrics that are highly sensitive to changes, such as discount
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rates, inflation, and mortality rates.

We have identified the following as significant risks in relation to the defined benefit pension scheme:

- Existence of the scheme surplus
- Valuation of the scheme, given the complexity and sensitivity of the underlying assumptions
- Disclosure in the financial statements, ensuring compliance with relevant accounting standards

One of the key areas of audit focus is the recognition of the pension scheme as an asset. Under IAS 19 and IFRIC 14, an asset can only be recognised if the Company has an unconditional right to a refund of the surplus at some point in the future. Assessing this right requires careful evaluation of the scheme's terms and applicable accounting standards.

How the scope of our audit responded to the key audit matter

We performed the following audit procedures to address the risk associated with the existence, valuation and disclosure of the defined benefit pension scheme:

- We engaged an external, independent actuary to assess the reasonableness of the assumptions used in the valuation. This included benchmarking against current market data and comparable pension schemes.
- We obtained the IAS 19 disclosure report actuarial report and verified that the financial statement disclosures were consistent with the findings presented in the report.
- We challenged management on the key assumptions used in the valuation, including discount rates and inflation expectations. Sensitivity analyses were reviewed and independently recalculated to assess the impact of changes in key assumptions on the valuation outcome.
- We obtained third-party confirmations to substantiate the values of the scheme's assets as reported in the actuarial valuation.
- Our tax specialists reviewed the pension asset to evaluate any tax implications that may affect its recognition or measurement.
- We assessed the recognition of the pension asset against the requirements of IAS 19 and IFRIC 14, focusing on the Company's right to a refund of surplus and the accuracy of the asset disclosure in the financial statements.

Key observations communicated to the Group's Audit Committee

Based on the audit procedures performed, nothing has come to our attention that would indicate any material misstatement in the existence, valuation, or disclosures of the defined benefit pension scheme in the financial statements.

Group and Parent Company: Revenue recognition – Cut-off (note 5)

Key audit matter description

Revenue is recognised in accordance with IFRS 15 Revenue from Contracts with Customers, which requires revenue to be recognised when performance obligations are satisfied. Given the volume and timing of transactions around the year-end, there is a risk that revenue may be recorded in the incorrect accounting period.

This could result in revenue being either overstated or understated if transactions are not recognised in the period in which the related performance obligations are fulfilled.

Due to the significance of revenue to the financial statements and the judgement involved in determining the appropriate timing of revenue recognition, we identified the risk of revenue cut-off as a key area of audit focus.

How the scope of our audit responded to the key audit matter	<p>We performed the following audit procedures to address the risk of misstatement in revenue cut-off:</p> <ul style="list-style-type: none"> • We documented our understanding of the processes and controls in place for revenue recognition. • We reviewed revenue recognition policies for consistency, reasonableness and compliance with applicable financial reporting standards. • We tested a sample of sales either side of the year end and traced to delivery notes, ensuring that revenue is recognised in the correct period
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Key observations communicated to the Group's Audit Committee	Based on the audit procedures performed, nothing has come to our attention that would indicate a material misstatement in revenue cut-off.
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Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

	Group and Parent Company
Overall Materiality	£116,300 (2024: £88,500)
<ul style="list-style-type: none"> • Basis of determining overall materiality 	<p>We determined materiality based on 10% (2024: 10% profit before tax)</p> <p>We consider profit before tax to be the main measure by which the users of the financial statements assess the financial performance, success and risk exposure of the Group and Parent Company. Therefore, we consider this to be the most appropriate benchmark for Group and Parent Company materiality</p>
Performance materiality	£81,410 (2024: £66,400)
<ul style="list-style-type: none"> • Basis of determining overall performance materiality 	<p>Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.</p> <p>We set performance materiality based on 70% (2024: 75%) of overall materiality.</p> <p>The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.</p>
De minimis	We agreed to report any corrected or uncorrected adjustments exceeding £2,780 (2024: £4,420) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each Company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each component.

The Parent and Company is the only trading entity within the group. The other group companies are dormant. Our audit procedures have therefore covered 100% of revenue, 100% of total assets and 100% of profit before tax.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

Reporting on 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 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.

Strategic report and directors' report

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

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

In the light of the knowledge and understanding of the Group and 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.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

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

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

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- *We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.*
- *We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:*
 - *identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;*
 - *detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and*

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue to meet market expectations and management bias in accounting estimates particularly in determining expected credit losses and provisions against accrued income.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's audit committee meetings.
- audit procedures performed by the engagement team in connection with the risks identified included:
 - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
 - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
 - enquiry of management around actual and potential litigation and claims.
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

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



Martin Ramsey

for and on behalf of MHA, Statutory Auditor

Birmingham, United Kingdom

24 July 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales with company number OC455542.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Revenue	5	14,769	15,237
Cost of sales		(7,930)	(8,137)
Gross profit		6,839	7,100
Selling and distribution costs		(3,711)	(3,973)
Administrative expenses		(2,163)	(2,313)
Other operating income	25	61	18
Operating profit	6	1,026	832
Finance income	8	137	64
Finance cost	8	-	(12)
Profit before taxation		1,163	884
Taxation	9	(275)	(116)
Profit for the year attributable to owners of the Parent Company		888	768
Basic and diluted earnings per ordinary share	11	35.0p	30.3p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

		£000	£000
Profit for the year		888	768
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit pension scheme	23	(531)	693
Deferred taxation on actuarial (loss)/gain	17	133	(174)
		(398)	519
Total comprehensive income for the year		490	1,287

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

31 March 2025

	Note	Group 2025 £000	2024 £000	Company 2025 £000	2024 £000
Non-current assets					
Intangible assets	12	1,059	911	1,059	911
Property, plant and equipment	13	4,755	4,733	4,755	4,733
Investments	14	-	-	399	399
Amounts owed by group undertakings		-	-	527	527
Retirement benefit scheme	23	617	767	617	767
		6,431	6,411	7,357	7,337
Current assets					
Inventories	15	4,622	4,842	4,622	4,842
Trade and other receivables	16	1,951	2,071	1,951	2,071
Derivative financial instruments		32	-	32	-
Current tax receivable		61	-	61	-
Cash and cash equivalents		2,169	1,684	2,169	1,684
		8,835	8,597	8,835	8,597
Total assets		15,266	15,008	16,192	15,934
Current liabilities					
Trade and other payables	18	(1,813)	(1,989)	(1,813)	(1,989)
Lease liabilities	19	(74)	(60)	(74)	(60)
		(1,887)	(2,049)	(1,887)	(2,049)
Non-current liabilities					
Lease liabilities	19	(128)	(25)	(128)	(25)
Amounts owed to group undertakings		-	-	(948)	(948)
Deferred tax liability	17	(949)	(759)	(949)	(759)
		(1,077)	(784)	(2,025)	(1,732)
Total liabilities		(2,964)	(2,833)	(3,912)	(3,781)
Net assets		12,302	12,175	12,280	12,153
Equity					
Called up share capital	21	254	254	254	254
Capital redemption reserve		109	109	109	109
Revaluation reserve		1,044	1,146	1,044	1,146
Retained earnings		10,895	10,666	10,873	10,644
Total equity attributable to owners of the Parent Company		12,302	12,175	12,280	12,153

As permitted by section 408 of the Companies Act 2006 the Income Statement of the Parent Company is not presented as part of these financial statements. The Parent Company's profit after tax for the year is £888k (2024: £768k). The financial statements and notes on pages 30 to 51 were approved by the Board and authorised for issue on 24 July 2025 and signed on its behalf by:



Simon Latham
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	Attributable to owners of the Parent Company				
	Share capital	Capital redemption reserve	Revaluation reserve	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000
Balance at 31 March 2023	254	109	1,220	9,610	11,193
Transactions with owners					
Equity dividends paid	-	-	-	(304)	(304)
Transfer to retained earnings					
Reclassification of depreciation on revaluation	-	-	(74)	74	-
Profit for the year	-	-	-	768	768
Other comprehensive income for the year	-	-	-	519	519
Total comprehensive income for the year	-	-	(74)	1,361	1,287
Balance at 31 March 2024	254	109	1,146	10,666	12,175
Total transactions with owners					
Equity dividends paid	-	-	-	(331)	(331)
Transfer to retained earnings					
Reclassification of depreciation on revaluation	-	-	(70)	70	-
Disposal of revalued asset	-	-	(32)	-	(32)
	-	-	(102)	70	(32)
Profit for the year	-	-	-	888	888
Other comprehensive income for the year	-	-	-	(398)	(398)
Total comprehensive income for the year	-	-	-	490	490
Balance at 31 March 2025	254	109	1,044	10,895	12,302

STATEMENT OF CHANGES IN EQUITY (PARENT COMPANY)

for the year ended 31 March 2025

	Attributable to owners of the Parent Company				
	Share capital	Capital redemption reserve	Revaluation reserve	Retained earnings	Total Equity
	£000	£000	£000	£000	£000
Balance at 31 March 2023	254	109	1,220	9,588	11,171
Transactions with owners					
Equity dividends paid	-	-	-	(305)	(305)
Transfer to retained earnings					
Reclassification of depreciation on revaluation	-	-	(74)	74	-
Profit for the year	-	-	-	768	768
Other comprehensive income for the year	-	-	-	519	519
Total comprehensive income for the year	-	-	(74)	1,361	1,287
Balance at 31 March 2024	254	109	1,146	10,644	12,153
Total transactions with owners					
Equity dividends paid	-	-	-	(331)	(331)
Transfer to retained earnings					
Reclassification of depreciation on revaluation	-	-	(70)	70	-
Disposal of revalued asset	-	-	(32)	-	(32)
	-	-	(102)	70	(32)
Profit for the year	-	-	-	888	888
Other comprehensive gain for the year	-	-	-	(398)	(398)
Total comprehensive income for the year	-	-	-	490	490
Balance at 31 March 2025	254	109	1,044	10,873	12,280

The reserves of the Group and Company are as follows:

- The capital redemption reserve was created on the acquisition of our own shares.
- Retained earnings consist of the accumulated profits and losses arising from the Consolidated Statement of Comprehensive Income net of distributions to owners.
- The revaluation reserve arises from the revaluation of property, plant and equipment and is not distributable.

CONSOLIDATED AND COMPANY STATEMENTS OF CASHFLOWS

for the year ended 31 March 2025

	Group and Parent Company	
	2025	2024
	£000	£000
Cash flow from operating activities		
Profit for the year before taxation	1,163	884
Adjustments for:		
Depreciation	540	535
Amortisation	227	154
(Profit)/loss on disposal of property, plant and equipment	(36)	1
Interest paid	-	10
Interest charge on capitalised leases	2	2
Interest received	(107)	(64)
Defined benefit pension scheme expenses	25	38
Contributions to defined benefit pension scheme	(300)	(909)
Fair value gain on derivative financial statements	(32)	-
Operating cash flows before movements in working capital	1,482	651
Changes in working capital:		
Decrease/(increase) in inventories	220	(455)
Decrease/(increase) in trade and other receivables	59	(442)
(Decrease)/increase in trade and other payables	(184)	345
Cash generated from operations	1,577	99
Taxation received	-	38
Net cash generated from operating activities	1,577	137
Cash flows used in investing activities		
Payments to acquire property, plant and equipment	(402)	(476)
Proceeds from the sale of property, plant and equipment	-	1
Payments to acquire intangible assets	(375)	(374)
Interest received	107	62
	(670)	(787)
Cash flows from financing activities		
Lease payments	(76)	(71)
Dividends paid	(331)	(305)
	407	(376)
Net (decrease) in cash and cash equivalents	500	(1,026)
Cash and cash equivalents at beginning of year	1,674	2,717
Effect of exchange rate differences on cash and cash equivalents	(5)	(7)
Cash and cash equivalents at end of year	2,169	1,684

Cash flows for the Group and the Company are the same, given that there have been no movements in intercompany balances (amounts due to and from Group entities) in the current year.

NOTES FORMING PART OF THE ACCOUNTS

1. General information

Samuel Heath & Sons plc (the “Company”) is a Company incorporated in England and Wales, United Kingdom, under the Companies Act 2006. The address of the registered office is Cobden Works, Leopold Street, Birmingham, B12 0UJ. The nature of the Group’s and Company’s operations and its principal activities during the period were the manufacture of a wide range of products in the builders’ hardware and bathroom field. These Financial Statements are presented in Pounds Sterling and rounded to £000s. The directors have chosen to present the financial statements in the same currency of the primary economic environment in which the Company and Group operate. The ordinary shares of the Company are traded on the AIM market of the London Stock Exchange.

2. Adoption of new and revised standards***New and amended accounting standards***

There were no new standards or amendments to standards, which had a material impact on these financial statements, and are mandatory and relevant to the Group for the first time for the financial year ended 31 March 2025.

The accounting policies are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2024.

Accounting standards in issue but not yet effective

The Group does not consider that any other standards or interpretations issued but not yet applicable will have a significant impact on the financial statements of the Group when the relevant standards come into effect for periods commencing on or after 1 April 2025.

3. Material accounting policies***Basis of accounting***

The financial statements have been prepared in accordance with UK-adopted international accounting standards and those parts of the Companies Act 2006 that are relevant to companies which report in accordance with UK adopted international accounting standards.

The financial statements have been prepared under the historical cost basis with the exception of the revaluation of property, plant and equipment, and where UK-adopted international accounting standards require measurement at a fair value. The material accounting policies adopted are set out below.

Going concern

The disclosures below refer to the group and company.

The directors have reviewed the Company’s prospects under current trading conditions. The order book is strong, and there is a solid cash balance of £2.17m.

Careful review of several scenarios and sensitivities has been undertaken, with a variety of different possible revenue levels covering the period to September 2026. The Company has started the new financial year with both a strong balance sheet and good cash balances and liquidity.

The Directors consider that the Group has adequate resources for the foreseeable future (at least 12 months from the date of approval of these financial statements) and, therefore, continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

3. Material accounting policies (continued)***Revenue recognition***

Revenue is recognised at a point in time when control of the goods has been transferred, on delivery to or collection by the customer when risks of obsolescence or loss transfer to the customer. Revenue is measured at the fair value received or receivable for the goods provided in the normal course of business, net of VAT, discounts and rebates. The transaction price is the price stated in the relevant contract with the customer. Revenue based royalties are recognised as the subsequent underlying sales occur provided that the related performance obligations have been satisfied. The group may offer discounts to customers for prompt payments and no element of financing is deemed present as the sales are made with a credit term of 30 days from the satisfaction of the performance obligation.

Scrap

Scrap or swarf generated as a waste product as part of the manufacturing process is recognised as a reduction to cost of sales where any value can be achieved.

Operating profit

Operating profit represents earnings from the Group's core business operations and does not include profit earned from investments and the effects of interest and taxes.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the income statement in the period in which they become receivable. In accordance with the provisions of international accounting standard 20, non-asset related grants are included within "other operating income" on the face of the Consolidated Income Statement.

Exceptional items

The Group presents as exceptional items on the face of Consolidated Income Statement those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year so as to facilitate comparison with prior years. There have been no exceptional items this year.

Foreign currency

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on that date. Any differences arising are written off to the income statement.

Taxation

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

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as 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 by the year end date.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

3. Material accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amount 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 recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Retirement benefit costs***i) Defined benefit scheme***

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out every three years and updated at each balance sheet date. The post-employment benefits obligation recognised in the statement of financial position represents the present value of the defined benefit pension obligations adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets.

The service cost and net interest on assets, net of interest on scheme liabilities, are reflected in the income statement for the period, in place of the actual cash contribution made. All experienced gains or losses on the assets and liabilities of the scheme, together with the effect of changes in assumptions, are reflected as an actuarial gain or loss in the Statement of Comprehensive Income.

ii) Defined contribution scheme

The costs of the defined contribution scheme are charged in the income statement as they fall due. Both employee and employer contributions are held in trust funds separately from the Group's finances.

Intangible assets

Research and development costs represent typical internally generated assets of relevance for the Group. Costs incurred in relation to individual projects are capitalised only when the future economic benefit of the project is probable, and it is the intention of management to complete the intangible asset and use it or sell.

Research costs are expensed as incurred.

For intangible assets with finite useful lives, amortisation (development costs amortisation is included within the cost of sales, software costs amortisation is included in administration expenses) is calculated to write off the cost of an asset, less its estimated residual value, over its useful economic life, on a straight-line basis, when the asset is available for use, as follows:

Development costs	20% per annum on cost
Software costs	25% per annum on cost

Property, plant and equipment

Property, plant and equipment are stated at cost or revaluation less accumulated depreciation, amortisation and any recognised impairment loss.

Depreciation is charged (and is included within cost of sales, distribution costs or administration expenses as appropriate), except on freehold land, so as to write off the cost or valuation of assets over their estimated useful lives using the straight-line method to its residual value, on the following bases:

Freehold buildings	2%-10% per annum on cost
Plant and equipment	5%-10% per annum on cost
Office equipment	5%-25% per annum on cost
Vehicles	25% per annum on cost
Computer equipment	25% per annum on cost

NOTES FORMING PART OF THE ACCOUNTS

(continued)

3. Material accounting policies (continued)

In 2017 an accounting policy of revaluation was adopted for freehold buildings and plant and machinery, which the directors consider provides reliable and more relevant information regarding the Group's financial position due to the use of the historic cost model not accurately reflecting the worth of the assets held to the business, and therefore the revaluation model has been adopted to better reflect their value. The resultant increase in fair value was recognised in property, plant and equipment, and credited to the revaluation reserve. This exercise was updated in 2023 by external experts.

The residual values, valuations and expected useful economic lives are re-assessed on an annual basis.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated using a discounted cash flow model. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Tooling

Costs of tooling are expensed as incurred.

Investments in subsidiaries

Investments in subsidiaries in the Company balance sheet are stated at cost, less any provision for impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated at actual price paid. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position at market value when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially recognised at fair value then subsequently at amortised cost using the effective interest method less any allowance for expected credit loss. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue and the expected credit losses recognised have been adjusted for forward looking information.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction. To the extent that those proceeds exceed the par value of the shares issued they are credited to a share premium account.

Trade and other payables

Trade and other payables are not interest-bearing and are stated at amortised cost using the effective interest rate method.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

3. Material accounting policies (continued)***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with a maturity of 90 days or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Leases

Property financed under a leasing arrangement is recognised as a Right of Use Asset, with short and long-term liabilities recognised in the balance sheet, with interest recognised in profit or loss. The lease liability reflects the present value of the future rental payments and interest, discounted using either the interest rate implicit in the lease, if that can be readily determined or the incremental borrowing rate of the entity.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis over the lease term as an expense within the income statement.

Right of use assets are recognised at the commencement date of lease and are measured at cost less any accumulated depreciation and impairment losses. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term or the assets useful life.

Lease liabilities are recognised at the commencement date of the lease and are measured at the present value of the lease payments to be made over the lease term. The lease payments include lease payments less any lease incentives receivable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

Lease modifications, including amendments to lease terms, are assessed to determine whether they constitute a separate lease. If a lease modification results in a change in scope or consideration that does not result in a separate lease, the Group remeasures the lease liability using a revised discount rate. A corresponding adjustment is made to the right-of-use asset.

Where a modification results in a partial or full termination of a lease, the related portion of the right-of-use asset and lease liability is derecognised. Gains or losses arising from such modifications are recognised in profit or loss. If the revised terms are substantially different and the lease is considered a separate arrangement, the original lease is derecognised, and the new lease is recognised in full.

Post balance sheet events and dividends

IAS 10, "Events after the Reporting Period" requires that final dividends proposed after the balance sheet date should not be recognised as a liability at that balance sheet date, as the liability does not represent a present obligation as defined by IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". Consequently, final dividends are only recognised as a liability once formally approved at the Annual General Meeting and interim dividends are not recognised until paid.

4. Key areas of judgement and sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Group has evaluated the estimates and assumptions that have been made in relation to the carrying amounts of assets and liabilities in these financial statements.

The key accounting judgements and sources of estimation include the following:

NOTES FORMING PART OF THE ACCOUNTS

(continued)

4. Key areas of judgement and sources of estimation uncertainty (continued)

Pensions – movements in equity markets, interest rates and life expectancy could materially affect the level of surpluses and deficits in the defined benefit pension scheme. The key assumptions used to value pension assets and liabilities are set out in note 23 “Retirement benefit scheme”. Where a surplus on a defined benefit scheme arises, the rights of the Trustees to prevent the Group obtaining a refund of that surplus in the future are considered in determining whether it is necessary to restrict the amount of the surplus that is recognised. The Retirement benefit scheme is in surplus at 31 March 2025. The directors have made the judgement that these amounts meet the requirements of recoverability and a surplus of £823k has been recognised.

Valuation of property, plant and equipment – the Group reviews the value, useful economic lives and residual values attributed to assets on an on-going basis to ensure they are appropriate. Changes in market value, economic lives or residual values could impact the carrying value and charges to the income statement in future periods. The value of assets carried are set out in note 13 “Property, plant and equipment”.

Research and development – the Group reviews the projects worked on during the year and capitalises the costs of those projects deemed to generate profits in future years, £350,000 was capitalised in the year (2024: £354,000). The Company takes full advantage of available taxation support.

Impairment– using information available at the balance sheet date, the Directors make judgements based on experience on the level of provision required against assets. Provisions are initially determined by evaluating the expected sales of each inventory line over the subsequent 12-month period. No provision is made for inventory expected to be sold within this timeframe. Where no sales are anticipated, a 100% provision is made. The Directors subsequently review the initial provisions and adjust them manually, particularly in cases involving inventory acquired within the past 12 months, or where a minimum order quantity is greater than the expected use over a 12-month period. The stock provision at year end was £3,240,000 (2024: £3,287,000).

5. Segmental analysis**Operating segments**

The turnover, profit before tax on ordinary activities and net assets of the Group are attributable to one business segment, the manufacture and marketing of products in the builders’ hardware and bathroom field.

Geographical information

The following table provides an analysis of the Group’s non-current tangible and intangible assets:

	2025 £000	2024 £000
United Kingdom	5,814	5,644
	<u>5,814</u>	<u>5,644</u>

Sales from contracts with customers

All revenue relates to sales of goods with revenue recognised at a point in time in line with revenue recognition policy.

The following table provides analysis of the Group’s sales:

	2025 £000	2024 £000
Overseas	7,348	7,316
United Kingdom	<u>7,421</u>	<u>7,921</u>
	<u>14,769</u>	<u>15,237</u>

The Group had no customers which represented 10% or more of sales in either year.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

6. Operating profit

Operating profit for the year has been arrived at after charging/(crediting):

	2025	2024
	£000	£000
Depreciation and amortisation		
- depreciation of property, plant and equipment	535	539
- amortisation of intangible assets	227	154
Short term low value leases	76	1
Employment costs (including directors remuneration – note 22)	6,439	6,630
Materials	1,608	1,909
Loss/(profit) on disposal of property, plant and equipment	(36)	1
Retirement benefit pension scheme administration costs	25	38
Machinery running and repairs	732	776
Utilities	794	1,034
Marketing and trade shows	653	791
Carriage cost	628	659
Other operating costs	2,124	1,890
Other operating income	(93)	(18)
Total of costs included in operating profit	13,711	14,404

Included within other operating costs above is £165,000 (2024: £229,000) in relation to research and development expenditure. In addition, £350,000 (2024: £354,000) of research and development costs were capitalised, including £237,000 (2024: £188,000) of employment costs.

7. Auditors' remuneration

Amounts payable to the Company's auditor and their associates for services to the Group.

	2025	2024
	£000	£000
Fees payable:		
Audit services	65	86
Total fees	65	86

8. Net finance income

	2025	2024
	£000	£000
Interest income on bank deposits	50	64
Interest in relation to lease liabilities	(2)	(2)
Foreign exchange gains/(losses)	-	(5)
Fair value gain on derivative financial instrument	32	-
Pension finance cost (see note 23)	57	(5)
	137	52

Income has been recognised as the fair value in foreign currency contracts held at year end, but to be exercised during the next (2025-26) financial year; there were no such contracts at 31 March 2025.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

9. Income taxes

	2025	2024
	£000	£000
Current taxes:		
Current year	-	-
Adjustments in respect of prior periods	-	-
	-	-
Deferred taxes:		
Origination and reversal of temporary differences	306	203
Adjustments in respect of prior periods	(31)	(87)
	275	116
Total income taxes	275	116

Tax reconciliation

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 25% (2024:25%) as explained below:

	2025	2024
	£000	£000
Profit before taxation	1,163	884
Corporation tax charge thereon at 25% (2024: 25%)	290	221
Adjusted for the effects of:		
Prior year adjustments	(31)	(87)
Research and development claim	5	(71)
Patent Box	(42)	-
Fixed asset differences	39	42
Other adjustments	14	11
Total income taxes	275	116

10. Dividends

	2025	2024
	£000	£000
Final dividend for the year ended 31 March 2024 of 8.5625 pence per share (2023: 7.5625 pence per share)	218	192
Interim dividend for the year ended 31 March 2025 of 4.50 pence per share (2024: 4.50 pence per share)	113	113
	331	305

The directors are recommending a final dividend for 2025 of 8.5625 pence per share amounting to £218,000. The proposed final dividend is subject to approval at the Annual General Meeting and hence has not been included as a liability in these accounts.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

11. Earnings per share

The basic and diluted earnings per share are calculated by dividing the relevant profit after taxation of £888,000, (2024: £768,000) by the average number of ordinary shares in issue during the year being 2,534,322 (2024: 2,534,322). The number of shares used in the calculation is the same for both basic and diluted earnings.

12. Intangible assets of the Group and Company

	Computer software	Development costs	Total
	£000	£000	£000
Cost			
At 31 March 2023	126	797	923
Additions	20	354	374
At 31 March 2024	146	1,151	1,297
Additions	25	350	375
At 31 March 2025	171	1,501	1,672
Amortisation			
At 31 March 2023	20	212	232
Charge for year	17	137	154
At 31 March 2024	37	349	386
Charge for year	17	210	227
At 31 March 2025	54	559	613
Net book value			
At 31 March 2025	117	942	1,059
At 31 March 2024	109	802	911

The amortisation charge is included in cost of sales at £210,000 (2024: £137,000) and administrative expenses at £17,000 (2024: £17,000).

NOTES FORMING PART OF THE ACCOUNTS

(continued)

13. Property, plant and equipment of the Group and Company

	Freehold land and buildings	Right of use assets - buildings	Plant and equipment	Computer & office equipment	Vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 31 March 2023	2,666	191	8,700	823	316	12,696
Additions	57	-	352	2	103	514
Disposals	-	-	-	-	(14)	(14)
At 31 March 2024	2,723	191	9,052	825	405	13,196
Additions	18	194	380	4	-	596
Disposals	-	(191)	(203)	-	(48)	(442)
At 31 March 2025	2,741	194	9,229	829	357	13,350
Depreciation						
At 31 March 2023	925	64	6,114	693	146	7,942
Charge for year	30	64	346	25	70	535
Disposals	-	-	-	-	(14)	(14)
At 31 March 2024	955	128	6,460	718	202	8,463
Charge for year	32	63	352	19	74	540
Disposals	-	(191)	(173)	-	(44)	(408)
At 31 March 2025	987	-	6,639	737	232	8,595
Net book value						
At 31 March 2025	1,754	194	2,590	92	125	4,755
At 31 March 2024	1,768	63	2,592	107	203	4,733

The depreciation charge is included in cost of sales at £375,000 (2024: £392,000) and administrative expenses at £165,000 (2024: £143,000).

The net book value of freehold land and buildings includes £884,000 (2024: £884,000) in respect of land which is not depreciated. There were no assets under construction included within plant and equipment this year (2024: £115,000).

The Group's freehold land and buildings, and plant and equipment, were revalued in January 2023, by independent valuers, John Chivers Commercial Ltd and Tallon & Associates. The directors consider that this valuation approximates to the fair value of the group's freehold land and buildings, and plant and equipment as at 31 March 2025.

If the cost model had been used rather than revaluation, the carrying amount of land and buildings would be £677,000 (2024: £672,000) and plant and equipment would be £2,308,000 (2024: £2,301,000).

During the year, the Group terminated a lease agreement. The lease termination led to full derecognition of the associated right of use assets (£191,000) and the recognition of the new lease (£194,000). These changes were accounted for in accordance with IFRS 16 and reflect in the movements above.

There are no securities placed over these assets.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

14. Investments

	2025 Company £000	2024 Company £000
Shares in subsidiaries:		
Cost at 31 March 2024	399	399
	<hr/>	<hr/>
Net book value 31 March 2025	399	399
	<hr/>	<hr/>

All subsidiary undertakings are incorporated in Great Britain, wholly controlled, are dormant and are listed below:

W. Adams & Sons Limited
D P 1999 Limited
Samuel Heath & Sons Group Services Limited
Holt, Siron & Company Limited
The Mander Frame Company
Oakley Bedsteads Limited
Perkins & Powell Limited
R.M. Manufacturing & Engineering Co. Limited
Regency Bathroom Accessories Limited
The Walker Fender Co. Limited

The registered office of all subsidiaries is Cobden Works, Leopold Street, Birmingham. B12 0UJ.

The cumulative amount of goodwill purchased up to 23 December 1998 and written off against reserves in respect of subsidiaries which remained in the Group at 31 March 2025 was £518,000 (2024: £518,000).

15. Inventories

	2025 Group and Company £000	2024 Group and Company £000
Raw materials	1,108	1,057
Work in progress and intermediate products	2,234	2,203
Finished goods	1,280	1,582
	<hr/>	<hr/>
	4,622	4,842
	<hr/>	<hr/>

During the year, the Group consumed £7,955,000 (2024: £7,997,000) of inventories (including material costs) including an increase in inventory write-downs of £33,000 (2024: £209,000) included within cost of sales. Write downs result from a review of the future saleability of stock balances.

NOTES FORMING PART OF THE ACCOUNTS

(continued)

16. Trade and other receivables

	2025 Group and Company £000	2024 Group and Company £000
Trade receivables	1,515	1,704
Allowance for expected credit losses	(25)	(65)
	1,490	1,639
Prepayments and other receivables	461	432
	1,951	2,071

There is no material difference between the fair value of receivables and their book value.

All trade and other receivables have been reviewed for expected credit losses. Unless specific agreement has been reached with individual customers, sales invoices are due for payment 30 days after the date of the invoice. Trade receivables include amounts that are past due at the reporting date for which no allowance for expected credit losses has been recognised because these amounts are still considered to be recoverable. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. No interest is charged on the receivables.

An analysis of trade receivables aging based on due date is set out below:

	2025 Group and Company £000	2024 Group and Company £000
Trade receivables		
Not yet overdue	1,214	1,480
1 to 30 days overdue	295	107
30 to 60 days overdue	7	38
61+ days overdue	-	79
	1,515	1,704

Movement in the allowance for expected credit losses are as follows:

	2025 Group and Company £000	2024 Group and Company £000
Balance at 31st March (opening)	65	25
Released during the year	(40)	-
Receivables provided against	-	40
Balance at 31st March (closing)	25	65

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for expected credit losses above. An analysis of financial risk is disclosed in note 26.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

17. Deferred tax group and Company

The reconciliation of the net deferred tax liability is as follows:

	Defined benefit scheme	Accelerated capital allowances	Revaluation of property, plant and equipment	Total
	£000	£000	£000	£000
At 31 March 2023	134	(548)	(309)	(723)
Recognised in the Income Statement				
For the year	(215)	11	-	(204)
Prior year adjustment	-	87	-	87
Recognised in equity				
For the year	(174)	-	-	(174)
At 31 March 2024	(255)	(450)	(309)	(1,014)
Recognised in the Income Statement				
For the year	182	(190)	-	(8)
Recognised in equity				
For the year	(133)	-	-	(133)
	-	-	-	-
At 31 March 2025	(206)	(640)	(309)	(1,155)

Deferred tax on the defined benefit scheme is shown net of the surplus, while the remainder is combined within the deferred tax liability. The deferred tax rate applied is 25% (2024:25%)

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted. As such, deferred tax has been recognised at 25% for timing differences that are expected to unwind after 1 April 2025.

18. Trade and other payables

	2025 Group and Company	2024 Group and Company
	£000	£000
Trade payables	794	1,021
Accruals and deferred income	715	651
Social security and other taxes	304	317
	1,813	1,989

The directors consider that the carrying amount of trade payables approximates to their fair value. Included within accruals and deferred income, are payments received in advance from customers amounting to £202,000 (2024: £122,000). As was the case in the prior period, the related revenue will be recognised in the forthcoming financial year. The value of payments received in advance will fluctuate year on year, depending on the relationship between cash payments received from customers and the satisfaction of the related performance obligation.

19. Leases

NOTES FORMING PART OF THE ACCOUNTS

(continued)

	2025	2024
	Group and	Group and
	Company	Company
	£000	£000
Lease liabilities		
Showroom premises and vehicle lease		
Short term liability	74	60
Long term liability (1-2 years)	128	25
	202	85

The lease liability was calculated using an incremental borrowing rate of 6%.

The Group and Company have taken advantage of the available dispensation for short term and low value leases which continue to be expensed to profit or loss.

20. Derivative financial instruments

At 31 March 2025 the Group and Company has USD\$1,000,000 to sell between 1 April 2025 and 31 March 2026 in derivatives in place held for cash flow purposes (2024:nil).

The fair value gain of these 2025 contracts has been recognised in Net finance income in 2025, see note 8.

The purpose of forward currency contracts is to mitigate the fluctuations of a proportion of expected sales (forecast) denominated in US Dollars. When in place these instruments are held at fair value with gains/losses recognised in profit or loss.

21. Share capital

	2025	2024
	£000	£000
Authorised:		
5,000,000 Ordinary shares of 10 pence each	500	500
Issued and fully paid:		
2,534,322 ordinary shares of 10 pence each	254	254

Ordinary shares carry full voting rights and there are no restrictions on the transfer of shares.

22. Particulars of staff (group and parent company)

The average number of employees (including directors) during the year is analysed below:

	2025	2024
	Number	Number
Production	96	100
Distribution	21	20
Administration	12	16
Total	129	136

The total staff costs were as follows:

	2025	2024
	£000	£000
Wages and salaries	5,485	5,666
Social security costs	524	553
Pension scheme costs	430	411
	6,439	6,630

Directors' remuneration

The remuneration of directors, who are considered to be key management personnel, who served during the year was as follows:

2025	Salary and fees £000	Pension contributions £000	Bonus £000	Benefits £000	Total 2025 £000	Pension benefit * £000
Executive Directors						
M.P. Whieldon	254	33	66	3	356	9
S.G.P. Latham	144	28	-	3	175	-
M.J. Harrison	116	33	19	3	171	-
Non-Executive Directors						
A.R. Buttanshaw	34	-	-	-	34	-
M.P. Green	22	2	-	-	24	-
R.M.H. Andrews	23	-	-	-	23	-
Directors' emoluments	593	96	85	9	783	9
Employer's NI					77	-
Key management remuneration					860	9
2024	Salary and fees £000	Pension contributions £000	Bonus £000	Benefits £000	Total 2024 £000	Pension benefit * £000
Executive Directors						
M.P. Whieldon	231	26	57	3	317	9
S.G.P. Latham	141	44	-	2	187	-
M.J. Harrison	78	64	14	3	159	-
Non-Executive Directors						
A.R. Buttanshaw	33	-	-	-	33	-
M.P. Green	21	2	-	-	23	-
R.M.H. Andrews	22	-	-	-	22	-
Directors' emoluments	526	136	71	8	741	9
Employer's NI					84	-
Key management remuneration					825	9

- A member of the Samuel Heath & Sons PLC final salary pension scheme (Note 23) which was closed to future accrual from 30 April 2005.

23. Retirement benefit schemes

The Samuel Heath & Sons plc Staff Pension and Works Pension Scheme both closed to future accrual from 30 April 2005. These schemes were merged into the Samuel Heath & Sons plc Combined Scheme (the Combined Scheme) on 31 March 2006.

The most recent full valuation of the Combined Scheme was carried out as at 31 March 2024. The liabilities were calculated using the defined accrued benefits method and assumed:

- long-term investment returns of 4.80% pa for the period before a member retires and 4.80% pa for the period after a member has retired.
- long-term future inflation rates of 3.50% pa.
- mortality rates based on the SAPS normal health tables with CMI 2023 year of birth projections and long-term rate of improvement of 1.50% pa.
- the weighted average duration of the defined benefit obligation is approximately 20 years.

The 2024 actuarial valuation showed the market value of the Combined Scheme's assets to be £13,114,000 (excluding Additional Voluntary Contributions), compared with the value of the accrued benefits of £12,542,000. There were therefore sufficient assets to cover 105% of the accrued benefits, based on the long-term funding assumptions.

The Company has agreed to continue to support the Trustees of the scheme with the ultimate aim of a Buy-Out, as a result the assets have been moved onto a platform managed by Legal and General Investment Management (LGIM). During the next 12 months, based on this aspiration, payments will be made to the scheme amounting to £300,000.

The assets of these now combined schemes are held separately from those of the Company and invested in equities and fixed interest investments to diversify its holdings and which aim to match the movement in interest rates. The Analysis of Scheme Assets, below, gives the split.

The values used in the Financial Statements are valued using IAS 19, which shows a surplus of £823k (2024:£1.02m. However, the Director's support the goal of a Buyout for the Scheme which is likely to result in a premium being paid to the insurance company. This would mean that the Directors do not expect this asset to be realised or ultimately distributable.

The major assumptions used by the actuary were:	2025	2024	2023
Inflation %	3.35	3.40	3.60
Rate of increase in pension payment %	3.05	3.10	3.40
Discount rate %	5.80	4.90	4.70
Withdrawal of tax free cash %	25.00	25.00	25.00

The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes. Equity and property returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds.

An additional assumption that members take advantage of the ability to withdraw 25% of their fund tax free on retirement has been included within the calculation to recognise that this is a frequent occurrence.

Mortality assumptions

The mortality tables were reviewed as part of the actuarial valuation as at 31 March 2024 (SAPS (S3NA) year of birth tables with CMI 2023 projections). The current tables reflect expected future mortality rates. These rates have remained stable for male members and increased for female members in the 12 months since March 2024. The assumed life expectations on retirement at age 65 are:

	2025	2024	2023
Retiring today:			
Male	21.9	21.9	21.7
Female	24.5	24.5	24.6
Retiring in 20 years:			
Male	23.5	23.5	23.2
Female	26.2	26.1	26.4

23. Retirement benefit schemes (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities £000
Discount rate	Decrease by 0.5%	Increase by 649
	Increase by 0.5%	Decrease by 589
Rate of inflation	Decrease by 0.5%	Decrease by 254
	Increase by 0.5%	Increase by 275
Rate of mortality	Decrease by 1 year	Decrease by 328
	Increase by 1 year	Increase by 345

Amounts recognised within net finance costs are as follows:

	2025 £000	2024 £000
Interest income on pension scheme assets	640	554
Interest on pension scheme liabilities	(583)	(559)
	<u>57</u>	<u>(5)</u>

The amount included in the statement of financial position arising from the Group and Company's obligations in respect of its defined benefit scheme is as follows:

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Fair value of scheme assets	11,543	13,117	11,516	11,773	11,405
Present value of defined benefit obligations	(10,720)	(12,095)	(12,053)	(16,610)	(17,801)
Surplus/deficit in scheme	823	1,022	(537)	(4,837)	(6,396)
Related deferred tax (liability)/asset	(206)	(255)	134	1,209	1,215
Net asset/(liability)	<u>617</u>	<u>767</u>	<u>(403)</u>	<u>(3,628)</u>	<u>(5,181)</u>

	2025 £000	2024 £000
Surplus/(Deficit) at 31 March (opening)	1,022	(537)
Company contributions	300	909
Administration costs	(25)	(38)
Net interest income/(expense)	57	(5)
Actuarial (loss)/gain	(531)	693
Surplus at 31 March (closing)	<u>823</u>	<u>1,022</u>

23. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations are as follows:

	2025 £000	2024 £000
As at 31 March (opening)	12,095	12,053
Interest cost	583	559
Benefits paid	(394)	(304)
Experience loss on defined benefit obligation	64	59
Actuarial (gain)/loss		
- changes in demographic assumptions	(120)	(95)
- financial assumptions	(1,508)	(177)
As at 31 March (closing)	<u>10,720</u>	<u>12,095</u>

Movements in the fair value of the scheme assets are as follows:

	2025 £000	2024 £000
As at 31 March (opening)	13,117	11,516
Interest income	640	554
Employer contributions	300	909
Benefits paid	(394)	(304)
Administrative costs	(25)	(38)
Actuarial (loss)/gain – difference on return on plan assets to expectation	(2,095)	480
As at 31 March (closing)	<u>11,543</u>	<u>13,117</u>

The analysis of the scheme assets is set out below:

	2025	2024	2023
Equities	19%	66%	69%
Fixed interest / cash	81%	34%	31%

Virgin Media Case

A potentially landmark judgement in the High Court case of Virgin Media vs NTL Trustees was handed down on 16 June 2023. The judge in this case ruled that, where benefit changes were made without a valid ‘section 37’ certificate from the Scheme Actuary, those changes could be considered void. The judgement could have material consequences for some Defined Benefit schemes which previously contracted-out of the state pension system. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court’s decision. The High Court’s decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis and made amendments between April 1997 and April 2016. Historic scheme amendments without the appropriate certification might be considered invalid, leading to additional, unforeseen liabilities. We understand that detailed investigation into historic Scheme amendments remains ongoing and is at an early stage. Therefore, the amount of any potential impact on the defined benefit obligation cannot be confirmed and/or measured with sufficient reliability at the 2025 year-end.

23. Retirement benefit schemes (continued)

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and in the year ended 31 March 2024 amounted to £607,000 (2024: £615,000).

There is an accrual of £51,000 (2024: £47,000) in the Statement of Financial Position representing the difference between the amount charged in the Income Statement and the amount paid to the pension scheme.

24. Other operating income

Income was received from RTC North in the form of Grant Funding, supporting the Feasibility of Automated Unloading during 2023-24.

	2025 £000	2024 £000
R&D Tax Claim, RDEC credit	61	-
RTC North	-	18
	<u>61</u>	<u>18</u>

25. Derivatives/financial instruments: information on financial risks

Categories of financial instruments:

	2025 Group £000	2024 Group £000	2025 Company £000	2024 Company £000
Financial assets				
Trade and other receivables – measured at amortised cost	1,490	1,639	1,490	1,639
Intragroup receivables – measured at amortised cost	-	-	527	527
Derivative financial instrument	32	-	32	-
Cash and cash equivalents – measured at cost	2,169	1,684	2,169	1,684
	<u>3,691</u>	<u>3,323</u>	<u>4,218</u>	<u>3,850</u>
Financial liabilities				
Trade and other payables measured at amortised cost	1,509	1,672	1,509	1,672
Lease liabilities - measured at amortised cost	202	85	202	85
Intragroup liabilities – measured at amortised cost	-	-	948	948
	<u>1,711</u>	<u>1,757</u>	<u>2,659</u>	<u>2,705</u>

All trade and other payables are repayable in less than 12 months and are unsecured. Amounts owed to group undertakings are unsecured and repayable on demand, none is interest bearing.

25. Financial instruments: information on financial risks (continued)

Financial risk management policies

The main market risks to which the Group is exposed are commodity prices, interest rates and foreign exchange. There is also exposure to credit risk and liquidity risk. The Group monitors these risks and will take appropriate action to minimise any exposure through the use of natural hedges and forward currency contracts where appropriate.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2025	2024	2025	2024
	£000	£000	£000	£000
US Dollar	19	2	308	595
Euro	-	-	3	21
Australian Dollar	-	-	-	-
Canadian Dollar	-	-	11	55
	19	2	322	671

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of US Dollar. In the opinion of the directors a 5% increase or decrease in sterling against the US Dollar would not have a material effect on the profit for the year and equity. Should volumes change and the risk increase the Group has the ability to amend its pricing to mitigate the effect on profit and equity.

Interest rate risk

The Group has no borrowing and any excess funds are invested in money markets and/or available for sale financial assets. The directors believe that by constantly reviewing the options any excess funds are adequately invested.

In the opinion of the directors a 5% increase or decrease in interest rates would not have a material effect on the profit for the year and equity, excluding the Defined Benefit Scheme.

Credit risk

The Group and the Company controls its exposure to credit risk by setting limits on its exposure to individual customers and compliance is monitored by management. As part of the process of setting customer credit limits, different external credit reference agencies are used, according to the country of the customer. In addition, the Group and Company maintains a credit insurance policy which significantly limits its exposure to credit risk. There are no significant concentrations of credit risk. The Group and Company manages the risk on cash equivalents by depositing funds with banks that have high credit ratings.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's and Company's short, medium and long-term funding and liquidity management requirements. The Group and Company manage liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

26. Lease liabilities – maturing analysis

	Within 1 year £000	1 to 5 years £000	Total at 31 March £000
Year ended 31 March 2024			
Property lease	48	-	48
Vehicle lease	12	25	37
	<u>60</u>	<u>25</u>	<u>85</u>
Year ended 31 March 2025			
Property lease	62	116	178
Vehicle lease	12	12	24
	<u>74</u>	<u>128</u>	<u>202</u>

These balances represent the gross cash payments (non-discounted) to be made in respect of the lease liabilities.

27. Net debt reconciliation

Group and Parent Company

	At 1 April £000	Cashflow £000	Lease liabilities £000	Exchange and other non-cash movements £000	At 31 March £000
Year ended 31 March 2024					
Cash and cash equivalents	2,717	(955)	(73)	(5)	1,684
Lease liabilities	(118)	-	33	-	(85)
Net cash/(debt) at end of year	<u>2,599</u>	<u>(955)</u>	<u>(40)</u>	<u>(5)</u>	<u>1,599</u>
Year ended 31 March 2025					
Cash and cash equivalents	1,684	566	(74)	(7)	2,169
Lease liabilities	(85)	-	(117)	-	(202)
Net cash/(debt) at end of year	<u>1,599</u>	<u>566</u>	<u>(191)</u>	<u>(7)</u>	<u>1,967</u>

28. Transactions with related parties

There have been no related party transactions during the year, dividends paid to Directors amounted to £784 (2024: £724) based on their shareholdings at the date the dividend was declared. Details of Directors' remuneration can be seen in note 22.

As at the year end, the Company had the following transactions outstanding with related parties, all of which are subsidiaries:

due from
R.M Manufacturing & Engineering Co Ltd £527k (2024: £527k)
due to
D P 1999 Ltd £223k (2024: £223k)
Holt Siron & Company Ltd £153k (2024: £153k)
Oakley Bedsteads Ltd £25k (2024: £25k)
Perkins and Powell Ltd £11k (2024: £11k)
Mander Frame Co Ltd £530k (2024: £530k)
Walker Fender Co Ltd £7k (2024: £7k)

There is no intention to collect or repay these amounts within the next 12 months.

29. Contingencies and commitments

As at 31 March 2025 the Group had no contracts placed with suppliers for capital expenditure amounting £0 (2024: £269,000), relating to plant and equipment. The Group had no contingent liabilities at 31st March 2025.

30. Events after the statement of financial position date

The financial statements were authorised for issue on 24 July 2025, and there are no events after the reporting period which would impact these financial statements.

Notice is hereby given that the one hundred and thirty second Annual General Meeting of Samuel Heath & Sons plc (the Company) will be held at the registered office of the Company, Leopold Street, Birmingham, on 11 September 2025 at 12.00 noon.

The general business of the meeting will be to consider and, if thought fit, pass the following resolutions:

1. That the Directors' report and audited accounts for the year ended 31 March 2025 be approved and adopted.
2. That a final dividend for the year ended 31 March 2025 of 8.5625 pence per share be declared payable on 26 September 2025 to ordinary shareholders registered at the close of business on 22 August 2025.
3. That Mr A.R. Buttanshaw who retires by rotation be re-elected a director.
4. That Mr M.P. Whieldon who retires by rotation be re-elected a director.
5. That MHA Audit Services LLP be reappointed as auditors and that the directors be authorised to determine their remuneration.

As special business to consider and, if thought fit, to pass the resolutions of which Resolutions 6 and 7 will be proposed as an Ordinary Resolution and Resolution 8 as a Special Resolution.

6. That the Company be authorised, pursuant to Article 10 of the Articles of Association of the Company, to make market purchases (within the meaning of Section 693 of the Companies Act 2006) on the London Stock Exchange up to a cumulative maximum of 380,148 ordinary shares of 10 pence each in the capital of the Company at a price of not less than 10 pence per ordinary share and not more than 5% above the average of the middle market quotations of the ordinary shares as derived from the Stock Exchange Daily Official List on the 5 dealing days before the purchase.

The prices specified above are exclusive of expenses.

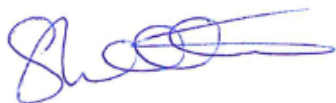
The authority hereby conferred shall expire at the next Annual General Meeting unless previously varied, revoked or renewed by the Company in General Meeting, provided that the Company shall be permitted to make any contract of purchase of any such shares which will or may be executed wholly or partly after the authority hereby conferred shall have expired.

7. That the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution for any authorities previously granted to the Directors), pursuant to Sections 549 to 551 of the Companies Act 2006 ("the Act"), to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £25,343 provided that this authority shall expire on 10 September 2030 save that the Company may before such expiry make offers, agreements or arrangements which would or might require relevant securities to be allotted after such expiry and so that the Directors of the Company may allot relevant securities in pursuance of such offers, agreements or arrangements as if the authority conferred hereby had not expired.
8. That the Directors of the Company be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560(1) of the Act) pursuant to the authority conferred by Resolution 7 as if Section 561 of the Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to a) the allotment of equity securities in connection with or pursuant to an offer by way of rights issue or open offer to the holders of equity shares in the Company in proportion (as nearly as may be) to such holders' holdings of such shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise and b) the allotment (otherwise than pursuant to (a) above) of equity securities for cash up to an aggregate nominal amount of £25,343 provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company or, if later, 15 months from the passing of this resolution, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities

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(continued)

to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

By order of the Board



Simon Latham

Secretary

24 July 2025

Notes:

1. Any member entitled to attend and vote at the above Meeting may appoint one or more persons as proxies, who need not also be members, to attend and vote on his behalf. Proxy forms must be lodged with the Registrar not later than 48 hours before the time fixed for the meeting.
2. A statement of the share transactions of each director for the twelve months to 11 July 2025 is available for inspection at the registered office during usual business hours on any weekday (excluding Saturdays and public holidays) until 09 September 2025 and will also be available at the Annual General Meeting from 11.45 a.m. until 15 minutes after the meeting is closed.
3. 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 of close of business on 09 September 2024 or, in the event that the AGM is adjourned, registered in the register of members by close of business on the day falling two business days prior to the date of any adjourned meeting, shall be entitled to attend or vote in respect of the number of shares registered in their name at the relevant time. Changes to entries in the register of members after close of business on 09 September 2025 or, in the event that the AGM is adjourned, after close of business on the day falling two business days prior to the date of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the AGM.
4. You can vote either:
 - a. by using the Investor Centre app or by logging on to <https://uk.investorcentre.mpms.mufg.com/> and following the instructions (see below);
 - b. You may request a hard copy form of proxy directly from the registrars, MUFG Corporate Markets, via email at shareholderenquiries@cm.mpms.mufg.com or on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
 - c. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below;
 - d. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged by 12 noon on 09 September 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the company's registrar). It allows you to securely manage and monitor your

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(continued)

shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: <https://uk.investorcentre.mpms.mufg.com/>.



5. In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by MUFG Corporate Markets at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL by 12 noon on 09 September 2025.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

6. 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 & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 noon on 09 September 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Unless otherwise indicated on the Form of Proxy, Crest, Proximity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold voting.

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